vivendi

ANNUAL
REPORT
2014

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2014

The Annual Report in English is a translation of the French "*Document de référence*" provided for information purposes.
This translation is qualified in its entirety by reference to the "*Document de référence*".

MANAGEMENT MESSAGE

2014 was a year that was full of changes for Vivendi, which successfully managed the shift toward refocusing its goals. Reconfigured and free of debt, a new integrated industrial group is emerging with a clear ambition to become the European champion in media and content.

"We are confident in Vivendi's ability to win over the new media consumers of the 21st century."

Vivendi is now writing a new page in its history. The holding company of yesterday that managed financial interests in various businesses has today been replaced by an integrated industrial group in media and content that values the potential of all creative talent.

Initiated more than two years ago, the repositioning of Vivendi was completed in 2014 with the disposal of our three telecommunications assets: Maroc Telecom, SFR and GVT. To facilitate the distribution of our content, however, we are retaining minority stakes in certain markets and remain open to industrial partnerships with other distribution platforms.

These three strategic disposals, made under satisfactory financial conditions, allowed Vivendi to erase its debt and restore its financial flexibility. Our net debt position of over €11 billion as of December 31, 2013, shifted to a net cash position of €4.6 billion as of December 31, 2014, before finalization of the GVT sale (planned for the second quarter of 2015) and the anticipated return to our shareholders.

The proceeds from these three disposals are specifically intended to give Vivendi new resources to expand in media and content. By 2014, the group already consolidated its positions in TV, film and music. In pay-TV, Canal+ continues to grow in France, where the SVoD (Subscription Video-on-Demand) service Canalplay has 600,000 pay subscribers, as well as in Africa, where A+, a new 100% African channel was launched in approximately 20 countries. Free-to-air TV also recorded a solid performance, supported by the audiences of D8, which is confirming its status as a leader in DVB. The year 2014 was particularly prosperous for Studiocanal, with the large box-office success of movies such as *Non-Stop* and *Paddington*. Finally, Universal Music Group (UMG), now more than ever the world leader in recorded music, posted excellent album sales in 2014, from Taylor Swift to Stromae, and the original soundtrack of the Disney movie *Frozen*.

€10,089* million
Revenues

€999* million
EBITA

15,571*
Employees

Present in
67
countries

** Excludes GVT*

From left to right:
Frédéric Crépin, Group General Counsel and Company Secretary - **Hervé Philippe**, Member of the Management Board, Chief Financial Officer
Vincent Bolloré, Chairman of the Supervisory Board - **Arnaud de Puyfontaine**, Chairman of the Management Board
Stéphane Roussel, Member of the Management Board, Senior Executive Vice President, Development and Organization
Simon Gillham, Chairman of Vivendi Village, Senior Executive Vice President, Communications

In a difficult regulatory and competitive environment, all our businesses demonstrated an ability to adapt, develop and grow. The group generated total revenues of more than €10 billion in 2014. Building on these results, the new Vivendi is presently ready to achieve new growth targets.

We are convinced that this new growth is in media and content. Why?

Firstly, because there will be many more consumers who can be entertained in tomorrow's world. Over the next ten years, the world's middle class is estimated to increase by as much as it did during the entire 20th century. This means that two billion people in Africa, Asia and Latin America will enter the leisure economy by 2025.

Secondly, because tomorrow's consumers will be better connected and better equipped for entertainment: at home or traveling, on one screen or more than one simultaneously, and on demand or by subscription. The dissemination of the Internet, particularly on mobile devices, means that the number of users around the world will double over the next ten years.

We are confident in Vivendi's ability to capitalize on these tremendous changes and win over the new media consumers of the 21st century. Our group is present on every continent, with French roots, an international reputation, and operations in certain high-potential regions (such as Africa and Vietnam). With Canal+ and UMG, we have two lead brands in their respective markets that are able to produce and distribute exclusive content. Finally, Vivendi has already begun its digital metamorphosis by investing in the latest generation of platforms. This is the purpose behind the recent creation of "Vivendi Village", which brings together innovative digital services.

All these assets are invaluable in strengthening our presence in the new geographic and digital markets. They must not, however, serve as an excuse for immobility and inaction. 2015 must be the year that allows us to move further, and more rapidly, in the transformation of Vivendi.

Above all, Vivendi must accelerate its transition from being a holding company to becoming an integrated industrial group. This task, which has become necessary as a result of the digital revolution that is blurring the traditional boundaries between media, will reveal the shared development potential of our different operations. It is based on a few clear principles: a simplified organization, giving priority to organic growth, maintaining a strict financial discipline and increasing the cooperation among our businesses.

Vivendi intends to make an even greater commitment to talent, wherever it is found and whatever it is. As a major media group known for its exceptional expertise in music, TV, and film, Vivendi wants to go a step further in finding and developing emerging talent. Because we also have a duty to bring out creative potential in those who do not necessarily have the resources to express themselves, we have decided to make equal opportunity the central focus of this process, in a spirit of living together with others.

Finally, Vivendi wants to pursue such initiative as a continuation of its corporate social responsibility (CSR) policy and commitments. Our priority is to strengthen Vivendi's pioneering position in CSR, which is regularly praised by non-financial ratings agencies, investors and by all the group's partners.

This roadmap is being supported by the energy and enthusiasm provided by the cohesive team that best reflects Vivendi as a whole. A new era is beginning for Vivendi, with one great ambition: to become tomorrow's European champion in media and content. For more than 160 years, Vivendi has never ceased transforming and reinventing itself. We are optimistic about the group's ability to meet this new challenge.

AT THE CENTER OF OUR BUSINESSES

Television Film Music Digital

As an integrated media and content industrial group, Vivendi holds a world leadership position in music, is the European leader in films, and the French leader in television. It is present across the entire value chain - from the discovery of talent to the creation, production and distribution of content.

Today's developments in these businesses occur in the digital arena. The group's leadership positions mean that it can fully seize all opportunities. Digital is also driving the convergence in consumption modes for musical and audiovisual content, multiplying the possibilities for synergies and projects among the three Vivendi subsidiaries: Canal+ Group, Universal Music Group and Vivendi Village.

CANAL+ GROUP

Canal+ Group is the French leader in pay-TV. It is also present in free-to-air TV and film, and has operations in Europe, Africa and Vietnam.

Revenues **€5,456 million**

7,033 employees

Canal+ Group produces the Canal+ pay-TV channels, which are recognized for the originality, creativity, and exclusivity of their content. It also distributes Canalsat, a pay-TV package featuring over 150 channels. In 2012, Canal+ Group developed its free channel division by purchasing D8 and D17. At year-end 2014, D8 was ranked fifth-largest national channel (market share of 3.3%), confirming the effectiveness of the investments made in free-to-air TV.

In light of the way digital consumption modes are developing, Canal+ Group has implemented several tools: the mobile application myCanal, the SVoD (video-on-demand by unlimited subscription) service Canalplay, and a multi-channel network on YouTube. In 2014, to further accelerate its deployment in the sector, Canal+ Group created a new division, Canal OTT.

As it seeks to expand in Africa, in October 2014, the group launched A+, a new channel made by Africans for Africans. At year-end 2014, Canal+ Group had more than 1.55 million subscribers on the African continent.

In addition to its film investment obligations as a French pay-TV channel, Canal+ Group owns Studiocanal, the European leader in movies and television series. It operates in the three main European markets (France, United Kingdom and Germany), Australia, and New Zealand.

UNIVERSAL MUSIC GROUP

Universal Music Group (UMG) is the world leader in recorded music. In 2012, it purchased EMI Recorded Music, as a result of which it now holds more than 30% of its global market.

Revenues
€4,557
million

7,592
employees

UMG covers three major businesses: recorded music, music publishing and merchandising.

The recorded music business discovers and develops artists. These artists are signed under one of the 50 UMG labels. In 2014, the best sellers were not only recorded by confirmed international artists such as Katy Perry, Maroon 5 and Taylor Swift, but also by new talent, for example Sam Smith, Ariana Grande, Lorde, 5 Seconds of Summer, Stromae and Imagine Dragons, and by local artists such as Indila in France and Helene Fischer in Germany.

The music publishing business acquires music rights and licenses those rights for use in recordings, movies, televised broadcasts, advertising, concerts and other public events. The combined music publishing catalog of Universal Music Publishing Group contains more than three million titles, either owned or managed.

UMG has developed a merchandising business via its Bravado subsidiary, for artists under contract with UMG. Bravado designs branded products that are sold during tours, in specialty stores and online.

The digital revolution has had the effect of transforming the music business model during the last few years. Music streaming has recently developed significantly, overtaking downloading in many countries. UMG supports these new consumption methods, particularly through partnerships with Spotify, iTunes, Deezer, Google and Vevo.

vivendi village

Vivendi Village is composed of Vivendi Ticketing (Digitick and See Tickets), Wengo, Watchever, and The Olympia (included within Vivendi Village since February 2015). These different entities are driven by the same entrepreneurial spirit. Responsive and nimble, they are able to rapidly set up and develop innovative projects, particularly in the digital market. Vivendi Village thus acts as a laboratory for ideas for the entire group. By bringing these entities together under one umbrella, Vivendi gives them an opportunity to accelerate their development.

vivendi ticketing

Vivendi Ticketing holds Digitick Group and See Tickets.

Digitick, the French leader in electronic and mobile ticket sales, offers a full line of services (real-time ticket management, the sale of electronic tickets, the zePass.com platform and the Infoconcert data base).

See Tickets is a leader in the distribution of tickets for theaters and events in the United Kingdom. It sells tickets on all the networks. See Tickets also operates in the United States.

wengo

Through several Internet sites, Wengo is the French leader in providing advice over the phone (including legal, education and astrology). In addition to France, it is present in Spain, Portugal, Brazil, Turkey, Italy, Germany and Greece.

WATCHEVER

Watchever is an SVoD service (video-on-demand by unlimited subscription) in Germany and offers an extensive catalogue of local and international content (movies, series, cartoons, and more).

L'OLYMPIA BRUNO COQUATRIX

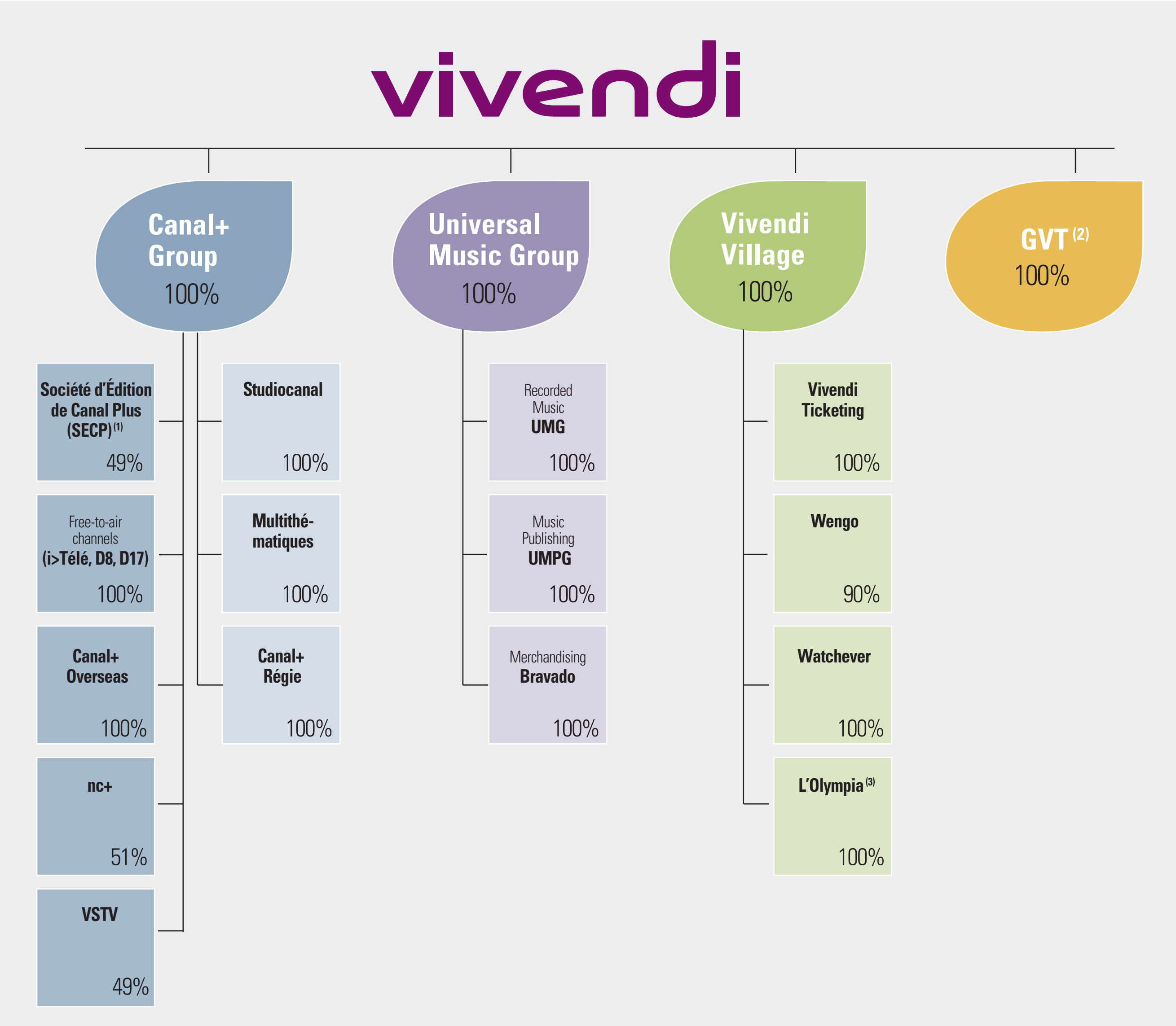
Listed as part of the French cultural heritage, The Olympia is one of the legendary venues of Paris. Artists (singers, musicians and comedians) of all genres and all nationalities perform at this theater every night.

Group Profile | Businesses | Litigation | Risk Factors

SECTION 1 Group Profile

1.1. Simplified Economic Organization Chart of the Group

Percentage of voting interest held by Vivendi as of December 31, 2014



(1) Listed company.
(2) Discontinued operation. For more information, please refer to the Financial Report in Chapter 4, Section 1.1.3.
(3) Included within Vivendi Village since February 2015 (and a member of the Vivendi Group since 2001).

1.2. Key Figures

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively.

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

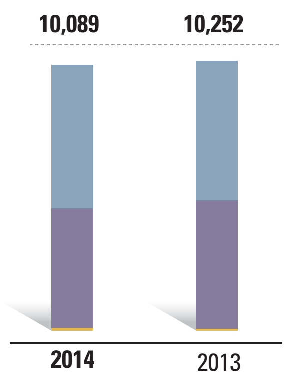
- their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations";
- in accordance with IFRS 5, these adjustments have been applied to all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

Income from operations, EBITA and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance, as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that they are relevant indicators in assessing the group's operating and financial performance.

Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they better illustrate the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Each of these indicators are defined in Chapter 4 of the Financial Report, Section 4 or in the Notes to the Consolidated Financial Statements for the year ended December 31, 2014.

Revenues by business segment

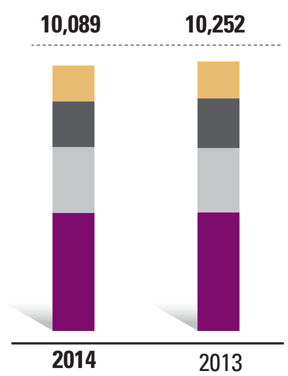
December 31 – in millions of euros



	2014	2013
Canal+ Group	5,456	5,311
Universal Music Group	4,557	4,886
Vivendi Village	96	71
Elimination of intersegment transactions	(20)	(16)
TOTAL	10,089	10,252

Revenues by geographic region

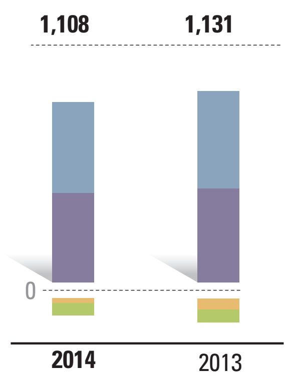
December 31 – in millions of euros



	2014	2013
France	4,482	4,491
Rest of Europe	2,505	2,462
USA	1,748	1,883
Rest of the world	1,354	1,416
TOTAL	10,089	10,252

Income from operations by business segment

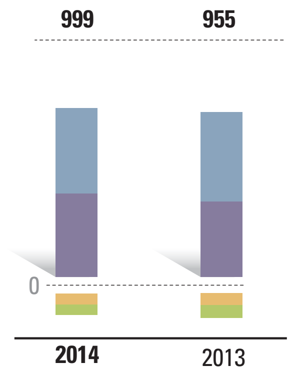
December 31 – in millions of euros



	2014	2013
Canal+ Group	618	660
Universal Music Group	606	636
Vivendi Village	(34)	(78)
Corporate	(82)	(87)
TOTAL	1,108	1,131

EBITA by business segment

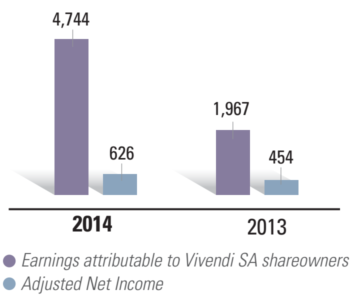
December 31 – in millions of euros



	2014	2013
Canal+ Group	583	611
Universal Music Group	565	511
Vivendi Village	(79)	(80)
Corporate	(70)	(87)
TOTAL	**999**	**955**

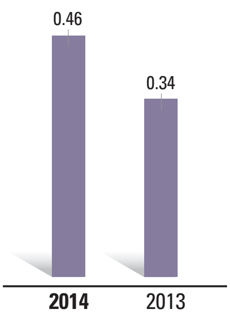
Earnings attributable to Vivendi SA shareowners and Adjusted Net Income

December 31 – in millions of euros



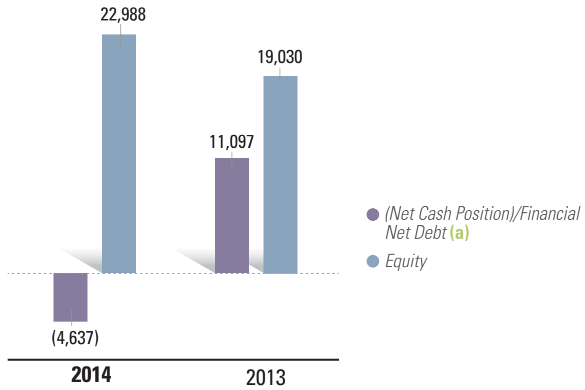
Adjusted Net Income per share

December 31 – in euros



(Net Cash Position)/Financial Net Debt and equity

December 31 – in millions of euros



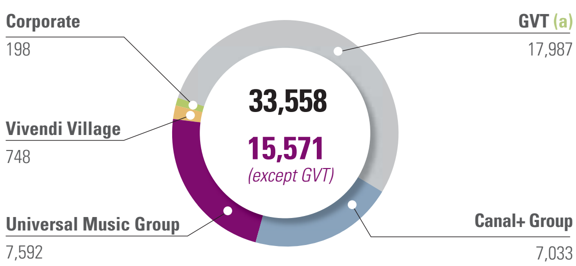
(a) Vivendi considers Net Cash Position and Financial Net Debt non-GAAP measures to be relevant indicators in measuring Vivendi's treasury and capital resources position:

- Net Cash Position is calculated as the sum of cash and cash equivalents as reported on the Consolidated Statement of Financial Position, derivative financial instruments in assets, and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets") less long-term and short-term borrowings and other financial liabilities.
- Financial Net Debt is calculated as the sum of long-term and short-term borrowings and other financial liabilities as reported on the Consolidated Statement of Financial Position, less cash and cash equivalents as reported on the Consolidated Statement of Financial Position as well as derivative financial instruments in assets and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets").

Net Cash Position and Financial Net Debt should be considered in addition to, and not as substitutes for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP, and Vivendi considers that they are relevant indicators of the treasury and capital resources position of the group. Vivendi Management uses these indicators for reporting, management, and planning purposes, as well as to comply with certain of Vivendi's debt covenants.

Headcount by business segment

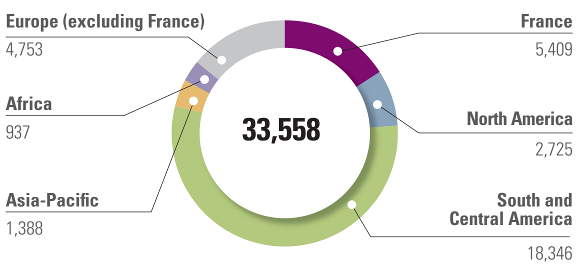
December 31, 2014



(a) *Discontinued operation.*

Headcount by geographic region

December 31, 2014



1.3. Strategy

1.3.1. Vivendi's Transformation into an Integrated Industrial Group in Media and Content

2014 was marked by structural changes in the governance, strategy and organization of Vivendi.

Stronger Governance

Following the end of the Shareholders' Meeting held on June 24, 2014, Vivendi's Supervisory Board made several significant changes in the group's governance:

- it elected Vincent Bolloré as Chairman of the Supervisory Board, replacing Jean-René Fourtou who became Honorary Chairman; and
- it appointed three members to the Management Board: Arnaud de Puyfontaine, as Chairman, replacing Jean-François Dubos, Hervé Philippe, Chief Financial Officer, and Stéphane Roussel, Senior Executive Vice President, Development and Organization.

Concomitantly, the Supervisory Board increased its size by the addition of three new independent members: Philippe Bénacin (Interparfums), Katie Stanton (Twitter), and Virginie Morgon (Eurazeo).

Completion of our Repositioning in Media and Content

In 2014, the new executives completed the work that had started more than two years prior to refocus the group on its media and content operations. The implementation of the following three major transactions have, and to the extent not completed, will upon completion, result in the strategic repositioning of Vivendi:

- in May 2014, Vivendi sold its 53% stake in Maroc Telecom to Etisalat for a final consideration of €4,138 billion;
- in November 2014, Vivendi finalized the merger between SFR and Numericable for a cash consideration of €13,166 billion; and
- in September 2014, Vivendi and Telefonica entered into a definitive agreement for the sale of GVT, which provides for a cash consideration of €4.66 billion before adjustments. This transaction is expected to be finalized in the second quarter of 2015.

Vivendi has sharply reduced its telecom investment with these three disposals, but it has retained its tactical interests as a minority shareholder to facilitate the distribution of its content.

Vivendi's exit from telecommunications was accompanied by expansion in media and content, where the group already holds leadership positions. In 2014, several transactions strengthened Vivendi's presence in television, film and music:

- in March 2014, Canal+ Group acquired a majority stake in Studio Bagel, the top comedy channel network on YouTube in France;
- in April 2014, Universal Music Group (UMG) acquired the British company Eagle Rock Entertainment, the largest producer and distributor worldwide of music programming for DVD, Blu-Ray, and digital TV and media; and
- in October 2014, Canal+ Group launched A+, a new 100% African channel, available in approximately 20 countries in West and Central Africa through the Canalsat package.

After reducing its debt and refocusing on its core operations, Vivendi has powerful resources at its disposal to take new steps towards growth in media and content.

The First Milestones toward an Integrated Industrial Group

Following the end of the General Shareholders' Meeting held on June 24, 2014, the Supervisory Board resolved to transform Vivendi from a holding company into an integrated industrial group, with a clear objective: to reveal the hidden value of the group's businesses and to develop common projects.

This transition became necessary as a result of changes in the digital environment, bringing about a convergence in the modes of use and distribution of musical and audiovisual content. By blurring the boundaries between the different media, the digital revolution is revealing the common factors among Vivendi's businesses and is offering them new opportunities to collaborate together.

New methods for working along these lines have already been established. Co-founder seminars attended by the group's top executives are held regularly and focus on four priority areas: future content, data and monetization, Africa, and cooperation and projects.

More generally, Vivendi's shift from a holding company to an integrated industrial group is becoming a reality in three different ways:

- simplified and seamless organization, better adapted to the new realities of the group:
  - a strengthened executive team and a management aligned towards common objectives,
  - increased cooperation and close partnerships among the business units;
- rigorous tracking of operational performance:
  - attention paid to cash generation,
  - regular, in-depth reporting;
- rigorous investment criteria:
  - priority given to organic growth, and
  - investment discipline that takes account of financial balances and is compatible with strategic investments that create value.

This strategic and organizational transformation will allow the new Vivendi to act as a facilitator and accelerator of performance, capable of creating long-term value.

1.3.2. One Ambition - to Make Vivendi a World-Class French Multimedia Group

Vivendi is moving forward with its transformation with one clear ambition - to become a media champion with a European identity and an international reach, capable of creating and distributing content that is unique in its genre, everywhere in the world.

This ambition first requires the achievement of several objectives in 2015:

- reinforcing our presence in the high-growth markets;
- accelerating the digital transition of our businesses;
- taking concerted action to identify and support new talent; and
- enhancing our pioneering position in the area of CSR.

Reinforcing our Presence in the High-Growth Markets

To continue its development, Vivendi must capture the extraordinary growth potential that new geographic markets will generate in the coming years.

First, the number of consumers of cultural products will increase rapidly in several continents over the next decade. The OECD estimates that two billion people will join the middle class in Africa, Asia, and Latin America by 2025. In moving from a subsistence economy to an entertainment economy, individuals will naturally tend to consume more media and content.

As a result, Vivendi must reinforce its presence in these high-potential markets, which represented 25% of its revenues in 2013. Several of the group`s businesses are already partially expanding in these countries:

- present in Vietnam and Poland, Canal+ Group seeks to accelerate its growth in Africa where it currently has 1.55 million subscribers; and
- UMG, which today generates 80% of its revenues in only five countries, has announced its intention to expand into China, India and Indonesia.

Accelerating the Digital Transition of our Businesses

Greater numbers of consumers will have easy and personalized access to cultural products: at home, when traveling, on one or more screens, on demand, or by subscription. They will benefit from the pervasive use of the Internet and the increase in connected equipment: between 2010 and 2025, the number of Internet users in the world is expected to almost double from 2 billion to 3.8 billion. Between 2013 and 2017, for mobile Internet alone, the number of users is expected to increase from 1.9 billion to 2.9 billion.

Vivendi must therefore seize the opportunities that arise from these new consumption and distribution models. The group has already begun to invest in innovative services such as streaming, SVoD and electronic ticket sales:

- Vivendi holds high-value interests in new generation platforms at the point of intersection of media and digital: such as Vevo, Studio Bagel and Spotify; and
- Vivendi has just created “Vivendi Village”, which brings together innovative and dynamic companies (Vivendi Ticketing, Wengo, Watchever and The Olympia).

Through its investments in digital platforms, Vivendi will be capable of collecting and creating value from its customer data. By better understanding their usage, and knowing more about their tastes, the group will be able to offer content and services tailored to its customers, particularly in music. The Global Music Data Alliance (GMDA) formed in January 2015 by UMG and the Havas group fits into this strategy.

Finally, the digital vector and the geographic vector are two growth multipliers for all Vivendi’s businesses.

Taking Concerted Action to Identify and Support New Talent

Due to the strength of its brands, the variety of its artists and the quality of its offerings, Vivendi is today a group with recognized expertise in the discovery and management of talent - all talent, whether artistic or operational, international or local. For example, more than 60% of UMG’s physical and digital sales are recorded by local artists in over 59 countries.

Supported by its ability to manage exceptional expertise in music, television and film, our group intends to take a new step in the identification, development and emergence of talent.

This is the reason for Vivendi’s recent launch of “Vivendi Talents”, a project designed to maximize the potential of all talent in creation and expression:

- within traditional professional circuits by combining the group’s different initiatives in this area (including Talent Factory, Canal Start and Island Africa Talent); and
- beyond the traditional identified talent pools, and in an equal opportunity approach, by relying on associations supported by the Create Joy solidarity program.

“Vivendi Talents” will be placed into a concrete format with the opening of an emblematic space within Vivendi`s corporate headquarters, where new talents will be able to express themselves, present their projects and meet with experts.

The group aims to combine this desire to find new talent with its social and environmental commitment.

Enhancing our Pioneering Position in the Area of CSR

By marking a sphere of responsibility for the media and cultural industry sector, Vivendi has for several years now defined a corporate social responsibility (CSR) policy directly related to its operations as a publisher, producer and distributor of content.

This policy is based on four strategic challenges:

- promoting cultural diversity in the offer of content and artistic expression;
- protecting and supporting the young people in their use of digital media;
- sharing knowledge, including pluralism in the availability of information and accessibility to and education in media; and
- protecting and enhancing the use of personal data.

Moreover, in 2010, Vivendi was one of the first companies in the CAC 40 to introduce CSR objectives into the variable compensation of its executives, a best practice recognized by the AMF (see Chapter 2, Section 1.2 of this Annual Report).

In 2014, Vivendi was ranked second among European companies in the media sector by the non-financial ratings agency Vigeo, which praised our CSR performance. Once again, the group has been included in the main socially responsible investment (SRI) indices worldwide.

This very positive evaluation of the CSR policy provides confidence to investors in their choice of investment.

1.4. Financial Communication Policy and Value Creation

1.4.1. Investment Policy

To continue creating value, the group needs to increase the profitability of its operations. This requires investment and innovation. Taking this into account, Vivendi bases its investment decisions on several criteria:

- expected growth resulting from the investment, as well as its impact on the growth of adjusted net income per share and on cash flow;
- the profitability of the investment against the assessed financial risk;
- in-depth assessment of non-financial risks (e.g., geopolitical risks and currency risks).

All investment projects are reviewed first by the Investment Committee and then by Vivendi's Management Board. The most significant investments are reviewed by the Strategy Committee, and are then subject to approval by the Supervisory Board.

For major transactions, a systematic post-acquisition audit is performed to compare actual operational and financial results with the assumptions made during the investment decision process. The conclusions drawn from auditing these transactions are used to promote best practices within the group.

1.4.2. Financial Communication Policy

1.4.2.1. Objectives and Means of Vivendi's Financial Communications

Vivendi's financial communications have a clear objective of providing fair, accurate and transparent information on the group's position to all shareholders, analysts and investors. The group ensures that its financial communications comply with laws, standards and procedures applicable in France, including the French Financial Security Act, IFRS (International Financial Reporting Standards), and benchmarks set out in the COSO (Committee of Sponsoring Organizations of the Treadway Commission) report.

Vivendi's Investor Relations department maintains close, permanent relationships with analysts at brokerage firms and investment funds. It also continually feeds and updates the Investors/Analysts pages at www.vivendi.com, which are aimed primarily at institutional investors.

Vivendi also provides financial information to institutional investors through meetings organized in the main global financial markets and through the participation of executives from the head office and group businesses in investor conferences.

A total of 503 events (including road shows, investor conferences, analyst meetings and meetings at Vivendi's head office or at the offices of subsidiaries) taking place mainly in Europe and the United States, were organized in 2014. These were an opportunity for executives from Vivendi and its subsidiaries to meet representatives from 348 financial institutions and present the group's results and outlook.

Lastly, Vivendi is developing *ad hoc* communications for analysts and investors who specialize in socially responsible investments.

1.4.2.2. Communication with Individual Shareholders

Vivendi currently has 298,000 individual shareholders, holding 5.14% of its share capital (employee shareholders together hold 3.11%). The group provides them with tailored information and disclosure. The priority of Vivendi's Individual Shareholders' Information department is to give the group's shareholders close and constant support, provide them with information and understand their expectations. Vivendi has implemented several means of communication with shareholders.

In 2009, a Shareholders' Committee was created. It has ten members, whose terms of office are for a renewable two-year term. The committee acts as a bridge between Vivendi's management and individual shareholders. The committee's membership reflects the diversity of the shareholder ownership. It is kept up to date on the group's strategy and latest news, as well as its various challenges and initiatives. Its main tasks focus on the Shareholders' Meeting and the communication tools used for individual shareholders (including information sessions and newsletters). It meets at least three times a year.

A Shareholders' Club was also established in 2010. It organizes information sessions and training events related to the group's businesses. It also strives to keep shareholders informed in an easy and straightforward manner. It is open to anyone who holds a Vivendi share, in either registered or bearer form.

The Club offers a broad range of activities:

- "*Jeudi, c'est Vivendi*" themed meetings whose purpose is to provide shareholders with an insight into the group's businesses. In 2014 - these meetings focused on the financing policy of Vivendi, GVT and Canalplay (unlimited video-on-demand for Canal+ Group subscribers). These meetings are held in Paris and the rest of France;

- financial meetings held outside Paris in partnership with another group listed on the French CAC 40 index. Vivendi unveils its strategy, outlook and results at these meetings six times a year;
- training meetings with the *École de la Bourse*. In 2014, these meetings covered topics such as the tax treatment of securities and Vivendi's corporate history (during visits to the Paris and Lyon stock exchanges); and
- visits to The Olympia music hall, the Garnier and Bastille Operas as well as shows at the Sentier des Halles in Paris, live broadcasts of operas and ballets (Paris, Toulouse and Strasbourg), premiere screenings of films produced by Studiocanal (Paris and Nantes) and entertainment offered by the partner associations of *Create Joy*, Vivendi's solidarity program (*Jeunes Talents* concerts, films at the Forum des Images and performances at the Odéon Theater).

The group's website has a specific page for individual shareholders with sub-sections on, among others, "Shareholders' Meetings", "Shareholders' Newsletters", "Shareholders' Club", "Shareholders' Booklet".

The Individual Shareholders' Information department may be contacted during normal business hours Monday through Friday by telephone at 0805 050 050 (toll free in France), by e-mail (actionnaires@vivendi.com) or by mail (Vivendi – Individual Shareholders' Information department – 42, avenue de Friedland – 75380 Paris Cedex 08, France). A Twitter account has also been set up specifically for individual shareholders.

1.4.3. Value Creation in 2014

1.4.3.1. Financial Results

Vivendi's results were in line with expectations and demonstrated the capacity of the group's main businesses to fare well in a difficult environment in 2014. In this context, the group recorded a solid financial performance with current operating income of €1.1 billion, and a significantly positive contribution from all its businesses.

As of December 31, 2014, Vivendi held net cash of €4.6 billion. This improved financial position was primarily generated by the group's refocus on media and content, which resulted in the disposal of the Maroc Telecom group and SFR in 2014.

1.4.3.2. Share Price

The Vivendi share is listed for trading on Compartment A of Euronext Paris, ISIN code FR0000127771. As of December 31, 2014, Vivendi had the 13th largest market capitalization in the CAC 40 and the largest market capitalization in the STOXX® Europe 600 Media index.

Vivendi's stock closed the year 2014 at €20.69, up 8% from the end of 2013 and 13.9% on the basis of dividends reinvested. In comparison, the STOXX® Europe Media index rose 7.3% (11.3% dividends reinvested) and the CAC 40 was down 0.5% (+2.7% dividends reinvested). At the end of a particularly volatile year in 2014, the growth in the stock reflected the continued implementation of the group's strategy to refocus on media and content, illustrated by the disposal of Maroc Telecom, followed by SFR, and subsequently, by the agreement with Telefonica for the sale of GVT. Macroeconomic disappointments in Europe and geopolitical tensions impacted growth in the CAC 40 in 2014.

1.4.3.3. Dividend per Share

The Combined Shareholders' Meeting to be held on April 17, 2015 will be asked to approve the payment of an ordinary dividend with respect to 2014 of €1 per share, 20 cents of which represents the group's economic performance and 80 cents the return to shareholders following completion of the disposal transactions. The dividend would be paid in cash on or after April 23, 2015.

1.4.3.4. Share Repurchase Program

The Shareholders' Meeting will be asked to approve a share repurchase program of approximately €2.7 billion, up to the statutory maximum of 10% of the capital, at a maximum price of €20 per share or lower if the share price falls, in accordance with the market regulations governing share repurchases. The program will be implemented over a period of 18 months.

1.4.4. An Integrated Reporting Approach

Vivendi has initiated a pragmatic, integrated reporting approach to highlight the financial or non-financial mainsprings at the core of its strategy. This exercise gives stakeholders a summary grid to read the group's performance, growth drivers, corporate social responsibility (CSR) commitments, and the value it generated.

This approach illustrates the materiality of the CSR issues directly related to the group's activity, which exerts a human, cultural and intellectual influence over millions of customers and citizens. Societal priorities are, in fact, at the top of the group's concerns and commitments. It is therefore important for Vivendi, in a highly competitive international environment, to maintain a high standard for innovation, not only in its ability to discover and empower talent, in its offers of services and musical, cinematographic or audiovisual content, but also in its vision and responsibility to society. The media and cultural industries sector, while contributing to the revitalization of the economy, also contributes to the harmonious development of the world and to learning to live together.

These three pages (pages 16 to 18) illustrate this dynamic process, which will enhance the group's integrated reporting in the coming years. The pilot project launched in 2013 and focused on the cultural capital that is the mainspring of Vivendi's financial and social performance, has been widened to become an international scope and is now inserted within integrated management of the company.

VIVENDI'S RESOURCES	VIVENDI ECONOMIC MODEL	VALUE CREATION FOR VIVENDI AND ITS STAKEHOLDERS
FINANCIAL CAPITAL Vivendi has financial resources provided primarily from the results generated by its operating businesses, asset disposals that the group may decide to carry out, financing which it can obtain or has obtained from its shareholders, the financial markets and the banking system.		Enabling clients, shareholders, employees, artists, suppliers, public authorities, civil society, to benefit from the value created by the group while reinvesting to ensure the growth (international development, supporting new talents, innovation in the content and service offers).
INTELLECTUAL/CULTURAL CAPITAL *(see pilot project p.18)* Vivendi owns intellectual property rights (exploitation rights for films, audiovisual programs, music catalogues, broadcasting rights for sport events) which are marketed by its own distribution networks and devices, its digital platforms or those of its business partners. It also includes the use of brands, labels and patents. The group thus has assets that help increase its creative potential and ability to attract new talent.		Ensuring, through Vivendi's investments, a content offer that satisfies the curiosity, the desire for discovery, and the critical spirit of the group's public audiences around the world. Contributing to the promotion of a climate of openness to others and to constructive intercultural dialogue. Offering customers new technological services to access content, while developing a relationship of trust with them.
INDUSTRIAL CAPITAL The group is developing its own digital platforms (Canalplay, Watchever) and manages a large inventory of set-top boxes. It also holds properties located in the world's major capitals as a result of its European and international operations.		Guaranteeing quality in the group's equipment and platforms that meets the societal, environmental and technological expectations of customers, who wish to have the best legal offer of diversified content and guarantee respect for intellectual property.
TALENTS Internationally, Vivendi relies on the expertise and talents of employees, artists, authors, designers, journalists and technicians. The group is enriched by this cultural diversity, enabling it to produce quality original content.		Enhancing the skills of employees in a demanding and competitive digital environment. Discovering talents and ensuring that they are visible at local and international levels. Facilitating creativity at its source.
SOCIETAL ENVIRONMENT Vivendi maintains regular dialogue with all its stakeholders or their representatives (customers, shareholders, public authorities, artists, professional organizations, social partners, financial community, academic world, NGOs, etc.).		Facilitating meetings, bringing experts together, encouraging listening, in order to create the conditions for sustainable development and encourage learning to live together. Sharing the strategic challenges inherent in corporate social responsibility in the media and creative industries sector.
NATURAL RESOURCES The group, its suppliers and service providers use raw materials required in the manufacture and distribution of their offers of content, services (data centers, transport streams, consumer equipment) and products (CD, DVD, etc.).		Developing with the group's partners a better assessment of the environmental footprint of digital technology.

VIVENDI ECONOMIC MODEL

STRATEGY

PERFORMANCE

VIVENDI, A GLOBAL INTEGRATED INDUSTRIAL GROUP IN MEDIA AND CONTENT

Missions:

- To reveal and support new talent in their creativity and expression.
- To produce and distribute original quality musical, cinematographic, and audiovisual content.
- To promote access to this content for the greatest number of persons.
- To contribute to learning to live together and intercultural dialogue.

CSR

OPPORTUNITIES AND RISKS

GOVERNANCE

- A dual structure with a Supervisory Board, a collegial body that commits all its members, and a Management Board.
- Group-wide strategic committees and working groups that bring together the various skills and expertises within Vivendi.

BUSINESSES	PRODUCTS AND SERVICES
Universal Music Group, the world leader in music with strong positions in the recorded music, music publishing and merchandising markets.	Recorded Music: The largest existing catalog with over 30 labels (including Motown, Deutsche Grammophon, Polydor and Blue Note). Music platforms (Vevo, etc.). Music Publishing (Universal Music Publishing Group). Merchandising (Bravado). Partnerships with the brands (Universal Music & Brands).
Canal+ Group, the leading French audiovisual media group, with a presence in France, Africa, Vietnam and Poland. The leading contributor to French film financing and a European leader in the production and distribution of films and series.	Free and pay channels with general, theme, entertainment and news content (including Canal+, Planète, i>Télé, A+ and D8). Multi-channel packages (Canalsat, nc+, K+). Films and series: management of one of the largest film catalogs in the world, with more than 5,000 titles (Studiocanal). Film and series broadcast platforms (Canalplay).
Vivendi Village, the laboratory of ideas and developer of complementary services to the group's offers.	Digital platforms for additional services offered to consumers (Vivendi Ticketing, Wengo and Watchever). Live performances (The Olympia).

GROWTH DRIVERS

- Expanding internationally, particularly in Africa, by supporting local talent.
- Innovating in the group's offers of content and services due to transition to digital technology.
- Developing direct relationships of trust with customers and the group's various audiences.

STRATEGY

- Allowing Vivendi to benefit from the new integrated organization.
- Developing work in synergy by partnering with all group's employees.
- Building on organic growth, while studying outside opportunities.
- Holding stakes in telecom operators in order to optimize distribution of the group's content.

CSR

Ensuring the implementation of the eight CSR priorities, the first four of which are directly related to Vivendi's business sectors:

- Promotion of cultural diversity in content production and distribution.
- Empowerment and protection of young people in their use of digital media.
- Knowledge sharing (pluralism of content, media accessibility and literacy).
- Valuation and protection of personal data.
- Vigilance in business conduct.
- Social and professional empowerment of employees.
- Local economic, social and cultural development.
- Respect for the environment in the digital era.

PERFORMANCE

- Measuring achievement of the group's financial, operating and CSR results through indicators.
- Evaluating integration of CSR criteria of the sectors (media and content) into the variable remuneration of executives.
- Implementing international reporting standards (IFRS, COSO, GRI, UN Global Compact, and OECD Guidelines).

OPPORTUNITIES AND RISKS

- Seizing and maximizing opportunities, particularly those related to expertise in identifying talent, to pooling the resources of the content businesses, to knowledge of the French-speaking market, and to the innovative CSR positioning of the group.
- Anticipating and limiting the principal risks, particularly those relating to regulations, piracy, country governance and reputation.

INTEGRATED REPORTING PILOT PROJECT

Intangible Cultural Capital: the Impact of the Group's Investment in Diversity of Content on Value Creation

Vivendi, a global integrated industrial group in content and media, has implemented an integrated reporting pilot project to illustrate how promoting cultural diversity, one of Vivendi's strategic CSR issues, creates societal and financial value while preventing risks and opening up opportunities to win markets.

The Challenge

Vivendi exerts a human, cultural and intellectual influence on the lives of millions of customers and citizens worldwide due to the activities of the Universal Music Group, the world leader in music; the Canal+ Group, the leading French audiovisual media group also active in French-speaking Africa as well as Poland and Vietnam, and its subsidiary Studiocanal, which is a leading European player in the production, acquisition, and international distribution and sales of films and TV series. Vivendi has a societal responsibility to satisfy the curiosity of its audiences on all continents, to reveal their talent, to help them achieve their full potential, and to provide the necessary conditions for them to become open to the world and exercise their critical spirit.

In addition, cultural diversity is at the heart of Vivendi's businesses: music, television and film. Providing rich, original content; signing new artists in all categories; avoiding creative talent drain; meeting the expectations of subscribers; making the group's platforms attractive in a digital environment where existing methods are being revolutionized – these are the goals being pursued by our businesses as they strive to preserve their leading position in their respective markets (please refer to diagram below).

The Approach

As a first step, in 2013, Vivendi decided to take a pragmatic approach to this initiative and to implement it initially on a limited basis at Universal Music France, Canal+ in France, and Studiocanal. Led by Vivendi's Corporate Social Responsibility (CSR) department, this endeavor brought together the managers in charge of Finance and Strategy of these three entities of the group and analysts representing the investment community (Amundi, Groupama AM, and Oddo Securities). Indicators establishing the link between investments in diversity of content and returns were chosen then submitted to analysts for review (please refer to diagram below).

The Chief Financial Officers of Vivendi's businesses have welcomed and given their full support to this approach and the analysts whose views were sought believe it to be innovative, scalable and fully integrated into the strategy of Vivendi, a key player in the media sector.

In 2014, the scope of the exercise was expanded to include an international dimension in line with previous undertakings. The Management Board and General Management supported the project by making it part of the integrated management of the business (see previous double page).

Contribution to Value Creation of Investment in Diversity of Content (2014 figures)

CSR ISSUE

- To promote cultural diversity in the content offering.
- To invest in new talent and sign new artists.
- To promote cultural heritage by exploiting an exceptional catalogue of content.

SOCIETAL VALUE

- To encourage the group's audiences participation in cultural life, a source of personal enrichment.
- To facilitate increased access to knowledge and entertainment.
- To foster mutual understanding, social ties and learning to live together.

FINANCIAL VALUE ⏭ To increase revenues ⏭ To improve profitability ⏭ To enhance exposure of the brands ⏭ To create value

UNIVERSAL MUSIC GROUP (excluding publishing)

- Amount of marketing investment dedicated to new talent [(1)] as a percentage of total investment (scope: France): 28% (21% in 2013).
- Average percentage of revenue generated by new talent (scope: top five countries in terms of revenue: United States, Japan, United Kingdom, Germany and France): 14%.
- Percentage of UMG physical sales generated by the catalogue [(2)] (scope: 59 countries): 27%.
- Percentage of UMG digital sales generated by the catalogue [(2)] (scope: 59 countries): 49%.
- Percentage of sales generated by local artists in their own country (scope: 59 countries): 60% (61% in 2013).

Source: UMG

Universal Music Group's investments drive musical creativity by identifying and supporting new talent in all countries where the group operates. Mobilizing its financial resources and its employees' know-how in this way helps to increase revenue while updating its listings to satisfy wide-ranging audience tastes on a global scale. It also supports the attractiveness of local artists who are keen to be signed by prestigious labels with an international sphere of influence. Finally, the investments made to digitize the catalogue meet two requirements: an economic one, since the revenue generated by digital sales is playing an increasingly important role in UMG's financial results, and a societal one, since the digitization of musical works that are no longer accessible in physical form generates value from the asset represented by UMG's exceptional catalogue in all genres: pop, classical, jazz, rock and more. It also presents an opportunity to share musical emotions across the generations.

(1) New talent is defined as artists releasing their first album.
(2) The catalogue lists works marketed for more than two years.

CANAL + GROUP

CANAL+

- Survey of Canal+ subscribers: "Canal+ is a leading channel for films": 84% of subscribers agreed with this statement in 2014 (vs. 85% in 2013).
- Canal+ Group investments in local African content in absolute value and percentage terms: €3 million invested in African production (films, audiovisual programs, Afrik'Art, A+ etc.) out of €29 million invested in programs broadcast in Africa (excluding sporting rights), or 10%.

Source: Canal+

STUDIOCANAL

- Investments in European works in absolute value and percentage terms: €173 million or 79% (71% in 2013).

Source: Studiocanal

The fact that Canal+ is described as a "leading channel for films" by 84% of subscribers establishes a direct relationship between the exclusive selection of films shown by the channel and its level of customer satisfaction. Building local capacity for content production in Africa is one of the Canal+ Group's ambitions and it aims to increase its market share on the continent by relying on its experience in supporting the creativity of local artists and pooling the group's various areas of expertise. Studiocanal's investments in European works is helping to develop an offering that complements that of the major American studios on the international market and is more suitable to its direct distribution areas, namely France, Germany and the United Kingdom. Studiocanal is securing its pipeline by helping to keep talented Europeans in Europe and achieves higher profitability than the average of its competitors.

1.5. Insurance

Vivendi holds centralized insurance coverage for risks common to all its subsidiaries. Plans have been established by the group's Insurance department with major French and international insurers, combined with coverage provided by each subsidiary for its specific risks. These policies are subject to regular competitive bidding to allow the group to benefit from optimal technical and financial conditions.

These insurance plans supplement the group's risk management policy. With respect to the Property Damage/Business Interruption plan, regular inspections of the group's main facilities, in France and abroad, are performed by the insurers, allowing them to better assess the risks covered, and enabling Vivendi to optimize the conditions for negotiating the corresponding insurance policies. This risk management policy also includes resumption of operations or backup plans to address incidents affecting the nerve center of a particular business unit, as well as environmental protection measures.

The main insurance plans obtained by Vivendi on behalf of its subsidiaries are the following: property damage and business interruption, civil liability and workplace accidents.

1.5.1. Property Damage and Business Interruption

General insurance programs for the entire group have been contracted for a total coverage of up to €400 million per loss. These programs cover risks of fire, water damage, natural events, terrorism (depending on the legal restrictions in each relevant country or State) and also business interruption resulting from these events. In general, the applicable excess per claim is €250,000.

1.5.2. Civil Liability

Business and product civil liability plans for the entire group have also been established with a total cumulative coverage of €150 million per year. This coverage amount supplements the various top-line policies subscribed directly by the subsidiaries (i.e., Canal+ Group, Universal Music Group and GVT), in the amount of 2 to 16 million euros or US dollars, as applicable.

1.5.3. Workplace Accidents

Certain plans are specific to operations in the United States, particularly those to cover occupational illness and workplace accidents, where the employer is responsible for the insurance. Workers' compensation programs have been established to comply with obligations required by the laws of various States.

1.6. Investments

Vivendi's main investments and divestments include acquisitions or disposals of financial investments, as described in Section 1.1 of the Financial Report, as well as investments in content and capital expenditure, as described in Section 3 of the Financial Report. The impact of these investments and divestments on Vivendi's financial position is described in Section 5 of the Financial Report. The impact of the financial divestments on Vivendi's Consolidated Statement of Financial Position is described in Note 3 to the Consolidated Financial Statements, and the impact of both investments in content and capital expenditure on the Consolidated Statement of Financial Position is described in Notes 10, 11, and 12 to the Consolidated Financial Statements. Moreover, the contractual commitments made by Vivendi for the acquisitions of financial investments, as well as investments in content and capital expenditure, are described in Note 25 to the Consolidated Financial Statements. The geographic distribution and breakdown of capital expenditure by business are presented in Note 2 to the Consolidated Financial Statements. The group is not planning any future investments for which Management has already made firm commitments, other than those described in Note 25 to the Consolidated Financial Statements.

SECTION 2 Businesses

2.1. Canal+ Group

Canal+ Group is the largest audio-visual media group in France. It is a leading producer of premium and special-interest channels as well as a leader in the bundling and distribution of pay-TV offers, in France and internationally, particularly in Africa, Poland and Vietnam. The group's portfolio totals 11 million individual subscribers and 15.3 million subscriptions. Recently, the group has successfully developed projects in free-to-air television.

A pioneer in the development of new television services, it is also a benchmark player in the production and distribution of feature films.

2.1.1. Strategy/Positioning

Canal+ Group strives to offer its subscribers the best content and services in terms of exclusivity, quality, mobility, consumer choice and customization.

Canal+ Group's primary goal is to continue to accelerate its growth in the short and medium term, both in France and abroad. It already possesses all the assets needed to achieve this goal. Its Canal+ and Canalsat brands are powerful, with strong brand recognition. Its culture, based on the sharing of experiences, exchange of expertise and on cost synergies between entities, carries its growth. Its ability for innovation to adapt to changing markets is well recognized. In recent months it has confirmed its presence in high-growth regions.

Furthermore, the group intends to capitalize on growth relays established in free-to-air television around the three channels D8, i>Télé and D17, in the production of audiovisual content based on initiatives developed around new TV formats and via its Studiocanal subsidiary and, finally, on the Internet, with new offers (Canalplay) and a stronger presence on video sharing platforms.

2.1.2. Pay-TV in France

2.1.2.1. Programming Activities

Canal+ channels

Canal+ Group produces six premium channels offering exclusive, original and innovative programming:

- a general interest channel (Canal+), which offers movies, sports, news, drama, documentaries and entertainment programs; and
- five high added-value channels (Canal+ Cinéma, Canal+ Sport, Canal+ Family, Canal+ Décalé and Canal+ Séries), featuring their own programs.

These channels (the Canal+ channels) broadcast 365 films on Canal+ and 485 over all their formats.

With widely recognized expertise in sports coverage, Canal+ Group offers an average of 5,500 hours of sports programing annually to its subscribers, most of which is live, covering more than sixty of the top sports, including League 1 and the British Barclays Premier League in soccer, the Top 14 in rugby, and the World Championship in Formula 1 racing.

Special-Interest Channels

Along with the premium channels, Canal+ Group produces about 20 special-interest pay channels covering major TV segments, including movies with the Ciné+ channels, discovery with Planète+, sports with Sport+, and children's programming with Piwi+, Télétoon and Télétoon+1.

2.1.2.2. Bundling Activities

Canal+ Group combines and assembles channels in packages or theme packs. The premium package offers the Canal+ channels, while the Canalsat package is made up of special-interest channels.

Canalsat offers more than 150 channels, both those produced by the group (the "+" channels) and the special-interest channels coming from third-party publishers (50 exclusively). It is available on satellite, ADSL and DVB via a new set-top box connected to the Internet.

Canalsat is accessible on all screens (Internet on PC and Mac, as well as mobile devices) with over 100 channels offered live or on demand via the site and the new myCanal interface.

The Canalsat catch-up on-demand offer represents the largest library of this type in the French market, with nearly 70 channels representing more than 8,000 programs available at any time. Every month, more than seven million programs are viewed by subscribers.

2.1.2.3. Distribution Activities

Canal+ Group distributes its offerings through specific subscriptions on DVB, satellite, ADSL, fiber, cable (the Canal+ channels only), mobile devices and the Internet. Offers are sold through call centers, the group's websites, at nearly 7,000 points of sale, through the group's commercial partners (big-box retail stores, specialized stores and phone boutiques) and via Internet Service Provider (ISP) distribution platforms.

Canal+ Group maintains an exclusive relationship with its subscribers, from activation to termination.

In the winter of 2014, it launched the development of a proprietary network by setting up temporary boutiques and "pop-up" shops in major retail centers in France.

As part of its distribution activities, the group also markets some of its special-interest channels through third-party distributors, particularly ISPs, which integrate the channels into their own pay-TV offerings.

With 6.1 million individual subscribers in mainland France as of December 31, 2014, Canal+ Group holds the largest portfolio of pay-TV customers.

Internationally, the group adapts its distribution strategy to the specific features of each market.

2.1.2.4. New Services

Canal+ Group is a digital pioneer and a pioneer of new television services in Europe, particularly video-on-demand, set-top boxes and multi-screen distribution. In 2014, the group continued to expand its online presence.

Video-on-Demand

In the fall of 2011, Canal+ Group created Canalplay, a platform for unlimited video-on-demand by subscription. Canalplay offers a catalog of more than 10,000 titles, including 2,000 movies, more than 4,000 series episodes and 4,000 children's programs. This service is available on television via ADSL, satellite and DVB (Le Cube set-top boxes), as well as on a second screen (computers, smartphones and tablets). Offered without commitment, independently of any subscription to Canal+ or Canalsat, the offer consists of multiple services (including high-definition, French version/subtitled original version, personalized recommendations and download for unconnected viewing) at no additional cost. As of December 31, 2014, Canalplay had 600,000 pay subscribers.

Set-Top Boxes

Set-top boxes used by households subscribing to Canal+ Group's offers now have an Internet connection that allows them to access a broad range of services: catch-up TV, the Eurêka recommendation engine based on viewer consumer data, and an innovative program guide. These set-top boxes, all pre-installed with a hard disk save option, feature a particularly fluid and ergonomic user interface. Canal+ Group has rolled out a new version of its DBV set-top boxes which allows viewers to receive the entire Canalsat package as well as all related connected services through a hybrid DBV/Internet service.

The Multi-Screen Experience

In December 2013, Canal+ Group launched myCanal, a unique web portal where subscribers can find all content linked to their subscription, direct or on demand, as well as all related services (including customized TV, personalized recommendations, remote downloads, management of the set-top box via tablet and download functions). Since its launch, myCanal has hit the 3.5 million download mark, and is used by more than one million subscribers every month. It was ranked second in free iPad apps by Apple in 2014.

Internet

Committed to a policy to expand the broadcasting of its content online, Canal+ Group announced the launch of a multi-channel network on YouTube in December 2013. One year later, Canal+ Group has become the leading French media network on YouTube, with more than 50 "channels" offering programming from Canal+, D8 and i>Télé, along with original content produced in particular by Studio Bagel. Studio Bagel, the leading comedy channel network on YouTube, has been majority-owned by Canal+ Group since early 2014. The aim of this operation is to reach new audiences, including the youngest viewers, to discover new talent, and to test innovative video formats. 100 million videos have been watched on these channels combined and they have attracted nearly 12 million subscribers.

2.1.3. Free-to-air TV

2.1.3.1. Free Channel Division

Canal+ Group has historically operated in free-to-air TV with the unscrambled programs from Canal+, particularly in the early evening, and the 24-hour news channel i>Télé. In 2012, it created a free-to-air division, which includes the general interest channel D8 and the music channel D17.

These three channels, broadcast by DVB, are available throughout France to virtually the entire French population. They are also included in the TV packages of satellite operators, ADSL, cable and other operators. All of their revenue is derived from advertising.

With a market share of 3.3%, D8 was ranked fifth national channel at year-end 2014, and i>Télé closed the year with a historic audience record (0.9%), despite a larger DVB offer (26 channels since year-end 2013), and a TV market that was down overall.

2.1.3.2. Canal+ Régie

Canal+ Régie is the exclusive advertising arm of the Canal+ Group and is wholly-owned by the group. It sells advertising on the Canal+ channels (unscrambled programs), i>Télé, D8, and D17, as well as on their YouTube spin-offs. Canal+ Régie also operates eight of the group's special-interest channels and the group's websites, including canalplus.fr, Studio Bagel and OFF.tv from Universal Music France. It is also the exclusive advertising agency of the UGC cinemas network. Its sales and marketing innovations provide Canal+ Group with advertising revenues that have been increasing, despite a difficult economic environment.

2.1.4. International Pay-TV

Canal+ Group has developed its pay-TV operations internationally through its subsidiary Canal+ Overseas. It currently has more than 2.8 million subscribers in the zones it covers (Caribbean, Indian Ocean, South Pacific, Africa and Vietnam).

2.1.4.1. Overseas Departments and Territories

Canal+ Overseas, the leading overseas audiovisual group, provides access to more than 200 channels, primarily in French, via its Canal+ channels and Canalsat offers in the Caribbean, Indian Ocean and South Pacific.

The acquisition of Mediaserv was a major step in the diversification of Canal+ Overseas' operations. Among other things, it allowed the launch of Canalbox, a combined Internet/telephone offer in the Caribbean and Réunion.

The mobile offer Canal+ Mobile has also been offered in the Caribbean since October 2014, in partnership with the operator Digicel.

2.1.4.2. Africa

Present in more than 30 countries in Central and West Africa, Canal Overseas is the leading pay-TV operator in French-speaking Africa through nine subsidiaries on the continent and Madagascar, as well as a powerful distribution network.

The October 2014 roll-out of the major new African channel A+ significantly enhanced the quality and content of the offerings proposed and confirmed Canal+'s strong commitment to the growth of audiovisual on this continent.

In addition, in October 2004 Canal+ Overseas announced that it had acquired a majority stake in Thema, a company specializing in the distribution of general-interest, special-interest and ethnic TV channels. This transaction permits Canal+ Overseas to accelerate its development, particularly in Africa, and to integrate key expertise into the marketing and production of ethnic content.

As of December 31, 2014, Canal+ Overseas had 1.55 million subscribers in Africa.

2.1.4.3. Vietnam

Canal+ Group is present in Vietnam with K+, a satellite package of local and international channels created jointly with Vietnamese public television. The package offers four premium K+ channels (K+1, K+NS, K+PM and K+PC) produced by the group, with an ambitious policy for rights acquisitions, particularly in sports. The K+ offers benefit from a large distribution network with more than 2,800 points of sale and 13 proprietary boutiques (K+ Store).

As of December 31, 2014, K+ had 794,000 subscribers.

2.1.5. Other Businesses

Studiocanal

Studiocanal, a wholly-owned subsidiary of Canal+ Group, is the leading European player in the production, acquisition, and distribution of movies and TV series. It operates directly (theater distribution, video, digital and TV) in the three main European markets (France, the United Kingdom and Germany) as well as in Australia and in New Zealand.

It also boasts one of the largest film catalogs in the world, with over 5,000 titles.

Studiocanal is developing an ambitious international production policy. It is the only studio in Europe to have signed a co-financing agreement (slate financing) with an investment fund (Anton Capital Entertainment). This partnership will significantly increase its investment capacity.

In recent months, Studiocanal has fully financed the movies *Tinker Tailor Soldier Spy* with Gary Oldman, recognized at the British Academy Awards (BAFTA), *Inside Llewyn Davis* by the Coen Brothers, which won the Grand Prize of the Jury at Cannes in 2013, and the world blockbuster *Non-Stop* by Jaume Collet-Serra with Liam Neeson. More recently, it has invested in films such as *The Gunman*, directed by Pierre Morel with Sean Penn, Javier Bardem and Idris Elba, *Macbeth*, directed by Justin Kurtzel with Michael Fassbender and Marion Cotillard, the thriller *Bastille Day* with Idris Elba and Carlotte le Bon, and the Stephen Frears film on Lance Armstrong with Ben Foster and Guillaume Canet.

Studiocanal has also co-financed and distributed *The Imitation Game* with Benedict Cumberbatch in France and the United Kingdom. The critical acclaim for this film was exceptional and it was a major success with movie-goers.

Studiocanal has a strong presence in the family movie and animation segment. *Paddington*, which was released in December 2014 and produced by David Heyman, the producer of Harry Potter, with Nicole Kidman and Hugh Bonneville in the lead roles, was a success worldwide. In addition, the multi-award winning *Ernest & Celestine* won the 2013 Cesar for the best animated film and was nominated for a 2014 Oscar. Finally, there is *Shaun the Sheep*, the famous character from the Aardman studios, which is expected to launch its big screen career in 2015.

In 2010, Studiocanal also entered into an exclusive agreement with nWave, the European leader in 3D production, and the producer, among other things, of the first two episodes in the adventures of *Sammy the turtle* and also the film *The House of Magic*.

Studiocanal is actively growing in the television series segment, strengthening its position as a European leader in content production. Since January 2012, it has been the majority shareholder of Tandem (the creator of *Crossing Lines* and *Spotless*, a Canal+ original).

In December 2013, Studiocanal became the majority shareholder of Britain's RED Production Company. This entity specializes in quality television series such as *Happy Valley*, *Prey* and *The Driver*, which always have high audience ratings in the UK.

In May 2014, Canal+ Group, Studiocanal, the authors and creators Søren Sveistrup and Adam Price, and the producer Meta Louise Foldager partnered to form SAM Productions ApS. This production company will collaborate with the best Scandinavian talent to produce televised series for international viewing. Studiocanal joined SAM Productions ApS as partner and distributor.

In September 2014, Studiocanal and The Picture Company, the new production company of Andrew Rona and Alex Heineman, announced a development and production agreement. Their first collaboration will be the adaptation of Tom Wood's *Victor The Assassin* franchise, which is expected to be directed by Pierre Morel. Andrew Rona and Alex Heineman have produced the successful films *Unknown, Non-Stop,* and *The Gunman* (also directed by Pierre Morel).

In the same month, Grand Electric, the new production company formed by Eric Newman, entered into an agreement with Studiocanal for the acquisition, development and production of feature films for the European and American markets. Studiocanal will be the creative and financial partner, manage international sales, and distribute the new projects from Grand Electric in its regions.

2.1.6. 2014 Highlights

- In January, Canal+ Group formed Canal OTT, a new entity responsible for launching mobile and individual offers via the open Internet (*Over-The-Top*) in France and internationally. Canal OTT is also responsible for the development of the group's multi-channel (MCN) network on the web.
- In February, following approval from the French Competition Authority, Canal+ Overseas completed its acquisition of a 51% interest in Mediaserv.
- In March, Canal+ Group acquired a majority interest in Studio Bagel, the leading comedy channel network on YouTube in France.
- In April, Canal+ Group renewed its contract with the Champions League until 2018.
- In July, Canal+ Group announced the launch of A+, a new, 100% African channel intended to enrich the Canalsat package in Africa. The launch was effective from October 24, 2014.
- In September, Studiocanal and Svensk Filmindustri entered into a strategic agreement to distribute Studiocanal films for the Nordic market (Sweden, Norway, Denmark and Finland) and co-produce films and series that capitalize on Nordic properties and talent, and which are intended for the international market. Svensk Filmindustri will distribute them in the Nordic market and Studiocanal in the international market.
- In October 2014, Studiocanal renewed its multi-year Subscription Video-on-Demand (SVoD) agreement with Amazon in the United Kingdom and Germany. Amazon will have exclusive rights to show the new Studiocanal movies during the SVoD window for these two countries, as well as hundreds of films from the catalog.
- In the same month, Canal Overseas announced the signing of an agreement to acquire a majority stake in Thema.
- In November, Canal+ celebrated its 30th anniversary.
- In the same month, myCanal, the Canal+ Group's web and mobile portal, launched the download-to-go function enabling viewing of content without a connection.
- Early in December, Canal+ Group launched Canalplay (a video-on-demand service) on its satellite set-top boxes (Le Cube), followed by deployment on the DVB boxes in mid-December.
- In late December, Canalplay, the Canal+ Group's streaming offer, reached the 600,000 subscriber mark and its content became available in download-to-go.

2.1.7. Regulatory Environment

The overall regulatory environment of the Canal+ Group has been discussed in previous Annual Reports and did not change significantly in 2014.

The audiovisual communications industry in Europe is subject to national laws and regulations. In France, their application is overseen by regulatory authorities such as the CSA. Canal+ has a license to broadcast the Canal+ channel in France via terrestrial networks as well as networks that do not use frequencies assigned by the CSA, such as satellite, cable and ADSL. In December 2000, this license was renewed for a period of five years, and then extended for an additional five years by decision of the CSA in March 2005, before the Canal+ channel's authorization to broadcast over terrestrial networks was extended for another ten years, up to December 2020.

Through its subsidiary Canal+ France, Canal+ Group holds a controlling interest in SECP SA, a company listed on Compartment B of Euronext Paris, which holds the Canal+ broadcast license. A non-EU national shareholder is not permitted to hold over 20% of a company that holds a broadcast license.

A single company may hold, directly or indirectly, seven licenses for a national terrestrial digital television broadcasting service. Canal+ Group has four licenses for pay-TV channels (Canal+ HD, Canal+ Cinéma, Canal+ Sport and Planète+) and three for free channels (i>Télé, D8 and D17).

Under its license to broadcast in France, Canal+ Group must comply with certain obligations in relation to the distribution of programs and investments made in audiovisual and film production. For example, 60% of the audiovisual works and films distributed by the group's channels subject to these obligations must be of European origin, and 40% must be originally broadcast in French.

With respect to the obligations governing investments in audiovisual production, the Canal+ channel must spend at least 3.6% of its total net revenues for the previous year on expenditure on "heritage works" (works of fiction, animation, creative documentaries, music videos and filming or recreation of live performances). A portion of this expenditure (representing at least 3.1% of net revenue) is allocated to the development of independent production.

In the film sector, the channel must dedicate 12.5% of its annual revenue to acquiring European films, including 9.5% for original French works. This figure includes a success premium guaranteed at 0.5% of revenue. It benefits French films that have sold over 500,000 tickets at the box office or French and European diversity pre-purchases that will enjoy the greatest success.

The D8 channel must invest 15% of its net annual revenue from the previous year in the production of European audiovisual works or works originally broadcast in French, of which at least 8.5% must be invested in the production of "heritage works".

Under its obligations to invest in film works, D8 must allocate at least 3.2% of its revenue from the previous year to European works and 2.5% to original French works.

Canalplay (pay-per-view video-on-demand and video-on-demand by subscription) is also subject to regulations governing audiovisual on-demand media services. A November 2010 decree stipulated obligations to invest in the production of audiovisual and film works and obligations governing the offer and advertising. In addition there is a December 2011 CSA decision on the protection of young people and program ethics and accessibility.

Pursuant to the law of June 2009, media scheduling (which requires compliance with the distribution window for films after their release) has been adjusted. Canal+ Group has implemented the agreement entered into on July 6, 2009 and extended by the order of July 9, 2009, which requires, among other things, the following window periods:

- for films available via pay-per-view video-on-demand (primarily the Canalplay VoD service) and on DVD: four months minimum after theater release and three months for films which sold fewer than 200 tickets in their fourth week in theaters;

- for movie channels:
  - first window: ten months for an original broadcast if an agreement is entered into with film organizations, 12 months otherwise, and
  - second window: 22 months if agreed with the film organizations, 24 months otherwise;
- on unscrambled television channels and on other pay television channels:
  - 22 months if the channel contributes at least 3.2% of its revenue to film production, and
  - 30 months otherwise; and
- for subscription on demand films (Canalplay): 36 months.

2.1.8. Piracy

Canal+ Group actively combats audiovisual piracy. It gives priority to innovation and technological monitoring and to prosecuting violators to protect its commercial interests and those of its licensees.

2.1.9. Competition

2.1.9.1. Canalsatellite/TPS Merger

On September 20, 2011, the French Competition Authority issued a decision in relation to Canal+ Group's failure to comply with several commitments to which it was subject under the August 30, 2006 decision authorizing the merger between Canalsatellite and TPS. As a result, it withdrew the decision authorizing the transaction, thereby forcing Vivendi and Canal+ Group to give notice of the transaction again within a month. In addition, the French Competition Authority ordered Canal+ Group, together with all its subsidiaries, to pay a fine of €30 million.

On October 24, 2011, notice of the transaction was again given to the French Competition Authority, which, on July 23, 2012, issued its decision on the new notice. This decision made the merger between Canalsatellite and TPS subject to compliance with 33 injunctions, which are imposed for five years and renewable once. They primarily affect:

- the acquisition of film rights from US studios and French producers;
- the interest of Canal+ Group, through its subsidiary Multithématiques SAS, in Orange Cinéma Séries; and
- the availability and distribution of independent or internal premium and special-interest channels, as well as non-linear services (VoD and SVoD).

Canal+ Group and Vivendi filed two appeals before the French Council of State to have the decision of the French Competition Authority of September 20, 2011 and the 33 injunctions set aside.

Both appeals were dismissed by two decisions dated December 21, 2012. The French Council of State decided, however, to reduce the amount of the fine imposed by the French Competition Authority by €3 million.

The enforcement of the injunctions was accompanied by the creation of a dedicated organization within Canal+ Group. An agent was appointed to monitor the successful enforcement of the injunctions by Canal+ Group, and reports every three months to the French Competition Authority on this implementation. In addition, two annual oversight meetings between Canal+ Group, the agent and the representatives of the French Competition Authority have already been held.

2.1.9.2. Acquisition of the Direct 8 and Direct Star Channels

Notice of acquisition of the Direct 8 and Direct Star channels by Canal+ Group was given to the French Competition Authority on December 5, 2011 and the acquisition was approved by the Authority on July 23, 2012, subject to compliance with several commitments by Canal+ Group over five years, renewable once after a new analysis of competition is performed by the Authority.

These commitments involve:

- a limit on acquisitions by Canal+ Group of combined free-to-air and pay-TV rights to US films, US series and recent French films;
- separate negotiation of these rights;
- a limit on acquisitions by Direct 8 and Direct Star of French film releases from Studiocanal; and
- transfer of unscrambled broadcasting rights for major sporting events.

TF1 and M6 filed an appeal before the Council of State on the grounds that the French Competition Authority's decision approving the acquisition of these two channels exceeded its powers. On December 23, 2013, the Council of State annulled the Competition Authority's decision, ruling that it had not deliberated collectively on the version of the commitments contained in its decision of July 23, 2012. Further, with regards to the internal legality of that decision, the Council of State ruled that the Competition Authority had committed an evaluation error in stating that Commitment 2.2 would prevent the anti-competitive effects of the deal, which are linked to restricting the French film rights markets in the second and third unscrambled windows.

On January 15, 2014, Vivendi and Canal+ Group again provided notice to the French Competition Authority on the acquisition of the Direct 8 and Direct Star channels. On April 2, 2014, the Competition Authority again authorized the Canal+ Group acquisition of Direct 8 Direct Star, Direct Productions, Direct Digital and Bolloré Intermédia, subject to several commitments.

The enforcement of the commitments was accompanied by the establishment of a dedicated organization within Canal+ Group. An agent, responsible for monitoring the correct enforcement of the commitments by Canal+ Group, was appointed. He reports to the Competition Authority every three months on this enforcement. In addition, two annual oversight meetings of Canal+ Group, the agent and representatives of the Competition Authority have already been held.

2.1.9.3. Partnership in Poland

The Canal+ Group and the ITI and TVN groups entered into a strategic partnership agreement to combine their pay-TV channel packages in Poland on acquisition by Canal+ Group of a significant interest in the capital of TVN. This partnership was approved without conditions by the Polish Competition Authority on September 14, 2012 and by the European Commission on November 30, 2012.

2.1.9.4. Competitive Environment in France

The French pay-TV market is changing rapidly due to:

- new players entering the market and offering premium content. These include Orange, which has positioned itself in the upstream market for the acquisition of audiovisual rights and in the intermediate market comprising the production and distribution of movie and drama channels ("OCS" channels); and Al Jazeera, which has substantial financial backing, recently launched the beIN sport channels, expanded its offer to a third channel, and offers a number of premium sports events;
- the proliferation of distribution platforms and technologies, such as connected TV;
- the development and enrichment of deals offered by ISPs;
- new non-linear services offering quality and premium content in VoD and SVoD. Netflix, the world leader in SVoD services, entered the French market in 2014. These new services represent real growth relays for ISPs in particular, insofar as they allow providers to rapidly build pay-TV offerings without the editorial or regulatory constraints resulting from the production of a television service;
- the growing attraction of these usages for consumers; the entry of - frequently global - ISPs into this market is thus favored. They now have a strong presence in the audiovisual production sector;
- the competitive pressure that will be exerted by the new entity resulting from the merger of SFR and cable operator Numericable, which benefits from dual expertise in the development of fiber optic networks and pay-TV. Ultra high-speed Internet, which expands capacity in video and data flows, and allows the new entity to propose an attractive offer, in terms of both quantity (more channels) and quality (including more HD channels, new VoD services, new interactive opportunities and opportunities for recommendations); and
- the undeniable and growing success of DVB in France, which is helping drive radical change in the audiovisual landscape. It has significantly opened the market to a new wave of competition from the producers of free television.

2.1.10. Research and Development

Canal+ Group's research and development (R&D) policy primarily focuses on innovations in new services, new uses and new technologies.

The advancement of an idea or concept from the monitoring phase into the prototyping phase, and then to its ultimate roll-out, is controlled by a cross-disciplinary committee composed of the operations directors (Distribution, Programming, Technology and Information Systems).

Some of the projects implemented within this framework receive research tax credits.

2.2. Universal Music Group

Universal Music Group (UMG) is the world's leading music company with three main operating businesses: recorded music, music publishing and merchandising.

2.2.1. Strategy/Positioning

The recorded music business discovers and develops recording artists, and then markets and promotes their music across a wide array of formats and platforms. UMG also continues to expand its operations in other areas related to recording artists, such as brand rights management and sponsorship.

The music publishing business discovers and develops songwriters, and owns and administers the copyright for musical compositions for use in recordings, public performances and related uses, such as films and advertisements.

The merchandising business produces and sells artist-branded and other branded products via multiple sales points, including fashion retail, concert touring and the Internet.

2.2.2. Recorded Music

UMG's recorded music business primarily consists of the discovery and development of artists and the associated marketing, distribution, sales and licensing of the content created by these artists. With a diverse range of labels in the major music markets and direct representation in approximately 60 countries across the globe, UMG has a global market share of more than 30% and holds market-leading positions in most of the world's major music markets, including the United States, the United Kingdom, France and Germany.

For those countries that have not traditionally been major markets for recorded music, such as the BRIC countries (Brazil, Russia, India and China), Latin America, Africa, the Middle East and Eastern Europe, UMG is partnering with innovative new companies to increase fans' access to music. By utilizing these partnerships, UMG makes its content legally available in countries where historically music availability is very limited or non-existent.

UMG's diverse range of labels helps the business consistently cater to evolving consumer tastes. UMG's major recording labels include everything from popular music labels (such as Capitol Music Group, Interscope Geffen A&M, Republic Records, Island Records, Def Jam Recordings, Universal Music Group Nashville and Polydor) to classical and jazz labels (such as Blue Note Records, Decca, Deutsche Grammophon and Verve).

In 2014, UMG's best-selling artists included not only global best-selling established acts such as Katy Perry, Maroon 5 and Taylor Swift, but also emerging talents such as Sam Smith, Ariana Grande, Lorde, 5 Seconds of Summer and Imagine Dragons, as well as regional bestsellers such as Stromae, Indila and Kendji Girac in France, and Helene Fischer in Germany. In the United States, UMG had the top three albums of the year: Disney's *Frozen* soundtrack, Taylor Swift's *1989* and Sam Smith's *In The Lonely Hour*. In the United Kingdom, UMG had eight of the top 20 tracks, led by Sam Smith's *Stay With Me* (Sam was the only artist to sell more than a million albums in both the United States and the United Kingdom).

Sales from prior releases significantly augment UMG's recorded music revenues each year, and UMG benefits from its ownership of the most comprehensive catalog of recorded music in the world. The catalog includes a wide array of performers, including, among others, ABBA, Louis Armstrong, The Beatles, The Beach Boys, Andrea Bocelli, Elton John, Guns n' Roses, Nirvana, The Rolling Stones, Andre Rieu, Frank Sinatra and Amy Winehouse.

UMG markets its recordings and promotes its artists through a variety of highly coordinated activities, including radio, television, digital channels, social media, and live appearances.

While UMG's products continue to be sold in physical form at retail outlets as well as through online physical retailers, sales and consumption continues to shift to digital formats. UMG plays a leading role in the evolution and expansion of the digital music market and continues to encourage and support innovation through partnerships with the leading players in the market, including Spotify, iTunes, Deezer, Google and Vevo.

UMG is also extremely active in developing new sources of revenue, including through advertising and sponsorship agreements. Universal Music & Brands is a leading music and media group, creating incremental revenue streams for UMG across a diverse partner base, which includes Hewlett-Packard, Turkish Airlines, and Coca-Cola. In addition, UMG fosters the participation of artists in live and TV productions, such as "The Voice", which has local productions in 55 countries and is aired in 160 countries.

2.2.3. Music Publishing

Universal Music Publishing Group (UMPG) is one of the world's leading music publishing companies. Music publishing involves acquiring the rights to musical compositions (as opposed to recordings) and licensing those compositions for use in a variety of formats.

UMPG licenses musical compositions for use in sound recordings, films, television, advertisements, and live and other public performances, such as broadcasting and film performances. It also licenses compositions for use in printed sheet music and song portfolios.

Generally, UMPG licenses compositions after acquiring a direct interest in their copyrights by entering into agreements with composers and authors of musical compositions. The company also administers musical compositions on behalf of other owners, which can include other music publishers or authors who have retained or acquired such rights.

UMPG is a global leader in the "Music Production Library" business. UMPG owns or controls a vast catalog of original music and arrangements (through numerous libraries and niche brands) and offers this music for use in films, television, advertising and new media industries, essentially as an economical licensing alternative to live or popular music.

UMPG's combined publishing catalog contains more than three million owned and administered titles, including some of the world's most popular songs. Some of the major artists/songwriters whose works are represented include Eminem, Adele, Justin Timberlake, The Beach Boys, Justin Bieber, Billy Joel, Burt Bacharach, Irving Berlin, Mariah Carey, Coldplay, Jon Bon Jovi, Imagine Dragons, André Rieu, Diane Warren, Andrew Lloyd Webber, Ne-Yo and U2.

During 2014, UMPG completed a number of publishing deals, including agreements to represent the songs of Nick Jonas, Alejandro Sanz, Neil Diamond, Axwell & Ingrosso of Swedish House Mafia, Mark Pellizzer of Magic!, Dreamworks Animation, Benny Blanco, Paul Simon, Florence and the Machine, the Grateful Dead's Ice Nine, Juan Luis Guerra, Claudia Brandt, Jimi Hendrix Estate, Paul Weller, Steve Booker and John Mamann among many others.

2.2.4. Merchandising

UMG's wholly-owned global merchandising company, Bravado, is the only global, full-service merchandising company in the industry. Bravado works closely with new and established entertainment clients, creating innovative products carefully tailored to each artist or brand. Products are sold on live tours, via selected retail outlets and through web-based stores.

Bravado also licenses rights to an extensive network of third party licensees around the world. Bravado is able to leverage UMG's global sales and distribution network as well as UMG's significant marketing strength. The company's broad client roster includes artists such as The Beatles, The Rolling Stones, Bob Marley, Katy Perry, 5 Seconds of Summer and Ariana Grande, to name just a few.

2.2.5. 2014 Highlights

UMG achieved numerous milestones over the course of 2014 including those set out below:

- UMG broke four new global stars in 2014: Iggy Azalea, 5 Seconds of Summer, Ariana Grande and Sam Smith;
- in January, Neil Diamond signed a long-term recording agreement with Capitol Records, and in October signed an exclusive worldwide publishing administration agreement with Universal Music Publishing Group;
- also in January, 17-time Latin Grammy winner Alejandro Sanz signed a worldwide publishing agreement with Universal Music Publishing Group;
- in February, UMG became the exclusive worldwide distributor of renowned independent music company Glassnote Entertainment Group;
- in April, UMG acquired UK-based Eagle Rock Entertainment, an independent producer and distributor of music programming;
- in June, the EMI label returned to greater China and South East Asia with the signing of Mandopop superstar A-Mei, as well as popular artists Show Lo and Rainie Yang;
- in July, Rondor Music International, a subsidiary of UMPG, entered into an exclusive worldwide music publishing agreement with DreamWorks Animation to represent their entire music catalog created over the past two decades;
- also in July, UMG won "Most Innovative App for Entertainment" at the Mobile Innovation Awards for The KLEEK, a pan-African android music streaming application that reaches fans throughout 39 countries on the continent;
- in August, UMG completed the sale of its approximate 13% ownership interest in Beats to Apple for $409 million; and
- in September, UMPG entered into a worldwide publishing agreement with the Grateful Dead's company, Ice Nine, covering the Grateful Dead's entire discography including songs written by Jerry Garcia, Mickey Hart, Robert Hunter, Bill Kreutzmann, Phil Lesh, Donna Jean Godcheaux-MacKay, Ron "Pigpen" McKernan, Bob Weir and others.

2.2.6. Regulatory Environment

UMG's businesses are subject to the laws and regulations of the countries in which they operate.

In 2000, in the United States, certain UMG subsidiaries entered into a Consent Decree with the U.S. Federal Trade Commission (FTC) under which they agreed that for the following 20 years they would not make the receipt of any co-operative advertising fund for their pre-recorded music products contingent on the price (or price level) at which such products are offered for sale.

In 2003, following a lawsuit filed by the FTC, the FTC issued an order that generally prohibits UMG from entering into agreements with unaffiliated entities to fix, raise or stabilize prices or price levels for the sale of audio or video products in the United States, as well as any agreements with such entities to prohibit non-deceptive advertising for audio or video products in the United States.

In 2004, in the United States, a UMG company entered into a Consent Decree with the FTC under which it agreed to comply with the provisions of the Children's Online Privacy Protection Act and to maintain records demonstrating compliance.

2.2.7. Piracy

Piracy materially harms the music industry and impedes the development of new business models. The IFPI (International Federation of the Phonographic Industry), which represents the recording industry worldwide, estimates that 26% of fixed-line Internet users still regularly access unlicensed sites. Working in conjunction with the rest of the music industry and other entertainment sectors (including the movie and games industries), UMG takes a multi-pronged approach to combating piracy, which includes:

- supporting the development and launch of innovative services across a number of platforms, as well as the continued growth of existing services such as Spotify, iTunes, Deezer, Google and Vevo. UMG works with partners collaboratively to ensure music can be accessed legally on all new platforms such as mobile, tablet computers, in-car, game consoles and in-home, offering consumers the best, fully comprehensive digital music experience; and
- working with governments and online intermediaries (such as credit card companies, advertisers, search engines, proxy services and ISPs) to reduce potential profits from piracy and ensure adequate enforcement. For example, UMG has participated in programs with ISPs to educate consumers about the wide availability of legal downloading services and provide warnings to those using illegal services.

2.2.8. Competition

The profitability of a recorded music business depends on its ability to attract, develop and promote recording artists, the public acceptance of those artists, and the success of recordings released within a particular period.

UMG competes with other major record companies for creative talent and both new artists and those artists who have already established themselves with another label. UMG also faces competition from independent labels that are frequently distributed by other major record companies.

The music industry competes for consumer discretionary spending with other entertainment products such as video games and films. In recent years, UMG has been facing greater competition for shelf-space, due to declining CD sales and continued consolidation of the retail sector in the United States and Europe.

Finally, the recorded music business continues to be adversely affected by piracy, in particular illegal downloading and streaming from the Internet (see Section 2.2.7 "Piracy" above).

2.2.9. Research and Development

As the industry continues to evolve, UMG works to maximize opportunities for digital distribution by partnering with both established and emerging digital businesses. UMG also actively works to protect its copyrights and those of its artists against unauthorized digital or physical distribution. In addition, the company continues to pursue new ways to capitalize on the digital transition in the industry, including utilizing data that was previously unavailable in the physical business. For example, UMG developed Artist Portal, a database allowing for robust, real-time analysis of artist sales, streaming, social media traction and airplay, among other metrics.

2.3. Vivendi Village

Vivendi Village is composed of Vivendi Ticketing (Digitick and See Tickets), Wengo, Watchever, and The Olympia (included within Vivendi Village since February 2015). A spirit of entrepreneurship is the hallmark of these different entities. Responsive and nimble, they rapidly set up and develop innovative projects, particularly in the digital segment. By bringing these entities together under one umbrella, Vivendi gives them the opportunity to accelerate their development.

2.3.1. Vivendi Ticketing

Vivendi Ticketing comprises the activities of See Tickets in the United Kingdom and the United States and Digitick in France.

See Tickets is one of the leaders in the UK ticket market. The company has a large portfolio of clients that specialize in the organization of concerts, festivals, theater and live performances.

See Tickets broke a sales record for the 2015 edition of the Glastonbury Festival, selling 150,000 tickets in 25 minutes. More than 2,000 British clients gave See Tickets the task of selling their tickets during the year, which proved to be an exceptional year once again.

In France, Digitick offers its services to theater operators and event organizers who wish to market tickets to the general public. It also develops and licenses software solutions. With the Eiffel Tower and the Château de Versailles as clients, it has positioned itself as a recognized leader in the French market where it continues to win market share.

Digitick operates the Infoconcert website, the leader in event information in France, which describes shows and allows users to purchase tickets.

It has also developed ZePass.com, a legal ticket exchange platform for private individuals.

In 2014, Vivendi Ticketing strengthened its cooperation with Universal Music Group and sold hundreds of thousands of tickets in the United Kingdom, North America and Europe for the group. See Tickets will continue to rely on this relationship in 2015.

A subsidiary was opened in Los Angeles in December in order to expand on the American market and seize the many opportunities available in North America.

The 2014 results are attributable to rational investments made in technologies, the exceptional performance of the employees, and the company's determination to focus on the needs of its clients and consumers.

2.3.2. Wengo

Wengo is a digital operator acting as an intermediary between individuals and professionals in five key markets: education, the legal system, coaching, health and home services.

Wengo offers a new experience in purchasing professional services based on price transparency, access to the opinions of real customers, guaranteed availability, and the certification of expertise. It attracts an audience of nearly five million unique visitors each month.

All of Wengo's services are available on the Internet and on mobile devices.

Wengo is organized into five business activities:

- Wengo, the European leader in expert advice by telephone
  Through the site www.wengo.com, Wengo offers users the possibility of immediately reaching one of the 2,500 professionals it has referenced, by telephone. The services enable consumers to obtain answers in a variety of areas, including astrology, legal advice, education, computers, psychology, coaching, health, wellness and more. It is available in seven countries: France, Spain, Portugal, Italy, Germany, Turkey and Greece.
- Juritravail, France's premier website for legal matters
  Through the sites www.juritravail.fr and www.net-iris.fr, Wengo provides free legal information, assistance forums and legal advice over the phone. In 2014, Juritravail had an audience of 15 million unique visitors and a base of 600,000 subscribers to its weekly newsletter.
- DevisPresto, the third largest French operator in work estimates
  With the site www.devispresto.fr, DevisPresto allows individuals to receive up to five free estimates for work on their home. Every request is given to one of the 5,000 craftsmen who subscribe to its service.
- Bordas, home educational support
  With www.bordas.com, Bordas offers the first educational support service provided exclusively by teachers within the national education system. The service is operated under an exclusive partnership with Éditions Bordas.
- RDVmedicaux, find and make medical appointments online
  Through www.RDVmedicaux.com, RDVmedicaux allows consumers to check the availability of physicians and make an appointment directly online. More than 30,000 appointments are already made each month.

2.3.3. Watchever

Created by Vivendi in 2007, Watchever is developing in the online video segment, which is undergoing a great upsurge in popularity. Since it was formed, Watchever has continued to create innovative services found at the interface between media and new technologies.

In 2013, Watchever launched a subscription video-on-demand service (SVoD) in Germany, and offers a large catalog of local and international content, both movies and series, for a monthly fee of €8.99.

This offer was expanded in 2014 with a large selection of musical content. Concomitantly, Watchever launched KiDS by Watchever, an application dedicated to children aged 7 to 12.

This wide range of online content is served by a high-tech platform. Watchever was the first in the world to offer offline mode to its customer so that they can take their content anywhere, even without an Internet connection.

Other innovations, all developed in-house, such as its recommendation engine, its flexible infrastructure, or its compatibility with more than 20 connected devices, are designed to make its platforms expert and adaptable.

Watchever is now building on this momentum, developing new digital platforms in synergy with the different entities of the Vivendi group.

2.3.4. The Olympia

This Paris theater is listed as part of the French cultural heritage, and has belonged to the group since 2001.

In 2014, with no fewer than 300 shows scheduled (including 180 different shows) and audiences totaling over 700,000, the theater hosted opening nights and artistic performances worthy of the greatest music halls. Performances by Gad Elmaleh, Justin Timberlake, Julien Doré and Jack Johnson were all major successes.

The Olympia intends to continue with its vocation: to discover artists for Paris audiences, and also for the whole of France and for the world. For several years the theater has been opening its doors to welcome talented young artists and give them opportunities, and bring all its audiences together through creating the unexpected.

In 2015, the schedule includes Sam Smith, Murray Head, Christine and The Queens, James Taylor, Véronique Sanson, Kendji Girac and many more.

2.4. Operations Sold or Being Sold

2.4.1. SFR

SFR is the second largest telecommunications operator in France. Present in the ultra high-speed broadband segment, it meets all the needs of its individual and business customers, companies, public authorities and operators in both mobile and fixed line, Internet and television.

On November 27, 2014, the sale of SFR to Altice-Numericable was finalized (on April 5, Vivendi's Supervisory Board selected the Altice-Numericable bid to acquire the operator). Vivendi received a cash consideration of €13,166 billion.

In addition, on December 5, 2014, SFR acquired 100% of the capital of Omer Telecom Limited, which operates in France under the Virgin Mobile brand.

On February 17, 2015, Vivendi received a firm offer from Numericable-SFR and Altice for its 20% interest in Numericable-SFR at a price of €40 per share, representing a total consideration of €3.9 billion.

After a review by the Management Board, the Supervisory Board studied Numericable-SFR and Altice's offer for Vivendi's 20% interest in the telecommunications operator. The Board decided to accept the offer.

This offer marks the completion of SFR's divestment under financial terms that offer a share premium of 20% over Numericable-SFR's closing share price on November 27, 2014, the date of the SFR disposal. The low liquidity of the Numericable-SFR share made a withdrawal under optimal conditions uncertain.

Vivendi will receive a total of €17 billion, an amount in line with the valuation projections announced by Vivendi in April 2014. For more details, please see Section 1 of the Financial Report in Chapter 5.

2.4.2. Maroc Telecom

On May 14, 2014, Vivendi sold its entire 53% interest in Maroc Telecom, the incumbent telecommunications operator in Morocco, which is also present in Burkina Faso, Gabon, Mali and Mauritania. The final sale price under the agreements entered into in November 2013 was €4,138 billion, after price adjustment.

2.4.3. Activision Blizzard

On October 11, 2013, Vivendi sold 88% of its interest in Activision Blizzard. Then, on May 22, 2014, Vivendi sold a first tranche of 41.5 million of its remaining Activision Blizzard shares for $852 million (€623 million). Vivendi still holds 5.8% of Activision Blizzard.

2.4.4. GVT

GVT is the leading Brazilian alternative operator in ultra high-speed fixed line telephony, fixed line telecommunications, and pay-TV. Vivendi acquired control of GVT in 2009 and has held 100% of the company since 2010.

Founded in 2000 in the Curitiba region, at year-end 2014, it was operating in 156 cities throughout Brazil with 8.2 million subscribers (lines in service), including 858,860 for pay-TV.

On September 18, 2014, Vivendi and Telefonica entered into a final agreement for the disposal of GVT. The transaction provides for a cash payment of €4.66 billion (after deducting bank debt of approximately €450 million and adjustments related to working capital). Vivendi will also receive 7.4% of the share capital of Telefonica Brasil and a 5.7% interest in Telecom Italia. This transaction is expected to be finalized in the second quarter of 2015.

2.5. Seasonality of Group Businesses

The business operations of Vivendi subsidiaries are quite seasonal in nature. As a result, greater sales volumes are generated in the last quarter, especially during the holiday season at the end of the year. Despite this, the effects of seasonality are offset by the launch of products throughout the year (including films, albums and attractive new services).

In music, approximately one-third of annual sales are generated in the final quarter of the year.

In pay-TV, the sales of Canal+ Group are made through subscription contracts. Given the term of the contracts, Canal+ Group enjoys regular, monthly revenues and good visibility on its receipts. Nevertheless, sales are higher in the fall after the summer vacation period and during the holidays at the end of the year. In Africa, international or local sports events such as the African Cup of Nations can also influence sales volume and seasonal fluctuations, particularly for subscriptions without commitment.

2.6. Raw Materials Used for the Group's Operations

The main raw materials used by Vivendi subsidiaries are:

- paper for product packaging at Canal+ Group and Universal Music Group; and
- polycarbonate for CD or DVD production at Canal+ Group and Universal Music Group.

Prices for paper and polycarbonate do not fluctuate enough to have a significant impact on the operations of Canal+ Group. UMG for its part has signed various contracts with its suppliers to protect it from fluctuations in prices for these raw materials.

The business operations of Vivendi's subsidiaries are not generally dependent on any raw material suppliers.

SECTION 3 Litigation

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

As of December 31, 2014, provisions recorded by Vivendi for all claims and litigations amounted to €1,206 million, compared to €1,379 million at December 31, 2013. Vivendi does not disclose details regarding these provisions (save for some exceptions), as it believes that any such disclosure could seriously harm its position.

To the Company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature, including, to the Company's knowledge, any pending or threatened proceedings in which it is a defendant, which may have or have had in the previous twelve months a significant impact on the Company's and on its group's financial position, profit, business and property, other than those described herein.

Vivendi Litigation

Securities Class Action in the United States

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

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v. National Australia Bank case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007.

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi will then have the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment.

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal will be heard together with Vivendi's appeal in the Liberty Media case.

Vivendi believes that it has solid grounds for an appeal. Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial. Several aspects of the verdict will also be challenged.

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1.3.1 (Use of Estimates) and 1.3.8 (Provisions). Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate. As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Exchange Act of 1934 and breached certain contractual representations and warranties. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial.

On January 9, 2013, the Court confirmed the jury's verdict. It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills. On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013.

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action. Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015; these two cases will be heard together by the Court of Appeals.

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2014, the provision in the amount of €945 million recorded as of December 31, 2012.

Trial of Vivendi's Former Officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the Company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001. Vivendi joined the proceedings as a civil party.

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris), following which the Public Prosecutor asked the Court to drop the charges against the defendants. On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi Officers as well as some civil parties appealed the decision. The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal. The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr. Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr. Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr. Edgar Bronfman Jr. for insider trading. On May 19, 2014, the Paris Court of Appeal rendered its judgment. Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense. The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine. The Court also upheld the convictions against Messrs. Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2.5 million is suspended), respectively. Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action"). With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders. An appeal has been filed with the French Supreme Court (*Cour de Cassation*) by certain of the defendants and some civil parties.

LBBW and al. against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

California State Teachers Retirement System and al. against Vivendi and Jean-Marie Messier

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former CEO, between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

Actions against Activision Blizzard, Inc., its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc. ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi. The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company. The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi.

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia.

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. The case will proceed on the merits.

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled *In Re Activision Blizzard Inc. Securities Litigation*.

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston. This action was consolidated into the *In Re Activision Blizzard Inc. Securities Litigation* proceeding currently underway.

In November 2014, the parties reached agreement on global settlement which would put an end to this dispute. On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced. The Court is expected to approve the settlement agreement at an upcoming hearing.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first decision. On November 27, 2008, Unibail appealed against this decision. On September 11, 2013, the French Supreme Court reversed the October 31, 2008 decision of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing will take place on April 2, 2015.

Vivendi Deutschland against FIG

Further to a claim filed by CGIS BIM (a former subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the annulment of the sale following a judgment of the Berlin Court of Appeal, which overruled a judgment rendered by the Berlin High Court. CGIS BIM was ordered to repurchase the buildings and to pay damages. Vivendi delivered a guarantee so as to pursue settlement negotiations. As no settlement was reached, on September 3, 2008, CGIS BIM challenged the validity of the reasoning of the judgment. On April 23, 2009, the Regional Berlin Court issued a decision setting aside the judgment of the Berlin Court of Appeal dated May 29, 2008. On June 12, 2009, FIG appealed that decision. On December 16, 2010, the Berlin Court of Appeal rejected FIG's appeal and confirmed the decision of the Regional Berlin Court in April 2009, which decided in CGISBIM's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damages and interest. This decision is now final. In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS BIM on March 3, 2009. On June 19, 2013, the Berlin Regional Court ordered CGIS BIM to pay FIG the sum of €3.9 million together with interest from February 27, 2009. CGIS BIM has appealed this decision.

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*). The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4.9 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT. At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba. This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal.

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT. The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware. Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica.

On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo.

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side. Pending the conclusion of this settlement transaction (which is to be signed on the day of the closing of the sale of GVT), the case has been suspended.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds filed a complaint for damages against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange). According to Dynamo, a former shareholder of GVT that sold the vast majority of its stake in the company before November 13, 2009 (the date on which Vivendi took control of GVT), the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber should be scheduled shortly. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. This was rejected on November 7, 2013 as the Court found that only the arbitral tribunal could make such an application. On December 17, 2014, the Rio de Janeiro Court of Appeal overturned the lower court's decision and authorized the provision of the above-mentioned information solely to the arbitral tribunal, denying Dynamo access to the information.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Arbitration Chamber of the Bovespa (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica.

Litigation involving Vivendi subsidiaries

Parabole Réunion

In July 2007, the group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion. In the context of this dispute, various jurisdictions have taken the opportunity to apply the fact that in the event of the loss of the TPS Foot channel, Canal+ Group must make available to Parabole Réunion a channel of similar attractiveness. Noncompliance with this order would result in a penalty. On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (*Tribunal de grande instance de Nanterre*) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion. Parabole Réunion filed an appeal against this judgment. On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible. Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision.

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages.

On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action.

On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter. On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance.

beIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons. On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized. Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal.

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015. On October 30, 2014, Canal+ Group appealed against this decision.

Action brought by the French Competition Authority regarding Practices in the Pay-TV Sector

On January 9, 2009, further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ Group a notification of allegations. It alleges that Canal+ Group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ Group colluded with TF1 and M6, on the one hand, and with Lagardère, on the other. Vivendi and Canal+ Group have each denied these allegations.

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ Group. The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Canal+ Group's exclusive distribution rights on channels broadcast by the group and independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV. On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case.

Canal+ Group against TF1, M6, and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market. Canal+ Group accused them of inserting pre-emption rights into co-production contracts, in such a way as to discourage competition. The French Competition Authority is examining the case.

Canal+ Group against TF1, and TMC Régie

On June 12, 2013, Canal+ Group SA and Canal+ Régie filed a complaint with the French Competition Authority against the practices of TF1 and TMC Régie in the television advertising market. Canal+ Group SA and Canal+ Régie accused them of cross-promotion, having a single advertising division and refusing to promote the D8 channel during its launch. The French Competition Authority is examining the case.

Private Copying Levy Case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre (*Tribunal de grande instance de Nanterre*) by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes. Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top box and therefore it should be treated as an integrated hard drive. Copie France believes that the applicable amount of the compensation is €45 per hard drive as opposed to €8.7.

Aston France against Canal+ Group

On September 25, 2014, Aston notified the French Competition Authority about Canal+ Group's decision to stop selling its satellite subscription called "cards only" (enabling the reception of Canal+/Canalsat programs on Canal Ready-labeled satellite decoders, manufactured and distributed by third parties, including Aston). In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ Group before the Commercial Court of Paris, seeking a stay of the decision of the Canal+ Group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called "cards only". On October 17, 2014, the Paris Commercial Court issued an order denying Aston's requests. On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruling in chambers, granted its requests and suspended the decision of Canal+ Group to stop selling its "cards only" subscriptions until the French Competition Authority renders its decision on the merits of the case.

Complaints against Music Industry Majors in the United States

Several complaints have been fi led before the Federal Courts in New York and California against Universal Music Group and the other music industry majors for alleged anti-competitive practices in the context of sales of CDs and Internet music downloads. These complaints have been consolidated before the Federal Court in New York. The motion to dismiss fi led by the defendants was granted by the Federal Court on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010. The defendants filed a motion for rehearing which was denied. They filed a petition with the US Supreme Court which was rejected on January 10, 2011. The discovery process is underway.

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been fi led against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones. UMG contests the merits of these actions.

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Record and EMI Music Publishing filed a joint complaint against MP3tunes and its founder, Michael Robertson, for copyright infringement on the sideload.com and mp3tunes.com websites. The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records. It found the defendants liable for knowingly allowing the unauthorized content on the websites. On March 26, 2014, the jury awarded damages in the amount of $41 million. On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of $12.2 million. The defendants have appealed against the judgment.

Mireille Porte against Interscope Records, Inc., Stefani Germanotta and Universal Music France

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Inc., Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris) for the alleged copyright infringement of several of Orlan's artistic works.

James Clar against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France

On June 13, 2014, the artist James Clar filed a complaint against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France before the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*) for the alleged infringement of his work.

Actions Related to the ICMS Tax

GVT, like all other telecommunications operators, is party in several Brazilian States to various proceedings concerning the application of the "ICMS" tax (*Imposto Sober Circulação de Mercadorias e Prestação de Serviços*), which is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services.

GVT is notably a party to litigation in various Brazilian States concerning the application of the ICMS tax on voice telecommunication services. GVT argues that the ICMS tax should not apply to monthly plans. Of the 21 proceedings initiated by GVT, all have resulted in decisions favorable to GVT and 12 are no longer subject to appeal.

Actions Related to the FUST and FUNTTEL Taxes in Brazil

The Brazilian tax authorities argue that the assessment of the taxes known as "FUST" (Fundo da Universalização dos Serviços de Telecomunicações), a federal tax to promote the supply of telecommunications services throughout the whole Brazilian territory, including in areas that are not economically viable, and "FUNTTEL" (*Fundo para Desenvolvimento Tecnológioco das Telecomunicações*), a federal tax to finance technological investments in Brazilian telecommunications services, should be based on the company's gross revenue without deduction for price reductions or interconnection expenses and other taxes, which would lead to part of that sum being subject to double taxation. GVT is challenging this interpretation and has secured a suspension of payment of the sums claimed by the tax authority from the federal judge.

Proceedings Brought against Telecommunications Operators in Brazil Regarding the Application of the PIS and COFINS taxes

Several proceedings were initiated against all the telecommunications operators in Brazil, including GVT, seeking to prevent invoices from being increased by taxes known as "PIS" (*Programa de Integração Social*) and "COFINS" (*Contribuição para Financiamento da Seguridade Social*), which are federal taxes that apply to revenue from the provision of telecommunications services. GVT believes that the arguments in its defense have a stronger basis than those of the historic operators i as GVT operates pursuant to a more flexible license that allows it to set its own tariffs.

SECTION 4 Risk Factors

Vivendi regularly conducts a review of the risk factors that could have a negative impact on its operations or results. This review is presented to the Audit Committee. Vivendi has not identified any significant risks other than those described below.

Legal Risks

Risks Associated with Regulations applicable to the Group's Operations

In the ordinary course of its business, Vivendi must comply with complex, restrictive and evolving regulations, particularly those governing the broadcasting sector.

Substantial changes in the legislative environment, the application or interpretation of regulations by the French Competition Authority or by administrative, judicial or other authorities, particularly with respect to competition law, tax law, and sundry taxes, may result in Vivendi incurring additional costs or altering the products and services it offers, which may materially impact its business, financial position, results and development prospects.

In addition, certain operations of the group are dependent on obtaining or renewing licenses issued by regulatory authorities, (particularly, in France, the *Conseil Supérieur de l'Audiovisuel* (CSA, the French Broadcasting Authority). The process of obtaining or renewing these licenses can be long, complex and costly. Vivendi's ability to achieve its strategic objectives may be impaired if it is unable to obtain or retain in a timely manner the licenses required to conduct, continue or expand its operations. For a detailed description of the regulatory environment in which the group operates, see Section 2 of this chapter.

Litigation Risks

The group is involved in, or could become involved in, a number of lawsuits or investigations initiated by shareholders, consumers, competitors, or regulatory or tax authorities. In some of these cases, if Vivendi fails to negotiate an amicable settlement it may be ordered to pay damages or financial penalties.

For a description of the main disputes and investigations in which the group is involved, see Note 26 to the Consolidated Financial Statements (Chapter 4 of this report) and the "Litigation" section of this chapter.

Vivendi recognizes a provision each time a risk is identified and seems probable, the amount of which can be quantified or estimated within a reasonable margin. The occurrence of events during a proceeding may result, at any time, in a re-appraisal of the risk. With the exception of the main legal proceedings and investigations described in this section and in Note 26 to the Consolidated Financial Statements (Chapter 4 of this report), Vivendi considers it unlikely that current proceedings will have a material negative impact on the group's financial position.

Risks Associated with Vivendi's Commitments

Vivendi and its subsidiaries have made a number of conditional commitments, the most important of which are described in Note 25 to the Consolidated Financial Statements for the year ended December 31, 2014. Some of these commitments are unlimited in their duration or amount. If Vivendi has to make a payment to satisfy one or more of these commitments, this could have a negative impact on its financial results and financial position.

Risks Associated with the Group's Operations

Risks Associated with Piracy and Counterfeiting

The development of computer and electronic equipment and the decline in its cost, as well as technological advances, facilitate the unauthorized reproduction of music and audiovisual works. Concomitantly, increased access to high-speed Internet connections has enabled, and continues to enable, computer, smartphone and tablet users to share such works more easily (and in greater number), without the copyright holder's authorization and without paying royalties.

Vivendi is dependent on the decisions of public or administrative authorities and their determination to find effective means to combat piracy. Persistent difficulties in passing and applying suitable legislation or in enforcing court rulings, particularly in certain regions of the world where piracy is endemic, constitute a threat to Vivendi's businesses, which depend heavily on the intellectual property rights owned by or licensed to the group.

Section 2 of this chapter contains a detailed analysis of piracy issues and measures taken by each of the group's business units to combat it.

Risks Associated with Infrastructure, Service Platforms and Data Protection

The infrastructure of some of the group's operating units may be affected by damage or interruption to the service provided to customers or subscribers as a result of hardware or software failure, human error, service provider failure, equipment sabotage or hacking (physical or electronic) into operating systems or critical software, and this could have an impact on their business operations.

The security of infrastructures, information systems and service platforms is an ongoing concern at Vivendi, as is the safeguarding of access to, privacy, and protection of transmitted personal data.

Risks associated with Intensified Commercial and Technical Competition

Vivendi's businesses face strong competition, which may intensify in the near future due to the trend towards industry concentration among existing companies, or the entry of new competitors in the relevant markets. Growing competition exerts considerable pressure on Vivendi, which may lead to a loss in market share if Vivendi is no longer able to supply quality products and services and innovative offerings at competitive prices.

In particular, Vivendi's development depends on its ability to adapt its services, offers, products and content to meet the requirements of increasingly demanding customers, in increasingly innovative markets, and in industries distinguished by rapid technological development. The need for Vivendi to respond to such requirements and advances or even, in some cases, to anticipate them, may lead to the group making substantial investment without any assurance that the new products, offers and services it has developed will not become obsolete within a short period of time.

Risks Associated with the Lack of Commercial Success of Recorded Music, Films and Content Produced, Published or Distributed by the Group

The production and distribution of content represent an essential proportion of Vivendi's revenues. Its commercial success is dependent upon the public's response, which cannot always be predicted, and on the existence and success of competing offers and general economic circumstances.

Finally, when these operations are based on content provided by third parties, no assurance can be given that such third parties will always agree to transfer their rights for various communication media under financial and commercial terms acceptable to Vivendi.

Risks Associated with the Conduct of Operations in Various Countries

Vivendi conducts its operations in various markets in nearly 70 countries. The main risks associated with conducting its operations internationally are as follows:

- the local economic and political situation;
- exchange rate fluctuations;
- restrictions on capital repatriation;
- unexpected changes in the regulatory environment;
- the various tax systems, which may have an adverse effect on Vivendi's operating results or cash flow, and in particular regulations relating to transfer costs and the withholding tax on the repatriation of funds; and
- tariff barriers, customs duties, export controls and other trade barriers.

Vivendi may not be able to protect itself against such risks.

Industrial or Environmental Risks

The group's operations do not pose any major industrial or environmental risks. This is because the group's operations are, by their very nature, primarily non-manufacturing, and a large proportion of the group's assets are intangible. However, the group remains alert to any environmental risks that may arise or be discovered in the future.

Risks Associated with the Current Economic and Financial Situation

The unfavorable consequences of the economic crisis in recent years, particularly the decrease in consumer purchasing power and level of confidence, may lead customers to postpone or reduce their spending on the products, services and content offered by the group or affect their ability to pay for them, which in turn could have a negative impact on Vivendi's revenues and results.

Each year, Vivendi conducts impairment tests on goodwill and assets with definite or indefinite lives, to assess whether their book value exceeds their recoverable value. Current economic circumstances could lead Vivendi to recognize impairment losses on such assets (see Note 9 to the Consolidated Financial Statements (Chapter 4 of this report).

Market risks

For a detailed analysis of market risks (interest rates, foreign exchange rates, market liquidity and stock prices), see Note 22 to the Consolidated Financial Statements for the year ended December 31, 2014.

Societal, Social and Environmental Information

2

SECTION 1 Corporate Social Responsibility (CSR) Policy

Vivendi has fully integrated its CSR policy into its strategy and governance, as demonstrated by the specific criteria taken into account in the variable compensation of its senior executives.

The group's societal, social and environmental information allows its different stakeholders to better evaluate the group's overall performance over the medium and long term.

1.1. CSR - A Source of Value Creation for Vivendi and its Stakeholders

1.1.1. Innovative Positioning

As a key player in the media sector, Vivendi differentiates itself through its approach and contribution to sustainable development, aimed at:

- meeting the needs of present and future generations to communicate;
- fostering the development of their talent;
- nurturing their curiosity; and
- encouraging intercultural dialog and learning to live together.

As a publisher and distributor of content, the group exerts a human, intellectual and cultural influence. By formally setting out the media and cultural industries sector's responsibilities as early as 2003, Vivendi defined CSR issues that were directly linked to the core focus of its activity and related them to human rights. This positioning was applauded by the International Federation of Human Rights Leagues (FIDH), which, in November 2014, added Vivendi to its Liberty and Solidarity Investment Fund, a fund that has been managed by Banque Postale Asset Management since 2001. In particular, the FIDH recognized "the innovative efforts undertaken by Vivendi in terms of understanding, measuring and improving its impact on human rights." The FIDH noted that "establishing and reporting on indicators measuring the impact, in terms of human rights, of the content distributed by Vivendi is especially innovative." The FIDH also encourages Vivendi to continue its efforts and to pursue its policy of dialog.

Vivendi bases its societal responsibility on four strategic issues that lie at the core of its business, which are directly linked to the group's operations:

- promoting cultural diversity in the production and distribution of content while fostering the artistic creative process;
- empowering and protecting young people in their use of digital media;
- fostering knowledge sharing which includes pluralism of content, media accessibility and literacy;
- reconciling the valuation and protection of personal data to take advantage of the great potential of digital technology, while respecting the privacy of the group's customers.

Promoting Cultural Diversity

The group aims to promote cultural diversity as a growth driver and a pillar of social cohesion. It therefore shares the vision of the United Nations Educational, Scientific and Cultural Organization (UNESCO) which, in its 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, stated that cultural diversity is "a mainspring of sustainable development of communities, peoples and nations". Encouraging diversity in musical repertoires and cinematographic expression, promoting local talent and showcasing cultural heritage – these objectives are shared by all the group's business units (see Integrated Reporting Pilot Project – Chapter 1, Section 1.4.4 p.18 and pp.16-17).

Empowering and Protecting Young People

Films, television programs, the Internet and other platforms can, on the one hand, expose young people to risks: the disclosure of personal data, excessive or inappropriate use, and access to sensitive content. On the other hand, these digital tools can offer them vast opportunities in terms of expression and discovery as well as employability once they can master the use of media and information. It is Vivendi's responsibility to empower and protect the younger generation in its use of digital media and cultural practices, so that young people can express their creativity and status as citizens in an environment that respects their rights.

Knowledge Sharing

Due to the international nature of its businesses, the group has a duty to guarantee quality and pluralism of content, to facilitate access to content offerings and media, to encourage dialog among cultures, and to raise awareness with respect to sustainability considerations.

Reconciling the Valuation and Protection of Personal Data

The innovative steps taken by the group to offer content and services meeting the expectations of its customers and its various audiences while taking advantage of pooling its subsidiaries' skills and resources must be accompanied by vigilance when it comes to protecting personal data. The group partners' trust in this digital transition is at the heart of the company's long-term performance.

CSR Issues Promoting Human Rights

Vivendi's four strategic issues are directly related to human rights:

- promoting cultural diversity refers to the 1948 Universal Declaration of Human Rights (Art. 27), the 2001 UNESCO Universal Declaration on Cultural Diversity (Art. 5), and the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (Art. 2);
- empowering and protecting young people is enshrined in the 1989 United Nations Convention on the Rights of the Child (Art. 27) and in the "Children's Rights and Business Principles" introduced by the United Nations Global Compact, together with the UNICEF and Save the Children (March 2012);

- knowledge sharing contributes fully to the exercise of human rights as stated in Article 11 of the Charter of Fundamental Rights of the European Union (2000) on freedom of expression and information, and by the United Nations Millennium Development Goals (2000-2015); and
- protecting personal data is recognized as a fundamental right in various legal instruments, including the Charter of Fundamental Rights of the European Union (Article 8), the OECD Guidelines for Multinational Enterprises and the Council of Europe's convention.

1.1.2. Vivendi's Eight Priority Issues

The four strategic issues listed above for the media sector (the "core") are part of Vivendi's eight priority CSR issues, which take into account the group's economic, societal, social and environmental performance:

- promotion of cultural diversity in content production and distribution;
- empowerment and protection of young people in their use of digital media;
- knowledge sharing;
- valuation and protection of personal data;
- vigilance in business conduct;
- social and professional empowerment of employees;
- local economic, social and cultural development; and
- respect for the environment in the digital era.

The group makes its commitments clearly visible to all its stakeholders: customers, employees, shareholders, suppliers, government, artists, and civil society as a whole. These eight priority issues are presented in detail under the CSR heading on Vivendi's website (www.vivendi.com). This heading also includes all Vivendi's non-financial indicators for fiscal year 2014 as well as the cross-referencing tables for the various references used: Global Reporting Initiative (GRI) and its Media Sector Supplement (MSS), the French Grenelle II Law, OECD, United Nations Global Compact.

The group renewed its listing in the main SRI (Socially Responsible Investments) indices: the FTSE4Good Global and FTSE4Good Europe (FTSE), the Ethibel Excellence (Ethibel) investment register, the Thomson Reuters CRI Europe ESG Index (Thomson Reuters) and the NYSE EuroNext Vigeo World 120, Eurozone 120, Europe 120 and France 20 (Vigeo) indices.

Vivendi still ranks number four among the French companies of the Global 100 as announced at the opening of the World Economic Forum in Davos on January 21, 2015. Out of 4,500 global variables, the Global 100 identifies the 100 companies with a "best in class" CSR approach and strong financial performance. Vivendi was also ranked second among the European companies in the media sector by the non-financial rating agency Vigeo. In 2013, Vivendi was positioned third in the latest ranking of the companies in the CAC 40 in relation to taking into account the "Children's Rights and Business Principles", established in 2012 by UNICEF, the United Nations Global Compact and Save the Children.

By including its CSR objectives in the group's governance (please refer to Section 1.1.3), Vivendi is able to enhance its global performance through societal value created by the company.

1.1.3. An Integrated Reporting Approach illustrating the Creation of Shared Value

Driven by a desire to better assess the CSR contribution to the results obtained by the group in carrying out its various activities, Vivendi has initiated an integrated reporting approach. This exercise gives the stakeholders a summary grid where they can read the group's financial and non-financial performance, its growth drivers, and the value it generated.

This approach provides an illustration of the materiality of the CSR issues linked to the group's activity, which exerts a human, cultural and intellectual influence over millions of customers and citizens. It is a fact that societal priorities top the list of the company's concerns and commitments. In a highly competitive international environment, it is therefore important for Vivendi to demand the utmost in innovation, not only in its ability to discover and empower talent, in services offered and its musical, cinematographic or audiovisual content, but also in its vision and responsibility to society. The media and cultural industries sector, while contributing to the revitalization of the economy, also contributes to global harmonious development and to learning to live together.

Launched in 2013, the pilot project, devoted to cultural capital, has been widened to an international scope in accordance with the commitments made. The results show that producing musical, cinematographic and audiovisual content reflecting rich cultural diversity is in the public interest (societal value) and gives the group an edge over its competitors (financial value) (see Chapter 1, Section 1.4.4 p. 18).

The Management Board and the General Management raised the profile of this pilot project by introducing it into the company's integrated management (see pp. 16 and 17). This momentum is expected to be sustained in the coming years.

1.2. Integrating CSR into the Group's Governance and Strategy

1.2.1. Cross-Mobilization

In accordance with its internal rules, the Supervisory Board examines the group's corporate social responsibility policy on an annual basis. The Management Board informs the Supervisory Board of CSR policy results in a quarterly activity report.

In 2014, the CSR department was placed under the authority of the Senior Executive Vice President, Development and Organization, a member of the Management Board.

The CSR department defines the strategic guidelines and carries out cross-departmental functions:

- assisting in defining the CSR criteria used to determine the variable compensation of senior executives, in conjunction with the Human Resources department and the Management Board;
- working with the Finance department to manage the integrated reporting policy;
- organizing road shows dedicated to the group's CSR, in tandem with the Investor Relations department;
- mapping the risks relating to CSR, together with the Audit department, which, in 2013, introduced CSR into the Committee of Sponsoring Organizations of the Treadway Commission's (COSO's) questionnaire;
- disseminating the Compliance Program in conjunction with the legal department; and
- maintaining regular constructive dialog with the subsidiaries' operational departments (CSR, Legal, Finance and Human Resources) to implement the CSR policy.

Since 2003, the CSR department has convened meetings of a committee consisting of representatives of the subsidiaries and of several of the operational departments at corporate headquarters (Legal, Finance, Audit and Human Resources). Every CSR committee meeting provides an opportunity to invite experts, representatives from civil society or from national and European institutions to discuss topics within the group's eight priority issues (see Section 1.1.2).

Among the topics discussed in 2014 were "Mediation in Business-Supplier Relations" and "The Digital Environmental Footprint."

1.2.2. CSR Criteria integrated into the Variable Compensation of Senior Executives

At the Shareholders' Meeting held on April 30, 2009, the Chairman of Vivendi's Supervisory Board announced that, starting in 2010, CSR objectives would be used to determine the variable compensation of the group's senior executives. Vivendi was one of the first CAC 40 companies to adopt this policy.

In its 2014 report on corporate governance and the compensation of senior executives of listed companies, the French *Autorité des marchés financiers* cited Vivendi as one of the CAC 40 companies making a portion of the variable compensation of executives contingent on achieving qualitative criteria linked to the company's CSR.

For Vivendi's senior executives, this means measuring their contribution to performance objectives linked to the strategic CSR issues common to all subsidiaries and directly related to their business (see Section 1.1.1, p.42). The Supervisory Board has asked for the criteria for each business unit to be related to their particular know-how and their positioning. The indicators they are associated with must be relevant, measurable, and verifiable by an independent specialized third-party firm. These objectives are established by each subsidiary in close coordination with Vivendi's CSR and Human Resources departments, and are included in the overall assessment of senior executive performance.

The non-financial rating agency Vigeo assists the group in this process. Vigeo delivers an opinion on the relevance of the selected criteria and the associated indicators, and then issues an opinion on the achievements by the subsidiaries compared to their initial objectives. The Corporate Governance, Nominations and Remuneration Committee of the Supervisory Board assesses the performance of senior executives in relation to each CSR criterion and calculates the corresponding bonus percentage. In 2014, most of the objectives were reached or even exceeded by the group's companies. The amount of compensation relating to these objectives can account for up to 10% of the variable portion. The objectives in question applied to 1,102 senior executives in Vivendi's subsidiaries and headquarters.

Below are a few examples of the objectives reached in 2014 for each strategic issue:

- promoting cultural diversity: the pre-purchase of an agreed number of European low-budget or debut films by Canal+; the increase in the number of women on air; GVT's initiative aimed at raising the profile of local artists by broadcasting their music; increased investments by Universal Music Group to empower local talent in emerging markets;
- empowering and protecting young people: GVT's development of Internet education programs and the provision of parental control tools; and
- fostering knowledge sharing: the contribution made by Canal+ to showcasing cinema heritage by restoring and digitizing major films that have become inaccessible.

Given Vivendi's shift in focus towards media and content, these objectives have been supplemented and now also address the issue of personal data protection. For fiscal year 2015, UMG and Canal+ Group, working closely with Vivendi's Human Resources and CSR departments, have set the following CSR criteria:

- promoting cultural diversity:
  - commitment by Canal+ to promoting local talent globally and to further increasing the inclusion of women experts on air as guests,
  - empowermenting by UMG of local talent in emerging and developing markets;
- empowering and protecting young people:
  - commitment by UMG to establish a forum bringing together the most important five countries in terms of activity. The purpose of the forum is to develop a guide to best practice in order to classify

video clips by age rating or content descriptor and then to initiate a dialog with business partners to roll out the guide,
- promotion of this guide to best practices in all the countries where UMG is active; and

- valuating and protecting personal data:
  - commitment by UMG to expand employee training in the area of personal data protection beyond those who are already trained (Legal, Customer Relations or Marketing departments),
  - development of the training of Canal+ customer relations agents.

1.2.3. Non-Financial Reporting as a Management Tool

Vivendi has built an innovative non-financial reporting process that clearly shows the group's CSR positioning, opportunities, and risks to stakeholders. The indicators, grouped together in the Reporting Protocol created in 2004, are linked to concrete and relevant issues.

In Vivendi's "Communication on Progress" report, which is prepared every year as part of its adherence to the 2008 United Nations Global Compact, Vivendi reports on its implementation of the Compact's ten principles within its sphere of influence and, in particular, provides clear information on the first objective relating to human rights. In this report, the group presents all the CSR initiatives to which it is committed (including diversity of cultural expressions, local capacity for content production, access to information and communications technology, promotion of heritage, and protection of young people).

In 2009, the Global Reporting Initiative (GRI) invited Vivendi to become a founding member of an international working group responsible for defining quantitative and qualitative sector indicators for the media industry. In May 2012, this work resulted in the publication of a Media Sector Supplement to the GRI's reporting guidelines. This is a significant advance in the reporting process for the media sector. Several topics are covered: freedom of expression, editorial independence, the representation of cultures, privacy and data protection, accessibility, taking into account the interests of young audiences, responsible marketing, and media literacy.

Vivendi followed the same innovative approach when implementing the French Grenelle II law, by providing societal data according to themes specific to the content industries sector.

The Protocol for reporting environmental, social, and societal data on Vivendi group companies is updated annually, leading to an exchange of views with the subsidiaries. This update makes it possible to fine-tune the definitions of the monitoring indicators so they can be better understood by the contributors. It also helps to adapt to any strategic changes made by Vivendi. The Reporting Protocol enables Vivendi to meet the reporting requirements of Article 225 of the French Grenelle II law and includes the Media Sector Supplement of the GRI, to which Vivendi actively contributed. A Steering Committee made up of members of the General Management and operational departments (Legal, Human Resources, and CSR) regularly evaluates reporting improvements within the group.

The Statutory Auditors assessed the relevance and materiality of the indicators and non-financial information identified and defined in Vivendi's Reporting Protocol. For fiscal year 2014, one-third of this data is presented in this chapter of the Annual Report and was audited by Ernst & Young.

In the media and cultural industries sector, Vivendi has spearheaded the reporting and assessment of societal indicators directly related to its activities.

1.2.4. Dialog with all the Group's Stakeholders

The group maintains regular and constructive dialog with all its partners. In 2014, the CSR department consulted 40 external stakeholders to better understand their perception of Vivendi's CSR policy. This consultation was a two-step process. First a meeting was held at Vivendi's headquarters, after which a questionnaire was sent to all the stakeholders targeted. The questionnaire was completed by 65% of recipients.

Five categories of stakeholders were consulted: shareholders/investors representatives, public authorities, the institutional environment, academic institutions and associations/NGO/experts. The three "historic" strategic issues defined in 2003 (promoting cultural diversity, protecting and empowering young people and fostering knowledge sharing) were recognized as "highly relevant" to the group's activities. The need to better communicate with the public at large on these "core" objectives was emphatically stressed. Following this consultation, and to meet the request for a better identification, out of the eight priority CSR issues, of those related directly to the group's positioning in the media and its strategy, the decision was made to add to the three historic CSR issues the one relating to the valuation and protection of personal data (see Section 1.1.1 p.42).

Aside from this consultation, Vivendi shared its thoughts throughout the year with its partners and with other public and private players.

In particular, Vivendi participated in the ministerial committee "Gender equality in culture" established by the French Ministry of Culture, and presented its works on the place of women in artistic creation. Vivendi also contributed to the discussions of the International Integrated Reporting Council, of the UNESCO chair "Forwardance in sustainable digital development", of the Sustainable Finance Commission of Paris Europlace, and also of the European Youth Parliament.

Vivendi responded to invitations from several organizations such as the Council of Europe, the European Network for Cultural Administration Training Centres (ENCATC), the French CSR Institute, UNICEF, the University of Poitiers, and the employers' union MEDEF to present its CSR policy and the changes made in non-financial reporting.

As a founding member and active contributor to the CSR Media Forum, which brings together the French media companies committed to CSR, Vivendi participated in the conference held at France's National Library to launch the handbook "CSR in the Media Sector." Vivendi had a part in the preparation of this handbook, the aim of which is to present issues of responsibility that are media specific, to share the initiatives of the sector and to develop sector reporting tools. The handbook thus contributes in the strengthening of dialog among CSR specialists and the sector's various players and observers.

Because public reflection and dialog bring new ideas and suggestions to any group that keeps abreast of its stakeholders' concerns, the CSR department maintained in-depth discussion over the year through the website *Culture(s) with Vivendi* and the web radio Vivoice.

Through testimonials from international personalities and rich and varied contributions, the website *Culture(s) with Vivendi* could actively pursue its objective of illustrating in concrete ways the role played by the cultural industries and the media sector in fostering economic growth, strengthening social cohesion, furthering learning to live together and promoting innovation. The website made it possible to showcase the wide array of artists signed by the group and to find out about career paths in the media sector. In 2014, for example, the site featured more than 80 videos, articles and portraits of artists. Among the "Artist Inspirations" the portraits of Ayo, Juliette, Patricia Petibon, Milos Karadaglic and Indila are notable. Caroline Champetier, director of photography, Laurence Equilbey, conductor, and Anne Landois, showrunner of *Spiral*, the famous Canal+ TV series, were among the professionals who gave interviews on *Culture(s) with Vivendi* along with numerous Universal Music and Canal+ colleagues, to explain their jobs.

Because the voices of young people are an important part of Vivendi's CSR policy, a "Youth Forum" section was created so that young people could express their views and expectations.

In 2014, 29 guests spoke on Vivoice, Vivendi's CSR web radio, in short broadcasts entitled "CSR sets the tone," in which Novethic, the AMF (the French Financial Markets Authority), the CNIL (the French Data Protection Authority) together with the Enjeux e-médias association, the Council of Europe, and the Federation of Women Administrators, Sycomore AM all participated. Vivoice also aired special programs addressing the following topics: "Creative Internet, a lever of expression and employability for young people," "Africa, culture and sustainable development," "CSR and corporate governance," and "Human rights in the digital era." The social media, which was highly active during the broadcasts, spread these testimonials to the company's different audiences.

This dialog with stakeholders is valuable as it provides an opportunity to anticipate societal trends, and in this way contributes to the group's overall performance.

NOTES AND LEGENDS

- Societal, social and environmental indicators are presented in compliance with the French Grenelle II law.
- Unless otherwise stated, data is consolidated as of December 31, 2014.
- Cross-referencing with the principal non-financial reporting references is provided for each indicator. Under each indicator, the following references are used:
  - "GRI": the guidelines of the Global Reporting Initiative (G4 version), including the Media Sector Supplement (MSS);
  - "UNGC": the principles of the United Nations Global Compact; and
  - "OECD": the OECD Guidelines for Multinational Enterprises.

  The complete table of cross-references to the GRI guidelines is also available in the CSR section of Vivendi's website, where the eight CSR priority issues of the group are listed.
- For 2014 and 2013, data is consolidated.
  After the disposal of SFR and the Maroc Telecom group, the 2014 non-financial data does not include data relating to these entities. The 2013 data was restated accordingly for pro forma analysis.

  2014 data is broken down by subsidiary for certain indicators:
  - "C+G": Canal+ Group;
  - "UMG": Universal Music Group;
  - "GVT": GVT (sale underway, see Chapter 4, Section 1.1.3 of the Financial Report);
  - "Vivendi Village": Digitick, See Tickets, Wengo, Watchever; and
  - "Corporate": Paris headquarters for societal and environmental reporting / Paris and New York headquarters for social reporting.

  Similarly, the charts illustrating some indicators relate to 2014 data.
- "na": not applicable or not available.

SECTION 2 Societal Information

2.1. Key Messages

2.1.1. CSR Sector Issues related to Human Rights

Vivendi is one of the rare multimedia groups occupying a leading position across the entirety of the content business. This is why as early as 2003 three strategic CSR issues were defined that are directly linked to this feature of the group (see Section 1.1.1). The relevance of these issues is confirmed as Vivendi defines itself as a global integrated industrial group in media and content.

In July 2014, Vivendi arranged a consultation with its stakeholders (see Section 1.2.4). A substantial consensus emerged favoring further strengthening of the positioning of the group's CSR policy within the three historical "core" issues, to which the issue of protecting personal data was added in the interests of consistency, given the development of the group's digital activities.

From now on, Vivendi's four "core" CSR issues include:

- promoting cultural diversity in content production and distribution;
- empowering and protecting young people in their use of digital media;
- fostering knowledge sharing which includes pluralism of content, media accessibility and literacy; and
- valuating and protecting personal data.

Media sector issues stand out because of their unique characteristics, and are noticed by the market and by civil society at large. Thus in 2014 the FIDH Liberty and Solidarity Investment Fund, managed by Banque Postale AM, added Vivendi's name to its list; Vivendi is the only French company in the media sector listed by this investment fund that has been awarded the label Novethic SRI. Both SRI and mainstream investors give Vivendi a good rating based on its positioning on these sector objectives.

Linking these sector issues to human rights enables Vivendi to meet the growing expectations of its stakeholders, including investors who are increasingly paying attention to the performance of companies in relation to human rights. Moreover, this exercise in transparency on the part of players in the economy is called for by the growth of increasingly demanding regulations – both domestically, such as French Grenelle II law, and internationally, such as the United Nations Guiding Principles on Business and Human Rights, or the EU Directive on the disclosure of non-financial information by certain large companies, which will now have to report information on respect for human rights in their business operations. In 2014, eager to contribute to public debate and to share its thoughts on its CSR issues, Vivendi participated in the digital dialog initiated by French Prime Minister Manuel Valls and French minister responsible for Digital Affairs Axelle Lemaire, and was a part of public consultation on the topic "Loyalty in the digital environment."

2.1.2. Developing Local Talent in Africa at the Heart of Vivendi's CSR Strategy

Vivendi, a leading company in the media and cultural industries sector, is making a specific contribution to sustainable development. This consists of meeting the communication needs of current and future generations, developing their talents, nurturing their curiosity and encouraging intercultural dialog and learning to live together.

This is why Vivendi has made the development of local talent in Africa an essential component of its CSR policy, evidenced by, among other things, the setting of networks involving colleagues in the subsidiaries located in Africa, the collecting of data on societal indicators since 2004, and the launch of a sound engineering training program. Started in 2006 with the support of UNESCO, this annual program takes place at the Moffou studio in Bamako. It gains the loyalty of young professionals, who develop diversified skills such as the skills required to record the "Made in Bamako" album in 2012 or the captioning of a live show, as in 2014, when they recorded live a concert by Salif Keita and the Ambassadeurs Internationaux. One of the interns in this training program was the first winner in the "Technicians" category in November 2014 of the *Ghislaine Dupont et Claude Verlon RFI (Radio France International)* scholarship. A fitting reward for this young Malian, now an independent radio station worker, who is planning on opening a training center himself.

The website *Culture(s) with Vivendi* and Vivoice, Vivendi's CSR web radio, are well positioned for promoting the link between CSR issues and strengthening local production capacities in Africa. The special broadcast devoted to the topic "Africa, culture and sustainable development" led to a lively debate between representatives of the ACP (group of African, Caribbean and Pacific countries), CSR experts in Africa, media professionals and African artists. These tools for dialog also provide greater exposure for the CSR initiatives undertaken by the subsidiaries.

This was the case, for example, with the documentary saga *Kindia*, which was awarded the prize for Innovation from Reporters d'Espoirs. Launched in 2012 by Canal+ Group's Documentary department in partnership with NGOs, *Kindia* is an original television adventure. For four years the channel's teams have followed development projects carried out by these organizations in the region of Kindia in Guinea-Conakry. In three years, significant progress has been made in healthcare, education and environmental programs: nine schools have been built and 12 healthcare centers renovated. Parallel to the editorial coverage provided by Canal+ (one documentary per year to follow the progress of the projects), subscribers to the channel can contribute to the funding of the projects through the Kindia Fund.

Another noteworthy initiative, *L'Afrique au féminin*, was led by Canal+ Africa and Canal France International. A competition of short programs was opened to young African women filmmakers on the topic "Succeeding today in Africa." Of the hundreds of applications received, fifteen women filmmakers from thirteen French-speaking sub-Saharan African countries were selected to participate in the project and received training in writing and editing. Eleven of their films were selected for broadcasting on the channel. This project, which focuses on discovering new audiovisual talent among African women, demonstrates the desire of Canal+ Africa to support projects involving the African cinema and the training of women. The purpose of the *L'Afrique au féminin* project is to encourage women to become involved in audiovisual creation while at the same time contributing to the professionalization of the local cultural sector. Such aspirations are in line with Vivendi's CSR policy, as the group is committed to analyzing and promoting the place of women in artistic creation.

This CSR process and this way of mobilizing the subsidiaries will lead to cross-fertilization in the years to come, due to the new structure and the pooling of resources and expertise in the interest of developing the group's operations in Africa.

2.1.3. Vigilance in Relation to the Media and Content Supply Chain

The group's commitments towards its suppliers are guided by the rules of conduct of the Compliance Program, the United Nations Global Compact and the French Responsible Supplier Relationship Charter, the latter of which the company signed in 2013. Implementation of this charter is based on the active involvement of the subsidiaries in France. In 2014, a CSR committee meeting was held with representatives from the legal and technical departments of the French subsidiaries of Canal+ Group and Universal Music Group (or "UMG") on implementing the mediation arrangements, in the presence of the national ombudsman. An assessment of commitments was presented on that occasion.

The subsidiaries acted to bolster their responsible purchasing policy and reinforce the training of the employees concerned.

Canal+ Group has established contractual conditions dictating respect for the principles of the United Nations Global Compact. These prior conditions are included in the bid solicitation documents (calls for tenders) used by Canal+ Group and in the contracts entered into with suppliers after the bids are accepted. Purchases of audiovisual content (including films, series, broadcasts and sporting events), which represent a significant portion of the purchases made by Canal+ Group, are made under the conditions defined by the eligible parties.

When soliciting suppliers, UMG includes in the tender documents Vivendi's and UMG's corporate social responsibility commitments and requires suppliers to agree to them. UMG reserves the right to audit the supplier's premises at any time to ensure that these commitments are respected and that adequate procedures have been established to protect UMG's right of ownership against piracy, and that the supplier's premises meet health and safety requirements.

GVT, which joined the United Nations Global Compact in 2014, has incorporated its ten principles into its contracts with suppliers. GVT has strengthened the awareness of its senior management and has held training sessions for employees in charge of purchasing. The Brazilian carrier also signed the "Call to Action: Anti-Corruption and the Global Development Agenda" introduced by the United Nations Global Compact in December 2014 to celebrate the tenth anniversary of the Compact's tenth principle, under which "businesses should work against corruption in all its forms, including extortion and bribery." This Call to Action is an appeal by the private sector to governments to promote practices combating corruption and to establish policies of good governance, which are necessary conditions for promotion of a sustainable and inclusive global economy.

In 2014, a more precise assessment was made of the purchases from suppliers and subcontractors that account for at least 75% of the overall expenses of each of Vivendi's subsidiaries. It shows that nearly 80% of such purchases involve content (including audiovisual creations, televised rights and music licenses) and professional services (including promotion, marketing and distribution). Finished products, which mainly include set-top boxes and satellite equipment, account for 13% of total purchases, while the percentage of raw materials in question is of little significance. As investments are made primarily by the group's companies located in Europe and North America, purchases are made primarily within those geographic areas (85%), and to a lesser extent in South America and Africa. The objective in 2015 is to consolidate the results of this assessment, due to continued improvements in the organization of information feedback.

2.2. Societal Indicators

The abbreviations or acronyms used under the title of the indicators are provided in detail on p.46.

The societal data is based on the following scopes of consolidation, which are detailed in the indicators and in the Methodology Note (see Section 5.1):

- Canal+ Group (entities located in France, Poland, Africa and Vietnam), except for certain indicators that apply only to France;
- Universal Music Group, limited to a focus group of nine countries, accounting for 81% of total revenue of that group (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States). For some indicators, this scope is expanded to include other entities that show noteworthy initiatives;
- GVT (sale underway, see Chapter 4, Section 1.1.3 of the Financial Report);
- Corporate (Paris headquarters).

2.2.1. Vivendi's Four "Core" Issues relating to Human Rights

In 2011, the United Nations Council on Human Rights approved the Guiding Principles on Business and Human Rights.

Being aware of the human and cultural influence exerted by the group over millions of customers and citizens, and of the role it can play in promoting learning to live together, Vivendi has defined four CSR strategic "core" issues relating to human rights:

- promoting cultural diversity in content production and distribution;
- empowering and protecting young people in their use of digital media;
- fostering knowledge sharing which includes pluralism of content, media accessibility and literacy; and
- valuating and protecting personal data.

These issues, which since 2004 have been rigorously reported, are part of the societal component of French Grenelle II law, under the heading on information relating to action taken in support of human rights (see Sections 1.1.1 and 2.1.1).

Data regarding compliance with the fundamental conventions of the International Labor Organization (ILO) is discussed in the suppliers and sub-contractors section (see Section 2.2.4) and in the "Social Information" section of this chapter (see Section 3.2.7).

2.2.1.1. Promoting Cultural Diversity in Content Production and Distribution

Since 2003, promoting cultural diversity has been one of Vivendi's societal priorities. The group aims to encourage diversity in music catalogues and cinematographic expression, discover and empower new talent, promote local artists and enhance cultural heritage.

As demonstrated by the integrated reporting pilot project, the promotion of cultural diversity creates both societal and financial value (see Chapter 1, Section 1.4.4). Since 2010, this issue has been part of the CSR criteria which are taken into account when considering the variable compensation of the group's senior executives.

In 2012, to illustrate in a concrete way the major role played by culture in stimulating economic growth and strengthening social cohesion, Vivendi launched the site *Culture(s) with Vivendi* (cultureswithvivendi.com). With a focus on cultural diversity, this site provides a unique insight into the cultural industries and the media sector:

- the "Artist Inspiration" heading enables a better understanding of the diversity of musical and cinematographic influences on artistic creation by offering web users a chance to explore the world of artists of different genres and to have access to a diverse range of music and film catalogs, which are sometimes little known;
- the "Creative Jobs" heading shows the value chain and the broad range of career paths which are offered in the cultural industries and the media sector, through interviews with professionals;
- the "Intercultural Dialog" heading uses numerous testimonials by artists, students or experts to explain how culture promotes mutual understanding and learning to live together; and
- the "De Facto" heading uses facts and figures, testimonials and research to place culture at the heart of sustainable development. This is a special forum for anyone wishing to demonstrate the link between culture, human development, openness toward others, access to knowledge and the fight against poverty.

2.2.1.1.1. Cinematographic and Audiovisual Diversity

As the chief contributor to audiovisual and cinematographic expression in France (mainland France and the overseas departments and territories), Canal+ Group, through its subsidiaries, also plays a significant role in Europe and Africa. Cinematographic diversity is one of the pillars of the editorial line of its Canal+ channel (see Integrated Reporting Pilot Project, Chapter I, Section 1.4.4 p.18).

- **Supporting cinematographic creation in France**

Percentage of CNC-approved French-initiative films financed by Canal+ and associated amounts

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	Canal+

	2014	2013
Canal+	**40% (€132 million)**	54% (€153 million)

In 2014, Canal+ remained a special partner of French cinema. It actively supported creation by financing 40% of French films approved by the CNC (the French National Center for Cinema and the Animated Image) for €132 million. The decline in 2014 compared to the previous year is not related to the acquisition policy of Canal+, but reflects film production in general, in particular the delay of filming big-budget movies in 2015.

Discovering new talent and empowering young filmmakers

Canal+ Group has a particular focus on the discovery of new talent. The channel empowers young filmmakers by financing their first and/or second films.

Number of first and second films financed by Canal+

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	Canal+

	2014	2013
Canal+	**27 first films & 15 second films**	32 first films & 20 second films

Committed to a policy of expanding the broadcasting of its content on the open Internet (OTT), Canal+ has developed a new label for artistic promotion and expression, aimed at talented individual on television and the web, Canalfactory. This new label gives talented individuals a chance to build up their audience and receive assistance in producing and promoting unpublished programs. Canalfactory also provides an opportunity to experiment with various short formats and original productions developed specifically for the web.

In 2014, Canal+ Group acquired a majority stake in Studio Bagel, the leading comedy channel network on YouTube in France. Created in 2012, Studio Bagel groups together the most popular talents on YouTube and produces highly popular channels with a total of nearly six million subscribers, recording more than 40 million views per month.

In addition to the artistic watchdog *Repérages*, the channel is also developing programs based specifically around the discovery of new talent, such as the *L'Afrique au féminin* project (see Section 2.1.2).

Enhancing audiovisual and cinematographic influence abroad and showcasing cultural heritage

Initiatives by Canal+ Group aimed at enhancing audiovisual and cinematographic influence abroad (young talent, local talent, digitization of cultural assets) and at showcasing cultural heritage

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	Canal+ Group

Canal+ Group has developed a number of initiatives aimed at enhancing the influence of audiovisual and cinematographic media abroad and showcasing cultural heritage.

Canal+ Africa supports numerous African cinematographic productions: since 2005, more than 50 films have been co-produced or co-financed. The channel broadcasts twelve African films every year. Six films and series will be in competition at the 2015 FESPACO (the Ouagadougou Pan-African Film Festival). In 2014, Canal+ Africa supported, among others, the following African films: *La Fugitive* by Boubacar Diallo (Burkina Faso), *Soleils* by Dani Kouyaté and Olivier Delahaye (France/Burkina Faso) and *Félicité* by Alain Gomis (Senegal).

In 2014, Canal+ Africa also launched A+, a new 100% African channel broadcast through the Canalsat package in more than 20 countries in West and Central Africa. A+ aims to become the benchmark channel for French-speaking Africa, to reflect the identities and special characteristics of the continent and to focus firmly on the Africa of the future. Two-thirds of the broadcasts will be devoted to African and African-American films as well as TV series and films for television.

Studiocanal, which includes the French entity as well as its British and German subsidiaries and which is also active in Australia and New Zealand, has established itself as a leading European player in the co-production, acquisition and distribution of films. In 2014, Studiocanal invested €173 million in European works (see Chapter 1, Section 1.4.4 p.18) and consolidated its position as a European leader through production partnerships launched in Scandinavia.

In 2014, Studiocanal films were selected in the major film festivals: the Oscars (*Ernest & Célestine*), the Berlin International Film Festival (*Two Faces of January* and *The Hundred-Year-Old Man Who Climbed Out the Window and Disappeared*), the Toronto International Film Festival (*Imitation Game,* winner of the People's Choice Award), and the Golden Globes (16 nominations for the films *Imitation Game*, *Selma,* and *Foxcatcher*).

Studiocanal is also involved in promoting and preserving film heritage. In 2014, Studiocanal restored two films (*Le Jour se lève [Daybreak]* by Marcel Carné and *Les Contes d'Hoffman [Tales of Hoffman]* by Michael Powell and Emeric Pressburger) and digitized 21, including the masterpieces of Jacques Tati and also *The Seventh Seal* by Ingmar Bergman. On the Cine+ channels, Canal+ Group devoted part of its programming to the broadcasting of works that are part of cinema heritage, including a François Truffaut cycle, a Jean Epstein cycle and a Marguerite Duras evening.

The series production company Tandem, a subsidiary of Studiocanal, develops, finances, produces and distributes prime-time programs for the global market, such as *Pillars of the Earth* and *World Without End*: series that won an Emmy Award and a Gemini Award and were nominated for Golden Globes.

2.2.1.1.2. Musical Diversity

Cultural diversity is at the heart of Universal Music Group's business, which owns more than fifty labels. UMG offers a vast catalog covering every variety of musical genre. It bases its growth policy not only on developing its roster of international artists, but also on spotting and promoting local talent, whether it is young artists or best-selling acts, to maintain its leadership position in its different national markets (see Chapter 1, Section 1.4.4 p.18). In 2014, UMG signed local artists in 59 countries; the albums recorded represent over 44 languages altogether.

Investing in creation and local talent

Percentage of sales accounted for by local repertoires in their own countries

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	UMG (59 countries)

	2014	2013
UMG	**60%**	61%

In 2014, young UMG artists once again received numerous awards: at the *Victoires* award ceremony, the album *Psycho Tropical Berlin* by the group La Femme was named Album Revelation of the Year, while Stromae, the 29-year-old Belgian-Rwandan singer, a major favorite of the ceremony, won three Victoire awards. Lorde, the 18-year-old New Zealand songwriter, won Grammy Awards for her title track "Royals" which was named Song of the Year and Best Pop Solo Performance.

In September 2014, at the Gramophone Awards (the equivalent of the Academy Awards for classical music), UMG again stood out: the Decca and Deutsche Grammophon labels won four prestigious awards, including Artist of the Year, which went to Greek violinist Leonidas Kavakos.

In 2014, UMG also boasted a number of successes in China and Southeast Asia. The EMI label signed the mandopop superstar A-Mei, a genuine icon of the Chinese musical scene, and Show Lo and Rainie Yang, two other key artists in the region.

Universal Music France has numerous African artists signed to labels and in its catalog, such as Ayo (Nigeria), Benjamin Clementine (Ghana) and Tiken Jah Fakoly (Ivory Coast). In 2014, it launched the first pan-African musical talent contest "Island Africa Talent," co-produced with Canal+ and aired on the new A+ channel. A tour with the four finalists will also be organized in French-speaking Africa. In order to strengthen its local presence, Universal Music France launched the Island Africa label of the same name: Baloji, a rapper of Congolese origin, was the first artist signed.

- **Showcasing musical heritage**

Showcasing musical heritage is a priority for UMG's business. Therefore, the group is developing platforms and applications in order to exploit its exceptional artists and catalog, while continuing with its investments.

Actions taken by UMG in favor of promoting musical heritage (youth talent, local talent, digitization of heritage works)

GRI	UNGC	OECD	Scope covered
MSS M3	1, 2	II, IV	UMG (9 focus group countries)

In 2014, UMG introduced uDiscover, a free-to-consumer global platform offering new ways to explore the catalog and to discover Universal Music artists. With more than 600,000 unique visitors per month, uDiscover is a new platform for discovering legendary UMG artists, thus helping to diversify the musical culture of listeners.

In the United States, to celebrate the 75th anniversary of the Blue Note label, UMG introduced a Blue Note 75 application devoted to the iconic jazz label. The application, which is available on iTunes, Spotify, Deezer and Rdio, encourages listeners to rediscover the vast Blue Note catalog, including an interactive timeline of cover art flow that traces the evolution of the label from early jazz into today's modern explorations.

In November 2014, UMG's Decca Records, Deutsche Grammophon and Mercury Classics joined forces with Global Radio's Classic FM to launch the application Composed in the United Kingdom. Composed is a streaming service offering classical music lovers a chance to find their listening choices from among the vast repertoire of the finest recordings ever made by the labels. Furthermore, UMG launched Sinfini Music in Australia in 2014, after first launching it in the United Kingdom in 2013. Sinfini Music is a site that brings classical music to a broad and diverse audience. It was enormously successful (100,000 unique visitors per month) due to a rich offering of music and published content (local composers and artists, events and participation in educational projects in partnership with music schools). The development of a dedicated mobile application and a web-TV also facilitate access to the classical repertoire.

2.2.1.2. Empowering and Protecting Young People in their Use of Digital Media

In a digital environment that is dramatically changing cultural practices and the way in which the media is used, Vivendi has a major role to play in assisting young people in their quest for self-fulfillment, in expressing their creativity and in accessing knowledge. This is why, since 2003, Vivendi has defined the empowerment and protection of young people as a strategic "core" issue of its CSR policy (see Section 1.1.1 p.42). Since 2010, this objective has been part of the CSR criteria taken into account in the variable compensation of the group's senior executives.

2.2.1.2.1. Empowering Young Audiences

Initiatives aimed at enabling young people to exercise their creativity and their status as citizens

GRI	UNGC	OECD	Scope covered
MSS M7	1, 2	II, IV	Corporate Canal+ Group UMG (9 focus group countries) GVT

Vivendi has entered into a partnership with the European Youth Parliament (EYP). 150 young people met on the occasion of the Caen International Forum, which was held from May 29 to June 8, 2014, to celebrate the seventieth anniversary of the Normandy Landing. Following the example of members of the EU Parliament, in two interactive workshops sponsored by Vivendi, they debated the following topics: "the role of culture in sustainable development" and "protecting privacy in the digital world." Their resolutions were submitted to the heads of state attending the official ceremonies. The site *Culture(s) with Vivendi* published a summary of these exchanges and continues to provide a regular platform for these young Europeans.

On November 20, 2014, for the third consecutive year, Vivendi was a partner in France's National Youth Day. Vivendi invited three classes to learn about career paths in the cultural industries and media sectors. The event was attended by executives from Universal Music France, Canal+ and Studiocanal. Almost one hundred young people had a chance to look more closely at a professional milieu that was previously unknown to them.

In 2014, Vivendi also embarked on the topic of empowering young audiences on its CSR web radio platform Vivoice in a special broadcast devoted to the topic on February 11, for Safer Internet Day. The discussion focused on three topics: "A Safer Internet", "A Digital World respecting the Rights of Children" and "A Creative Internet: a Lever of Expression and Employability for Young People." The French Children's Advocate and representatives from associations (Transapi, Simplon.co, Web@cadémie), UNICEF and the French General Commission for Strategy and Outlook participated in these discussions.

In 2014, Canal+ celebrated its thirtieth anniversary, an appropriate occasion for recognizing creativity on the web, with the operation "30 seconds for 30 years". This contest, organized by Canalfactory, the Canal+ label for new talent on the web, invited web users to create 30-second videos for the channel's thirtieth anniversary. The winning video was aired on November 10 during the show *L'Œil de Links*.

In addition, Canal+ Group has launched a structure called CanalStart that is designed to support initiatives and projects by young entrepreneurs in the world of media and new technologies to assist them in their development. A total of 150 projects were reviewed, 30 start-ups were identified and four initial partnerships entered into.

UMG is behind a number of initiatives to encourage the expression of creative talent. In 2014, the group continued to develop Spinnup, a platform for young unsigned artists to distribute their music to major digital music distributors. Located in Sweden, the United Kingdom and Germany, Spinnup also has a network of scouts who identify the best artists, to offer them assistance and advice. In exchange for this global exposure, the artists pay a low annual fee and all royalties are paid through to them. Two Spinnup artists have now been signed directly to UMG Sweden and have won several platinum awards.

In 2014, Universal Music Group also introduced Sinfini for Schools, which offers free educational resources on masterpieces of classical music for teachers with pupils aged between 11 and 14.

In Brazil, GVT continued its Responsible Internet program in cooperation with the NGO SaferNet and with CDI (Committee for Democratization of the Internet). Training sessions were held in São Paolo and Curitiba, where, due to online resources available on a dedicated platform, young people were able to learn and develop mobile applications "with a social impact."

2.2.1.2.2. Protecting Young Audiences

In 2008 Vivendi adopted a Data and Content Protection Charter, in which the group states that it respects freedom of expression, while preventing the spread of unlawful material, particularly with regard to children.

To achieve this balance, Vivendi commits to the following:

- promoting methods for choosing or controlling content (filtering tools and other selection methods);
- cooperating actively with the competent authorities in the fight against illegal content;
- promoting ethical standards in support of its activities; and
- raising the awareness of parents and children on the uses of new media.

Vivendi contributes to public debate and participates in different events related to this topic. For example, for Study Day "Children online: education in the digital era", which was held on October 9, 2014 by the University of Poitiers in collaboration with the CEMEA (Training Centers in Active Education Methods), Vivendi participated in the round table discussion on the responsibility of citizens, the media and the government, with regard to children. This conference provided an opportunity to compare the views of researchers, child and media specialists with those of content producers, while defining the current status of national and European regulations on the protection of children.

Existence of a formal commitment to ethics covering content (production and/or distribution), part of which specifically concerns protection of young audiences

GRI	UNGC	OECD	Scope covered
G4-56, DMA PR MSS Content creation and distribution aspect	1, 2	II, IV, VIII	Corporate Canal+ Group UMG (9 focus group countries) GVT

Initiatives aimed at raising the awareness of young users and their entourage about responsible uses of products and services

GRI	UNGC	OECD	Scope covered
G4-PR3, MSS M4	1, 2	II, IV, VIII	Corporate Canal+ Group UMG (9 focus group countries) GVT

Vivendi's subsidiaries provide their audiences with a number of tools to help them master the use of the group's products and services.

Canal+ Group's Ethics Charter stipulates that "the channels shall ensure the protection of children and young people, and to this effect shall apply a program classification reflecting degrees of appreciation and appropriateness of programs with regard to the protection of childhood and youth through the application of corresponding standards." This applies to all new media, including on-demand audiovisual media services.

- Canal+ Africa has likewise undertaken to ensure that "its programs and offshoots of these programs do not breach the rights of children or young people, and has undertaken to inform its subscribers of any programs that could harm the sensitivity of children or young people." This principle is enshrined in the conventions signed with the audiovisual regulatory authorities in the following countries: Benin, Burkina Faso, Chad, Congo, Djibouti, Gabon, Guinea Conakry, Ivory Coast, Madagascar, Mali, Niger, Central African Republic, Democratic Republic of Congo, Senegal and Togo.
- In addition, after designing a secure young people's space in its VOD Canalplay platform, Canal+ Group designed a derived mobile application Canalplay Kids in 2014. Parental control is password-protected and can be set to suit the child's age and the desired viewing time through the application. Likewise, Canal+ Africa subscribers subscribing for content reserved for an adult audience must enter a confidential parent code to access it.
- In Poland, the activity of nc+, on linear television as for on-demand audiovisual media services, complies with local regulations for the protection of minors concerning the classification of programs, time spots and commercials. In October 2014, the nc+ channel was a co-signatory of a self-regulation agreement covering commercials, along with the country's seven other main broadcasters: any advertising for food and beverages the overconsumption of which could be considered as unhealthy will no longer be permitted in the time slots of programs designed for children age 12 or younger.

In addition to complying with local regulations, UMG takes steps to promote the responsible use of its services.

- UMG in the United Kingdom ran a pilot age-rating scheme for video clips made available on the Youtube and Vevo platforms. Between October and December 2014, 24 video clips were submitted to the British Board of Film Classification to be age rated and only one out of 24 has been rated 18. UMG plans to expand this good practice.
- In the United States, along with the RIAA (Recording Industry Association of America), UMG participates in the "Pause Parent Play" program, which provides parents with online resources to guide their choices of media consumption for their families. And in the United States, as well as in Germany, UMG is partnering with the campaigns of the RIAA and the IFPI (International Federation of Phonographic Industry) called "Why Music Matters" and "Playfair" which are raising the awareness of young audiences regarding the importance of legal music consumption.

GVT has incorporated parental control tools into its pay-TV services in compliance with the local regulations in force, such as software applications and a rating system designed to prevent young people below the age of 18 from being exposed to inappropriate content. On its telecommunications carrier services, GVT also offers parents the option of filtering the content provided to their children. Moreover, there is an active 24-hour help line to assist consumers using digital media.

- As part of its program for a responsible Internet, GVT is developing the website Internetresponsavel.com.br and a blog providing young people and their parents with advice for responsible Internet use. Concomitantly, a guide to responsible Internet use is distributed throughout Brazil and is available online. During the World Cup, GVT, in partnership with SaferNet, launched an awareness campaign on the web, *Contra Pedofilia*, condemning cyber-crime.

Description of mechanisms for implementing and monitoring this commitment

GRI	UNGC	OECD	Scope covered
MSS M2 and M4	1, 2	II, IV, VIII	Canal+ Group UMG (9 focus group countries) GVT

Every subsidiary has set up internal and/or external systems to ensure compliance with and to follow-up on this commitment:

- specific internal or external control body (C+G, UMG);
- a dedicated officer appointed to oversee this issue (C+G, UMG, GVT);
- involvement of an internal or external mediator (C+G); and
- alert procedure (C+G, GVT).

2.2.1.3. Fostering Knowledge Sharing: Pluralism of Content, Media Accessibility and Literacy

A third CSR strategic issue identified by Vivendi concerns pluralism of content, media accessibility and literacy. Driven by the desire to contribute to learning to live together and to promote access to its content by the largest number of users, the group has become part of various initiatives in order to expand the scope of its reflection and the actions it undertakes.

2.2.1.3.1. Pluralism of Content

Vivendi ensures pluralistic expression of thoughts and opinions in accordance with the principle of equal treatment. Respect for freedom of expression is enshrined in Vivendi's Data and Content Protection Charter.

In Vivendi's Reporting Protocol, pluralism is defined as follows: "The goal of pluralism is to guarantee that customers, subscribers, consumers, viewers and listeners have diversified information, especially political information, which does not deprive them of the capacity to exercise their freedom of opinion and choice. A pluralistic media offering therefore results from a plurality of independent and autonomous media reflecting the broadest possible diversity of opinions and ideas."

Vivendi, which is in the process of shifting the focus of its activities toward the media sector, uses this shared definition to encourage and monitor the efforts of its subsidiaries in this area.

Existence of a formal commitment in favor of pluralism of content and freedom of expression

GRI	UNGC	OECD	Scope covered
G4-56, DMA HR MSS, DMA PR MSS Content creation aspect	1, 2	II, IV	Canal+ Group

Through the production of its documentaries, its round-the-clock television news channel i>Télé and all the international channels comprising the Canal+ Overseas packages, Canal+ Group occupies a leading position in the audiovisual scene. Accordingly, it plays a major role in nurturing the critical mind of its audiences.

Canal+ Group, through its Ethics Charter, is committed to pluralism of content through an editorial policy common to all channels.

In addition, in France, the CSA (the French Broadcasting Authority) has signed an agreement with Canal+ under which the channel "ensures pluralism in the expression of thoughts and opinions, particularly in the context of recommendations formulated by the CSA. It strives to respect this pluralism under conditions of comparable programming. Journalists, news anchors, moderators and on-air employees work to provide a fair presentation of controversial issues and to ensure that differing viewpoints are expressed." (Article 8)

Existence of a formal commitment guaranteeing balanced representation of society's diversity in content and programs

GRI	UNGC	OECD	Scope covered
G4-56, DMA HR MSS, DMA PR MSS Content creation aspect	1, 2	II, IV	Canal+ Group UMG (9 focus group countries)

By signing and implementing an Ethics Charter, Canal+ Group is committed to respecting diversity in its editorial offerings and within its teams. This commitment is reflected in a proactive policy aimed at strengthening gender equality and social diversity on its channels, so that both on-air content and the men and women presenting it illustrate the diversity existing within the company. By entering into agreements with the CSA, the Canal+ Group's channels in France are committed to respecting the representation of diversity of genres, origins and cultures and gender equality.

As the leading satellite pay-TV provider in Africa for over 20 years, Canal+ Overseas, a subsidiary of Canal+ Group, also contributes to promoting diversity of content due to the variety provided by its package of around 160 channels and radio stations, including some thirty local African channels.

Today's music business requires that UMG's catalog reflects the world's diversity of genres, origins and cultures. This is demonstrated by the signing of local artists in 59 countries and the exposure given to repertoire performed in over 44 languages by UMG artists. In 2014, UMG's 2014 Top 50 album bestsellers globally featured performers who were one-third female artists, one-third male artists and one-third mixed groups.

2.2.1.3.2. Media Accessibility and Literacy

Vivendi aims to facilitate accessibility of the group's products and services so that the most isolated audiences, regardless of where they live, their age or financial position, can share the benefits of this rich audiovisual, cinematographic and musical offering.

Initiatives in favor of accessibility of offerings, products and services (including customer service)

GRI	UNGC	OECD	Scope covered
G4-EC8, MSS M4	1, 2	II, IV	Corporate Canal+ Group UMG (9 focus group countries) GVT

The Canal+ Group's channels offer their subscribers the following two systems: close captioning for the deaf or hearing impaired (100% of the Canal+ channel's programs in France) and audio description for the blind or visually impaired. In 2014, the Polish subsidiary, in collaboration with the Widzialni ("Visible") Foundation, participated in the development of a sign language version of the children's channels MiniMini+ and teleTOON+ programs.

Canal+ Group also strives to improve its satellite coverage to provide better access to audiovisual content.

- Overseas, Canal+ Overseas offers Canalsat programs in Australia, Vanuatu, the Comoros, Haiti and the Dominican Republic. These offers are adapted to suit the material conditions of the population, such as the monthly offer with no commitment in the Comoros and the prepaid offers in Vanuatu. In Vietnam, the package price is affordable for a very large number of people.

UMG contributes to the promotion of music with a diverse audience, the main objectives being to ensure that all audiences have access to music and to design educational tools to assist young listeners. The fact that UMG has digitized its exceptional catalog of musical works provides a unique way for accessing thousands of recordings that are unavailable in any physical medium. UMG is developing or partnering with digital music services in the territories where it is active, which makes its offerings more accessible.

- The KLEEK, a pan-African mobile streaming service developed in 39 countries, also helps in improving accessibility to musical content at a low cost by offering thousands of titles by local and international artists, enriched with exclusive content. In countries that are poorly equipped with infrastructure, the partnerships between UMG and telecommunications operators for the creation of music bundles are helping to improve accessibility to musical content for geographically isolated populations.
- In France, UMG has teamed up with the carrier La Poste Mobile to offer unlimited listening to songs from its vast catalog coupled with a mobile plan at reduced rate (less than €10 per month) for young people between the ages of 12 and 24. Likewise, under a strategic partnership with Société Générale, UMG offers young holders of the So Music! card (which is free to the young person for the first year) unlimited access to its catalog through the site of the same name and the mobile phone application introduced in 2014.

In Brazil, high-speed Internet is considered an opportunity for accessing knowledge and a key to upward mobility for the middle class. According to the latest study by the IBGE (the Brazilian Institute of Geography and Statistics) based on data from 2011, this middle class is the one using the Internet the most. GVT applies special terms to low-income customers, as well as offering billing in Braille and a customer service adapted to its deaf and hearing-impaired customers.

In addition, Vivendi has partnered with the first European Forum on media and information literacy. This forum, which was held in May 2014 at the initiative of the European Commission and UNESCO, brought together members of governments, audiovisual authorities, institutions, teachers, media professionals, researchers and associations to promote media and information literacy in Europe, discuss MIL (*Media and Information Literacy*) within the EU, and encourage cooperation and initiatives at national and European level. Vivendi participated in the drafting committee for the Declaration "Media and information literacy in the digital age" that was announced at the close of the Forum.

As a partner in the UNESCO Chair "Forwardance in sustainable digital development," Vivendi has contributed to the work on communication and creative practices in the digital age according to the gender. The speakers at the symposium meeting in December 2014 in Rouen discussed gender inequality in interactive relationships (particularly on social networks) and in the way young women and men approach the technical professions.

2.2.1.4. Valuating and Protecting Personal Data

Personal data protection is a strategic issue for the group, which must build relationships of trust with its audiences. It is one of Vivendi's four "core" issues. In 2015, it will be among the CSR criteria included in the variable compensation of senior executives. The Data and Content Protection Charter adopted in 2008 defines Vivendi's commitments in terms of gathering and managing customers' personal data and the protection of content. It is applied within each subsidiary.

Existence of a formal commitment to protect personal data

GRI	UNGC	OECD	Scope covered
G4-DMA PR Customer privacy aspect, DMA HR MSS	1, 2	IV, VIII.6	Canal+ Group UMG (9 focus group countries) GVT

Canal+ Group complies with the French Act on Information Technology, Data Files and Civil Liberties, which requires organizations engaged in the processing or handling of data files to guarantee the security of those files. Thus a dedicated team within the group's legal department develops the personal data protection policy, monitors it, and manages relations with the CNIL (French National Commission on Freedom of Information).

- In its relations with third parties such as distributors and mobile operators that have access to subscribers' personal data, Canal+ Africa includes contractual provisions requiring them to agree to the confidentiality of that data.

In its Code of Conduct distributed in all countries where the group operates, UMG points out the need to protect its customers' personal data. In the United States, the group is in the process of revising all of its websites with the aim of obtaining "TRUSTe" certification, which attests to the implementation of best practices in the area of confidentiality and personal data protection. In the United Kingdom, UMG produced a document in 2014 called "Consumer Data Protection Policy Day-to-Day Guidelines" which outlines the best practices to apply on a daily basis to preserve the security of customer data.

GVT reiterates the duty of confidentiality regarding data bases and customer lists in its Code of Ethics and Conduct. This information may be communicated to third parties only after obtaining authorization and the signing of a confidentiality agreement. The group has set up a strong data protection system, and every year it trains its employees in best practices for safeguarding sensitive information.

Actions for raising the awareness of users, particularly young audiences, regarding personal data and information concerning private life online

GRI	UNGC	OECD	Scope covered
G4-DMA PR Customer privacy aspect, DMA HR MSS	1, 2	IV, VIII.6	Canal+ Group UMG (9 focus group countries) GVT

By having clear and precise general terms of use, Canal+ Group makes its best efforts to ensure that its subscribers have all the information they need for handling their personal data. Moreover, the group has developed a dedicated space for children on its video-on-demand service Canalplay, featuring suitable programs with simplified browsing, all within a secure space. The parents configure access to the programs based on their children's age, and exiting Kids mode is secured by authentication with a password.

UMG displays the obligatory legal notices on its websites regarding respect for privacy, explaining clearly to consumers the company's policies concerning privacy and personal data protection (e.g., www.umusic.co.uk/privacy.html). For young audiences, UMG requires consent by a parent or guardian when web users between the ages of 13 and 16 subscribe to its online music sites.

GVT has reinforced its initiatives to raise the awareness of responsible Internet use through advice and information specifically intended for educators who have direct and close contact with young people. Along these same lines, GTV publishes an annual comic strip that is written in language easily understood by children, illustrating the questions of security and responsibility that arise through Internet use and, more widely, through the use of new technologies. Once again in 2014, GVT supported the Safer Internet Day and implemented actions to raise awareness of the issue in São Paolo, Curitiba and Salvador, reaching over 880 people. Throughout the year, GVT has supported more than 140 similar events through its partnership with the NGO SaferNet.

2.2.2. Local, Economic and Social Impact of Business Activity

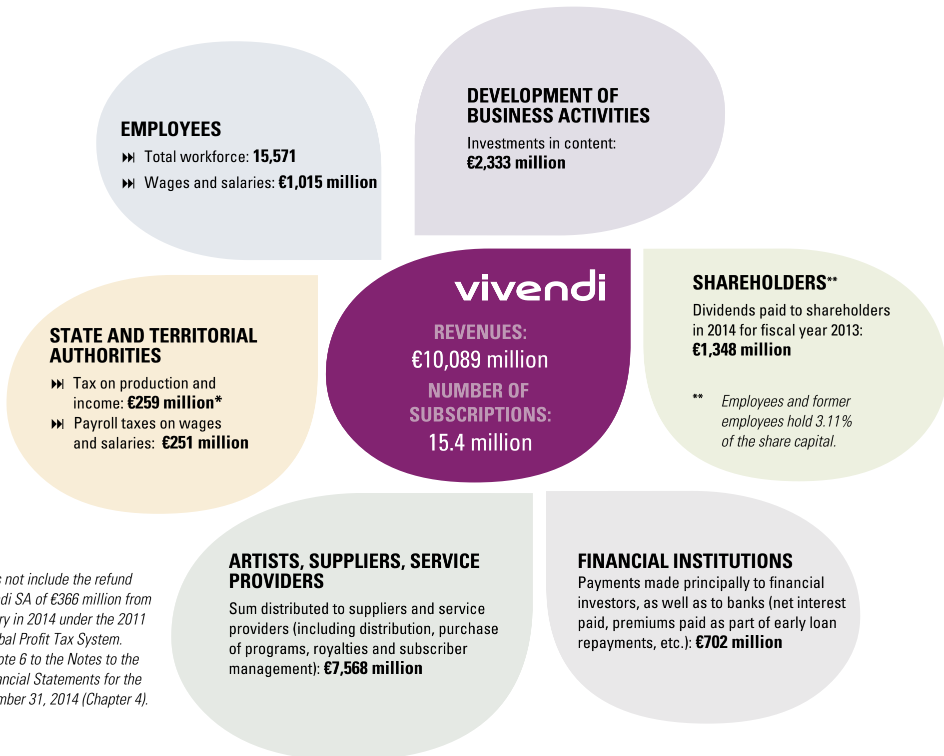
Vivendi plays a major role in the development of the territories in which it operates. Through its various subsidiaries, the group is a key partner of local economic players, as evidenced by the following:

- sharing the value produced by Vivendi with its principal stakeholders; and
- contributing to local economic, social and cultural development.

2.2.2.1. Sharing the Value Produced

The chart below schematically shows the distribution among major stakeholders of the value produced by Vivendi. For compliance with financial reporting, the data below (as of year-end 2014) refers to the following operations: Canal+ Group, UMG, Vivendi Village, and Corporate.

The data from SFR and GVT, activities sold, or in the process of being sold in 2014, are not included. Therefore the scope of this chart differs from the other societal information found in Chapter 2, which covers the scope defined in the Methodology Note (see Section 5.1).



* *This amount does not include the refund received by Vivendi SA of €366 million from the Public Treasury in 2014 under the 2011 Consolidated Global Profit Tax System. Please refer to Note 6 to the Notes to the Consolidated Financial Statements for the year ended December 31, 2014 (Chapter 4).*

2.2.2.2. Local Economic, Social and Cultural Development

Vivendi strives to assess its contribution to the development of the territories in which it operates through the indirect jobs it helps to create, through its supply chain, and through its partnerships with civil society.

2.2.2.2.1. Indirect Jobs

Owing to the variety of jobs and geographic locations represented by the group, each subsidiary has used its own methodology for estimating the number of indirect jobs created (see Methodology Note, Section 5.1).

During 2014, it is estimated that the group's subsidiaries sustained nearly 90,000 indirect jobs. These are upstream jobs within the industry: supply chain (see Section 2.2.4); downstream commercial services (distributors, resellers, call centers); jobs in real estate services; jobs in related commercial services, excluding temporary jobs (such as legal advisers, insurance, banking and catering).

Estimation of the number of indirect jobs created locally

GRI	UNGC	OECD	Scope covered
G4-EC8	-	II.A.3, IV, V.5	Canal+ Group UMG (9 focus group countries) GVT

	2014
C+G	**36,264**
UMG	**4,145**
Sub-total	**40,409**
GVT	**49,380**
Total	**89,789**

NB: 2013 data not available on a like-for-like basis (in 2013, the analysis focused solely on three geographic areas: France, Africa, and Brazil).

2.2.2.2.2. Contribution to Local Economies

The group has analyzed the purchases made with suppliers and subcontractors accounting for at least 75% of the overall expenditure of each of the subsidiaries (see Section 2.2.4). More than 80% of the purchases made by Canal+ Group, UMG and GVT are made from local suppliers.

To better assess the impact of the supply chain on the local economy, a breakdown by geographic area and by category (raw materials, finished products, professional services, content and other) is under review.

Percentage of purchases made from local suppliers

GRI	UNGC	OECD	Scope covered
G4-EC9	-	II.A.3	Canal+ Group UMG (9 focus group countries) GVT

2.2.2.2.3. Partnerships with Civil Society

Since 2008, at a corporate level, Vivendi has supported social initiatives for disadvantaged young people through its Create Joy program. With a steady budget since its creation, this program enables young people in difficult circumstances to develop by working as part of joint cultural projects associated with the group's businesses, including film-making, training in digital tools, music appreciation and similar projects. In 2014, Create Joy supported nearly 40 charitable projects in France, Great Britain, the United States, and Africa, benefitting more than 100,000 young people.

Consolidated budget (excluding Corporate) allocated to enterprise foundations, solidarity programs and sponsorship actions (in €)

GRI	UNGC	OECD	Scope covered
G4-EC1, EC7, EC8, SO1	1	II.A.3 et 4, IV, IX.5	Canal+ Group UMG (9 focus group countries) GVT

	2014	2013
C+G	**2,584,734**	5,000,000
UMG	**1,002,688**	na
Sub-total	**3,587,422**	**na**
GVT	**2,988,852**	998,367
Total	**6,576,274**	**na**

NB: 2013 data not available on a like-for-like basis (9 focus group countries for UMG).

The subsidiaries implement their own solidarity and philanthropic programs.

Canal+ Group, which has maintained a unique connection with the cinema industry since its creation, supports the French organization Les Toiles enchantées (which travels around France offering films showing on the big screen free of charge to children and young people in hospital or handicapped) and Ensemble contre la récidive (with the production and airing of a documentary on soccer in prison, showcasing the work by this association). The budget reduction from 2013 to 2014 is a consequence of the planned reduction in financial assistance from the Canal+ Foundation for Cinema to cinema owners.

- In Africa, among other projects, the Senegalese subsidiary actively participates in promoting and training young filmmakers during the *Moussa Invites* festival run by filmmaker Moussa Touré. In addition, the *Kindia 2015* editorial project, which was set up in 2012 by the Canal+ Documentary department, continued in 2014 (see Section 2.1.2).

UMG undertakes numerous community support, partnership and philanthropic initiatives. These initiatives are carried out by each company within its country or region. Many of these initiatives are designed to help young people achieve their full potential through music or provide assistance to persons in difficulty.

- In the United Kingdom, UMG has entered into a partnership agreement with East London Arts & Music (ELAM), a new free school for young people between the ages of 16 and 19 whose curriculum makes music and the creative industries the focus of the education of young people to enable the expression of their artistic talent.

- In Brazil, UMG supports the school of symphonic music, song and theater that was founded in keeping with the wishes of Zeca Pagodinho, one of the iconic artists in the catalog, to help children and young people from a low-income neighborhood in Rio.
- In response to the Ebola epidemic, UMG took action, alongside its artists, in particular through its French subsidiary, which partnered with three charity initiatives including production of the *Stop Ebola* anthology, featuring 32 of the company's artists who participated on a voluntary basis.

GVT has significantly increased the resources it devotes to charitable work. It supports numerous music festivals as well as associations working to promote access to information technologies and social cohesion. In 2014, the Instituto Canta Gente Boa, of which GVT is a partner, held 35 music workshops for young people from communities in Rio de Janeiro. In addition to this, the volunteer initiatives carried out with the operator's partner associations received a boost through the creation of committees dedicated to organizing such initiatives in five cities where the company operates. Along with these committees, special training courses are held for any employees wishing to become involved in the initiatives.

2.2.3. Relations with Stakeholders

Stakeholders consultation is at the heart of Vivendi's CSR policy (see Section 1.2.4). This approach establishes a general framework that is then adopted by each of the subsidiaries and adapted for its own stakeholders to suit local conditions.

Means of dialog with identified stakeholders put in place

GRI	UNGC	OECD	Scope covered
G4-26, G4-S01 and PR5, MSS M6	1, 2	II.A.3 and 14, IV, VIII, IX.5	Canal+ Group UMG (9 focus group countries) GVT

In June 2014, Canal+ Group held a plenary consultative meeting in France for consumer associations and the company's senior management. The meeting provided an opportunity to present the company's Consumers department, created in May 2014. Now, after an initial claim, customers have two levels of appeal, the Consumers department and then mediation, which is being reinforced by Canal+ Group. In December 2014, Canal+ Group's Customer Relations department received "Customer Relations" NF Service certification from AFNOR, a voluntary third-party certification mark which guarantees the quality, reliability and level of the service provided. Canal+ Group also participates in working groups held by the CSA on the protection of young audiences, representation of women and media literacy.

Canal+ also conducts customer satisfaction surveys. These have confirmed the direct link between a diversified and original program offering and subscriber satisfaction (see Chapter 1, Section 1.4.4 p.18).

- Canal+ Group's Polish subsidiary maintains regular dialog with KRRIT (the Polish Radio and Television Board), UOKiK (the Polish Office of Competition and Consumer Protection) and UKE (the Polish Office of Electronic Communications).
- In Africa, Canal+ Côte d'Ivoire has taken charge of organizing the symposium of the HACA (Audiovisual Communications High Authority) and the REFRAM (Francophone Network of Media Regulators) on the topic of "Regulating audiovisual communications by satellite and the new broadcasting methods," in which 32 members of the RIARC (Network of African Communications Regulatory Agencies) took part.

UMG has identified its principal stakeholders (artists, their managers, retailers, digital platforms, streaming services, and national and European authorities) and has instituted open and collaborative dialog. UMG maintains a structured dialog with all players in the music industry due to its participation in IFPI (International Federation of the Phonographic Industry) as an active member.

- In Canada discussions continued throughout the year with UMG's stakeholders for the exchange of views on copyright reform and the protection of intellectual property.
- The protection of broadcasting and public performance rights has been the focus of discussions in Indonesia (where these rights have been introduced for the first time) and in South Africa, on the occasion of reorganization of performers' royalty collection companies to ensure better compensation for right holders.

GVT has teams specializing in relations with its principal stakeholders (consumers associations, labor unions, local communities, NGOs, government agencies and municipal, state and federal regulatory agencies), which organize regular meetings, events and discussion forums. GVT also participates in the work of ANATEL, Brazil's telecom regulatory agency. At the same time, GVT has carried out a number of customer satisfaction surveys to gain a better understanding of their expectations. These efforts have been rewarded, since GVT was selected as the "most liked" high-speed Internet and landline brand by the 2014 "Marcas Mais Amadas" survey.

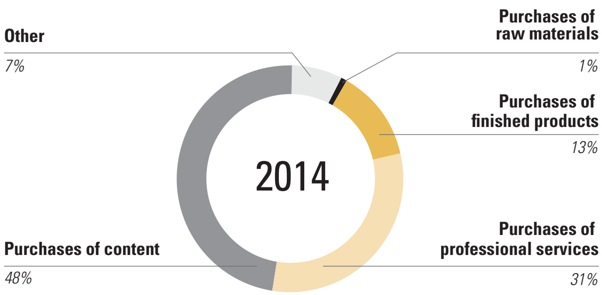
2.2.4. CSR Criteria as Part of Purchasing Policy and in Relations with Suppliers and Subcontractors

2.2.4.1 Importance of Purchasing and Subcontracting at Vivendi

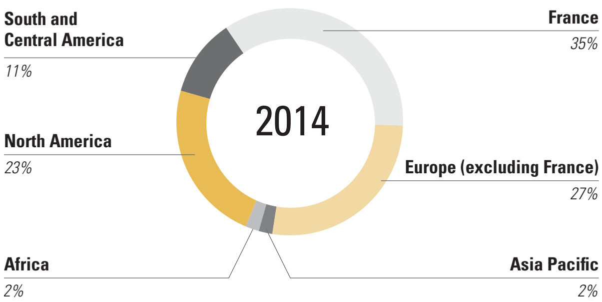
To obtain a better overall view of the risks related to the supply chain, the group has carried out an analysis of its purchases made with suppliers and subcontractors that account for at least 75% of the total expenditure of each of the subsidiaries.

Breakdown of purchases by main categories (amongst the suppliers and subcontractors with whom at least 75% of total purchasing amount is realized) made by each of the subsidiaries

GRI	UNGC	OECD	Scope covered
G4-12, G4-EC1	-	II.A.3 and 4	Canal+ Group UMG (9 focus group countries) GVT



The group purchases mainly content and professional services. Most of these purchases are made from suppliers from the Europe and North America regions.



All the subsidiaries use subcontracting. They expect their suppliers and subcontractors to comply with the principles set forth in Vivendi's Compliance Program and in the United Nations Global Compact, and with the values and rules of good conduct in their respective Codes of Ethics. Any violation of any of these principles is potential grounds for the group to terminate the contract with the supplier. Canal+ Group has two internal call centers for which it has obtained a renewal of the "Integrated Centers" Social Responsibility label, and also has outsourced call centers. GVT has its own call centers.

2.2.4.2 A Responsible Purchasing Policy Adopted by all the Subsidiaries

Vivendi is committed to increasing the awareness of its main suppliers and subcontractors regarding its social and environmental issues. The subsidiaries therefore ensure that their suppliers are part of the implementation of the group's commitments in these areas. Vivendi's Compliance Program includes a rule that reminds suppliers of their undertaking to provide services in compliance with the group's commercial and social ethical standards.

Existence of a formal commitment with reference to founding principles in the purchasing policy

GRI	UNGC	OECD	Scope covered
G4-56, G4-DMA Supplier assessment aspects	1-10	II.A.13, III, IV, VI.6.d	Canal+ Group UMG (9 focus group countries) GVT

Each of the group's subsidiaries has made a formal commitment, in the form of a code, charter or clause, to incorporate social or environmental issues. This commitment refers particularly to fundamental principles such as the ones formulated by the ILO in its conventions, the United Nations Global Compact, or the OECD.

Besides the formal commitment of the group's subsidiaries to incorporate CSR issues into their purchasing policy, a number of them have gone a step further in their approach.

Deployment of responsible purchasing approach amongst the suppliers and subcontractors with whom at least 75% of the total purchasing amount is realized

GRI	UNGC	OECD	Scope covered
G4-DMA Supplier assessment aspects	1, 2, 4, 5, 8, 10	II.A.12 and 13, II.B.2, IV, V.1.c. and d	Canal+ Group UMG (9 focus group countries) GVT

All the subsidiaries have adopted systems for gathering information and monitoring their suppliers to verify that the group's commitments are properly applied.

Purchases of audiovisual content (films, series, broadcasts, sports events and similar) which account for a substantial portion of the purchases made by Canal+ Group are made under terms and conditions defined by the rights-holders.

For relations with its other suppliers, Canal+ Group has established contractual prerequisites which insist on compliance with the provisions of the United Nations Global Compact, through the systematic insertion of a provision.

These contractual prerequisites are included in the Canal+ Group's bidding documents (calls for tenders) and in the contracts entered into with suppliers after the bidding process.

In addition, the group regularly requires the following of its suppliers:

- the call centers to which it assigns part of the management of its customer contacts must obtain and comply with the Social Responsibility Label;
- suppliers must follow its rules in relation to the protection of the personal data of its customers (including external call centers, technical service providers having access to information systems and business partners); and
- manufacturers of set-top boxes must implement waste management procedures.

When tendering and contracting with its principal suppliers in all its major territories, UMG includes a clause in the tender documents referring to UMG's CSR policy and to Vivendi's Compliance Program (see Section 2.1.3).

GVT, which became a signatory to the United Nations Global Compact in 2014, includes a specific provision in its supplier contracts pursuant to which its partner suppliers are bound to comply with its Code of Ethics and Conduct.

Lastly, the group's subsidiaries have all invested in training purchasing teams regarding the issues involved in a responsible policy, with a view to strengthening their performance in this area.

Percentage of employees on purchasing teams made aware of or trained in responsible purchasing

GRI	UNGC	OECD	Scope covered
G4-LA9, G4-DMA Supplier assessment aspects	6.8	II.A.8, VI.7	Canal+ Group UMG (9 focus group countries) GVT

Canal+ Group's purchasing teams in Poland have been sensitized to, among others, "fair purchasing". The purpose is to draw special attention to purchases for which the manufacturing process adheres to the principles of fair trade – that is, guaranteeing decent revenue for producers in the context of a long-term relationship. In France, employees in charge of purchasing are reminded regularly of fair practices with suppliers.

All UMG's purchasing staff are trained in responsible purchasing through the procurement system used throughout the group. This training is supplemented and formalized through the acquisition of specific professional qualifications.

In 2014, GVT continued raising the awareness of its teams as to responsible purchasing. In 2014, all the relevant employees attended a presentation on the CSR risks involved in relations with their suppliers and subcontractors.

2.2.5. Fair Business Practices

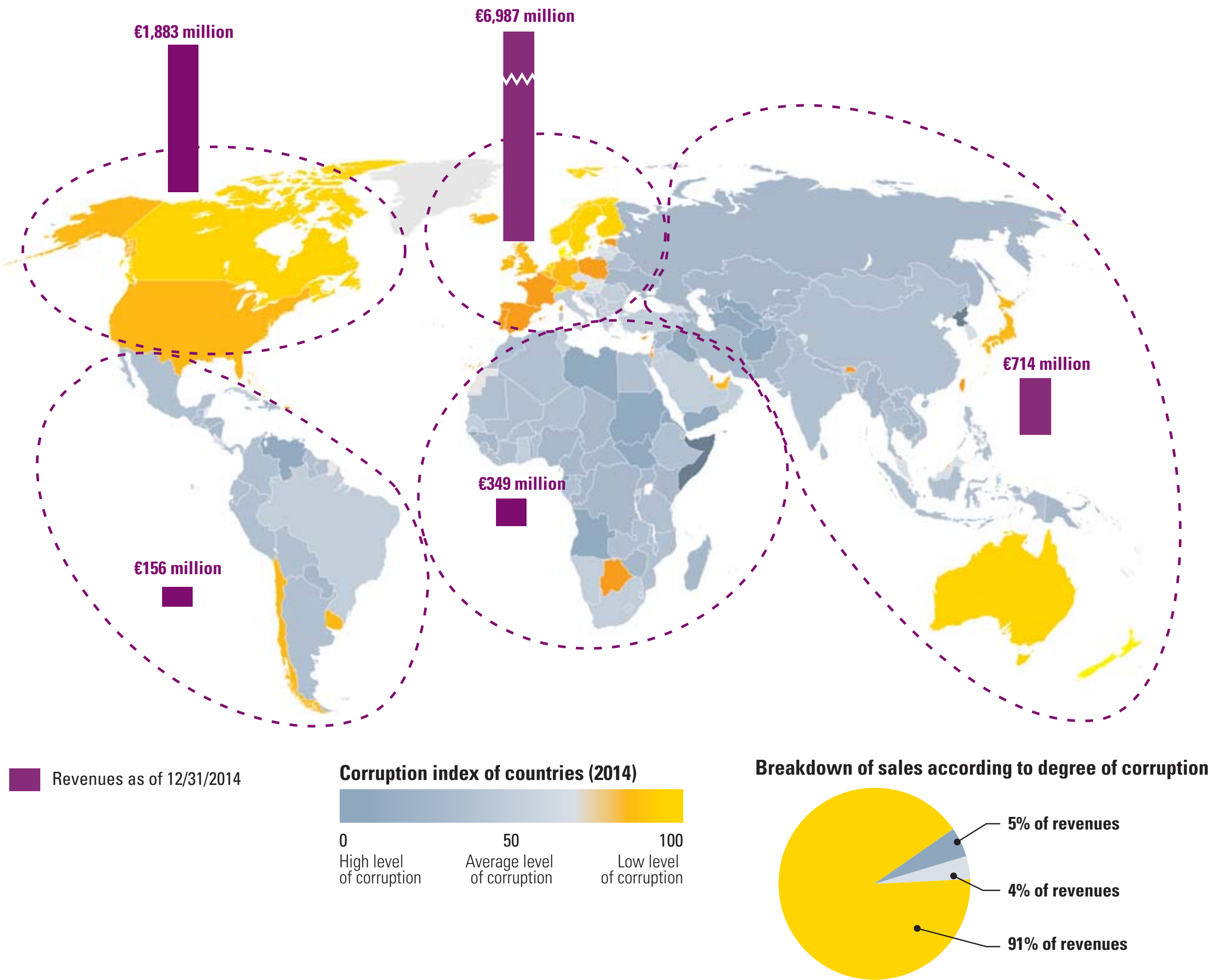
Since 2002, Vivendi has had a Compliance Program setting out the general rules of ethics applicable to every employee in the group regardless of his or her role or seniority. These rules of conduct cover the rights of employees, truth and protection of information, prevention of conflicts of interest, commercial ethics and compliance with competition laws, the use of property and resources belonging to the group, financial ethics and respect for the environment. Following these rules is a condition for belonging to Vivendi.

2.2.5.1. Action to Prevent Corruption

In 2014, the geographic distribution of the group's business activity showed that 91% of its revenues came from countries with low exposure to corruption, according to the Transparency International Index. Notwithstanding this result, the group remains vigilant and has taken steps to prevent any risks in this area.

Breakdown of the group's* revenues by country according to the risk of corruption as defined by Transparency International

GRI	UNGC	OECD	Scope covered
G4-DMA SO Corruption aspect, G4-EC1 and S03	10	VII.2	Canal+ Group, UMG, Vivendi Village, Corporate



* *To comply with financial reporting, the data refer to the scope of operations presented in Section 2.2.2.1. They do not include the data from SFR and GVT, which are activities sold or in the process of being sold in 2014.*

Definition of the policy's priority axes concerning the struggle against corruption

GRI	UNGC	OECD	Scope covered
G4-DMA SO Corruption aspect	10	II, VII	Canal+ Group UMG (9 focus group countries) GVT

The subsidiaries manage their own anti-corruption policies based on the Compliance Program and on the United Nations Global Compact, of which the group is a signatory.

Canal+ Group has formalized its commitments in an Ethics Charter and devoted a training module to contractual risks. In June 2014, the Internal Auditing department issued a memorandum for its employees on fraud prevention.

UMG is committed to adopting a "zero tolerance" approach to fraud and corruption and to acting in a professional manner and with integrity wherever the company operates, in accordance with local regulations and with the 2010 UK Bribery Act. UMG has introduced an early warning system available to its employees. All the group's employees have been instructed in the company's Code of Conduct which includes its anti-corruption policy and they must agree to abide by it.

GVT, which signed the United Nations Global Compact in 2014, has held training sessions to inform and enlist the support of its senior executives in this fight against corruption. In addition, the Brazilian operator signed the "Call to Action: Anti-Corruption and the Global Development Agenda" issued by the United Nations Global Compact in December 2014 to celebrate the tenth anniversary of the tenth principle of the Compact (see Section 2.1.3).

Total number of incidents having resulted in non-renewal of contract with commercial partners due to violations related to corruption

GRI	UNGC	OECD	Scope covered
G4-S05	10	II, VII	Canal+ Group UMG (9 focus group countries) GVT

During 2014, neither Canal+ Group nor UMG recorded any cases of corruption in connection with their commercial partners.

2.2.5.2. Contribution to Public Policy/ Responsible Lobbying

Formal commitment in favor of responsible and transparent lobbying practices

GRI	UNGC	OECD	Scope covered
G4-DMA SO Public policy aspect	-	-	Canal+ Group UMG (9 focus group countries) GVT

Canal+ Group is a member of professional associations such as AFRC (French Association of Customer Relations) and FEVAD (Federation of E-Commerce and Distance Sales), which are lobbying, among other things, for changes in practices and in the regulations related to the activities of their sectors.

Moreover, at the time the inter-professional agreement on media chronology was being renegotiated, the group lobbied public authorities to maintain the major balances in that system, which makes it possible to maximize the funding of cinematographic works, in particular through the exclusive window of pay-TV channels.

- In Poland, nc+ engaged in extensive dialog with its stakeholders involved in the fight against piracy.

The lobbying activities of Universal Music Group are carried out mostly through professional associations of which the group is a member at global (IFPI) and local levels (such as BPI in the United Kingdom, SNEP in France, ABPD in Brazil, RIIA in Japan, PPCA/ARIA in Australia, BVMI in Germany and BREIN in the Netherlands).

- In the United States, all companies that engage in lobbying are legally required to file quarterly reports with the United States Congress that disclose their expenses relating to lobbying activities. The filings – which are completed by UMG's Public Policy and Government Affairs Business Unit in consultation with an expert ethics counsel, include amounts spent on UMG employees, outside consultants, and trade associations.
- UMG lobbying activities focus mainly on drawing attention to the issue of intellectual property rights and combating illegal content. For example, UMG was a key driver in the IFPI campaign on the topic of the European Union directive that establishes a term extension of copyright, from 50 to 70 years. This will provide longer term revenue for artists and record companies as well as providing a new revenue stream for session musicians as older recordings are released digitally. This measure serves and protects cultural diversity in Europe, allowing the recording industry to maintain its level of investment in new talent.

2.2.5.3. Responsible Communications and Marketing

Vivendi's subsidiaries promote responsible communications and marketing, under codes, charters or special provisions.

Accordingly, this commitment is incorporated into several sections of the Canal+ Group Ethics Charter (particularly those relating to business ethics and environmental protection). Furthermore, in 2014, Canal+ Group signed "La Belle Competition" Charter proposed by the Advertisers Union in order to promote transparency and fairness in calls for tenders issued by advertising companies.

All the companies in UMG comply with its Code of Conduct. Most of them have set up an in-house committee in charge of validating all advertising and communications campaigns before launching them to ensure that they meet the requirements of the Code of Conduct.

In addition, UMG has chosen a media agency that is committed through a Code of Ethics to practicing responsible marketing

- In Spain, whenever contests or promotional activities target children below the age of 18, UMG proposes detailed general conditions specifying, if necessary, the need for parental approval.
- In the United Kingdom, ethical practices in the advertising based area of data collection have been discussed between UMG and the stakeholders in the Internet Advertising Bureau.

In Brazil, GVT follows the rules of the National Self-Regulating Advertising Council concerning the ethical standards applicable to advertising, especially with respect to young people. The Council bases itself on the principle that advertising must contribute to creating responsible citizens. Hence advertisements for products targeting young people must contribute to good relations between young people and their parents and teachers, encourage responsible behavior and must not urge them to consume the product by implying that this will improve the consumer's situation.

Number of interventions by the CSA (warning - indictment - sanction) and measures taken in response

GRI	UNGC	OECD	Scope covered
G4-PR7	-	VIII.7	Canal+ Group

	2014
C+G	**1**

N.B. New indicator in 2014, no feedback for 2013

For all its channels together, Canal+ Group received only one warning from the CSA.

SECTION 3 Social Information

3.1. Key Messages

3.1.1. A Strong Employee Share Ownership Policy

Vivendi attaches particular importance to ensuring that employees' contributions to the group are rewarded and distributed equitably. Consequently, the group has implemented a profit sharing policy that exceeds legal requirements and strongly encourages employee savings, particularly through share ownership.

In its meeting held on August 28, 2014, Vivendi's Supervisory Board reaffirmed its desire to pursue its employee share ownership policy.

3.1.1.1. Development of Employee Savings Plans in France

In 2014, the total net amounts received by the employees of the group's French companies in the form of optional profit sharing plans, statutory profit sharing plans and employer's contributions to the Vivendi group Savings Plan (*Plan d'épargne groupe* or *PEG*) amounted to €25.6 million. This corresponds to a gross expenditure of €33.4 million for the group's companies.

The total amount of new employee savings was €16.1 million, of which €6 million was invested in the different Vivendi PEG funds, €7.9 million in the Canal+ company savings plan (PEE), and €2.2 million in one or the other of the two new collective retirement savings plans (PERCO) set up in 2014 by Canal+ and Universal Music France.

In 2014, it was not possible to implement a capital increase reserved for employees owing to the timetable for disposals of the telecom businesses, mainly the disposal of SFR. In this rather unfavorable environment for the growth in employee savings, two-thirds of the amounts paid to employees under different profit-sharing systems was nevertheless invested in the various Share Savings Plans.

The percentage of share capital in the company held by the employees remained above the 3% threshold throughout 2014. After peaking at 3.75% after the July 2013 capital increase reserved for employees, the percentage of employee share ownership was 3.54% at year-end 2013 and was still 3.11% at year-end 2014.

3.1.1.2. Plan Granting Free Shares to All the Employees in the Group's French Companies

On July 16, 2012, the Vivendi Management Board rolled out a plan for awarding free shares (*Plan d'Attribution Gratuite d'Actions* or *PAGA)* to all employees of the group's French companies (scope France July 2012). The plan provided for the award of 50 Vivendi shares, on condition that the employee remains employed at the time the shares are issued, or after a two-year vesting period. This plan was rolled out following a collective agreement entered into with the social partners on July 6, 2012 setting the general and uniform nature of the award.

On July 18, 2014, a total of 727,118 Vivendi shares were issued and awarded to 12,985 employees, each of whom received 56 Vivendi shares (after adjustment). Pursuant to the option that was offered under the collective agreement, more than 30% of the recipients (3,975) of this free share award chose to invest their shares under the favorable tax system for employee share savings, in exchange for a five-year lock-up period, instead of two years under the conventional system for holding registered shares.

This program is a perfect example of the group's policy of sharing profits and engaging in social dialog.

3.1.2. Ongoing Constructive Dialog

At Group Level

At group level, discussions are held between the Corporate Works Committee, the European Social Dialog Committee (ESDC) and the Works Council for Vivendi's headquarters. The social partners in those organizations are regularly informed of the group's strategy, financial position, social policy and main achievements for the year.

2014 was marked by a number of special meetings of the governing bodies or of the extended Executive Committee of the group's Corporate Works Committee and ESDC, focusing on the disposal of the telecom businesses, especially the disposal of SFR.

In addition to the annual plenary ordinary and extraordinary meetings of the group's governing bodies, five extraordinary meetings of extended Executive Committees were held with the Chairman of the Management Board. These meetings helped inform the social partners promptly of Vivendi's strategic guidelines.

The two-day joint annual training session for the Corporate Works Committee and the ESDC has been postponed until 2015, owing to the renewal of the main governing body and the time needed to nominate new members.

The terms of office of the members of the group's Corporate Works Committee were renewed at year-end 2014 in accordance with the legal deadline of four years, for an equivalent period. This made it possible to incorporate new business segments into the group's scope, specifically those making Vivendi Village.

Moreover, under the employment security law of June 14, 2013 providing for the appointment of an employee representative as a member of the Supervisory Board, Vivendi chose to have the employee appointed by the Works Council from among the possible methods for appointment under this law. The Vivendi Works Council issued an opinion in favor of this nominating procedure, which was then approved by the Shareholders' Meeting on June 24, 2014.

The term of office of the member of the Supervisory Board representing the employees is equal in duration to the term of the elected members of the Vivendi Works Council, which is three years, renewed at each election of the Works Council. The representative must be an employee of the company who may be chosen from within or from outside the Works Council. In 2014, the Vivendi Works Council appointed Mr. Paulo Cardoso.

Two Vivendi employees currently sit on Vivendi's Supervisory Board, in addition to the employee representative, Ms. Nathalie Bricault, who represents the employee shareholders and was appointed for a four-year term at the Shareholders' Meeting on April 30, 2013.

At Business Unit Level

Throughout the year, social dialog takes place within the Vivendi group. Every year, a number of agreements are signed in France by the group's various subsidiaries.

These agreements cover, among other topics, salary policy, profit-sharing schemes, training policy, jobs and skills management and employment of workers with disabilities.

In 2014, agreements were signed to implement additional profit-sharing schemes (Canal+ and Vivendi), gender equality (Canal+) or insurance and healthcare costs (Vivendi and Universal Music France).

3.1.3. Employee Support Programs in Line with Group Developments

Vivendi makes every effort to give assistance to its employees and to support their career development. The group's human resources policy is designed to attract, motivate and retain talent in order to improve its response to the challenges it faces as a major group. Vivendi's employees need firstly to be able to express their desire for personal growth so as to be motivated and encouraged to engage with the group. Vivendi can only do this in partnership with the employees themselves, since they are the main driving force behind their own professional development. Employees are encouraged to work with their own line manager and HR teams to build a career plan. Each group business segment provides its employees with resources to create the most favorable possible conditions for advancement.

Available Resources

- Support from HR teams and from management:
  - employees build their own plan by drawing up a professional profile, making best use of their potential and identifying their motivations;
  - the HR teams provide tools (e.g., résumé workshops and interview practice), offer advice, describe and explain the company's business segments and the possibilities for career development and mobility, according to the employee's profile and ambitions; and
  - the HR teams also support the managers in their roles as coach and mentor to their teams.
- Understanding the group's business segments:
  - Vivendi's subsidiaries offer their employees various possibilities to help them learn more about the group and its business segments. Case studies based on direct experience are available on their Intranets (e.g., "Changing jobs?" and "What's my job?").
- Internal mobility within the subsidiaries:
  - for employees, internal mobility is an opportunity to enrich their experience and to acquire new skills;
  - for the group, internal mobility is also a major challenge. It means making certain that the talents of its employees are further developed so that the teams remain motivated and skilled, and able to embrace changes in the business segments;
  - promoting mobility is also the responsibility of the managers, who are urged to become sponsors of their work colleagues and assist them in their career development;
  - the role of human resources is to facilitate mobility and career development processes. A wide range of HR processes, involving management and HR teams at all levels is provided with a view to guaranteeing transparency in the system; and
  - lastly, at group level, an Internal Mobility Charter has been in place for more than 15 years. The job offer collection tool used by the group's French companies who are open to mobility has been revised. Similar tools also exist within each subsidiary.

Workforce Planning

The group's companies pay close attention to workforce planning. The French subsidiaries have signed forward-looking jobs and skills management agreements (*Gestion prévisionnelle de l'emploi et des compétences* or *GPEC*) and a skills development and conversion support plan (*Plan d'accompagnement du développement et de la transformation des compétences*). Forward-looking analyses, conducted within the framework of business line monitoring, also help to anticipate developments within the business line in question.

Training

At Vivendi, training is an essential component of HR policy. Using innovative formats that meet current norms, training is offered in all the countries in which the group has subsidiaries. Training policies are at the heart of the human capital development policy defined by Vivendi, adapted to the strategy of the group or its subsidiary.

For the group, priorities in training and skills development cover:

- at an individual level: the three aspects of the employee's human capital, namely, personal development of the employee, job skills and knowledge of the company; and
- at a collective level: the major training program themes chosen by the subsidiary, depending on its strategy and on an analysis of its training needs.

To ensure fairness and consistency, the procedures for access to training are standardized within the group, irrespective of the country or business segment.

3.2. Social Indicators

The abbreviations or acronyms used under the tittle of the indicators are provided in detail on page 46. The report on social data was drawn-up in accordance with Articles L.233-3 and L.225-102-1 of the French Commercial Code (Article 225 of Law No. 2010-788 of July 12, 2010 establishing a National Commitment regarding the Environment, known as the Grenelle II law).

In the tables below, unless otherwise indicated, the heading "Corporate" refers to the headquarters in Paris and the New York office. The heading "Headquarters" refers to the corporate headquarters in Paris. The heading "Vivendi Village" refers to Vivendi Ticketing (Digitick and See Tickets), Wengo (Wengo Group, Juritravail, Devispresto and Wengo Participações) and Watchever. In accordance with the Reporting Protocol for environmental, social and societal data of the Vivendi group companies, the new entities added to the reporting scope during the year appear only in the tables relating to the headcount. For 2014, this refers to Studio Bagel, Canal+ Congo, Mediacall (Mauritius), Mediaserv (Guadeloupe), Tandem (Studiocanal Germany) and Red (Studiocanal United Kingdom) for the Canal+ Group. In 2013, these were: Canal+ Burkina Faso, Studiocanal Australia/New Zealand for the Canal+ Group and Devispresto and Wengo Participações for Vivendi Village.

In addition, in 2014, Infoconcert, Satori Billetterie and Zepass merged with Digitick, a pre-existing company of the Vivendi group.

3.2.1. Employment

3.2.1.1. Headcount by Activity

As of December 31, 2014, the group employed a total workforce of 33,558 compared with 32,007 as of December 31, 2013. The growth in 2014 (an increase of 4.8%) results from the combined effect of the worldwide acquisitions by Canal+ Congo:Mediacall (Mauritius), Studiocanal: Tandem (Germany), Studiocanal: Red Production Company (United Kingdom) and, in France, of Mediaserv (Guadeloupe) and Studio Bagel by the Canal+ Group, as well as the continuing development of GVT in Brazil.

Headcount as of December 31, 2014

GRI	UNGC	OECD
G4-10	-	V

	2014	2013
C+G	**7,033**	6,017
UMG	**7,592**	7,649
Vivendi Village	**748**	726
Corporate	**198**	228
Sub-total	**15,571**	**14,620**
GVT	**17,987**	17,387
Total	**33,558**	**32,007**

3.2.1.2. Breakdown of Employees by Gender, Age and Geographic Region

Breakdown of Employees by Gender

In 2014, the employee breakdown by gender in the Vivendi group remained stable compared with 2013.

Headcount by Gender (%)

GRI	UNGC	OECD
G4-10, G4-LA12	1, 6	V

	2014		2013	
	Women	Men	Women	Men
C+G	**50%**	**50%**	50%	50%
UMG	**47%**	**53%**	46%	54%
Vivendi Village	**44%**	**56%**	44%	56%
Corporate	**57%**	**43%**	56%	44%
Sub-total	**48%**	**52%**	**48%**	**52%**
GVT	**38%**	**62%**	38%	62%
Total	**43%**	**57%**	**43%**	**57%**

Headcount by Age

Headcount by age (%)

GRI	UNGC	OECD
G4-10, G4-LA12	1, 6	V

	2014					2013				
	Under 25	25-34	35-44	45-54	55 and over	Under 25	25-34	35-44	45-54	55 and over
C+G	**8%**	**40%**	**34%**	**15%**	**3%**	7%	38%	36%	16%	3%
UMG	**6%**	**31%**	**32%**	**23%**	**8%**	6%	31%	33%	23%	7%
Vivendi Village	**13%**	**56%**	**24%**	**6%**	**1%**	11%	58%	23%	7%	1%
Corporate	**2%**	**15%**	**27%**	**33%**	**23%**	3%	14%	29%	32%	22%
Sub-total	**7%**	**36%**	**32%**	**19%**	**6%**	**6%**	**35%**	**34%**	**19%**	**6%**
GVT	**20%**	**49%**	**24%**	**6%**	**1%**	20%	50%	23%	6%	1%
Total	**14%**	**43%**	**28%**	**12%**	**3%**	**14%**	**43%**	**28%**	**12%**	**3%**

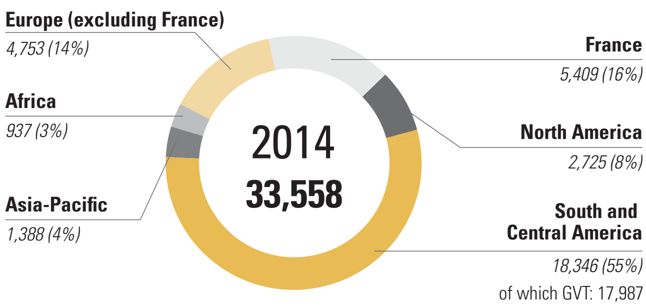
Headcount by Geographic Region

The table below shows the group's headcount by geographic region as of December 31, 2014. The heading "France" covers the workforce of companies in mainland France and its overseas departments and territories.

Headcount by Geographic Region

GRI	UNGC	OECD
G4-10	-	V

	2014	2013
Consolidated data	**33,558**	32,007
of which GVT	**17,987**	17,387



3.2.1.3. New Hires and Departures

New Hires

Vivendi operates in certain countries where the measurement of new hires and trainees is markedly different from that of France and other European countries. Thus, in the United States and Brazil, summer jobs held by students and temporary positions are considered as new hires. To take this into account, the table below counts new hires of all kinds, irrespective of the period of employment.

New Hires in the Group

GRI	UNGC	OECD
G4-LA1	6	V

	2014	2013
C+G	**1,612**	1,515
UMG	**1,534**	1,420
Vivendi Village	**280**	324
Corporate	**11**	4
Sub-total	**3,437**	**3,263**
GVT	**7,041**	7,956
Total	**10,478**	**11,219**

The total number of new hires remained relatively unchanged in 2014, representing the combined effect of growth of the Canal+ Group and the dynamic performance of GVT, which confirms the attractiveness of Vivendi's businesses.

Temporary and Permanent New Hires

Outside France, permanent hiring applies to persons continuously employed within the company for 18 months or more; employees with less than 18 months' continuous employment are considered to be temporary hires.

Under GVT's internal policy, new hires are generally permanent.

Temporary and Permanent New Hires

GRI	UNGC	OECD
G4-10, G4-LA1	-	V

	2014			2013		
	Total	Permanent new hires	Temporary new hires	Total	Permanent new hires	Temporary new hires
C+G	**1,612**	**765**	**847**	1,515	759	756
UMG	**1,534**	**956**	**578**	1,420	937	483
Vivendi Village	**280**	**245**	**35**	324	293	31
Corporate	**11**	**2**	**9**	4	-	4
Sub-total	**3,437**	**1,968**	**1,469**	**3,263**	**1,989**	**1,274**
GVT	**7,041**	**7,041**	**-**	7,956	7,956	-
Total	**10,478**	**9,009**	**1,469**	**11,219**	**9,945**	**1,274**

New Hires in France

This indicator covers the group's companies in mainland France and its overseas departments and territories. In the table below, the rate of permanent new hires is calculated as a ratio of the number of permanent new hires to total new hires in each business segment.

The number of temporary new hires is equal to the difference between the total number of new hires and the number of permanent new hires.

New Hires in France

GRI	UNGC	OECD
G4-10, G4-LA1	6	V

	2014		2013	
	Total	Permanent hires	Total	Permanent hires
C+G	**832**	**240 (29%)**	803	162 (20%)
UMG	**119**	**44 (37%)**	127	61 (48%)
Vivendi Village	**124**	**90 (73%)**	165	143 (87%)
Headquarters	**11**	**2 (18%)**	4	- (0%)
Total	**1,086**	**376 (35%)**	**1,099**	**366 (33%)**

In the French companies, the average proportion of permanent hires was 35% in 2014, compared with 33% in 2013.

Departures from the Group

Departures from the Group

GRI	UNGC	OECD
G4-LA1	6	V

	2014	2013
C+G	**1,428**	1,512
UMG	**1,588**	1,336
Vivendi Village	**255**	286
Corporate	**41**	29
Sub-total	**3,312**	**3,163**
GVT	**6,441**	6,865
Total	**9,753**	**10,028**

The data in the table above shows all departures from the group's companies, irrespective of the reason. It can be compared with the table showing all new hires.

Note: The measures taken by GVT to reinforce its corporate culture have resulted in a slowdown in departures.

Reasons for Departures*

Breakdown of Departures by Reason

GRI	UNGC	OECD
G4-LA1	6	V

	2014	2013
Resignation	**3,480**	4,005
Individual redundancy	**4,446**	4,281
Redundancy on economic grounds	**419**	301
End of temporary contract	**1,188**	1,151
Retirement	**22**	21
Other causes	**198**	269
Total	**9,753**	**10,028**

* *This data includes GVT.*

The number of individual redundancies and redundancies on economic grounds was 4,865 in 2014: 4% in France and 96% in other countries.

62% of the departures resulting from the end of a temporary contract are attributable to France, and 38% are attributable to other countries.

Resignations at GVT represent 66% of the total number of resignations. This number is lower due to further reinforcement of GVT's employee loyalty policy.

Departures for "other causes" cover, among other things, departures for personal reasons, departures under the contract termination procedure or termination by amicable agreement and departures for professional negligence.

3.2.1.4. Compensation

Pursuant to IFRS 5 – (Non-current assets held for sale and discontinued operations), GVT, SFR, Maroc Telecom and Activision Blizzard have been reported in Vivendi's Consolidated Statement of Earnings as discontinued operations or assets held for sale according to the following terms:

- disposal in progress as of December 31, 2014: on September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT. Therefore, as from the third quarter of 2014, GVT has been recorded in the Consolidated Statement of Earnings and Consolidated Cash Flow Statement as a discontinued operation. Its contribution to each line of Vivendi's consolidated balance sheet is grouped together under the lines "Assets of businesses sold or in the process of sale" and "Liabilities associated with the assets of businesses sold or in the process of sale;"
- disposals made as of December 31, 2014: Vivendi deconsolidated SFR, the Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014 and October 11, 2013, respectively. These three operations have been recorded in the Consolidated Statement of Earnings and the Consolidated Cash Flow Statement as operations sold or in the process of sale.

Personnel Costs

Personnel Costs (€ million)

GRI	UNGC	OECD
G4-EC1	-	V

	2014	2013
Consolidated data	**1,308**	1,361

Payroll Costs

Payroll Costs (€ million)

GRI	UNGC	OECD
G4-EC1	-	V

	2014	2013
C+G	**437**	406
UMG	**730**	785
Vivendi Village	**39**	34
Corporate	**57**	56
Total	**1,263**	**1,281**

Payroll Costs as a Ratio of Revenue

Payroll Costs as a Ratio of Revenue

GRI	UNGC	OECD
G4-EC1	-	V

	2014	2013
Consolidated data	**12.52%**	12.49%

Optional and Statutory Profit Sharing (France)

This indicator includes group companies in France, by type, that have entered into collective bargaining agreements relating to optional or statutory profit sharing.

Optional and Statutory Profit Sharing in France (€ million)

GRI	UNGC	OECD
G4-EC1	-	V

Consolidated data	2014	2013
Optional profit sharing	**19.4**	14.9
Statutory profit sharing	**7.7**	8.4

3.2.2. Organization of Work

3.2.2.1. Organization of Work Time

Full-Time and Part-Time Employees

Full-Time and Part-Time Employees

GRI	UNGC	OECD
G4-10	-	V

	2014		2013	
	Full-time	Part-time	Full-time	Part-time
C+G	**6,599**	**434**	5,573	444
UMG	**7,306**	**286**	7,386	263
Vivendi Village	**604**	**144**	605	121
Corporate	**186**	**12**	215	13
Sub-total	**14,695 (94%)**	**876 (6%)**	**13,779 (94%)**	**841 (6%)**
GVT	**17,823**	**164**	17,318	69
Total	**32,518 (97%)**	**1,040 (3%)**	**31,097 (97%)**	**910 (3%)**

The Vivendi group makes limited use of part-time contracts. The ratio of part-time employees is calculated by dividing the number of employees working part-time by the total number of employees of the Vivendi group.

Average Weekly Duration of Working Time for Full-Time Employees*

The duration of working time for full-time employees is defined as the working hours most widespread within the company.

Average Weekly Duration of Working Time for Full-Time Employees (hours)

GRI	UNGC	OECD
-	-	V

	2014	2013
Consolidated data	**39.1**	39.0

* *This data includes GVT.*

This figure represents the average weighted working hours per week within the group for full-time employees. Working time varies according to country and company and varies between 35 hours, the legal working week in France and the overseas departments and territories and 48 hours in some South American countries. The median duration within the group is 40 hours. Overall, between 2013 and 2014, weekly working hours remained stable.

Average Yearly Duration, Full-Time Employees*

Average Yearly Duration, Full-Time Employees (hours)

GRI	UNGC	OECD
-	-	V

	2014	2013
Consolidated data	**1,805**	1,816

* *This data includes GVT.*

The table above shows the average weighted annual time worked by employees.

Methods of Work Organization

Work organization practices have remained stable both in terms of length of time worked and proportion of employees working part-time. Changes in the organization of work are driven by the need to reconcile the demands of Vivendi's customers and the seasonal nature of business activities, as well as the necessary balance between the personal and professional lives of employees. New working arrangements, such as telecommuting and flexible working hours, are becoming more widespread within the group.

- A telecommuting agreement signed by three representative trade unions in the Canal+ Group facilitates the organization of work for employees, by allowing them to work regularly from home. The agreement is in force for the period 2012 to 2014.
- Universal Music Group encourages telecommuting and flexible working hours. This policy does not necessarily require signing collective agreements, given the diversity of regulations in the numerous countries where UMG is present.
- Depending on their specific needs, which are often related to customer service, a number of the group's companies use varied working time arrangements such as being on call and staggered working hours. This is the case, for example, for the call centers of ITI Neovision in Poland (Canal+ Group) and also for the production of television broadcasts or shows at UMG and for ticketing operations, so as to adapt to special events (festivals, shows and sports events) that are the main focus of their business. In 2014, a flex-time agreement was signed at Digitick.

3.2.2.2. Absenteeism within the Group

Absenteeism by Reason*

Absenteeism is defined as working days not worked, excluding paid leave, training courses, trade union absences, exceptional and standard leave and days of reduction in working time. Contract suspensions are not counted in the table below. However, all cases of sick leave, including long-term disability leave, have been included.

Days of absence are broken down by reason: illness, family reasons and workplace accidents (including commuting accidents in countries where this concept is recognized).

The category of "absence for other reasons" recognizes reasons reflecting cultural differences and differences in local regulations within the group. In particular, it covers absences for personal reasons, unpaid vacation and unpaid leave, redundancies or unauthorized absence (whether paid or unpaid), absence due to a child's illness or a family event (excluding maternity, paternity and adoption leave), and absences for examinations, bereavements, and unjustified absences.

Absenteeism by Reason (average days per employee)

GRI	UNGC	OECD
G4-LA6	-	V

Consolidated data	2014	2013
Absences for illness	4.46	4.31
Absences for family reasons	2.23	2.06
Absences for accidents	0.32	0.29
Absences for other reasons	(a) 3.32	(a) 2.50

* *This data includes GVT.*

(a) Excluding GVT (specific reasons related to local regulations governing work organization), the group's rate of absenteeism for "other reasons" is 0.74 in 2014 and 0.40 in 2013.

Calculation method: the absenteeism rate is equal to the number of days of absence divided by the average annual number of employees for the year.

3.2.3. Social Relations

3.2.3.1. Organization of Social Dialog

Social dialog takes place at all levels of the group. The Corporate Works Committee and the European Social Dialog Committee (ESDC) enable broad-ranging information and discussions on economic strategy and the main policy objectives of Vivendi's human resources policy (see Section 3.1.2 of this chapter).

Within the subsidiaries, dialog and social discussion are organized in line with the employment laws and regulations for each country, according to guidelines given to the human resources policy of each business unit.

In France, under the June 14, 2013 Employment Security Act, the Canal+ Group and Universal Music France set up Economic and Social Databases (ESDB) to make information available that would enable contributions to be made to social dialog related to the company's strategic guidelines and their effect on business activity, employment, changing trends in terms of jobs and skills, work organization and similar.

In 2015, this process will continue in all the group's companies.

3.2.3.2. Collective Bargaining Agreements

In 2014, 17 agreements or supplemental agreements were signed or renewed. Among those agreements, the following can be cited as representing ongoing social dialog within the group's different business units: the agreement on gender equality in the Canal+ Group, and the Digitick flex-time agreement.

With its new agreement on employing disabled workers in effect since January 1, 2014, and the signing on February 7, 2014 of its new agreement on gender equality, the Canal+ Group is moving ahead with its commitments to diversity and equal opportunity within the company.

The topics of gender equality and flex-time are raised every year by Universal Music France in its mandatory annual negotiations.

To take into account the nature of its operations as a provider of services linked to special events such as festivals, shows, sports events and similar, in complying with the wishes of its employees, Digiticks has indicated a desire to amend its current flexible work hours agreement in order to give employees more freedom in managing their work hours and their rest periods by means of, among other things, a time savings account, thus responding to a wish expressed by its employees.

Agreements on medical costs and insurance were also signed by Universal Music France and Vivendi to guarantee social protection and protection of the interests of its employees in a context of new legal restrictions.

Collective Bargaining Agreements Signed in France

Collective Bargaining Agreements Signed or Renewed

GRI	UNGC	OECD
G4-11	3	V.8

	2014	2013
C+G	10	14
UMG	2	2
Vivendi Village	1	1
Headquarters	4	4
Total	**17**	**21**

The scope selected for this table (France) is the area for which the group has comprehensive collective bargaining reporting. In numerous countries abroad, the notion of a collective bargaining agreement does not correspond to the definition in France. Agreements and supplemental agreements are counted in this table; those signed in an SEU (Social and Economic Unit) are counted only once.

3.2.4. Occupational Health and Safety

3.2.4.1. Health and Safety Conditions at Work

Workplace health and safety are issues of concern faced by the whole group; these issues are defined by each business unit by the implementation of preventive measures, as listed below:

- procedures in the event of fire or other disaster;
- training employees in these procedures; and
- specially trained teams in charge of safety.

As regards workplace health, the methodology for identifying risks involves several steps, as listed below:

- identifying and assessing the professional risks related to the activity;
- assessing the degree of control exercised over the risks;
- identifying individual and collective preventive measures to eliminate or reduce each risk; and
- defining a safety management and workplace health program aimed at controlling any remaining risks, or a training program.

Ad hoc Committees (CHSCT for French entities) address these issues and publish related documents, such as the Uniform Document for the Assessment of Occupational Risks, in the case of the French entities.

The objectives of these Committees are listed below:

- improving the ergonomics of work stations, especially for people working with computer monitors, or at warehouses, and diagnosing situations where there is discomfort at work;
- participating in and creating a plan for prevention of conflict and stressful situations;
- measuring radiation from extremely low frequencies (GSM aerials, 3G, cell phones and Wi-Fi), verifying legal limits, identifying the associated risks and promoting best practice;
- monitoring the implementation of action plans in the event of serious incidents (including fire, breaches of security and natural disasters);
- promoting "best practice" in relation to business travel and analyzing the causes of commuting accidents;
- managing and updating the document detailing the risks and prevention plans;
- supervising the safety of the premises and preventing illness;
- providing transportation for employees to their workplace if public transportation is inadequate or unavailable; and
- taking into account the need for all employees to balance their personal and professional lives.

Vivendi continues to apply preventive measures related to managing stress and psychosocial risks. Counseling teams are available for all employees. The programs in question are specific to each entity and cover areas such as the training of local managers, a free helpline for employees, and information given to elected employee representatives by a specialist physician. These services are independent of the company and are completely anonymous, confidential and free.

Some of the preventive or training initiatives are described below:

- the Canal+ Group's CHSCT has used the services of an expert on several occasions to examine the plan to modernize technical infrastructures and specialized units at the Customer Relations Centers;
- UMG:
  - in Canada, a partnership was created between the Health and Safety Committee, managers and employees, aimed at ensuring that health and safety conditions are complied with and that they are made a key component of quality customer service,
  - in Australia, a "Learning and Development Manager" reviews and implements new agreements,
  - in China, employees receive supplemental medical coverage,
  - in Poland, a workplace safety program was implemented in 2010 and there is mandatory annual training for the person in charge of the program,
  - in Mexico, drills are held to implement preventive measures in the event of earthquake or fire,
  - in France, UMG has introduced a training course on identifying and handling situations involving psychosocial risks at the workplace for the social partners and the HR team, as well as an awareness raising training course on such risks for all the company's managers, with follow-up by more than one hundred of them; and
- GVT: the workplace health and safety program is part of an integrated management system.

Employee Safety Training

Percentage of Employees Trained in Safety (%)

GRI	UNGC	OECD
-	-	II.A.4 and 8, V.4.c, VI.7

	2014	2013
C+G	**11%**	7%
UMG	**10%**	12%
Vivendi Village	**2%**	3%
Corporate	**13%**	31%
Sub-total	**10%**	**10%**
GVT	**52%**	56%
Total	**33%**	**35%**

This indicator shows the percentage of employees who have taken one or more safety training courses during the year. In the table above, an employee who has participated in more than one training session is counted only once.

A number of initiatives were taken in 2014 in the area of workplace safety:

- new hires at the Canal+ Group's ITI Neovision Call Centers are trained as soon as they are hired; in all, 45% of the Canal+ Group's workforce in Poland has been trained. In Vietnam, the Canal+ Group has organized a safety training course for 12% of its employees;
- at UMG Australia, some employees have been trained in how to read the screens of the security cameras installed at their workplace; and
- at Vivendi's New York office, 100% of the employers are trained at least once during the year.

Various training courses are offered in the group every year to make managers and employees aware of the risks related to their activities and the applicable procedures to follow.

Number of Committees Dedicated to Monitoring Health and Safety

Vivendi has established various committees and organizations involving professionals and staff representatives. They are dedicated to studying Occupational Health and Safety issues, in strict compliance with local legislation in each country in which the group is present. This indicator shows the number of such committees.

Number of Health and Safety Committees

GRI	UNGC	OECD
G4-LA5	-	II.A.4, V.4.c, VI.7

	2014	2013
C+G	**17**	12
UMG	**28**	25
Vivendi Village	**5**	5
Corporate	**1**	1
Sub-total	**51**	**43**
GVT	**435**	275
Total	**486**	**318**

The increase in the number of Occupational Health and Safety Committees is predominantly due to continued efforts to comply with the regulations now in force in Brazil, which require that such committees be established in all operating units with more than 50 employees. In Brazil, 160 new committees were therefore created at GVT.

In addition, in 2014, five new committees were created in the Canal+ Group's subsidiaries: (i) one at Canal+ Congo, (ii) one at Mediacall and (iii) three at Mediaserv. In addition, a new committee was created at UMG in the Netherlands and two at UMG in Brazil.

3.2.4.2. Collective Agreements on Occupational Health, Safety and Working Conditions

In France

Collective Agreements on Health and Safety in France

GRI	UNGC	OECD
G4-LA8	3	V.4.c

	2014	2013
C+G	**-**	-
UMG	**2**	2
Vivendi Village	**-**	1
Headquarters	**1**	-
Total	**3**	**3**

For this indicator, a supplemental agreement signed is counted as one agreement.

3.2.4.3. Workplace Accidents and Occupational Illnesses

Frequency Rate of Workplace Accidents (with Work Days Lost)

Historically speaking, at Vivendi, the rate of workplace accidents remains moderate. In 2014, the frequency of workplace accidents (with work days lost) fell noticeably. Fluctuations are mainly attributable to the increase in telephone infrastructure employees at GVT, where the business lines are more exposed to risks.

It should be noted that a slight difference in absolute data in the smaller structures can lead to a significant variation in relative values.

Frequency Rate of Workplace Accidents (with Work Days Lost)

GRI	UNGC	OECD
G4-LA6	1	V

	2014	2013
C+G	**3.25**	3.50
UMG	**0.66**	0.81
Vivendi Village	**0.90**	1.02
Corporate	**-**	-
Sub-total	**1.80**	**1.91**
GVT	**3.57**	4.63
Total	**2.76**	**3.35**

Calculation method: $$\frac{\text{Number of workplace accidents resulting in lost work time} \times 1{,}000{,}000}{\text{Average annual headcount} \times \text{annual hours worked}}$$

Severity Rate of Workplace Accidents (with Work Days Lost)

In 2014 the severity rate of workplace accidents (with lost work time) in the group was slightly up.

Similarly to the previous indicator, a slight difference in absolute data in the smaller structures can lead to a significant variation in relative values.

Severity Rate of Workplace Accidents (with Work Days Lost)

GRI	UNGC	OECD
G4-LA6	1	V

	2014	2013
C+G	**0.12**	0.11
UMG	**0.07**	0.05
Vivendi Village	**0.02**	-
Corporate	**-**	-
Sub-total	**0.09**	**0.07**
GVT	**0.18**	0.14
Total	**0.14**	**0.11**

Calculation method: $\dfrac{\textit{Number of days lost due to workplace accidents} \times 1{,}000}{\textit{Average annual headcount} \times \textit{annual hours worked}}$

Occupational Illnesses*

In France, occupational illnesses are those officially reported and recognized by the French Social Security scheme. In other countries, occupational illnesses are defined in accordance with local laws or, if no such local laws exist, by the International Labor Organization (ILO) [(1)]. On the whole, the group's businesses have little exposure to occupational illnesses.

Occupational Illnesses

GRI	UNGC	OECD
G4-LA6	1	V

	2014	2013
Consolidated data	(a) **30**	(a) 19

* *This data includes GVT.*

(a) Brazilian legislation gives a broad interpretation of this concept, which explains almost this entire figure in 2014 and the entire figure in 2013. Moreover, a change in the reporting of occupational illnesses was made between 2013 and 2014.

3.2.5. Training

3.2.5.1. Training Policies of the Business Units

Each of the group's major subsidiaries implements a vocational training policy suited to the requirements of its businesses and the rapid changes experienced by them, making skills development a major component of its HR policy.

- Canal+ Group gives priority to collective initiatives to meet business challenges as quickly and as efficiently as possible.

  Its training teams have developed a new program, EXPERT+, to strengthen the business segment expertise of employees through specific models (such as "Media and Digital Marketing," "From Belief to Measurement," and "From Analysis to Recommendation").

  Special emphasis has also been placed on digital through three inter-company themes:

  – sharing a minimum knowledge base (including familiarity with the players, the new digital economic models and the revolution in uses),
  – putting new tools into practice (such as web analytics), and
  – supporting business transformation (including written and oral versatility in the Call Centers and working with trendsetters).

  Training tools have been developed for managers. These are aimed at helping every employee to develop his or her skills so that they can attain their highest potential.

- At UMG, training methods are often individualized in such a way that the bulk of training is done gradually and in work situations. This means that substantial numbers of training hours are not recorded. Therefore, an assessment of the number of hours of training does not reflect the reality of the training efforts actually undertaken by the music companies. In 2014, training sessions were introduced on, among other topics, competition and monopolies (UMG China), intensive English (UMG Poland), marketing trends reflected in the social media, big data and visual technology (UMG South Korea). In addition, a dedicated international training team was established.
- At GVT, training is done on-site or remotely, using a modular approach and e-learning methods. It has three focuses: training in the skills needed in the different business lines, perfecting skills, and personal growth programs.

(1) *For a complete list of these diseases see the ILO website.*

3.2.5.2. Total Number of Training Hours

Total Number of Training Hours

GRI	UNGC	OECD
G4-LA9	6	II.A.4

	2014	2013
C+G	**67,021**	85,779
UMG	**30,188**	39,398
Vivendi Village	**5,598**	4,059
Corporate	**842**	1,134
Sub-total	**103,649**	**130,370**
GVT	**1,375,611**	1,359,952
Total	**1,479,260**	**1,490,322**

In 2014, the number of training hours received by the employees remained stable, confirming the importance attached to training by the group's companies. This increased investment in human capital is especially noticeable at the Canal+ Group and GVT, where all the employees enjoy exceptional training opportunities.

Total Number of Employees Who Have Received Training

The table below shows the number of employees who took at least one training course in the year. If an employee took more than one training course, he/she is only counted once.

Number of Employees Who Have Received Training

GRI	UNGC	OECD
G4-LA9, G4-LA10	6	II.A.4

	2014	2013
C+G	**4,465**	3,814
UMG	**3,533**	4,765
Vivendi Village	**232**	204
Corporate	**50**	59
Sub-total	**8,280**	**8,842**
GVT	**21,152**	21,266
Total	**29,432**	**30,108**

The high percentage of employees trained at least once in the year underscores Vivendi's commitment to developing skills and employability.

Hours of Training per Employee Trained

Hours of Training per Employee Trained

GRI	UNGC	OECD
G4-LA9	6	II.A.4

	2014	2013
C+G	**15.0**	22.5
UMG	**8.5**	8.3
Vivendi Village	**24.1**	19.9
Corporate	**16.8**	19.2
Sub-total	**12.5**	**14.7**
GVT	**65.0**	63.9
Total	**50.3**	**49.5**

Because of the Vivendi group's ongoing focus on training, the average number of training hours per employee remains high. The training indicators are substantially up due to GVT.

3.2.6. Diversity and Equal Opportunities

3.2.6.1. Gender Equality

The Supervisory Board strongly believes that promoting women to leadership positions is a measure of the group's success and therefore, in 2011, it approved a networking program to promote a gender balance at the highest level. In March 2012, the ANDIAMO network was created, serving as a forum for some twenty female senior managers from the group's French subsidiaries. The purpose of this network is to empower women and support them in their career development, helping to combat the glass ceiling effect through the personal accounts of role models and through co-development and training workshops.

Almost all of the group's French companies have also signed innovative agreements on gender equality:

- collective agreement on professional equality of men and women, pursuant to the law of March 23, 2006 providing for the implementation of a comprehensive set of measures (recruitment, promotion, compensation and maternity leave) and indicators to monitor the mechanisms put in place;
- parent-friendly agreements calling for equal treatment for father and mother; and
- agreements on working hours to facilitate a work / private life balance, for men and women.

Among the measures taken to enhance existing provisions for social progress, are the following:

- improving parity in recruiting, especially in certain sectors, and respecting equality in terms of access to employment;
- promoting homogeneity and equity in the breakdown of men and women in all the company's jobs and job classifications;
- promoting equal opportunities in career development;
- guaranteeing wage equality between men and woman performing the same jobs at the same skills level and with the same level of accountability for results;
- guaranteeing equality in terms of professional development and pay increases in the event of a career interruption for parental, maternity or adoption leave; and
- striving for improvement in terms of reconciling personal and professional life, taking parental issues into account.

The Canal+ Group makes its partner hiring firms aware of the objective of increasing the number of women on final lists of applicants. In terms of internal mobility, Canal+ promotes mobility towards business units with a gender imbalance and allocates funding in its budget for on-the-job training.

Parental agreements provide for career flexibility by allowing for periods of absence (maternity or parental leave). Both Vivendi in Paris and the Canal+ Group hold pre- and post-maternity leave interviews.

More generally, Vivendi aims for gender parity in succession plans and promotions. These agreements include measures to identify and remedy any pay differentials. For example, the Canal+ Group has eliminated periods of maternity leave from the annual assessment, has identified pay differentials for equivalent posts and taken remedial action, and has provided for the principle of a special budget, if necessary, in annual compensation budgets to remedy any pay differentials in the various categories.

Lastly, programs promoting changes in behavior and combating stereotypes have been introduced at all levels throughout the group:

- projects aimed at empowering individuals and training in female leadership;
- organization of networks with the participation of role models: meetings between experienced women and young female employees; communication on successful career development of women working in male-dominated positions; and
- various tools requiring awareness on the part of employees: Code of Conduct, Ethics Commitment (GVT), Compliance Program, etc.

Proportion of Women in Management

In France, a *cadre* is an employee who has a significant level of responsibility and autonomy, and who is subject to performance obligations (operations, production, development and project management).

In other countries, this concept is not applied, and the closest equivalent is a manager who is paid a salary rather than an hourly wage. Accordingly, in the table below, female managers (in other countries) and female *cadres* in France are both accounted for.

Proportion of Women in Management

GRI	UNGC	OECD
G4-10, G4-LA12	1, 6	V

	2014	2013
C+G	**45%**	47%
UMG	**41%**	41%
Vivendi Village	**35%**	38%
Corporate	**51%**	49%
Sub-total	**42%**	**43%**
GVT	**28%**	28%
Total	**40%**	**41%**

Calculation method: number of women managers in relation to all managers.

This proportion has remained stable over the past two years for the group as a whole.

Women on Vivendi's Supervisory Board

Percentage of Women on Vivendi's Supervisory Board

GRI	UNGC	OECD
G4-34, G4-LA12	6	IV, V.1.e

	2014	2013
Consolidated data	**35.7%**	38.5%

There are five women among the 14 directors comprising Vivendi's Supervisory Board.

Based on the percentage of women on its Supervisory Board, Vivendi ranks high among the 120 French companies that participated in the study [1] conducted by the Ministry of Women's Rights in October 2014.

(1) Study available on the Ethics and Boards website.

3.2.6.2. Employment and Integration of Disabled Workers

Workers with Disabilities in France

Workers with Disabilities

GRI	UNGC	OECD
G4-LA12	1, 6	IV, V.1.e

	2014	2013
C+G	**90**	72
UMG	**10**	9
Vivendi Village	**5**	4
Headquarters	**-**	-
Total	**105**	**85**

In 2014, the number of workers with disabilities rose by 24% in Vivendi's business units in France. This increase was due to the commitments made by the Canal+ Group under its agreement.

Employment and Integration of Workers with Disabilities

The definition of a "worker with disabilities" used in this indicator is the one defined by national legislation or, failing this, by Convention 159 of the International Labor Organization (ILO): "any individual whose prospects of securing, retaining and advancing in suitable employment are substantially reduced as a result of a duly recognized physical, sensory, intellectual or mental impairment".

- As part of its corporate social responsibility, the Canal+ Group has been committed to a sustainable policy of hiring employees with disabilities for several years. By implementing a series of agreements on the hiring of employees with disabilities and with an awareness policy on this topic under the CanalHandi+ banner, co-workers are reminded of the group's commitments in this area to recruit, integrate and retain disabled workers in jobs, as well as its participation in training disabled youth through internships or work/study programs.

  The disability agreement currently in force was signed for a three-year period (from 2013 to 2015) by all the trade unions represented in the group, thus enhancing the commitments already made in previous years, such as:

  - hiring 20 workers with a disability between 2013 and 2015, and a "discovery" policy for identifying young graduates with a disability through internships and work/study programs;
  - participating in recruitment forums and maintaining specific partnerships such as *Handicafé*, *Forum Adapt*, *Osons!* and *Tremplin*;
  - increasing business with the sheltered sector through increased communication starting from the Purchasing department and involving all employees;
  - assisting a significant number of employees to report their disability, with the help of a social worker for administrative support;
  - empowering disabled employees and keeping them on the payroll through various forms of assistance that have been reassessed:
    - authorized absences compensated (as part of procedures for recognition of disabled worker status, for medical care or a sick disabled child),
    - disability Universal Employment Service Checks (*Chèques Emploi Service Universel* – CESU) mainly funded by the company,
    - participation in funding assistance associated with disabled workers within the company;
  - numerous communication initiatives carried out, in particular during National Disabled Employment Week. In 2014, programs were held to raise awareness of disability, featuring several topics such as "invisible" disabilities;
  - information and awareness campaigns on the Intranet, and a disability referral agent network created among employees;
  - disability awareness and training sessions held for employees and managers; and
  - HR staff and managers trained in hiring disabled workers.
- UMG: in Germany a "Disabled Employee Officer" is in charge of handling the needs of disabled workers.
- Digitick works closely with the association *Accompagner la Réalisation des Projets d'Études de Jeunes Élèves et Étudiants Handicapés* (ARPEJEH) as concrete evidence of its commitment to an active policy promoting the employment of disabled young people, of equal opportunity, and diversity.

The integration of people with disabilities and non-discrimination are principles respected within every company in the group. In the recruitment process, the companies ensure equal treatment for applications and maintain strict respect for the individual. At the same time, the companies have developed specific training programs for employees and managers in order to raise awareness of disabilities.

3.2.6.3. Promoting Diversity and Non-Discrimination Policies

Diversity and Non-Discrimination Policies in the Business Units

In accordance with Vivendi's Compliance Program, the group's subsidiaries are committed to equal opportunities for all in recruitment, mobility, promotion, training and compensation, without distinction as to gender, religion, origin, age, personal life or disability.

Vivendi's Compliance Program states that, in each subsidiary, the Compliance Officer is in charge of responding to the concerns of employees. Moreover, in the US and the UK subsidiaries, a hotline is available to employees, in accordance with prevailing regulations, to flag any cases of discrimination or harassment.

The Vivendi group is aware of the issue of diversity and pursues a policy in favor of equal opportunities, as defined in various ways depending on the subsidiary:

- providing employee training on diversity issues;
- implementing agreements on employing disabled workers;
- negotiating and signing agreements on remote working;

- establishing inter-company nurseries to facilitate a balance between personal and professional life;
- continuing the commitment to preselect and select applicants exclusively from the standpoint of diversity; and
- contributing to the action plan, programs and/or collective bargaining agreements related to gender parity.

The Canal+ Group and Universal Music have long been involved in diversity issues. The Canal+ Group's global presence requires it to develop a territorial base for its business activities. Hence for its growth it is vitally important that its staff is diverse. Universal Music encourages diversity in all its activities and has committed itself to eliminating all forms of discrimination through its Equal Opportunity policy which applies to all employees and also temporary workers and job applicants as well as the numerous contractors, suppliers and consultants [1].

Managers receive regular awareness training on the group's hiring criteria, which are based on openness, difference and diversity. Social dialog and the signing of numerous agreements on topics such as professional gender equality, disability, employment of seniors, and the awareness policy conducted at all levels by the group on these topics are a reflection of this commitment.

Employment of Seniors

The term "senior employee" refers to an employee over 55 years of age. Their presence is greatest at the corporate level of Vivendi (23%), owing to the high level of expertise of the employees working at the group's headquarters. A total of 3% of the group's workforce is over 55.

Employment of Seniors (number and percentage of the workforce)

GRI	UNGC	OECD
G4-10, G4-LA12	1, 6	IV, V.1.e

	2014	2013
C+G	**240 (3%)**	202 (3%)
UMG	**585 (8%)**	561 (7%)
Vivendi Village	**9 (1%)**	10 (1%)
Corporate	**45 (23%)**	50 (22%)
Sub-total	**879 (6%)**	**823 (6%)**
GVT	**183 (1%)**	151 (1%)
Total	**1,062 (3%)**	**974 (3%)**

3.2.7. Promotion of and Compliance with the Fundamental Principles of the ILO

As a signatory of the United Nations Global Compact, Vivendi agrees to comply with the fundamental principles of the ILO. In the area of labor law, these commitments require compliance with the four fundamental principles of the ILO: freedom of association and recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, combating child labor, and eliminating discrimination in the area of employment and profession. Two of these four principles (freedom of association and combating discrimination) are of particular relevance to Vivendi.

3.2.7.1. Respect for Freedom of Association and the Right to Collective Bargaining

With its social partners, Vivendi promotes social dialog and consultation at all levels (see Section 3.2.3 of this chapter). All employees based in France and in its overseas departments and territories are covered by collective bargaining agreements. The same is true worldwide, for 93% of corporate-level employees, 60% of Canal+ Group's employees and 100% of GVT's employees.

3.2.7.2. Eliminating Discrimination in Employment

Vivendi has affirmed its commitment to diversity in recruitment and combating discrimination in employment. The group's Compliance Program calls for active prevention of all forms of discrimination based on selection criteria such as gender, age, lifestyle, ethnic identity, nationality, disability, or religious, political or trade union opinions and commitments. These commitments are applied in practice through policies relating to gender (see Section 3.2.6.1 of this chapter), diversity and non-discrimination (see Section 3.2.6.3 of this chapter), and in the employment and job placement policies for workers with a disability (see Section 3.2.6.2 of this chapter).

3.2.7.3. Abolition of Forced or Compulsory Labor and Child Labor

The Vivendi group complies with the ILO conventions and bans all forms of forced labor. Child labor is strictly prohibited in the group. In certain specific cases, such as filmmaking or music recordings, where minors may be required to make a contribution, all regulatory requirements are strictly complied with (see Sections 1 and/or 2 of this chapter).

(1) Equal Opportunities: Our Policy, UMG internal publication, circa 2013.

SECTION 4 Environmental Information

4.1. Key Messages

4.1.1. Reliability of Environmental Reporting

Apart from the initiatives taken by the business units to raise the environmental awareness of employees, the group's employees are bound by two inter-company policies: the reporting requirement and the certification process.

- **The Reporting Requirement**

  Vivendi has continued to raise awareness of contributors to environmental reporting. The group's shift in focus to media and content has slightly modified the key themes. Hence a decision was made to stop monitoring water consumption and quantities of hazardous waste, as those indicators were no longer relevant after the disposal of Maroc Telecom group and SFR. However, the group has increased the accuracy and stepped up monitoring of purchases of the plastics and acrylics used in the manufacture of products intended for sale. Special attention has been paid to the Canal+ Group's African subsidiaries, with increased emphasis on the awareness of local correspondents of environmental issues, especially energy consumption and management of electric and electronic waste (hereinafter, "WEEE").

  This year, the audits carried out in connection with the verification by the Statutory Auditors of the data reported in the Annual Report concerned new companies such as Canal+ Senegal and nc+ in Poland. Those audits gave Vivendi an opportunity to assist its subsidiaries in this auditing process, and briefings were organized by Vivendi's CSR department.

  Once it is completed, the auditing work is discussed at feedback meetings. These meetings provide a special forum for discussing the main areas of progress with the auditors, the business unit representatives and the CSR department. They also enable Vivendi's General Management to decide on any recommendations to implement.

- **The Certification Process**

  Committing to a certification process allows the company to evaluate, structure and report on its environmental policy, and also to meet with its employees and other stakeholders to discuss common objectives. Several of the group's sites and head offices have been involved in environmental certification processes for a number of years.

  The site where all the Canal+ Group's free channels are located is certified BREEAM (BRE Environmental Assessment Method), the world's most widely used method of assessing the environmental performance of buildings.

  This year, the headquarters of Universal Music Group in Santa Monica received the Energy Star certification issued by the US Environmental Protection Agency (EPA) for the eighth time. This distinction is reserved for top-ranking businesses recognized for their energy performance at national level. The Green Business certification was also renewed by the city of Santa Monica.

  Registration of Vivendi's headquarters as part of the EU's Eco-Management and Audit Scheme (EMAS regulations) with the French Ministry of Ecology, Sustainable Development and Energy was maintained, in accordance with an annual follow-up audit. EMAS is a management tool for Vivendi's headquarters. Decisions on initiatives to reduce impacts on the environment are made by the "Green Team" Committee. This committee, which is led by an EMAS coordinator, brings together approximately ten members from different departments: administrative services, IT support, human resources, finance, communications, CSR, and internal audit, as well as the service provider in charge of maintenance for the site. The strength of the Committee lies in the motivation and expertise of its members.

4.1.2. Better Control of Energy Consumption

As a result of an improved environmental reporting process, key indicators have been developed that are better suited to the activities of the various business units. In order to control the forms of energy consumption that are the chief sources of the group's CO_2 emissions, several measures have been adopted, as described below:

- **managing the energy consumption of facilities:** special attention has been paid to air-conditioning as a source of high electricity consumption. The facility comprising all the free channels of Canal+ Group is equipped with free cooling generators that use air from outdoors to cool film sets and equipment, leading to energy savings of 13% a year, the equivalent of 100 tons of CO_2.

  More work has been done to improve the insulation of buildings by Canal+ Overseas (a subsidiary of Canal+ Group in charge of international affairs and the French overseas departments and territories), helping to reduce energy consumption through air conditioning.

  Some of the buildings housing UMG offices located in South America use low-reflection windows to reduce the indoor temperature and limit the use of air conditioning. A number of UMG and GVT facilities have also actively sought to reduce their electricity consumption by installing LED technology to replace conventional lighting, and use automatic motion detection systems or timers to light offices during working hours only, thus reducing the energy consumed for lighting in the offices of GVT's headquarters in Curitiba by 30%. Wishing to integrate renewable energy into its energy mix, this year GVT launched a large-scale project aimed at enabling approximately 900 small offices at the Parana facility to operate on solar energy;

- **managing electrical and electronic equipment:** parallel with optimizing the supply and consumption of raw materials, the group's subsidiaries, UMG and GVT in particular, are attempting to increase the proportion of waste recovered and to clarify with employees which waste-to-energy process is suited to each type of waste. In some units, waste is recycled in partnership with job placement associations. GVT has developed its electronic equipment repair services (set-top boxes, modems and gateways), limiting new products placed on the market. As a direct result of this initiative, more than 569,000 pieces of equipment have been repaired and then reused,
- **controlling upstream impacts:** as part of an effort to offset energy, Universal Music France has agreed to diversify its sources of electrical supply by purchasing electricity from renewable sources. Some subsidiaries of Canal+ Group are also working on this diversification, in particular through the purchase of electrical energy from hydropower sources in Asia and from photovoltaic energy in Africa. Lastly, Vivendi has mapped the environmental challenges facing its supply chain in order to measure and control the direct and indirect effects (see below).

4.1.3. Environmental Issues of Digital Technology

The group's business units are offering their customers an ever-increasing range of creative digital content and high-speed access services. In 2014, for example, digital content accounted for more than 50% of total sales of recorded music by Universal Music Group. UMG is diversifying access to its content via digital platforms such as Vevo (a hosting service for music videos that is 48% owned by UMG) or other platforms such as Spotify and Deezer. Canal+ Group has also launched its offering on major Internet distribution platforms such as YouTube in France, where it offers 20 free channels, and Dailymotion in Canada, which it uses to distribute video series, films and documentaries by subscription. Finally, Canalplay ranks among the leaders of VOD by subscription in France, with a subscriber base that has more than doubled in a year, reaching 600,000 by year-end 2014.

In this context of increasing digitalization, with the accompanying explosion of new uses, a better grasp of the environmental footprint of the digital world is needed. At the end of 2013, the CSR department set up a committee to deal with the topic of "Energy consumption in information and communications technologies (ICTs)." Bringing together the legal and technical officers of Universal Music France, Canal+ and Vivendi's headquarters, as well as a sociologist and an expert from the Audiovisual and Telecommunications Institute in Europe (IDATE), this Committee has given rise to a number of productive discussions. The representatives of the subsidiaries have applauded this initiative and have demonstrated their desire to continue the committee's brainstorming efforts in order to better evaluate the environmental impact of the different players along the value chain.

In order to examine this little explored topic in greater depth, in 2014 a working group was set up and has held two working sessions. This has enabled Vivendi to make an initial assessment of the status of its digital supply chain at Universal Music and Studiocanal, in order to assess its impact and determine what room existed for initiatives in this area. The group hopes initially to establish measurement indicators with its main suppliers. Following that, Vivendi plans to concentrate on its content distribution chain.

4.2. Environmental Indicators

The abbreviations or acronyms used under the title of the indicators are provided in detail on p.46.

In 2014, Vivendi continued to improve the process of gathering environmental data bycollecting more reliable data and also by expanding the scope covered by reporting. For some data, this has resulted in a significant change in the figures compared with the previous year.

4.2.1. General Environmental Policy

The group's business units with little exposure to environmental risks prepare their own action plans to measure and control their impacts. The methods used include energy assessments, certifications, and training and information sessions for employees.

Energy assessment and evaluation of environmental impacts carried out (number of assessments)

GRI	UNGC	OECD
G4-DMA Environment, G4-EN31	7, 8	VI.1.a

	2014	2013
C+G	**0**	0
UMG	**6**	2
Corporate	**1**	1
Sub-total	**7**	**3**
GVT	**1**	0
Total	**8**	**3**

In 2014, six energy assessments were carried out by UMG. They involved UMG's five main facilities in the United Kingdom and one in Poland. The assessments on UMG's four main facilities in the United Kingdom were conducted by the leading commercial real estate services firm, CBRE (CB Richard Ellis). These assessments led to a detailed energy diagnostic with a view to investment during 2015 to reduce the energy imprint of those buildings.

GVT used an outside provider to conduct an energy assessment to evaluate possible cost reductions for 41 buildings across the country. The results will be known in early 2015.

Environmental certification (number of sites)

GRI	UNGC	OECD
G4-DMA Environment	7, 8	-

	2014	2013
C+G	**1**	1
UMG	**2**	2
Corporate	**1**	1
Sub-total	**4**	**4**
GVT	**0**	0
Total	**4**	**4**

The number of certifications remained unchanged compared with the previous year.

Canal+ Group renewed the BREEAM (BRE Environmental Assessment Method) certification of the facility comprising all its free channels. Registration of Vivendi's headquarters as part of the EU's Eco-Management and Audit Scheme (EMAS regulations) with the French Ministry of Ecology, Sustainable Development and Energy was maintained, in accordance with an annual follow-up audit. Outside the European Union, environmental certifications were renewed. The UMG headquarters in Santa Monica was awarded the "Energy Star" label again, as well as the "Green Business" certification.

Employee training and information on environmental protection

GRI	UNGC	OECD
G4-DMA LA Training and education aspect	8	VI.7.

The business units hold briefings and awareness sessions on environmental protection. These sessions may be educational in nature, or they may be held in connection with certifications or may assist the representatives of the subsidiaries in charge of reporting environmental data. Several sessions were given by UMG, especially in the United States, the United Kingdom and Australia.

4.2.2. Pollution and Waste Management

4.2.2.1. Reducing Waste Reduction, Recycling and Elimination of Waste

At the same time as improving efficiency in the supply and consumption of raw materials, the group's subsidiaries, in particular UMG and GVT, are working to increase the percentage of waste recovered and to clarify with employees which waste-to-energy process is suited to each type of waste. In some units, waste is recycled in partnership with job placement associations.

Throughout Brazil, GVT has contracted with service providers specializing in the collection and treatment of hazardous waste, such as fluorescent light bulbs. Concerning WEEE, GVT has a contract with a new service provider guaranteeing the recycling of at least 97% of the WEEE collected.

Professional electronic and electrical equipment waste (WEEE) (kg)

GRI	UNGC	OECD
G4-EN23	-	VI.1.a

	2014	2013
C+G	**4,194**	43,357
UMG	**30,726**	18,128
Corporate	**787**	500
Sub-total	**35,707**	**61,985**
GVT	**2,204**	35,610
Total	**37,911**	**97,595**

The sharp decrease at of Canal+ Group is due mainly to a classification error in 2013 in some African countries between professional WEEE and household WEEE.

The significant drop in professional WEEE is due mainly to the intensive campaign to recover computer equipment (PCs, printers and similar) conducted by GVT in 2013.

At group level the percentage of professional WEEE collected for recycling represents 65% of the total amount of waste produced.

Household electrical and electronic equipment waste (WEEE) (kg)

GRI	UNGC	OECD
G4-EN23	-	VI.1.a

	2014	2013
C+G	**89,397**	304,963
UMG	**0**	48
Corporate	**0**	8
Sub-total	**89,397**	**305,019**
GVT	**2,071,866**	586,510
Total	**2,161,263**	**891,529**

Household WEEE includes set-top boxes and Internet terminals leased to the end customers of Canal+ and GVT. In African countries most of the set-top boxes are sold. Therefore it is no longer the responsibility of Canal+ to collect them.

The subsidiaries of Canal+ Group in Africa and Asia have reported a sharp decrease in amounts of WEEE, the result of a major destruction campaign carried out in 2013 after a new model set-top box was placed on the market. All Canal+ set-top boxes in France are reconditioned and placed back on the market.

In 2014, GVT conducted a major operation to collect used modems and replace buried cables, which explains the fourfold increase in WEEE.

At group level, the percentage of household WEEE collected for recycling represents 49% of the total collected.

4.2.3. Sustainable Use of Resources

4.2.3.1. Consumption of Raw Materials and Measures to Improve Efficiency of Use

Purchases of paper for external use (kg)

GRI	UNGC	OECD
G4-EN1, G4-EN27	-	VI.1.a

	2014	2013
C+G	**554,155**	622,127
UMG	**161,102**	204,918
Corporate	**9,830**	9,900
Sub-total	**725,087**	**836,945**
GVT	**765,662**	2,452,058
Total	**1,490,749**	**3,289,003**

Canal+ and UMG have conducted several awareness campaigns amongst most of their employees to encourage them to use e-mail systematically, as opposed to regular mail (with a few exceptions).

For GVT, marketing campaigns using paper have been replaced by e-mail campaigns, thus explaining the sharp decrease in the amount of paper consumed.

Purchases of paper for internal use (office use, kg)

GRI	UNGC	OECD
G4-EN1	-	VI.1.a

	2014	2013
C+G	**99,570**	709,076
UMG	**198,281**	128,337
Corporate	**15,128**	16,932
Sub-total	**312,979**	**854,345**
GVT	**139,039**	83,930
Total	**452,018**	**938,275**

This indicator is used to assess paper consumption specifically intended for office use. The reduction in consumption by Canal+ Group is due mainly to improved reporting at the subsidiaries through the collection of real data as opposed to estimated data, as was previously done. GVT has moreover adopted a new purchasing policy, recommending FSC certified paper.

Purchases of plastics and acrylics used in the manufacturing of products put on the market (kg)

GRI	UNGC	OECD
G4-EN1	-	VI.1.a

	2014	2013
C+G	**117,756**	142,215
UMG	**32,954,770**	32,841,941
Corporate	**na**	na
Sub-total	**33,072,526**	**32,984,156**
GVT	**na**	na
Total	**33,072,526**	**32,984,156**

Data on the consumption of plastics relates to UMG's products (CDs and DVDs) and those of Canal+ Overseas (set-top boxes sold to customers). Set-top boxes and other products leased to customers are not counted in this indicator since the equipment is recycled by the business segments concerned. The new models of set-top boxes placed on the market include environmental criteria in the design which have made it possible to reduce the amount of plastic used. This accounts for the reduction in consumption at Canal+ Group. Improvements were also made in cardboard packaging, resulting in a reduction of approximately 15% in the amount used.

Digital development is making it possible to significantly limit the use of raw materials in the manufacture of content production media.

4.2.3.2. Energy Consumption and Measures Taken to Improve Energy Efficiency and the Use of Renewable Energy

Measures taken to improve energy efficiency and the use of renewable energy

GRI	UNGC	OECD
G4-EN6	8, 9	VI.6.b et d

The different entities in the group have continued to strive for greater energy efficiency in their infrastructures and equipment.

This indicator takes into account consumption of the following:

- electricity;
- natural gas;
- fuel oil;
- steam; and
- gasoline and diesel for vehicles.

Total energy consumption (MWh)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2014	2013
C+G	**59,498**	60,036
UMG	**63,694**	87,250
Corporate	**4,129**	4,755
Sub-total	**127,321**	**152,041**
GVT	**322,817**	275,447
Total	**450,138**	**427,488**

Electricity consumption (MWh)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2014	2013
C+G	**49,594**	51,227
UMG	**45,171**	63,816
Corporate	**2,760**	3,066
Sub-total	**97,525**	**118,109**
GVT	**204,624**	176,487
Total	**302,149**	**294,596**

Electricity consumption was down 4% between 2013 and 2014 due to GVT.

In New Caledonia, Canal+ Group installed a photovoltaic panel on the roof of its building. Nonetheless, energy production remains marginal (6%) when compared with electricity consumption in 2014. In Vietnam, 48% of the electrical energy purchased is hydro-energy. Other initiatives such as installing a lighting control system in the offices have been accompanied by increased efforts to raise the awareness of the employees, namely in Poland and Vietnam. Canal+ headquarters in Cameroon was equipped with a general lighting control system.

The decrease at UMG is due mainly to better management of the lighting in buildings and to replacing conventional CFL light bulbs with LED lights in many facilities in the United States and Europe. At some UMG facilities, more than 70% of the electricity consumed comes from renewable sources.

Natural gas consumption (MWh GCV – Gross calorific value)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2014	2013
C+G	**235**	298
UMG	**9,611**	14,417
Corporate	**0**	0
Sub-total	**9,846**	**14,715**
GVT	**0**	0
Total	**9,846**	**14,715**

Fuel oil consumption (liters)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2014	2013
C+G	**13,863**	12,947
UMG	**88,238**	96,914
Corporate	**0**	800
Sub-total	**102,101**	**110,661**
GVT	**198,445**	109,415
Total	**300,546**	**220,076**

The increase at GVT is due to the inclusion of the consumption of fuel oil by a large number of generators.

Steam used for space heating (MWh)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2014	2013
C+G	**2,907**	1,454
UMG	**1,916**	2,560
Corporate	**1,039**	1,313
Sub-total	**5,862**	**5,327**
GVT	**0**	0
Total	**5,862**	**5,327**

The increase in consolidated data is mainly due to an extension of scope following consolidation of the new sites of the subsidiaries of Canal+ Group in Africa and Europe.

4.2.4. Climate Change

CO_2 emissions due to usage of mobile sources (tCO_2eq)

GRI	UNGC	OECD
G4-EN3, EN15, EN16, EN30	-	VI.1.a

	2014	2013
C+G	**1,871**	1,980
UMG	**1,685**	1,514
Corporate	**96**	107
Sub-total	**3,652**	**3,601**
GVT*	**23,197**	20,866
Total	**26,849**	**24,467**

* *The indirect emissions related to ethanol consumption are excluded from the scope in order to take into account the emissions of scope 1.*

The amount of CO_2 emissions attributable to vehicles remains unchanged.

In France, Canal+ Group is continuing its efforts to replace its vehicles with greener vehicles, which has enabled it to reduce its CO_2 emissions by 30 g/km per vehicle over the past five years. Moreover, Canal+ has introduced an electric shuttle to enable employees to circulate between the Issy-les-Moulineaux and the Boulogne-Billancourt facilities. The employees receive training in eco-friendly behavior in a number of the Canal+ Group's subsidiaries in Poland and Asia.

UMG in Sweden has invested in electric vehicles, which are provided to its employees for business travel. UMG in California has included resources in its 2015 budget to install two recharging stations for electric or hybrid vehicles.

In order to limit the impact of business travel and commuting by its employees, which are the chief sources of GVT's CO_2 emissions, the company has made travel by its employees more efficient by converting part of its automobile fleet, nearly 30% of which now relies on ethanol.

Vivendi SA has introduced the use of hybrid vehicles.

CO_2 emissions due to usage of fixed sources (tCO_2eq)

GRI	UNGC	OECD
G4-EN3, EN15, EN16, EN30	-	VI.1.a

	2014	2013
Total	**60,380**	**66,511**
Electricity	**50,206 (83%)**	55,285 (83%)
Refrigerants	**6,437 (11%)**	6,938 (11%)
Domestic fuel	**787 (1%)**	496 (1%)
Other sources (steam, gas)	**2,950 (5%)**	3,792 (6%)

	2014		2013	
	Electricity	Other sources	Electricity	Other sources
C+G	**11,347**	**2,598**	10,930	1,615
UMG	**22,069**	**3,051**	29,820	4,724
Corporate	**215**	**211**	239	269
Sub-total	**33,631**	**5,860**	**40,989**	**6,608**
GVT	**16,575**	**4,314**	14,296	4,618
Total	**50,206**	**10,174**	**55,285**	**11,226**

In 2014, total CO_2 emissions represented 87,229 tCO_2eq of which:

- **Scope 1**

Mobile sources	**26,849**
Fixed sources	**8,984**
of which refrigerants	*6,437*
of which domestic fuel	*787*
of which gas	*1,760*
Total	**35,833**

- **Scope 2**

Fixed sources	**51,395**
of which electricity	*50,206*
of which steam	*1,189*
Total	**51,395**

CO_2 emissions relating to consumption from fixed sources are 80% attributable to electricity consumption.

The facility comprising all Canal+ Group's free channels is BREEAM (BRE Environmental Assessment Method) certified. This facility is equipped with free cooling generators using outdoor air to cool film sets and equipment. This leads to an average of 13% in annual energy savings, which is the equivalent of 100 tons of CO_2.

Several initiatives taken by Canal+ Group's subsidiaries are helping to reduce CO_2 emissions, such as reinforcing the insulation of offices and warehouses, in particular in Senegal. In Vietnam, the air conditioning system was replaced by a new more efficient system that uses a refrigerant that contributes less to greenhouse gases. At some UMG facilities, more than 70% of the electricity consumed comes from renewable sources. In terms of energy offsetting, Universal Music France is committed to diversifying its energy supply sources by purchasing EDF "Équilibre+" contracts.

4.2.5. Information Categories Deemed Irrelevant with regard to the Group's businesses

Measures to Prevent Environmental Risks and Pollution

This information category was deemed irrelevant in relation to the group's activities, which do not present any risk in terms of pollution.

Financial Provisions (and Guarantees) for Environmental Risks

This information category was deemed irrelevant with regard to the group's activities: the major risks associated with the group's activities are not related to environmental issues.

Prevention, Reduction or Remedying of Emissions into the Air, Water and Soil

This information category was deemed irrelevant with regard to the group's activities, which do not present any risk of air, water or soil pollution (aside from CO_2 emissions, which are discussed in Section 4.2.4.).

Account Taken of Noise Pollution and any Other Form of Pollution Specific to an Activity

This information category was deemed irrelevant with regard to the group's activities, which do not present any risk of noise pollution or of any other form of specific pollution.

Land Use

This information category was deemed irrelevant as the group's activities do not present any risk in terms of soil pollution.

Adaptation to Climate Change

This information category was deemed irrelevant with regard to the group's activities. The group's activities are subject to few constraints related to climate change. The principal measures taken to adapt the technical centers and the data centers, which suffer the effects of heat, focus on the theme of cooling by means of natural ventilation ("free cooling"), discussed in Section 4.1.2. p.77.

Measures Taken to Preserve or Develop Biodiversity

Given the group's operations, biodiversity is not considered a major issue for which Vivendi must make specific investments.

SECTION 5 Verification of Non-Financial Data

5.1. Note on Non-Financial Reporting Methodology

Reference Framework

The reporting of non-financial indicators is based on the internal references developed by Vivendi, which are in turn based on national and international references. The correspondence between the societal, social and environmental indicators defined by Vivendi and the provisions of the Decree of April 24, 2012 and the Order of May 13, 2013 pursuant to the Law of July 12, 2010 [(1)] on the national commitment to the environment (the Grenelle II Law), the guidelines of the Global Reporting Initiative (GRI) [(2)] and the media sector supplement of the GRI issued on May 4, 2012) [(3)], the ten principles of the UN Global Compact, and the OECD Guidelines for Multinational Enterprises are indicated within each indicator.

The internal reference, the "Reporting Protocol for environmental, social and societal data of the Vivendi group companies" (the "Reporting Protocol") is updated annually, and permits consistent application of definitions and rules for data gathering, validation and consolidation across the group's companies.

In 2014, the Reporting Protocol was completely revised to take into account the group's shift in focus to content and media activities.

Indicators

The societal, social and environmental indicators are presented in Sections 2, 3 and 4 of this Chapter. The CSR section, which is available online on the Vivendi website, also provides a more complete presentation of the societal, social and environmental indicators as well as indicators of corporate governance and economic performance.

Reporting Scope

The reporting scope was established in accordance with the provisions of Articles L.233-1 and L.233-3 of the French Commercial Code, and concerns the subsidiaries and companies controlled with the exception of certain companies (see details below).

Following the sale of SFR and Maroc Telecom, the 2013 non-financial data were restated accordingly to present a pro forma analysis.

In addition, GVT is business in the process of disposal (see Section 1.1.3 of the Financial Report in Chapter 4).

It should be noted that changes in scope are the result of acquisitions and/or disposals between January 1 and December 31 of year N by the consolidated companies:

- in the case of a sale during year N, the data for the company will not be accounted for in the scope of year N; and
- in the case of acquisition of a company during year N, the data from year N will be fully integrated into the report for year N+1, unless the company being added to the scope can gather its information for year N. A detailed account of the workforce is however incorporated into the scope of year N.

(1) Law establishing a national commitment regarding the environment, No. 2010-788 of July 12, 2010, Art. 225 (Grenelle II Law), Decree No. 2012-557 of April 24, 2012 and the Order of May 13, 2013.

(2) Launched in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Development Program for the Environment (UNEP), the GRI is a long-term international multiparty initiative aimed at developing and distributing guidelines for the voluntary production of reports on sustainable development by multi-national corporations wishing to report on the economic, environmental and social implications of their activities, products and services. The GRI has not verified the content of this report or the validity of the information provided therein (www.globalreporting.org).

(3) The media sector supplement of the GRI structures the reporting process specific to the media industry at international level. Several themes are included such as freedom of expression, pluralism and quality of content, the representation of cultures, independence, protection of personal data, accessibility and media education.

Scope of Societal Reporting

The scope of societal reporting corresponds to all the group's business units with the exception of small companies (Digitick, See Tickets, Wengo, Watchever), subject to the following:

- in the case of Canal+ Group, the reporting scope applies to the companies located in France, Poland, Africa and Vietnam. For some indicators that specifically apply to the French entity the scope "Canal+" is included;
- in the case of UMG, unless otherwise indicated, the reporting scope applies to nine companies accounting for more than 81% of the group's revenues (South Africa, Germany, Australia, Brazil, Japan, France, the Netherlands, the United Kingdom and the United States). This scope is expanded to include a few companies outside of this core group if they show significant initiatives. The objective in 2015 is to expand the number of companies making up this core group; and
- in the case of GVT, the reporting scope applies to the company as a whole.

For the indicators related to responsible purchasing (see Section 2.2.4), the scope is limited to suppliers and subcontractors accounting for at least 75% of total expenditures. This is to facilitate feedback by the business units.

Scope of Social Reporting

The scope of social reporting corresponds to all the companies in the group and covers 80% of the workforce.

Scope of Environmental Reporting

Within the overall scope of environmental reporting, the reporting data of the sites in the reporting scope are selected depending on the type of site: offices, warehouses, technical centers, data centers, etc. For Canal+ Group, UMG and GVT, offices with fewer than 50 people are excluded from the data gathered (see Chapter 4.2 "Environmental Indicators").

Following the group's shift in focus towards media and content, the decision was made to stop monitoring water consumption, quantities of toxic waste and business travel by train and plane (scope 3) since these indicators were no longer relevant following the sale of Maroc Telecom group and SFR. On the other hand, the monitoring of purchases of plastics and acrylics used in the manufacture of products intended for sale was stepped up and improved.

The indicator "Purchases of plastics and acrylics used in the manufacture of products intended for sale" (see Section 4.2.3.1) concerns only the quantities used for products and equipment placed on the market for sale. This concerns the DVDs and CDs marketed by UMG and the set-top boxes for Canal+ Overseas.

Reporting Period

Reporting of societal, social and environmental data is annual and concerns the period from January 1 to December 31, 2014.

Methodological Details and Limits in relation to Indicators

Societal, social and environmental indicators may generally reflect methodological limits due to the lack of harmonization of international and national definitions and legislation, and/or the qualitative and therefore subjective nature of certain data.

Societal Indicators

With regards the indicators "Breakdown of purchases by principal categories and geographic regions" and "Deployment of responsible purchasing policies with regard to suppliers and subcontractors" (see Section 2.2.4), UMG reports on suppliers and subcontractors representing more than 75% of total expenditures.

In relation to the indicator "Estimation of the number of indirect jobs" (see Section 2.2.2.2), the estimation provided by Canal+ Group is a consolidation of the data for France, Africa, Poland and Vietnam:

- in France, the number of indirect jobs corresponds to the jobs generated by the tier 1 content suppliers (direct suppliers). All the channels published and distributed in France and the cinematographic and sports segments are included;
- in Africa, the jobs counted as indirect are those generated by content suppliers and business service subcontractors (residential installations of satellite dishes, warehouse logistics, call centers, etc.);
- the Vietnamese subsidiary bases its estimate on the number of jobs generated by its upstream sales network; and
- the Polish subsidiary has taken into account all external employees that have a service agreement, or a "business-to-business" or "job order" contract.

The UMG subsidiaries that are part of the focus group have adopted three types of approach:

- by using sector studies available at national level; or
- by using the data sent by suppliers; or
- by estimating the number of indirect jobs generated based on the purchases made from the main suppliers and similar parties.

GVT bases its estimate on a study done by the Brazilian Development Bank (BNDES). For telecommunications services, this study reports a ratio of 2.7 between direct jobs and indirect jobs created.

Social Indicators

The methods used to calculate absenteeism rates, accident frequency and severity rates are specified in the section on social information.

Calculations of work-related accident rates (frequency and severity) were improved in 2014 and now take into account the number of hours actually worked.

Environmental Indicators

For the environmental scope, the methodology used for data collection takes into account the nature of the site in terms of its contribution to electricity consumption. Data is collected on the basis of sites that contribute the most, in order to achieve a representation of over 90% of real data compared to total estimated electricity consumption.

Emissions are calculated based on emission factors, using the French Environmental and Energy Management Agency (ADEME) tool for calculating Carbon Footprint®.

Any missing data on indicators such as electricity, gas, fuel and steam are estimated using methodologies based on ADEME factors where these are applicable, or based on available data (for example, ratios of 10 months out of 12 or ratio per square meter, per person, etc.).

With regard to data on electricity consumption, the quantities reported correspond to the quantities invoiced. In cases where data is not available (in particular, for certain sites not owned by the group), consumption is estimated based on conversion factors (kW/m^2, kWh/ft^2). The conversion factors used for the energy consumption indicators are standard values. They differ depending on the geographic location of the entities and come from recognized reference guides. Total energy consumption is broken down to obtain a clearer explanation of the breakdown of the energy consumed.

In relation to fuel consumption (gasoline, diesel, propane and other fuels), the scope of the indicator "CO_2 emissions attributable to consumption from mobile sources (tCO_2eq)" covers directly-owned vehicles or vehicles used by the site under long-term leases.

CO_2 emissions are divided into two categories:

- scope 1 represents direct greenhouse gas emissions. Emissions associated with the consumption of natural gas, domestic heating oil and injections of refrigerant fluids during maintenance operations on air-conditioning installations at the sites are included. The emissions related to movements through consumption from mobile sources, for directly owned vehicles or vehicles on long-term leases over which the group has operational control, are also included; and
- scope 2 includes reports on indirect greenhouse gas emissions associated with the consumption of electricity and steam.

Reporting Tools, Consolidation and Controls

Using the data gathering tools developed by Vivendi's Information Systems department makes it possible for all data, consolidated and audited at different levels, to be reported:

- social data is gathered in the SIRIS tool and automatic consistency controls are made by the tool during data input. An initial validation is performed by each subsidiary. Consistency controls and a second validation are performed by each business unit. These indicators are then grouped together and controlled at the group's headquarters, where a third validation is performed during consolidation. Finally, a general control ensures the overall consistency of workforce flows between year N-1 and year N;
- in 2014, for societal and environmental data, the data was gathered using Excel spread sheets, and a consistency check was made by the representative in charge of consolidation at the headquarters. The answers to the questions asked by headquarters are tracked.

Report by One of the Statutory Auditors

Since 2008, a selection of the group's non-financial data has been subject to verification at a level of moderate assurance by one of Vivendi's Statutory Auditors (see Section 5.2, p.88). In 2014, pursuant to Articles L.225-102-1 and R.225-105-2 of the French Commercial Code, the attestation and the report cover the societal, social and environmental information presented in Chapter 2 of this Annual Report, as specified in the report on p.88.

5.2. Independent Statutory Auditors' Report on Consolidated Societal, Social and Environmental Information Presented in the Management Report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as auditors of the Vivendi corporation and designated as an independent third party agency accredited by COFRAC [(1)] under number 3-1065, we present our report on the consolidated societal, social and environmental information for the year ended December 31, 2014, presented in Chapter 2 of the management report (hereinafter "CSR information"), pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

Responsibility of the Company

It is the responsibility of the Management Board to prepare a management report including the CSR Information referred to in Article R.225-105-1 of the French Commercial Code, in accordance with the reference standard used by the company, consisting of the "Reporting Protocol for societal, social and environmental data of the Vivendi group companies – 2014", in its version dated November 3, 2014 (hereinafter "the Criteria"), a summary of which is included in Chapter 2, Section 5.1 of the Management Report and is available on request.

Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession, and the provisions of Article L.822-11 of the French Commercial Code. In addition, we have implemented a quality control system that includes documented policies and procedures intended to ensure compliance with ethical standards, professional standards [(2)] and applicable laws and regulations.

Responsibility of the Independent Statutory Auditor

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, if it is omitted, that an explanation has been provided in accordance with the third paragraph of R.225-105 of the French Commercial Code (Attestation of presence of CSR Information); and
- to express a conclusion of limited assurance that, overall, the CSR Information is fairly presented in all material aspects, in accordance with the Criteria (limited assurance on CSR information),

Our verification work was undertaken by a team of five persons between September 2014 and February 2015, over an estimated cumulative duration of 12 weeks. To assist us in carrying out our task we involved CSR experts.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier performs its task and, in relation to the opinion on fairness, in accordance with international standard ISAE 3000 [(3)].

1. Attestation of presence of CSR Information

Based on interviews with the management of relevant departments, we were able to gain an understanding of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, and also, where appropriate, resulting actions or programs.

We have compared the CSR information presented in the Management Report with the list as provided for in Article R.225-105-1 of the French Commercial Code.

In cases where certain consolidated information was absent, we have verified that the explanations were provided in accordance with the provisions in Article R.225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR information covered the consolidated scope, namely the company and its subsidiaries, within the meaning of Article L.233-1 of the French Commercial Code, and the entities which it controls, within the meaning of Article L.233-3 of the French Commercial Code, with the limits specified in the note on methodology in Chapter 2 Section 5.1 of the Management Report.

Based on this work, and taking account of the limits mentioned above, we confirm that the required CSR information is present in the Management Report.

2. Reasoned opinion on the fairness of CSR information

Nature and Scope of the Work

We undertook five interviews at the consolidated entity level, in the CSR and Human Resources departments, with the persons responsible for preparation of the CSR information, those in charge of the data collection process and, where applicable, with the persons responsible for internal control processes and risk management, in order to:

- assess the suitability of the Reference Standard for reporting, in respect of its relevance, completeness, reliability, neutrality, and

(1) Accreditation scope available on www.cofrac.fr.

(2) In particular the business practices standard applied to services related to social and environmental information that is part of the work directly related to the Auditor's engagement: NEP 9090.

(3) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

comprehensiveness, taking industry standards into consideration where relevant; and

- verify implementation of the process of collection, compilation, processing and control to ensure completeness and consistency of the CSR information and to obtain an understanding of the procedures for internal control and risk management related to the preparation of the CSR information.

We determined the nature and extent of our tests and checks based on the nature and significance of the CSR information, taking into account the characteristics of the company, the social and environmental issues linked to its activities, its strategy in relation to sustainable development, and industry best practices.

For the CSR information which we considered the most important [(4)]:

- at the level of the consolidated entity and of a selection of business units, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a sample basis, the calculations and the compilation of data, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of a representative sample of business units [(5)] and operational entities that we selected [(6)] based on their activity, their contribution to the consolidated indicators, their location, and a risk analysis, we conducted approximately fifteen interviews to verify the correct application of the procedures, and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample of the entities selected in respect to social information represented 80% of the total workforce and the one selected in respect to environmental information represented between 14% and 79% of the quantitative environmental information [(7)].

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, where appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered, exercising our professional judgment, allow us to express a conclusion of limited assurance; a higher level of assurance would have required more extensive verification work. Due to the necessary use of sampling techniques and other limits inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR information, taken as a whole, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, February 27, 2015

Statutory Auditors

ERNST & YOUNG and Associates

Jean-Yves Jégourel	Eric Mugnier
Associate	CSR Expert

(4) **Societal information:**

- ***Quantitative information**: actions taken to promote human rights (percentage of CNC-approved Franch initiatives films financed by Canal+; number of first and second films financed by Canal+; actions for raising the awareness of users, and in particular young audiences, regarding personal data and information related to on-line privacy); breakdown of generated value by stakeholders.*
- ***Qualitative information**: taking social and environmental issues into account in the purchasing policy (existence of a formal commitment with reference to the founding principles in the purchasing policy); importance of subcontracting and of taking into account the CSR of suppliers and subcontractors (deployment of the responsible purchasing approach amongst the suppliers and subcontractors with whom at least 75% of the total purchasing amount is realized); actions taken in favor of human rights (existence of a formal commitment to ethics covering content - production and/or distribution, part of which specifically concerns protection of young audiences; description of the mechanisms for implementing and monitoring this commitment; actions taken by UMG in favor of promoting musical heritage; initiatives taken by Canal+ Group for the promotion of cinema and audiovisual heritage; existence of a formal commitment in favor of pluralism of content and freedom of expression; initiatives in favor of accessibility of offers, products and services; and the existence of a formal commitment to protect personal data).*

Social information:

- ***Quantitative information**: total workforce and breakdown by gender, age and geographical region; total new hires and breakdown of departures by reason (including individual and economic redundancies).*
- ***Qualitative information**; new hires and redundancies; health and safety conditions and workplace safety (business policy on health and workplace safety); social relations and work organization.*

Environmental information:

- ***Quantitative information**: quantities of business and household WEEE produced; total energy consumption (electricity, natural gas, fuel oil, etc.); consumption of fuel (gasoline, diesel fuel, etc.); CO_2 emissions attributable to fixed sources (scopes 1 and 2); CO_2 emissions attributable to consumption from mobile sources (scope 1).*
- ***Qualitative information**: preventive measures, recycling and elimination of waste (description of processes for recovering household EEEW); measures taken to improve energy efficiency and use of renewable energy; greenhouse gas emissions (Carbon Footprint®).*

(5) Canal+ Group; UMG, GVT.

(6) For the environmental indicators, the entities concerned are the sites of "Lumières et Eiffel" (Canal+ Group), Canal+ Senegal (Canal+ Group), ITI Néovision (Canal+ Group), Los Angeles (UMG) and GVT; for the social indicators: UES Canal+ (Canal+ Group), Canal+ Senegal (Canal+ Group), ITI Néovision (Canal+ Group), UMG UK, UMG Inc. (North America) and GVT; for the societal indicators: the three business units selected.

(7) The coverage rate of the chief quantitative environmental indicators is 14% for professional WEEE, 77% for electricity consumption, 79% for scope 1 CO_2 emissions and 50% for scope 2 CO_2 emissions.

Information about the Company | Corporate Governance | Reports

SECTION 1 General Information about the Company

1.1. Corporate and Commercial Name

Pursuant to Article 1 of Vivendi's by-laws, the corporate name of the Company is Vivendi.

1.2. Place of Registration and Registration Number

The company is registered with the *Registre du Commerce et des Sociétés de Paris* (Paris Commercial and Corporate Registry) under reference number 343 134 763. Its Siret number is 343 134 763 00048 and its APE code is 6420Z.

1.3. Date of Incorporation and Term

As set forth in Article 1 of Vivendi's by-laws, the Company's term is 99 years beginning on December 18, 1987. It will therefore expire on December 17, 2086, except in the event of extension or early dissolution.

1.4. Registered Office, Legal Form and Laws Applicable to Vivendi's Business

Pursuant to Article 3 of Vivendi's by-laws, the Company's registered and head offices are located at 42, avenue de Friedland, 75380 Paris Cedex 08, France.

Pursuant to Article 1 of Vivendi's by-laws, Vivendi is a French limited liability company (*société anonyme*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de surveillance*). The Company is governed by all French legislative and regulatory provisions on corporations and in particular the provisions of the French Commercial Code (*Code de commerce*).

1.5. Fiscal Year

Pursuant to Article 18 of Vivendi's by-laws, the Company's fiscal year begins on January 1 and ends on December 31 of each year.

1.6. Access to Legal Documents and Regulated Information

Legal documents relating to the Company are available for review at the Company's registered office. Permanent and ongoing regulated information may be found on the Company's website (www.vivendi.com) under "Regulated Information".

SECTION 2 Additional Information about the Company

2.1. Memorandum and By-Laws

2.1.1. Corporate Purpose

Pursuant to Article 2 of Vivendi's by-laws, the Company's main corporate purpose, directly or indirectly, in France and in all other countries, is: to provide communication and telecommunication services, directly or indirectly, and interactive services, to individual, business or public sector customers; to market products and services related to the foregoing; to engage in commercial, industrial, financial, securities and real estate transactions, directly or indirectly, related to the aforementioned purpose or to any other similar or related purpose, or contributing to the achievement of such purpose; and more generally the management and acquisition, either by subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or yet to be formed, including the right to sell such securities.

2.1.2. Rights, Preferences and Restrictions Attached to the Company's Shares and to Each Class of Existing Shares, if Applicable

Pursuant to Articles 4 and 5 of Vivendi's by-laws, the shares are all of the same class and may be held in either registered or bearer form, unless stipulated otherwise by law.

Pursuant to Article 6 of Vivendi's by-laws, each share carries a right of ownership to the Company's assets and liquidation surplus, in a proportion equal to the portion of the share capital it represents. Whenever a certain number of shares is necessary to exercise a right, shareholders may only exercise such rights if they possess the required number of shares. Subscription rights attached to shares belong to the holder of the usufruct rights (*usufruitier*).

2.1.3. Description of Actions Necessary to Change the Rights of Shareholders

Vivendi's by-laws contain no provisions that are more restrictive than those required by law in relation to changes to the Company's share capital or the rights attached to the Company's shares.

2.1.4. Shareholders' Meetings

Pursuant to Article 16 of Vivendi's by-laws, Shareholders' Meetings are convened and held in accordance with applicable law.

Shareholders' Meetings are held at the Company's registered office or at any other place indicated in the meeting notice. When convening such a meeting, the Management Board may decide to publicly broadcast the Shareholders' Meeting in full by videoconference or other form of remote transmission. If applicable, this decision shall be published in the meeting notice and convening notice.

The Works Council may also appoint two of its members to attend Shareholders' Meetings. The Chairman of the Management Board or any other authorized person will notify the Works Council, by any means, of the date and location of Shareholders' Meetings that have been convened.

Each shareholder, without regard to the number of shares held, is entitled, upon proof of his or her identity and standing as shareholder, to participate in Shareholders' Meetings, subject to: (i) the recording of his or her shares on or before 11:59 p.m. (Paris time) on the second business day **(1)** preceding the Shareholders' Meeting (the "Record Date"), whereby:

- registered shareholders are comprised of those shareholders identified in the nominative share register on file with the Company;
- bearer shareholders are comprised of those shareholders identified as holders of record in the bearer share register on file with the authorized intermediary;

and (ii), if necessary, the provision to the Company of any documents required to prove such shareholders' identity, in accordance with current law.

The registration or recording of shares in the bearer share account held by the authorized intermediary will be authenticated by a shareholding certificate (*attestation de participation*) delivered by said intermediary in accordance with legal and statutory provisions.

Pursuant to Article 17 of Vivendi's by-laws, voting rights attached to shares belong to usufruct holders (*usufruitiers*) in Ordinary Shareholders' Meetings and to legal owners of title (*nu-propriétaires*) in Extraordinary or Special Shareholders' Meetings, unless otherwise agreed by both parties, provided that the Company is notified of such agreement by said parties.

Subject to applicable laws and regulations, shareholders may send their proxy and voting forms by mail, either in paper form or, where approved by the Management Board and published in the notice of meeting and the convocation notice, by fax or e-mail. Proxy or voting forms sent by mail must be received by the Company by 3:00 p.m. (Paris time) on the day prior to the Shareholders' Meeting.

(1) *Decree 2014-1466 of December 8, 2014, Article 4.*

The proxy or voting form may, if necessary, contain the shareholder's electronic signature, authenticated by a reliable and secure process, enabling identification of the shareholder as well as authentication of his or her vote.

Shareholders' Meetings are chaired by the Chairman of the Supervisory Board.

Each shareholder is entitled to a number of votes at all Shareholders' Meetings equal to the number of shares he or she owns or represents.

Pursuant to Article 7 of Law no. 2014-384 of March 29, 2014 – the "*Loi Florange*", codified under Article L.225-123 of the French Commercial Code – as from April 3, 2016, a double voting right is automatically granted to each share continuously held in the registered form as from April 2, 2014.

2.1.5. Determination, Allocation and Distribution of Net Earnings

Pursuant to Article 19 of Vivendi's by-laws, the statement of income summarizes income and expenses for the fiscal year, showing statutory net income for the year as the difference between the two, after deducting amortization, depreciation and any provisions.

At least 5% of the fiscal year's earnings, reduced, where applicable, by deferred losses, shall be withheld for allocation to the statutory reserve fund. This withholding ceases to be mandatory when the statutory reserve fund reaches an amount equal to 10% of the share capital. Such deductions shall resume, under the same conditions, if, for any reason, the legal reserve falls below this percentage.

The Shareholders' Meeting may set aside such sums as the Management Board deems appropriate for transfer to contingency funds, ordinary or extraordinary reserves, retained earnings, or for distribution.

Distributable earnings are equal to net income for the fiscal year, less losses carried forward and allocations to reserves, pursuant to applicable law or Vivendi's by-laws, plus earnings carried forward from previous fiscal years.

Dividends are first paid out of current earnings.

Except in the event of a reduction in share capital, no dividends shall be distributed to shareholders when shareholders' equity is, or would become as a result of such distribution, less than the amount of the share capital plus reserves, which is not permitted to be distributed under any applicable law or Vivendi's by-laws.

Revaluation surpluses may not be distributed, but may be wholly or partially capitalized.

The Shareholders' Meeting may resolve to distribute funds deducted from available reserves by specifically identifying the reserve line items from which such withholdings are to be distributed.

The terms of dividend payments are determined by the Shareholders' Meeting or, if it fails to make such determination, by the Management Board. Dividends must be paid no later than nine months after the close of the fiscal year, unless extended by court order.

The Annual Shareholders' Meeting has the right to grant each shareholder the option to receive all or part of the annual dividend or interim dividend distributed in the form of cash, shares, or payment in kind.

Dividends that remain unclaimed five years from the date of such dividend payment are no longer distributable pursuant to statutory limitation rules.

2.1.6. Provisions having the Effect of Delaying, Deferring or Preventing a Change in Control

Vivendi's by-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change in control of the Company.

2.1.7. Provisions Governing the Ownership Threshold above which Shareholder Ownership must be Disclosed

Pursuant to Article 5 of Vivendi's by-laws, the Company may, at any time and in accordance with applicable laws and regulations, request the relevant central depository for financial instruments to provide it with information in relation to any of the Company's securities that confer a right to vote (either immediately or in the future) at Shareholders' Meetings.

Personal data and information obtained are used solely for the purpose of identifying the owners of bearer shares and analyzing Vivendi's share ownership structure on any given date. In accordance with the provisions of the French Law of January 6, 1978, owners of securities have the right to access, amend and delete any personal information about themselves. To do so, a request must be submitted to Vivendi's Legal department or to the following e-mail address: tpi@vivendi.com.

Failure by shareholders or their intermediaries to disclose such information may, under the conditions stipulated by law, lead to the suspension or suppression of dividends or voting rights attached to such shares.

Any person, acting alone or in concert, who becomes the direct or indirect holder of a fraction of the share capital, voting rights or securities giving rights to the share capital of the Company equivalent to or in excess of 0.5%, or a multiple thereof, shall send a notice to the Company, by registered letter with acknowledgment of receipt, within 15 calendar days of crossing any of these thresholds. This notice shall specify the aggregate number of shares, voting rights or securities giving rights to the share capital of the Company that such person directly or indirectly holds, whether alone or in concert.

A person who fails to comply with this notification requirement is subject to penalties in accordance with applicable law, upon a request by one or more shareholders holding at least 0.5% of the Company's share capital.

Any person, acting alone or in concert, is also required to inform the Company within 15 calendar days if the percentage of share capital or voting rights that such person holds falls below any of the above-mentioned thresholds.

2.1.8. Provisions Governing Changes in Share Capital where such Conditions are more Stringent than Required by Law

Not applicable.

2.2. Share Capital

2.2.1. Amount of Issued Share Capital

As of December 31, 2014, the Company's share capital amounted to €7,433,803,509.00, divided into 1,351,600,638 shares with a par value of €5.50 per share.

Since March 3, 2015, the share capital has amounted to €7,441,953,871.00, divided into 1,353,082,522 shares with a par value of €5.50 each.

All shares may be held in registered or bearer form and are freely negotiable. The shares are traded on Euronext Paris (Compartment A) (ISIN code: FR0000127771).

2.2.2. Shares not Representing Capital

Not applicable.

2.2.3. Authorized but Non-Issued Share Capital

Details of delegations of authority and authorizations approved by the Combined Shareholders' Meetings of April 30, 2013 and June 24, 2014 and submitted to the Combined Shareholders' Meeting of April 17, 2015 are presented below.

Issues of securities with preferential subscription rights

Transactions	Resolution number – Year	Duration of the authorization (expiry date)	Maximum nominal amount of share capital increase
Capital increase (ordinary shares and marketable securities giving right to shares)	**15th – 2015** 13th – 2013	**26 months (June 2017)** 26 months (June 2015)	**(a) 750 million, i.e., ≈ 10% of the share capital** 1.5 billion, i.e., 20.6% of the share capital
Capital increase by incorporation of reserves and grant of shares to shareholders	**19th – 2015** 15th – 2013	**26 months (June 2017)** 26 months (June 2015)	**(b) 375 million, i.e., ≈ 5% of the share capital** 1 billion, i.e., 13.7% of the share capital

Issues of securities without preferential subscription rights

Transactions	Resolution number – Year	Duration of the authorization (expiry date)	Maximum nominal amount of share capital increase
Contributions in kind to the Company	**16th – 2015** 14th – 2013	**26 months (June 2017)** 26 months (June 2015)	**(b) 10% of the share capital** 10% of the share capital

Issues reserved for employees of Vivendi

Transactions	Resolution number – Year	Duration of the authorization (expiry date)	Main Terms
Share capital increase reserved for employees that are members of the Group's Savings Plan (PEG)	**17th - 2015** 15th - 2014	**26 months (June 2017)** 26 months (August 2016)	
	18th – 2015 16th - 2014	**18 months (Oct 2017)** 18 months (Dec 2015)	**(b) (c) Maximum of 1% of the share capital on the Management Board's decision date**
Grant of existing or future performance shares	14th – 2014	38 months (August 2017)	(d) Maximum of 1% of the share capital on the grant date

Share repurchase program

Transactions	Resolution number – Year	Duration of the authorization (expiry date)	Main Terms
Share repurchases	**13th – 2015** 12th – 2014	**18 months (Oct. 2016)** 18 months (Dec. 2015)	**10% of the share capital** **Maximum purchase price: €20 (135.30 million shares)** (e) 10% of the share capital Maximum purchase price: €24
Share cancellations	**14th – 2015** 13th – 2014	**18 months (Oct. 2016)** 18 months (Dec. 2015)	(f) 10% of the share capital over a 24-month period

(a) Aggregate maximum amount for capital increases, all transactions included.
(b) This amount is applied to the maximum total amount of €750 million, set in the 15th resolution of the 2015 Combined Shareholders' Meeting.
(c) Not used in 2014.
(d) No utllization of this resolution in 2014. Used in February 2015 for 0.12% of the share capital.
(e) Used for 0.1% of capital to cover performance share plans.
(f) No share cancellations over the last 24 months.

2.2.4. Shares Held by the Company

2.2.4.1. Summary of the Previous Share Repurchase Program

By a resolution of the Management Board at its meeting held on October 21, 2013, a share repurchase program was implemented on that same date, under the authorization given pursuant to the 11th resolution of the Ordinary Shareholders' Meeting held on April 30, 2013.

The maximum authorized repurchase price was within the statutory limitations, at a maximum price of €25 per share, which is below the upper limit of €30 set by the Shareholders' Meeting.

The objectives of this repurchase program were as follows:

- the continuation of the liquidity agreement in compliance with the AMAFI Code of Ethics; and
- the repurchase of a maximum of 1.8 million shares on the market with a view to covering the grant of performance shares, the rights to which were to be acquired by the beneficiaries in 2014, subject to satisfaction of the performance conditions under the plans.

2.2.4.2. Aggregate Number of Purchases and Sales/Transfers of Shares from January 1 to December 31, 2013 (Other than Shares Purchased under the Liquidity Agreement)

	Purchases	Sale/Transfer
Number of shares	None	1,409,861
Average price per share (in euros)	na	17.48
Total value (in euros)	na	24,647,974.21

na: not applicable

Number of shares canceled during the last 24 months: None.

As of December 31, 2013, Vivendi directly held 50,639 of these treasury shares with a par value of €5.50 per share, i.e., 0.004% of the share capital, allocated to covering the award of performance share plans.

2.2.4.3. Current Share Repurchase Program

By a resolution of the Management Board at its meeting held on October 20, 2014, a share repurchase program was implemented on that same date, under the authorization given pursuant to the 12th resolution of the Combined General Shareholders' Meeting held on June 24, 2014.

The maximum repurchase percentage is authorized, within the statutory limitations, at a maximum price of €20 per share, which is below the upper limit of €24 set by the Shareholders' Meeting, with a view to covering performance share plans.

The objectives of the share repurchase program are as follows:

- the continuation of the liquidity agreement in compliance with the AMAFI Code of Ethics; and
- the repurchase of a maximum of 2.7 million shares on the market with a view to covering the grant of performance shares, the rights to which shall be acquired by the beneficiaries in 2015, subject to satisfaction of the performance conditions under the plans. As of December 31, 2014, Vivendi had not implemented this second objective.

In accordance with an announcement made by the Company, the Supervisory Board, at its meeting held on February 27, 2015, authorized the Management Board to implement a share repurchase program to cover repurchases by the Company of up to 10% of its share capital, at a maximum share repurchase price of €20 per share. As of the date of this Annual Report, this authorization had not been implemented.

2.2.4.4. Aggregate Number of Purchases and Sales/Transfers of Shares from January 1 to December 31, 2014 (other than Shares Purchased under the Liquidity Agreement)

	Purchases	Sale/Transfer
Number of shares	1,602,149	1,603,220
Average price per share (in euros)	20.04	19.90
Total value (in euros)	32,103,809.96	31,909,025.57

Number of shares canceled during the last 24 months: None.

2.2.4.5. Treasury Shares (Other than Shares Held Pursuant to the Liquidity Agreement)

Position as of December 31, 2014

As of December 31, 2014, Vivendi directly held 49,568 of its own shares, which have a par value of €5.50 each, representing 0.004% of the share capital. These shares were reserved to cover the grant of performance shares. As of December 31, 2014, the book value of the portfolio totaled €1.0 million, representing a market value of €1.0 million as of the same date.

2.2.4.6. Aggregate Number of Purchases and Sales/Transfers of Shares from January 1 to February 27, 2015 (other than Shares Purchased under the Liquidity Agreement)

	Purchases	Sale/Transfer
Number of shares	None	None
Average price per share (in euros)	na	na
Total value (in euros)	na	na

na: not applicable.

As of February 27, 2015, Vivendi SA held 49,568 of its own shares, representing 0.004% of the share capital of the Company.

2.2.4.7. Liquidity Agreement

Since January 3, 2005, Vivendi has entered into a liquidity agreement for the repurchase of its own shares, which is established in compliance with the AMAFI Code of Ethics. The term of this agreement is one year, renewable by tacit agreement.

In 2014, pursuant to this liquidity agreement, Vivendi repurchased an aggregate of 8,135,058 shares, representing 0.6% of the share capital of the Company, for €156.6 million, and sold a total 8,135,058 shares for €157.2 million.

As of December 31, 2014, the following sources of funding were held in a liquidity account maintained by the Company pursuant to its liquidity agreement: 0 shares and €53 million. In 2014, the Company recognized capital gains under this liquidity agreement totaling €0.6 million.

For 2014, the Company's management fees for the liquidity agreement totaled €180,000 (excluding VAT).

2.2.4.8. Treasury Shares Held by the Group

As of December 31, 2014, Vivendi's subsidiaries held 465 shares of the Company.

2.2.4.9. Open Positions on Derivative Financial Instruments as of December 31, 2014

None.

2.2.5. Convertible Securities, Exchangeable Securities or Warrant Securities

2.2.5.1. Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (OCEANE)

No OCEANEs are outstanding.

2.2.5.2. Bonds Mandatorily Redeemable in Shares (ORA)

No ORAs are outstanding.

2.2.5.3. Warrants (BSA)

No BSAs are outstanding.

2.2.6. Stock Option Purchase or Subscription Plans

Since 2013, Vivendi has not granted any stock options.

2.2.6.1. Grant Criteria

Between 2002 and 2012, only stock subscription option plans were established by the Company. These plans have a ten-year term.

Grants of stock subscription option plans were based on three criteria: (i) level of responsibility; (ii) individual performance; and (iii) rewarding the loyalty of high-potential managers. They were granted every year during the same period before distribution of dividends, in order to avoid windfall effects.

The strike price of the stock options was set, without discount, to reflect the average share price over the 20 trading days prior to the grant date.

As of December 31, 2014, a total of 42,722,348 options were outstanding under all existing stock subscription option plans (after deducting the number of stock options exercised or canceled, in application of partial fulfillment of the performance conditions governing the plans, as the case may be, or pursuant to the termination of employment of certain beneficiaries). These options represent a maximum nominal share capital increase of €234.97 million, or 3.16% of the Company's share capital.

As a result of the termination of Vivendi's ADR (American Depositary Receipt) program on the New York Stock Exchange in 2006, any stock options that were exercisable into ADRs and had been granted to a number of officers and employees of the group residing in the United States were converted into Stock Appreciation Rights (SARs). SARs are instruments that settle in cash only and therefore have no dilutive effect. The trading value of the SARs is the average of the high and low prices of Vivendi's ordinary shares as quoted on Euronext Paris on that trading day, multiplied by the euro/US dollar exchange rate as published by the European Central Bank on the date of exercise of the SAR. As of December 31, 2014, there were 4,426,505 SARs (formerly ADRs) outstanding (maturing in 2015, 2016 and 2017).

2.2.6.2. Key Features of the Plans Granted up to 2012

Rights resulting from the grant of stock options are fully acquired after a three-year vesting period, and may be exercised on one or more occasions. Shares received upon exercise of the options can be freely transferred, subject to, for beneficiaries who are French tax residents, the expiration of the beneficial holding period applicable under French tax law (currently four years). In the event of a tender offer for Vivendi shares, the options under any of the plans will immediately vest and become exercisable.

For Corporate Officers and all beneficiaries, the definitive grant of stock subscription options is subject to the same performance criteria and quantitative methods of grant as those set for the grant of performance shares, which are assessed once at the end of a consecutive two-year period following the grant (see Section 3.4).

2.2.7. Performance Shares and Bonus Share Grants

Grants of performance shares are subject to the achievement of internal financial targets and the performance of Vivendi shares against two trading indices (see Section 3.4 of this chapter).

In 2014, 2,326,869 shares were definitively granted to beneficiaries, representing 88% of the total number of rights granted in 2012, taking into account the rate of partial fulfillment of performance conditions assessed on the 2012 and 2013 years at the end of the vesting period for grants under the 2012 and 2010 (US and Brazilian beneficiaries) performance share plans. Moreover, 727,118 bonus shares granted to employees of Vivendi SA and its French subsidiaries in July 2012 were registered in July 2014. 200,565 rights were canceled upon the termination of employment of certain beneficiaries.

For more details, please refer to the Appendix of this section.

2.2.7.1. Adjustment of Rights Following the Payment in 2014 of an Ordinary Distribution of €1 per Share from Additional Paid-In Capital

To account for the impact of the ordinary distribution of €1 per share, approved by the Combined General Shareholders' Meeting held on June 24, 2014, from additional paid-in capital, and in accordance with Articles L.225-181, L.228-99, R.225-140 and R.228-91 of the French Commercial Code, an adjustment was made to the stock option and performance share plans.

This adjustment, which was intended to allow beneficiaries to invest the same amount as planned at the time the rights were granted, resulted in:

- an increase in the number of options granted and a decrease in their strike price; and
- an increase in the number of performance share rights.

The adjustment ratio was calculated based on the weighted average price of Vivendi shares on the Euronext Paris market over the 20 trading sessions prior to the distribution record date of June 25, 2014, for payment on June 30, 2014. It was set at 0.948010.

2.2.8. Acquisition Rights or Obligations in Respect of Authorized but Non-Issued Capital

Not applicable.

2.2.9. Conditional or Unconditional Options or Agreements on a Group Member

Not applicable.

2.2.10. Changes in Share Capital over the Last Five Years

		Amount			Share capital amounts	
Transactions	Date	Par value (in euros)	Premium (in euros)	Number of issued shares	In shares	In euros
Share capital as of December 31, 2009					1,228,859,491	6,758,727,200.50
Exercise of stock options	01/31/10	5.50	8.90	2,000	1,228,861,491	6,758,738,200.50
Exercise of stock options	02/28/10	5.50	8.90	200	1,228,861,691	6,758,739,300.50
Exercise of stock options	03/31/10	5.50	8.90	42,000	1,228,903,691	6,758,970,300.50
Grant of performance shares (April 2008)	04/19/10	5.50	na	429,078	1,229,288,569	6,761,087,129.50
Exercise of stock options	04/28/10	5.50	(*) 7.91	14,000	1,229,346,769	6,761,407,229.50
Exercise of stock options	07/31/10	5.50	7.89	8,963	1,229,355,732	6,761,456,526.00
2010 Group Savings Plan	07/29/10	5.50	(*) 8.281	7,141,109	1,236,496,841	6,800,732,625.50
Exercise of stock options	09/30/10	5.50	(*) 9.16	418,729	1,236,915,570	6,803,035,635.00
Exercise of stock options	10/31/10	5.50	(*) 9.68	60,235	1,236,975,805	6,803,366,927.50
Exercise of stock options	11/30/10	5.50	(*) 10.18	39,703	1,237,015,508	6,803,585,294.00
Exercise of stock options	12/31/10	5.50	(*) 8.84	321,010	1,237,336,518	6,805,350,849.00
Grant of performance shares (April 2010)	12/31/10	5.50	na	590	1,237,337,108	6,805,354,094.00
Exercise of stock options	01/31/11	5.50	(*) 9.26	207,991	1,237,545,099	6,806,498,044.50
Exercise of stock options	02/28/11	5.50	7.89	3,657	1,237,548,756	6,806,518,158.00
Exercise of stock options	03/31/11	5.50	7.89	13,971	1,237,562,727	6,806,594,998.50
Exercise of stock options	04/20/11	5.50	7.89	82,111	1,237,644,838	6,807,046,609.00
Exercise of stock options	05/31/11	5.50	7.89	1,736	1,237,646,574	6,807,056,157.00
Exercise of stock options	06/30/11	5.50	7.89	216,086	1,237,862,660	6,808,244,630.00
2011 Group Savings Plan	07/21/11	5.50	9.77	9,371,605	1,247,234,265	6,859,788,457.50
Exercise of stock options	08/31/11	5.50	7.89	2,689	1,247,236,954	6,859,803,247.00
Exercise of stock options	12/31/11	5.50	7.89	26,106	1,247,263,060	6,859,946,830.00
Bonus share award (1 for 30)	05/09/12	5.50	na	41,575,435	1,288,838,495	7,088,611,722.50
2012 Group Savings Plan	07/19/12	5.50	4.81	12,288,690	1,301,127,185	7,156,199,517.50
Exercise of stock options	07/31/12	5.50	7.46	2,000	1,301,129,185	7,156,210,517.50
Bolloré Média contributions	09/27/12	5.50	9.55	22,356,075	1,323,485,260	7,279,168,930.00
Exercise of stock options	09/30/12	5.50	7.46	8,333	1,323,493,593	7,279,214,761.50
Exercise of stock options	10/31/12	5.50	7.46	43,334	1,323,536,927	7,279,453,098.50
Exercise of stock options	11/30/12	5.50	7.46	59,411	1,323,596,338	7,279,779,859.00
Exercise of stock options	12/31/12	5.50	7.46	366,078	1,323,962,416	7,281,793,288.00
Exercise of stock options	01/31/13	5.50	7.46	144,662	1,324,107,078	7,282,588,929.00
Exercise of stock options	02/28/13	5.50	7.46	14,264	1,324,121,342	7,282,667,381.00
Exercise of stock options	03/31/13	5.50	7.46	286,362	1,324,407,704	7,284,242,372.00
Exercise of stock options	04/23/13	5.50	7.46	566,370	1,324,974,074	7,287,357,407.00
Exercise of stock options	04/30/13	5.50	7.46	27,467	1,325,001,541	7,287,508,475.50
Exercise of stock options	05/31/13	5.50	6.68	1,733,628	1,326,735,169	7,297,043,429.50
2013 Group Savings Plan	07/25/13	5.50	6.602	12,285,542	1,339,020,711	7,364,613,910.50
Exercise of stock options	10/31/13	5.50	11.91	6,861	1,339,027,572	7,364,651,646.00
Exercise of stock options	11/30/13	5.50	11.75	416,063	1,339,443,635	7,366,939,992.50
Exercise of stock options	12/31/13	5.50	11.58	166,296	1,339,609,931	7,367,854,620.50
Exercise of stock options	01/31/14	5,50	11.90	1,623,713	1,341,233,644	7,376,785,042.00
Exercise of stock options	02/28/14	5.50	11.76	733,446	1,341,967,090	7,380,818,995.00
Exercise of stock options	03/31/14	5.50	11.92	1,806.245	1,343,773,335	7,390,753,342.50
Exercise of stock options	04/30/14	5.50	12.00	937,756	1,344,711,091	7,395,911,000.50
Exercise of stock options	05/31/14	5.50	11.97	3,082,646	1,347,793,737	7,412,865,553.50

na: not applicable.

* Weighted average premium in euros.

Transactions	Date	Amount		Share capital amounts		
		Par value (in euros)	Premium (in euros)	Number of issued shares	In shares	In euros
Exercise of stock options	06/30/14	5.50	11.33	57,915	1,347,851,652	7,413,184,086.00
AGA 50 – July 17, 2014	07/17/14	5.50	na	727,118	1,348,578,770	7,417,183,235.00
Exercise of stock options	07/31/14	5.50	10.47	34,357	1,348,613,127	7,417,372,198.50
Exercise of stock options	08/31/14	5.50	12.91	54,328	1,348,667,455	7,417,671,002.50
Exercise of stock options	09/30/14	5.50	10.61	829,272	1,349,496,727	7,422,231,998.50
Exercise of stock options	11/30/14	5.50	12.75	1,255,310	1,350,752,037	7,429,136,203.50
Exercise of stock options	12/31/14	5.50	12.63	848,601	1,351,600,638	7,433,803,509.00

na: not applicable.

* Weighted average premium in euros.

As of December 31, 2014, the potential share capital of the Company totaled €7,668,776,423.00, divided into 1,394,322,986 shares after taking into account 42,722,348 stock options which may give rise to the issuance of 42,722,348 shares.

2.2.11. Market Information

2.2.11.1. Places of Listing – Stock Exchange Price

Source: Euronext Paris.

Stock exchange price for Vivendi ordinary shares – Euronext Paris

Compartment A (code FR0000127771) (in euros)	Average price	High	Low	Number of shares traded	Transactions
2013					
January	16.4120	17.4350	15.6800	79,470,791	1,305,453,229
February	15.6585	16.2950	14.8400	86,168,676	1,351,308,193
March	15.9723	16.6950	15.4350	99,782,179	1,593,412,362
April	16.3888	17.3600	15.7300	101,339,908	1,662,781,365
May	15.9750	17.1500	15.1000	126,171,923	1,996,130,556
June	14.6975	15.4750	13.9950	98,464,130	1,447,383,421
July	15.3446	16.9000	14.4050	101,997,826	1,578,373,792
August	15.9559	16.3400	15.0300	65,973,041	1,047,635,382
September	16.8910	17.6150	15.4700	110,511,300	1,864,491,846
October	18.2674	19.3500	16.8300	103,691,463	1,894,976,911
November	18.5979	19.2450	18.0950	83,041,859	1,546,933,868
December	18.3443	19.1900	17.3500	104,427,419	1,897,360,950
2014					
January	19.2068	20.1000	18.4400	114,441,854	2,206,292,818
February	20.3673	21.3100	19.1700	115,256,846	2,344,692,479
March	20.0845	21.0000	19.5500	161,023,146	3,235,624,461
April	20.0168	21.0250	19.2950	104,541,347	2,098,146,140
May	19.0310	19.4050	18.4350	99,841,377	1,897,190,307
June	19.0167	19.4750	17.8500	97,380,681	1,845,406,342
July	18.0250	19.1150	17.2600	111,140,508	2,010,607,906
August	19.4367	20.2900	18.4900	102,522,715	1,989,975,641
September	19.4250	20.0200	18.9450	95,685,430	1,860,435,176
October	18.4791	19.5200	17.3200	138,721,211	2,550,368,644
November	19.8765	20.5000	19.2350	96,218,944	1,911,542,432
December	20.3650	20.8600	19.0450	98,122,094	1,979,904,041
2015					
January	20.6210	21.4300	19.7300	2,448,092,393	118,717,877
February	21.0610	21.8650	20.3350	1,851,966,331	87,936,967

2.2.11.2. Financial Securities Intermediary

BNP Paribas Securities Services
GCT - Service Émetteurs
Les Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex

2.2.12. ADR (American Depositary Receipt) Program

On January 10, 2011, the level 1 sponsored ADR program, which had been maintained with Deutsche Bank since December 15, 2008, terminated.

Vivendi does not sponsor any American Depositary Receipt (ADR) program for its shares. Any currently existing ADR program is "unsponsored" and is not connected in any way to Vivendi. Vivendi denies any responsibility or liability in relation to any such program.

2.3. Major Shareholders

2.3.1. Share Ownership and Voting Rights (as of December 31, 2014)

As of December 31, 2014, the Company's share capital amounted to €7,433,803,509, divided into 1,351,600,638 shares.

The corresponding number of voting rights, taking into consideration that treasury shares have no voting rights, totaled 1,351,550,605 as of December 31, 2014, and remained the same as of February 27, 2015.

As of December 31, 2014, employees held 3.11% of the Company's share capital.

To the Management Board's knowledge, as of December 31, 2014, the major shareholders who held shares in registered form or had sent a share ownership notice to the Company were as follows:

Groups	% of share capital	% of voting rights	Number of shares	Number of voting rights
Groupe Bolloré (*)	5.14	5.14	69,448,825	69,448,825
BlackRock Inc.	4.93	4.93	66,612,364	66,612,364
CDC-BPI/DFE	3.45	3.45	46,636,819	46,636,819
Amundi (Crédit Agricole AM/Société Générale AM)	3.44	3.44	46,527,497	46,527,497
PEG Vivendi	3.11	3.11	41,998,171	41,998,171
FCPE Groupe Vivendi "Épargne"	*1.23*	*1.23*	*16,548,326*	*16,548,326*
FCPE "Opus Vivendi"	*1.88*	*1.88*	*25,449,845*	*25,449,845*
The Baupost Group, L.L.C.	2.98	2.98	40,247,146	40,247,146
State Street Corporation (SSC)	2.24	2.24	30,283,853	30,283,853
Southeastern Asset Management, Inc.	2.02	2.02	27,269,961	27,269,961
NBIM (Norges Bank Investment Management)	1.98	1.98	26,754,689	26,754,689
Newton	1.55	1.55	20,935,571	20,935,571
Crédit Suisse Securities (Europe) Limited	1.48	1.48	20,034,872	20,034,872
UBS Investment Bank	1.28	1.28	17,253,929	17,253,929
First Eagle Investment Management	1.08	1.08	14,645,991	14,645,991
DNCA Finance	1.08	1.08	14,608,431	14,608,431
Treasury shares	0.00	0.00	50,033	0
Other shareholders	64.24	64.24	868,292,486	868,292,486
TOTAL	**100.00**	**100.00**	**1,351,600,638**	**1,351,550,605**

(*) Since March 2, 2015, the Bolloré Group holds 8.15% of the share capital, i.e., 110,155,453 shares and voting rights.

2.3.2. Pledge of Company Shares

As of December 31, 2014, 34,766,431 shares, representing 2.572% of the share capital of the Company, held in registered form by shareholders were pledged.

2.3.3. Control of the Company – Shareholders' agreements

As of December 31, 2014, to the Company's knowledge, no shareholder other than those listed in the table above held 5% or more of the Company's share capital or voting rights, and there were no Shareholders' agreements, whether publicly disclosed or not, which related to Vivendi's securities.

2.3.4. Notices Made to the Company in relation to the Crossing of Shareholding Thresholds

In 2014, the Company received several notices in relation to the crossing of statutory thresholds (upwards) from the Bolloré Group. The company also received notices, as required pursuant to the Company's by-laws, in relation to the crossing of shareholding thresholds (being 0.5% or any multiple of this percentage), whether by rising above or falling below the threshold, including notices from Abu Dhabi Investment Authority, Amundi, Aviva, Axa Investment Management, BlackRock Inc, The Baupost Group, LLC., Citigroup Global Markets Ltd, Crédit Suisse Securities (Europe) Limited, DNCA Finance, First Eagle Investment Management, Mason Capital Management LLC, Natixis, Newton, PSAM, Qatar Holding, RBS (The Royal Bank of Scotland Group), Schroders plc, Southeastern Asset Management Inc and State Street Corporation (SSC).

2.3.5. Changes in Share Ownership over the Last Three Years (as of December 31)

	2014			2013			2012		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Groupe Bolloré	69,448,825	5.14	5.14	67,577,281	5.04	5.04	66,234,684	5.00	5.01
BlackRock Inc.	66,612,364	4.93	4.93	66,974,092	5.00	5.00	61,103,280	4.62	4.62
CDC-BPI/DFE	46,636,819	3.45	3.45	46,636,819	3.48	3.48	46,636,819	3.52	3.53
Amundi	46,527,497	3.44	3.44	60,096,182	4.49	4.49	55,933,342	4.22	4.23
Vivendi employees	41,998,171	3.11	3.11	47,463,985	3.54	3.54	41,377,407	3.13	3.13
The Baupost Group, L.L.C.	40,247,146	2.98	2.98	26,818,707	2.00	2.00	18,225,000	1.38	1.38
State Street Corporation (SSC)	30,283,853	2.24	2.24						
Southeastern Asset Management, Inc.	27,269,961	2.02	2.02						
NBIM (Norges Bank Investment Management)	26,754,689	1.98	1.98	26,754,689	2.00	2.00	25,028,160	1.89	1.89
Newton	20,935,571	1.55	1.55						
Crédit Suisse Securities (Europe) Limited	20,034,872	1.48	1.48						
First Eagle Investment Management	14,645,991	1.08	1.08						
DNCA Finance	14,608,431	1.08	1.08						
Treasury shares	50,033	0.00	0.00	51,104	0.00	0.00	1,460,965	0.11	0.00
Other shareholders	885,546,415	65.52	65.52	997,237,072	74.45	74.45	1,007,962,759	76.13	76.21
TOTAL	**1,351,600,638**	**100**	**100**	**1,339,609,931**	**100**	**100**	**1,323,962,416**	**100**	**100**

Appendix: Stock Subscription Option Plans and Performance Share Plans

Details of Stock Subscription Option Plans and Performance Share Plans

Stock Subscription Option Plans (in euros)

			Number of options granted							Number of options		
			Total number		of which, number granted to members of governing bodies							
Date of the Shareholders' Meeting	Date of the Board of Directors, Supervisory Board or Management Board Meeting	Grant date	of beneficiaries	of options	Number of beneficiaries	Number of options	Vesting date for options	Expiration date	Adjusted exercise price	exercised in 2014 (*)	cancelled in 2014 (*)	outstanding as of Dec. 31, 2014 (*)
04/29/03	05/06/04	05/21/04	425	8,267,200	8	2,320,000	05/22/06	05/21/14	17.48	7,331,807	717,115	0
04/29/03	03/09/05	04/26/05	472	7,284,600	11	2,595,000	04/27/07	04/26/15	18.95	1,600,079	21,645	6,676,961
04/28/05	02/28/06	04/13/06	11	2,008,000	10	1,880,000	04/14/08	04/13/16	22.88			2,504,759
04/28/05	03/21/06	04/13/06	495	3,473,520	0	0	04/14/08	04/13/16	22.88		2,666	3,852,382
04/28/05	09/22/06	09/22/06	33	58,400	0	0	09/23/08	09/22/16	22.88			55,610
04/28/05	12/12/06	12/12/06	3	24,000	0	0	12/13/08	12/12/16	23.59			19,954
04/28/05	03/06/07	04/23/07	6	1,304,000	6	1,304,000	04/24/10	04/23/17	24.70			1,625,525
04/28/05	02/27/07	04/23/07	570	4,414,220	5	528,000	04/24/10	04/23/17	24.70		9,779	4,830,352
04/28/05	09/17/07	09/17/07	7	42,400	0	0	09/18/10	09/17/17	24.70			42,893
04/28/05	10/25/07	10/25/07	4	63,200	0	0	10/26/10	10/25/17	24.70			58,844
04/28/05	02/26/08	04/16/08	646	4,839,200	3	304,000	04/17/11	04/16/18	20.15	38,433	23,643	5,186,450
04/28/05	02/28/08	04/16/08	7	732,000	7	732,000	04/17/11	04/16/18	20.15			912,924
04/28/05	02/28/08	04/16/08	7	732,000	7	732,000	04/17/11	04/16/18	20.15			912,924
04/24/08	02/26/09	04/16/09	6	1,240,000	6	1,240,000	04/17/12	04/16/19	16.06	388,546		1,146,859
04/24/08	02/24/09	04/16/09	707	5,321,120	4	368,000	04/17/12	04/16/19	16.06	851,889	9,975	4,716,001
04/24/08	10/23/09	10/23/09	12	40,000	0	0	10/24/12	10/23/19	16.60	4,991		38,925
04/24/08	02/25/10	04/15/10	5	1,148,000	5	1,148,000	04/16/13	04/15/20	15.80	424,142		1,007,960
04/24/08	02/24/10	04/15/10	775	4,149,200	4	368,000	04/16/13	04/15/20	15.80	441,636		4,026,914
04/24/08	04/28/10	06/04/10	11	40,000	0	0	06/05/13	06/04/20	16.99	5,226		37,715
04/24/08	09/21/10	09/21/10	1	5,000	0	0	09/22/13	09/21/20	16.34			5,800
04/24/08	02/28/11	04/13/11	5	717,500	5	717,500	04/14/14	04/13/21	17.19	130,433		701,439
04/24/08	02/22/11	04/13/11	556	1,809,200	5	270,000	04/14/14	04/13/21	17.19	43,108	23,817	1,863,699
04/21/11	08/30/11	08/30/11	3	36,600	0	0	08/31/14	08/30/21	17.19			42,439
04/21/11	10/25/11	10/25/11	2	2,000	0	0	10/26/14	10/25/21	17.19			1,162
04/21/11	02/29/12	04/17/12	5	633,625	5	633,625	04/18/15	04/17/22	11.76		(a) 180,472	549,371
04/21/11	02/28/12	04/17/12	544	1,880,259	5	270,000	04/18/15	04/17/22	11.76	3,299	(b) 282,052	1,769,635
04/21/11	07/16/12	07/16/12	1	1,600	0	0	07/17/15	07/16/22	12.80		(c) 204	1,580
04/21/11	09/27/12	09/27/12	4	135,000	4	135,000	09/28/15	09/27/22	13.88		(d) 17,227	133,271
TOTAL										**11,263,589**	**1,288,595**	**42,722,348**

(*) Adjustment following payment in 2010 of the dividend for fiscal year 2009 by withholding from reserves, by granting one new share for 30 old shares in 2012, by payment in 2013 of the dividend for fiscal year 2012 by withholding from reserves, and by the ordinary distribution of €1 per share in 2014 from additional paid-in capital.

(a) Of which 83,576 were cancellations of rights on 02/24/2014 following the 88% fulfillment of the performance conditions.

(b) Of which 234,777 were cancellations of rights on 02/24/2014 following the 88% fulfillment of the performance conditions.

(c) Of which 204 were cancellations of rights on 02/24/2014 following the 88% fulfillment of the performance conditions.

(d) Of which 17,227 were cancellations of rights on 02/24/2014 following the 88% fulfillment of the performance conditions.

Performance share plans

			Number of performance shares granted						Adjusted number of rights to performance shares		
			Total number		of which, number granted to members of governing bodies						
Date of the Shareholders' Meeting	Date of the Supervisory Board's or the Management Board's meeting	Grant date	of beneficiaries	of performance shares	Number of beneficiaries	Number of rights to performance shares	Acquisition date *	Date of availability	Number of rights canceled in 2014	Number of issued shares at the end of the acquisition period	Number of rights outstanding as of December 31, 2014, after adjustments
04/24/08	02/24/10	04/15/10	775	988,504	4	30,669	04/16/12	04/17/14		155,502	0
04/24/08	04/28/10	06/04/10	11	13, 334	0	0	06/05/12	06/06/14		1,034	0
04/24/08	11/15/10	11/15/10	2	2,000	0	0	11/16/12	11/17/14		1,034	0
04/24/08	02/28/11	04/13/11	6	225,000	6	225,000	04/15/13	04/16/15			(a) 25,836
04/24/08	02/22/11	04/13/11	787	1,454,200	5	75,900	04/15/13	04/16/15	1,862		(b) 244,158
04/24/08	04/21/11	04/21/11	1	75,000	1	75,000	04/22/13	04/23/15			(c) 77,514
04/21/11	02/29/12	04/17/12	6	201,007	6	201,007	04/18/14	04/19/16	(1) 26,501	147,355	(d) 47,004
04/21/11	02/28/12	04/17/12	793	1,617,470	5	75,000	04/18/14	04/19/16	(2) 230,686	1,196,753	(e) 244,259
04/21/11	07/16/12	07/16/12	1	1,780	0	0	07/17/14	07/18/16	227	1,760	0
04/21/11	07/16/12	07/16/12	14,584	729,200	0	0	07/17/14	07/19/16	1,599	727,118	0
04/21/11	09/27/12	09/27/12	1	60,000	1	60,000	09/29/14	09/30/16	7,661	59,266	0
04/21/11	09/27/12	09/27/12	4	37,500	4	37,500	09/29/14	09/30/16	4,787	37,047	0
04/21/11	02/22/13	02/22/13	2	160,000	2	160,000	02/23/15	02/24/17	67,330		112,215
04/21/11	02/18/13	02/22/13	773	2,413,444	6	200,000	02/23/15	02/24/17	98,014		(f) 2,497,573
04/21/11	05/13/13	05/13/13	9	8,190	0	0	05/14/15	05/15/17			9,202
04/21/11	06/18/13	06/18/13	2	26,390	0	0	06/19/15	06/20/17			27,830
04/21/11	07/22/13	07/22/13	1	30,000	0	0	07/23/15	07/24/17			31,639
04/21/11	07/22/13	07/22/13	4	17,816	0	0	07/23/15	07/24/17	2,704		(g) 15,938
04/21/11	10/21/13	10/21/13	3	56,000	1	20,000	10/22/15	10/23/17			59,069
04/21/11	12/11/13	12/11/13	1	70,000	1	70,000	12/14/15	12/15/17			73,827
04/21/11	01/29/14	01/29/14	1	100,000	0	0	01/01/17	01/31/18			(h) 105,462
04/21/11	01/29/14	01/29/14	1	50,000	0	0	01/02/19	01/03/19			(i) 52,731
04/21/11	01/29/14	01/29/14	1	100,000	0	0	01/30/16	01/31/18			(j) 105,462
04/21/11	02/19/14	02/19/14	1	30,000	0	0	02/22/16	02/23/18			31,644
04/21/11	02/21/14	02/21/14	1	100,000	1	1	02/22/16	02/23/18			105,497
								TOTAL	**441,371**	**2,326,869**	**3,866,860**

(*) First day of trading at the end of a two-year acquisition period.
(a) Includes 25,836 rights to performance shares, after adjustment, granted to a US-resident beneficiary to be registered in an account in 2015.
(b) Includes 244,158 rights to performance shares, after adjustment, granted to US, UK and Brazil-resident beneficiaries to be registered in an account in 2015.
(c) Includes 77,514 rights to performance shares, after adjustment, granted to a US-resident beneficiary to be registered in an account in 2015.
(d) Includes 47,004 rights to performance shares, after adjustment, granted to US and Brazil-resident beneficiaries to be registered in an account in 2016.
(e) Includes 244,259 rights to performance shares, after adjustment, granted to US, UK and Brazil-resident beneficiaries to be registered in an account in 2016.
(f) Includes 473,848 rights to performance shares, after adjustment, granted to US, UK and Brazil-resident beneficiaries to be registered in an account in 2017.
(g) Includes 15,938 rights to performance shares, after adjustment, granted to UK and Brazil-resident beneficiaries to be registered in an account in 2017.
(h) Includes 105,462 rights to performance shares, after adjustment, granted to a Brazil-resident beneficiary to be registered in an account in 2018.
(i) Includes 52,731 rights to performance shares, after adjustment, granted to a Brazil-resident beneficiary to be registered in an account in 2019.
(j) Includes 105,462 rights to performance shares, after adjustment, granted to a US-resident beneficiary to be registered in an account in 2018.
(1) Of which 26,501 were cancellations of rights on 02/24/2014 following the 88% fulfillment of the performance conditions.
(2) Of which 200,031 were cancellations of rights on 02/24/2014 following the 88% fulfillment of the performance conditions.

SAR and ex-ADS plans converted into SAR plans (in US dollars)

Date of the Shareholders' Meeting	Date of the Supervisory Board's or the Management Board's meeting	Grant date	Number of SAR granted: Total number of beneficiaries	Number of SAR granted: Total number of SAR	of which, number granted to members of governing bodies: Number of beneficiaries	of which, number granted to members of governing bodies: Number of SAR	Vesting date for SAR	Expiration date	Adjusted exercise price (a)	Number of SAR exercised in 2014 (adjusted)	Number of SAR rights canceled or withdrawn in 2014 (adjusted)	Number of SAR outstanding as of Dec. 31, 2014 (adjusted)
04/29/03	05/06/04	05/21/04	138	1,012,400	0	0	05/22/06	05/21/14	20.83	574,789	52,041	0
04/29/03	03/09/05	04/26/05	184	1,786,400	1	125,000	04/27/07	04/26/15	24.57	83,235		1,548,575
04/28/05	02/28/06	04/13/06	2	192,000	1	112,000	04/14/08	04/13/16	27.74			239,345
04/28/05	03/21/06	04/13/06	154	1,058,320	0	0	04/14/08	04/13/16	27.74			1,126,312
04/28/05	09/22/06	09/22/06	1	24,000	0	0	09/23/08	09/22/16	27.74			29,920
04/28/05	03/06/07	04/23/07	1	112,000	1	112,000	04/24/10	04/23/17	33.17			139,588
04/28/05	02/27/07	04/23/07	177	1,168,660	0	0	04/24/10	04/23/17	33.17			1,342,765
									TOTAL	**658,024**	**52,041**	**4,426,505**

(a) See (*) on page 103.

SECTION 3 Corporate Governance

Since 2005, Vivendi has chosen a two-tier governance structure consisting of a Supervisory Board and a Management Board. This structure allows Vivendi to separate the management function from the controlling function.

Since 2008, Vivendi has referred to and applied the AFEP/MEDEF Code of Corporate Governance for Publicly Traded Companies, as amended in June 2013 (hereinafter the "AFEP/MEDEF Code").

3.1. Directors, Senior Management and Supervisory Bodies

3.1.1. Supervisory Board

The Supervisory Board is a collegiate body. All of its members may participate in its deliberations and must keep them confidential.

The Supervisory Board, taken as a whole, may make any public statement outside the Company in the form of press releases to inform the market and investors.

3.1.1.1. General Provisions

The Supervisory Board may comprise a maximum of 18 members. Each member serves for a four-year term (Article 7 of Vivendi's by-laws). The Supervisory Board may appoint one or more non-voting members (*censeurs*) (Article 10-6 of Vivendi's by-laws). Non-voting members participate in an advisory capacity at meetings of the Supervisory Board and may attend meetings of the committees set up by the Supervisory Board. They are appointed for a term that may not exceed four years.

Under Vivendi's by-laws, each member of the Supervisory Board must own a minimum of 1,000 shares for the term of his or her mandate (Article 7-2 of Vivendi's by-laws).

At the end of each Annual Shareholders' Meeting, the number of members of the Supervisory Board over the age of 70, as of the closing date of the previous fiscal year, must not exceed one-third of the acting members currently in office. If this limit is exceeded, the oldest members are deemed to have resigned at the end of the Annual Shareholders' Meeting (Article 7-3 of Vivendi's by-laws).

The Supervisory Board is comprised of a majority of independent members. A member is deemed independent if he or she has no direct or indirect relationship of any kind (other than a non-substantial shareholding in the Company), with the Company, its group or its management that could affect his or her independent judgment (as defined in the AFEP/MEDEF Code).

Classification of an independent member, and the criteria used to determine whether a Director meets such classification, are reviewed by the Corporate Governance, Nominations and Remuneration Committee when considering and discussing the appointment of members to the Supervisory Board. The Corporate Governance, Nominations and Remuneration Committee examines, as required, any change in the situation of a Supervisory Board member during his or her term of office.

Each member of the Supervisory Board undertakes to regularly attend Supervisory Board meetings and Shareholders' Meetings. Members of the Supervisory Board may attend meetings in person or via videoconference or other forms of telecommunication (Article 10 of Vivendi's by-laws).

3.1.1.2. Composition of the Supervisory Board

As of the date of publication of this Annual Report, the Supervisory Board has 14 members, including one member representing employee shareholders and one member representing employees. Other than these two members, the Supervisory Board has 12 members, including 10 independent directors (83.3%). One member of the Supervisory Board is a foreign national and five members are women (38.46%). The Supervisory Board has one non-voting member.

Detailed information about current members of the Supervisory Board is provided below in Section "Main Activities of Current Members of the Supervisory Board".

List of Supervisory Board Members and Non-Voting Directors: Dates of Appointment and Number of Shares Held

Supervisory Board members	Position	Age	Date of initial appointment and most recent reappointment to the Supervisory Board	Committee member	End of term	Number of shares held
Vincent Bolloré	Chairman of the Supervisory Board Member of the Supervisory Board	62	CS 06/24/14 CS 12/13/12 OGM 04/30/13		OGM 2017	6,000
Pierre Rodocanachi	(a) Vice-Chairman of the Supervisory Board Member of the Supervisory Board	76	CS 06/24/14 OGM/04/28/05 OGM 04/21/11	A and B	OGM 2015	46,625
Philippe Bénacin	(a) Member of the Supervisory Board	56	OGM 06/24/14	B	OGM 2018	14,100
Nathalie Bricault	(c) Member of the Supervisory Board	49	OGM 04/30/13	A	OGM 2017	7,719
Pascal Cagni	(a) Member of the Supervisory Board	53	OGM 04/30/13	A	OGM 2017	12,200
Daniel Camus	(a) Member of the Supervisory Board	62	OGM 04/29/10 OGM 06/24/14	A	OGM 2018	8,782
Paulo Cardoso	(d) Member of the Supervisory Board	41	CE 10/16/14	B	10/15/17	na
Yseulys Costes	(a) Member of the Supervisory Board	42	OGM 04/30/13		OGM 2017	3,500
Philippe Donnet	(a) Member of the Supervisory Board	54	OGM 04/24/08 OGM 04/19/12	B	OGM 2016	5,166
Aliza Jabès	(a) Member of the Supervisory Board	52	OGM 04/29/10 OGM 06/24/14	B	OGM 2018	7,833
Alexandre de Juniac	(a) Member of the Supervisory Board	52	OGM 04/30/13	A	OGM 2017	1,000
Henri Lachmann	Member of the Supervisory Board	76	OGM 04/28/05 OGM 04/21/11	A	OGM 2015	58,680
Virginie Morgon	(a) Member of the Supervisory Board	45	OGM 06/24/14	B	OGM 2018	2,000
Katie Stanton	(a)(b) Member of the Supervisory Board	45	OGM 06/24/14	B	OGM 2018	1,000
Non-Voting Director						
Claude Bébéar	(a) Non-Voting Director	79	CS 04/19/12 CS 06/24/14	B	04/19/14 06/24/16	5,879

na: not applicable.

(a) Independent member.
(b) Foreign member.
(c) Employee shareholder representative.
(d) Employee representative appointed by Vivendi's Works Council.

A: Audit Committee.
B: Corporate Governance, Nominations and Remuneration Committee.

Main Activities of the Current Supervisory Board Members

VINCENT BOLLORÉ, Chairman of the Supervisory Board
French citizen.

Business Address
Vivendi - 42, avenue de Friedland - 75008 Paris - France

Expertise and experience

Mr. Vincent Bolloré was born on April 1, 1952. He holds a doctorate in law and is the Chairman and Chief Executive Officer of the Bolloré Group. In 1970, he began his career as a representative at Banque de l'Union Européenne before joining Compagnie Financière Edmond de Rothschild in 1976.

In 1981, he became Chairman and Chief Executive Officer of the Bolloré Group and its paper business. Under Mr. Bolloré's management, the group became one of the world's 500 largest companies. As a listed company, the Bolloré Group holds a strong position in each of its businesses, which are organized into three divisions: Transport and Logistics, Communication and Media, and Electricity Storage. The group also manages a long-term investment portfolio.

Positions currently held

Bolloré Group (in France)

- Bolloré, Chairman and Chief Executive Officer
- Bolloré Participations, Chairman and Chief Executive Officer
- Financière de l'Odet, Chairman of the Board of Directors (separate management)
- Blue Solutions (formerly batscap), Chairman of the Board of Directors (separate management)
- SOMABOL, Chairman
- Omnium Bolloré, Chief Executive Officer and Director
- Financière V, Chief Executive Officer and Director
- Financière Moncey, Director
- Société Anonyme Forestière et Agricole (SAFA), permanent representative of Bolloré Participations on the Board of Directors
- Société Industrielle et Financière de l'Artois, permanent representative of Bolloré Participations on the Board of Directors
- Compagnie du Cambodge, permanent representative of Bolloré Participations on the Supervisory Board

Bolloré Group (outside France)

- Nord-Sumatra Investissements, Chairman and Deputy Director
- Financière du Champ de Mars, Chairman and Deputy Director
- BB Group, Director
- Plantations des Terres Rouges, Director
- Bolloré Africa Logistics Congo (formerly SDV Congo), permanent representative of Bolloré Participations on the Board of Directors

Other positions and functions

- SAFA Cameroun, permanent representative of Bolloré Participations on the Board of Directors
- Fred & Farid Group, permanent representative of Bolloré
- Société des Caoutchoucs de Grand Bereby (SOGB), Vice-Chairman
- Bereby Finances, Vice-Chairman
- Centrages, Director
- Socfinaf (formerly Intercultures), Director
- Liberian Agricultural Company (LAC), Director
- Plantations Nord-Sumatra Ltd, Director
- Socfin (formerly Socfinal), Director
- Socfinasia, Director
- Socfindo, Director
- Socfin KDC, Director
- Bereby Finances, permanent representative of Bolloré Participations on the Board of Directors
- Société Camerounaise de Palmeraies (Socapalm), permanent representative of Bolloré Participations on the Board of Directors
- Société des Caoutchoucs de Grand Bereby (SOGB), permanent representative of Bolloré Participations on the Board of Directors
- Brabanta, Joint Manager

Positions previously held that have expired during the last five years

- Generali, Vice-Chairman
- Havas, Chairman of the Board of Directors (separate management)
- Natixis, Director
- Sofibol, Chief Executive Officer
- Socfinco, Director
- Direct 8, Director
- Direct Soir, Director
- Palmeraies du Cameroun (Palcam), permanent representative of Bolloré Participations on the Board of Directors
- Bolloré Média, permanent representative of Bolloré on the Board of Directors
- Matin Plus, Director
- Mediobanca, Director
- VEPB, Chairman
- Société de Gestion pour le Caoutchouc and les Oléagineux (Sogescol), Director
- IER, permanent representative of Bolloré Participations on the Board of Directors
- SDV Cameroun, permanent representative of Bolloré Participations on the Board of Directors
- Société des Chemins de Fer et Tramways du Var et du Gard, permanent representative of Bolloré Participations on the Board of Directors
- Société Bordelaise Africaine, permanent representative of Bolloré Participations on the Board of Directors
- Compagnie des Tramways de Rouen, permanent representative of Bolloré Participations on the Board of Directors
- Socfinaf Company Ltd, Director
- Huilerie de Mapangu Spri, Manager
- Société des Palmeraies de la Ferme Suisse, permanent representative of Bolloré Participations on the Board of Directors
- Fred & Farid Paris, France, permanent representative of Bolloré
- Havas Media France, Director
- Champ de Mars Investissements, Chairman of the Board of Directors
- Financière Nord-Sumatra, Chairman of the Board of Directors
- Bolloré Africa Logistics Gabon (formerly SDV Gabon), Director
- Bolloré Africa Logistics Sénégal (formerly SDV Sénégal), Director
- Bolloré Africa Logistics Cameroun (formerly Saga Cameroun), permanent representative of Bolloré Participations on the Board of Directors

PIERRE RODOCANACHI, Vice-Chairman of the Supervisory Board

French citizen.

Business address

MP Conseil - 20, rue Quentin-Bauchart - 75008 Paris - France

Expertise and experience

Mr. Pierre Rodocanachi was born on October 2, 1938. He holds a diploma in physics from the Faculté des sciences in Paris and is an Olympic medalist in fencing. He has been a member of the Board of Directors, and then the Supervisory Board of Vivendi, since 2004.

Pierre Rodocanachi is the Chairman and Chief Executive Officer of Conseil Financier Management Patrimonial Conseil.

He began his career as a researcher at the French National Center for Scientific Research (CNRS), and then led the Planning department of the National Delegation for Scientific and Technical Research.

From 1969 to 1971, he served in roles as Technical Advisor for Scientific Affairs to the Minister of Industry, Deputy Director of the National Agency for Research Development (ANVAR) and a Director of the CNRS. From 1973 to 2002, he successively held the offices of Vice President, Senior Vice President, Director and Chief Executive Officer for Southern Europe with the Booz, Allen & Hamilton Group, one of the global leaders in strategic consulting.

Pierre Rodocanachi has served on the boards of several not-for-profit organizations, including the American Chamber of Commerce in France, where he served as Chairman from 1997 to 2000, the Institut du Mécénat de Solidarité, where he currently serves as treasurer-founder, and the French Review of Corporate Governance.

Positions currently held

- Management Patrimonial Conseil, Chairman and Chief Executive Officer

Other positions and offices

- Enablon, Director
- Zephyrus Partners (United Kingdom), Non-Executive Chairman

Positions previously held that have expired during the last five years

- SFR, Director
- The political and economic review *Commentaire*, Director
- LPCR, Chairman of the Supervisory Board
- ProLogis European Properties, Director and member of the Audit Committee

PHILIPPE BÉNACIN, Member of the Supervisory Board and Chairman of the Corporate Governance, Nominations and Remuneration Committee

French citizen.

Business Address

Interparfums - 4, rond-point des Champs-Élysées - 75008 Paris - France

Expertise and experience

Philippe Bénacin was born on January 15, 1959. He graduated from Essec in 1983, the year in which he founded the company Interparfums with Jean Madar. As Chairman and Chief Executive Officer of the company, Philippe Bénacin developed the company's portfolio of licensed brands, supply chain, international distribution and, more generally, the company's strategy and growth, including its IPO in 1995.

Interparfums is a major player in the Perfume and Cosmetics market and manages, among others, the brands Lanvin, Montblanc, Jimmy Choo, Karl Lagerfeld, Boucheron, Van Cleef & Arpels, Repetto, and Balmain.

Regularly recognized for the quality of its Financial Reporting, the Interparfums Group has earned a number of awards and prizes, including the prestigious *Prix Cristal de la transparence de l'information financière* and the *Prix de l'Audace Créatrice* for creativity, awarded to Philippe Bénacin by French Prime Minister François Fillon.

Positions currently held

- Interparfums SA, Co-Founder and Chairman-Chief Executive Officer
- Interparfums Holding, Chairman of the Board of Directors
- Interparfums Inc. (United States), Chief Executive Officer and Vice-Chairman of the Board of Directors
- Interparfums Luxury Brands (United States), President (non-executive) and Vice-Chairman of the Board of Directors
- Inter España Parfums & Cosmetiques SL (Spain), Director
- Interparfums Srl (Italy), Director
- Interparfums Switzerland, Director and Manager
- Interparfums Singapore Pte Ltd, Director

Other positions and offices

None

Positions previously held that have expired during the last five years

- Interparfums Ltd (Great Britain), Director
- Interparfums Luxury Brands (United States), Director

NATHALIE BRICAULT, Member of the Supervisory Board
Representing Employee Shareholders
French citizen.

Business Address
Vivendi - 42, avenue de Friedland - 75008 Paris - France

Expertise and experience

Ms. Nathalie Bricault was born on August 3, 1965, and is a graduate of EDHEC.

From 1988 to 1998, she worked for Sodexo, first as a budget controller, then as a business manager, and subsequently as management controller for a subsidiary. In 1998, she joined 9 Telecom as Network Management Controller and took part in the Boucle Locale Radio (BLR) project. From 2002 to 2006, she was appointed Chief Controller for the consumer and corporate business units following which she was put in charge of cross-product lines at Neuf Cegetel. In 2006, she was involved in the IPO of Neuf Cegetel and, as part of a natural progression, joined the Investor Relations department created after the IPO. Since mid-2008, following the acquisition of Neuf Cegetel by SFR, she has been Marketing and Logistics Manager in Vivendi's Investor Relations department. She is a member of the Supervisory Board of the Group's collective investment fund "Groupe Vivendi Épargne", and an associate member of the French Federation of Associations of Employee and Former Employee Shareholders (FAS). She is an employee of Vivendi SA.

Positions currently held

None

Other positions and functions

– Collective Investment Fund "Vivendi Groupe Épargne", member of the Supervisory Board
– FAS, Associate Member

Positions previously held that have expired during the last five years

None

PASCAL CAGNI, Member of the Supervisory Board
French citizen.

Business Address
LLP - 69 Courtfield Gardens - Flat 3 - London SW5 ONJ - United Kingdom

Expertise and experience

Mr. Pascal Cagni was born on October 28, 1961, and is a specialist in the European digital economy. He advises and invests in startups and contributes to their international development and expansion. Recruited by Steve Jobs in the early 2000s as General Manager and Vice President of Apple Europe, Middle East, India and Africa (EMEIA), he led a region of 130 countries for 12 years, in which revenues grew from $1.2 billion to over $37 billion. After starting his career as a consultant at Booz & Co, he joined Compaq Computers, established Software Publishing France (SPC), and then led Packard Bell NEC as the number one home PC manufacturer in Europe. Mr. Cagni holds a Master's Degree in Business Law and is a graduate of the Institut d'Études Politiques (IEP) in Paris. He also holds an MBA from the HEC Group and is a graduate of the Executive Program of Stanford University (EPGC).

Positions currently held

– Kingfisher Plc, Non-Executive Director
– Banque Transatlantique, Independent Director

Other positions and functions

None

Positions previously held that have expired during the last five years

– Apple EMEIA, Chief Executive Officer and Vice-Chairman
– Vivendi, Non-Voting Director
– Institut Aspen, member of the Supervisory Board

DANIEL CAMUS, Member of the Supervisory Board
French and Canadian citizen.

Business Address
8, chemin de Blandonnet - 1214 Vernier - Geneva - Switzerland

Expertise and experience

Mr. Daniel Camus was born on April 14, 1952, and graduated from the Institut d'Études Politiques in Paris with a Doctorate in Economics and Management Sciences. His career has been spent predominantly in the chemical and pharmaceutical industry, primarily outside of France. During his more than 25 years with the Hoechst and Aventis Groups, he spent the majority of his career in North America before returning to Europe, where he held the position of Group Chief Financial Officer for over 15 years, first as a member of the Management Board of the Roussel Uclaf SA Group in Paris, France, then successively as Group Chief Financial Officer of Hoechst Marion Roussel in Bridgewater, USA, and Frankfurt/Main, Germany, and as Chief Financial Officer and member of the Management Board of Aventis Pharma AG, following the merger of Hoechst and Rhône Poulenc. In 2002, he joined the EDF Group where, as Managing Director and Chief Financial Officer, he led the financial reorganization that, in 2005, led to the entry of new shareholders into the company. Until late 2010, he was Executive Director of the EDF Group in charge of strategy and international activities. In June 2011, he joined Roland Berger Strategy Consultants in Paris, France and Düsseldorf, Germany as a Senior Advisor. Since August 2012, he has been Chief Financial Officer of the Global Fund in Geneva, Switzerland, and a member of its Executive Committee.

Positions currently held

– Valeo SA, Director

Other positions and functions

– Cameco Corp. (Canada), Director
– SGL Carbon AG (Germany), member of the Supervisory Board

Positions previously held that have expired during the last five years

– MorphoSys AG (Germany), member of the Supervisory Board
– EDF International SA, Chairman of the Board of Directors
– EDF Energy UK Ltd (United Kingdom), Director
– EnBW AG (Germany), member of the Supervisory Board
– Dalkia SAS, member of the Supervisory Board

PAULO CARDOSO, Employee Representative on the Supervisory Board
French citizen.

Business Address
Vivendi - 42, avenue de Friedland - 75008 Paris - France

Expertise and experience

Mr. Paulo Cardoso was born on October 18, 1973. Trained as an accountant, he joined Compagnie Générale des Eaux in 1997 as administrative manager in the Communications department. In 2001, he joined the Finance department in the accounting unit. In 2002, he moved to the Treasury department, where he is responsible for the Canal+ Group's cash management and the group's network systems.

Positions currently held

None

Other positions and offices

None

Positions previously held that have expired during the last five years

– Member and Treasurer of Vivendi's Works Council

YSEULYS COSTES, Member of the Supervisory Board

French citizen.

Business Address

1000mercis - 28, rue de Châteaudun - 75009 Paris - France

Expertise and experience

Ms. Yseulys Costes was born on December 5, 1972, and holds a master's degree in Management Science and a postgraduate degree in Marketing and Strategy from Paris IX Dauphine University. Ms. Costes attended Harvard Business School (United States) as a guest researcher in interactive marketing and teaches interactive marketing at several institutions (HEC, ESSEC and Paris IX Dauphine University).

Since February 2000, Ms. Costes has been the Chairwoman, Chief Executive Officer and founder of 1000mercis.

Ms. Costes is the author of numerous books and articles about online marketing and database management. For two years, she was the coordinator of the Interactive Advertising Bureau France (IAB) before founding 1000mercis in February 2000. 1000mercis, which specializes in advertising and interactive marketing, has offices in Paris, London, San Francisco, New York and Dubai.

1000mercis is listed on Alternext by Euronext Paris.

Ms. Costes, who, in 2001, was voted "Internet Woman of the Year", was a member of the Entrepreneurs Council (*Conseil des Entrepreneurs*), which reports to the French Secretary of State for Business and Foreign Trade (*Secrétariat d'État aux Entreprises and au Commerce Extérieur*), and is a member of the Council for the Development of Economic Literacy (*Conseil pour la Diffusion de la Culture Economique*), of the Digital Relations Experts Group (*Groupe d'Experts de la Relation Numérique*) and of the Steering Committee of France's Strategic Investment Fund (*Fonds Stratégique d'Investissement*), and is a member of the Council for Simplification of the State and of the City of Paris Strategic Council.

Positions currently held

- 1000mercis, Chairwoman and Chief Executive Officer

Other positions and functions

- Kering, Director and member of the Audit Committee, of the Compensation Committee, and of the Strategy and Development Committee
- SEB, Director

Positions previously held that have expired during the last five years

- Numergy, member of the Supervisory Board

PHILIPPE DONNET, Member of the Supervisory Board

French Citizen.

Business Address

Generali Italia SpA - Via Marocchesa 14 - 31021 Mogliano Veneto - Italy

Expertise and experience

Mr. Philippe Donnet was born on July 26, 1960 in France, and is a graduate of the École Polytechnique and a certified member of the Institut des Actuaires Français (IFA). In 1985, he joined AXA in France. From 1997 to 1999, he served as Deputy Managing Director of AXA Conseil (France), before becoming Deputy Director of AXA Assicurazioni in Italy in 1999 and, in 2001, joining the AXA Executive Committee as Senior Vice President for the Mediterranean region, Latin America and Canada. In March 2002, he was appointed as Chairman-CEO of AXA Re and President of AXA Corporate Solutions. In March 2003, Mr. Donnet was appointed Chief Executive Officer of AXA Japan. In October 2006, Mr. Donnet was appointed Chairman of AXA Japan and Chief Executive Officer for the Asia-Pacific region. In April 2007, he joined the Wendel Group, where he formed investment operations in the Asia-Pacific region. On October 7, 2013, after participating in the creation of the investment company HLD, he was appointed the Chief Executive Officer of Generali Italy.

Positions currently held

- Generali (Italy), Chief Executive Officer and Deputy Managing Director
- Genagricola (Italy), Chairman
- Alleanza Assicurazioni (Italy), Chairman
- Genertel, Vice-Chairman
- Banca Generali, Director
- Genertel Life, Director

Other positions and functions

None

Positions previously held that have expired during the last five years

- Gecina, Director
- Wendel, Chief Executive Officer for Asia-Pacific
- Winvest Conseil (Luxembourg SARL), Manager
- Winvest International SA SICAR (Luxembourg company), Director
- La Financière Miro (Albania), member of the Supervisory Board
- Pastel and Associés, Director

ALIZA JABÈS, Member of the Supervisory Board

French citizen.

Business Address

Groupe NUXE - 19, rue Péclet - 75015 Paris - France

Expertise and experience

Ms. Aliza Jabès was born on July 20, 1962, and is a graduate of the Paris Institut d'Études Politiques. She holds an MBA from New York University. Between 1986 and 1988, she was a financial analyst for the Eli Lilly Laboratory in Indianapolis (USA). At the start of the 1990s, she decided to go into entrepreneurship and took over the NUXE laboratory, which was at the time a small laboratory creating cosmetic products in Paris. She made this laboratory the starting point of her business ambition, and from it developed a major natural beauty brand in the market for pharmaceutical beauty products. In 2007 and 2011, NUXE's strategy in innovation and industrial property was recognized and rewarded twice by the *Institut National de la Propriété Industrielle* (INPI).

In 2011, Ms. Jabès became one of the few women to receive the prestigious Entrepreneur of the Year award (*Prix de l'Entrepeneur de l'Année*), given by *EY-l'Express* at national level. In 2012, *Cosmetique Executive Women* (CEW) gave her the *Achiever Award* for her exceptional career in the cosmetics industry, and in 2014 she won the *Trophée Femmes en Or* (Havas International) in the category "Women in Business", which rewarded her for creativity and entrepreneurial spirit.

The NUXE Group is one of the leaders in cosmetics in France, and has expanded rapidly in the international market, with 13 subsidiaries and a presence in 74 countries. Ms. Jabès has also developed a Spa Division which has 25 deluxe establishments, both in France and worldwide.

Positions currently held

NUXE Group (in France)

- NUXE Spa, Chairwoman
- NUXE Développement, Chairwoman

NUXE Group (outside France)

- NUXE Inc (USA), Chairwoman
- NUXE Hong Kong Limited, Director
- NUXE Australia Pty Ltd., Director
- NUXE GmbH (Germany), Manager
- NUXE Polska sp. z o.o. (Poland), Manager
- NUXE UK Ltd, Manager
- NUXE Istanbul Kozmetik Ürünleri Ticaret Limited Sirketi (Turkey), Manager
- Laboratoire NUXE Portugal UNIPESSOAL LDA, Manager
- Laboratoire NUXE España S.L., Manager
- NUXE Suisse SA, Director
- NUXE Belgium SA, Director

Other positions and functions

- Fédération des entreprises de la beauté (FEBEA), Director
- Pharmaceutical Council of the French Syndicate of Cosmetic Products (*Syndicat Français des Produits Cosmétiques de Conseil Pharmaceutique*, SFCP), Chairwoman
- Fondation PlaNet Finance, Ambassador.

Positions previously held that have expired during the last five years

French National Institute of Industrial Property (*Institut National de la Propriété Industrielle*, INPI), Director

ALEXANDRE DE JUNIAC, Member of the Supervisory Board

French citizen.

Business Address

Air France KLM, 45, rue de Paris - Tremblay en France -
95747 Roissy Charles de Gaulle Cedex - France

Expertise and experience

Mr. Alexandre de Juniac was born on November 10, 1962, and is a graduate of the École Polytechnique de Paris and the École Nationale d'Administration. From 1990 to 1993, he served as a Counsel (*maître des requêtes*) and then as Under-Secretary of the French Council of State (*Conseil d'État*). From 1994 to 1995, he was Deputy Principal Private Secretary to Nicolas Sarkozy, who was then the Minister for the Budget, and government spokesperson, following which he was in charge of communications and audiovisual matters. Until 1997, he was Director of Planning and Development at Thomson SA, until he joined Sextant Avionique where he served as Sales Director for civil aircraft until 1998. He continued his career at Thalès as Chief Administrative Officer, then as Senior Executive Vice President in charge of aviation systems, and then as Chief Executive Officer for Asia, the Middle East, and Latin America.

In 2009, he was named Principal Private Secretary to Christine Lagarde (Minister of Economy, Industry and Employment), where he remained until 2011. Mr. Juniac is currently Chairman and Chief Executive Officer of Air France-KLM.

Positions currently held

- Air France KLM, Chairman and Chief Executive Officer

Other positions and functions

None

Positions previously held that have expired during the last five years

- Air France, Chairman and Chief Executive Officer

HENRI LACHMANN, Member of the Supervisory Board
French citizen.

Business Address
Schneider Electric - 35, rue Joseph Monier - 92500 Rueil-Malmaison - France

Expertise and experience

Mr. Henri Lachmann was born on September 13, 1938, and is a graduate of the École des Hautes Études Commerciales (HEC), holding an accounting degree. In 1963, he joined the international accounting management and auditing firm Arthur Andersen, where he successively held the positions of auditor and then manager of the Auditing department. In 1970, he joined the Strafor Facom Group, where he held various general management positions until June 1981, when he was appointed Chairman of the group. A Director of Schneider Electric since 1996, in 1999, Mr. Lachmann became Chairman and Chief Executive Officer of the Schneider Electric Group. From 2006 through to 2013 he served as Chairman of the Supervisory Board of Schneider Electric.

Positions currently held

- Schneider Electric SA, Director
- Carmat, Director
- Norbert Dentressangle, member of the Supervisory Board

Other positions and functions

- Marie Lannelongue Surgical Center, Chairman of the Board of Directors
- Fimalac, Non-Voting Director
- Steering Committee, *Institut de l'Entreprise*, member
- ANSA, Director

Positions previously held that have expired during the last five years

- Schneider Electric SA, Vice-Chairman and Director Emeritus
- Vivendi, Vice-Chairman of the Supervisory Board
- Schneider Electric SA, Chairman of the Supervisory Board
- Finaxa, Director
- Tajan, Non-Voting Director
- Fondation pour le Droit Continental, Chairman

VIRGINIE MORGON, Member of the Supervisory Board
French citizen.

Business Address
Eurazeo - 32, rue de Monceau - 75008 Paris - France

Expertise and experience

Ms. Virginie Morgon was born on November 26, 1969. She is a graduate of the Institut d'Études Politiques de Paris and holds a master's degree from Bocconi (Italy). From 1991 to 2008, she served as an advising banker with Lazard in New York, London and then Paris, where she was appointed Managing Partner in 2001. In 2006, she was promoted to Consumer Business Manager for Europe. In January 2008, she joined Eurazeo as a member of the Management Board and Investment Director, before becoming Chief Investment Officer in 2011 and Managing Director in 2014. She defines the Group's investment strategy and is responsible for monitoring investments made by Eurazeo.

Current positions

- Eurazeo, Managing Director and member of the Management Board

Other positions and offices

- APCOA Group GmbH (Germany), Managing Director
- Eurazeo PME, Chairperson of the Supervisory Board
- Elis, Chairperson of the Supervisory Board
- LH APCOA, Managing Director
- Broletto 1 Srl (Italy), Chairperson of the Board of Directors
- Euraleo (Italy), Manager
- Legendre Holding 33, Chairperson of the Supervisory Board
- Moncler SpA (Italy), Vice-Chairperson of the Board of Directors
- L'Oréal, Director
- Accor, Director

Positions previously held that have expired during the last five years

- APCOA Parking AG (Germany), Chairperson of the Supervisory Board
- APCOA Parking Holdings GmbH (Germany), Chairperson of the Advisory Board
- Holdelis, Chairperson of the Board of Directors
- Legendre Holding 33, President
- Intercos SpA (Italy), Manager
- Women's Forum (WEFCOS), Director
- Edenred, Director
- Sportswear Industries Srl (Italy), Director
- LT Participations, permanent Eurazeo representative on the Board of Directors
- OFI Private Equity Capital (which became Eurazeo PME Capital), Chairperson of the Supervisory Board

KATIE STANTON, Member of the Supervisory Board
American citizen.

Business Address
1355 Market Street - San Francisco - CA 94107 - US

Expertise and experience

Ms. Katie Stanton was born in 1970. She is a graduate of Rhodes College (1991) and holds a master's degree from the School of International Public Affairs (SIPA) at Columbia University.

She has been Global Media Vice President for Twitter since July 2014. Previously, she served as Vice President for International Market Development with Twitter, responsible for partnerships, user growth and key operations in the strategic markets of Europe, Latin America, the Middle East and Africa. She participated in the creation of a number of international offices, including in the United Kingdom, Japan, France, Spain, Brazil and Germany. Before joining Twitter, she worked at the White House, the State Department, Google and Yahoo.

Current positions

None

Other positions and offices

– Twitter, Vice President, Global Media

Positions previously held that have expired during the last five years

None

CLAUDE BÉBÉAR, Non-Voting Director
French citizen.

Business Address
AXA - 25, avenue Matignon - 75008 Paris - France

Expertise and experience

Mr. Claude Bébéar was born on July 29, 1935 and is a graduate of the École Polytechnique. His career, beginning in 1958, has been spent in the insurance sector. From 1975 to 2000, he headed a group of companies that became AXA in 1984. He served as Chairman of its Supervisory Board until 2008 and is currently the Honorary Chairman of the AXA Group. Mr. Bébéar established and chairs the Institut du Mécénat de Solidarité, a humanitarian and social welfare organization, as well as the Institut Montaigne, an independent political think tank.

Positions currently held

Groupe AXA
– AXA Assurances Vie Mutuelle, Director

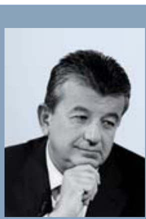
Other positions and functions

– *Institut Montaigne*, Chairman

Positions previously held that have expired during the last five years

– Schneider Electric SA, Non-Voting Director
– AXA, Chairman of the Supervisory Board
– Finaxa, Chairman and Chief Executive Officer
– AXA Group, Director of various AXA companies
– Schneider Electric SA, Director
– AXA Courtage Assurance Mutuelle, Director
– AXA Assurances IARD Mutuelle, Director
– BNP Paribas, Director
– *Institut du mécénat de solidarité*, Chairman

Information about the nominees for the Supervisory Board
submitted for the approval of the General Shareholders' Meeting to be held on April 17, 2015



TARAK BEN AMMAR
Tunisian citizen

Business Address
Quinta Communications - 32-34, rue Poussin - 75016 Paris - France

Expertise and experience

Mr. Tarak Ben Ammar was born on June 12, 1949 in Tunis. He is a cultural entrepreneur, working in audiovisual media both in Europe and worldwide.

He began his career in 1974 by convincing a number of American producers to produce parts of their movies in Tunisia. He participated in the production of a number of international films, including the blockbusters *Star Wars* (George Lucas) and *Raiders of the Lost Ark* (Steven Spielberg). He has produced or co-produced more than 70 movies, including the prestigious *La Traviata* (Franco Zeffirelli), *Pirates* (Roman Polanski), *The Passion of Christ* (Mel Gibson) and *L'Or Noir* (Jean-Jacques Annaud).

Concomitantly, he developed a group presence in several countries, including France, Italy, North Africa and the United States:

- in France, through his company Quinta Communications, he participated with the Caisse des Dépôts et Consignations in the recovery and development of a leading post-production group, based on the restructuring of Les Laboratoires Eclair, an emblematic company in the French film industry. He also partnered with Luc Besson to develop the Cité du Cinéma project;
- in Italy, his subsidiary Prima TV has rapidly established its position as the fourth largest multimedia group, behind Mediaset, RAI and Sky, primarily through Société Eagle, the largest independent distributor in the country. In 2013, the telecommunications group Nabil Sawiris purchased a stake in Prima;
- in North Africa, he founded and developed the TV channel Nessma, which has become the leading channel in Tunisia, Algeria, and Libya and the second biggest channel in Morocco. Through its democratic positioning and independence, this channel played a central role in the Arab Spring. He is also a shareholder in the Egyptian TV channel ONTV; and
- in the United States, with the Weinstein brothers and Goldman Sachs, he co-founded the independent studio "The Weinstein Company", which has produced, among other films, *The King's Speech* and *The Artist*.

Mr. Tarak Ben Ammar is a corporate Director of several companies, including The Weinstein Company in the United States and Mediobanca in Italy where he serves as an independent corporate Director.

He graduated from Georgetown University in Washington, D.C. with a degree in international economics.

DOMINIQUE DELPORT
French citizen

Business Address
Havas Media - 2 bis, rue Godefroy - 92800 Puteaux - France

Expertise and experience

Mr. Dominique Delport was born on November 21, 1967. He is a graduate of the EM Lyon (*Ecole Supérieure de Commerce de Lyon*) and a winner of the MBA Moot Corp International Challenge hosted by the University of Texas, Austin, and also the recipient of an Emmy Award.

He has had three distinct professional careers: television journalist, Internet entrepreneur, and head of a media agency, which gives him expertise in content, digital and media at the international level.

Mr. Delport began his career as Deputy Chief Editor for the television channel M6 Lyon, and then became Chief Editor at M6 Lille. In 1996, he was appointed Chief Editor at M6, the second largest private television channel in France.

From 1996 to 2000, he directed the news program "6 Minutes" (4 million daily viewers) and news reports (including "Zone Interdite" and "Capital").

In April 2000, he gave up his career in television to move into the world of start-ups, forming the young streaming multimedia company "Streampower", where he served as Chairman-CEO.

In October 2001, Streampower became a 75% subsidiary of the Rivaud Media group (Bolloré Group).

In 2003, Dominique Delport launched a daily program on Canal+, "Merci pour l'info", and in 2004 he created and produced for France 5 the program "C.U.L.T.", an interactive televised broadcast on urban cultures featuring live videos from bloggers.

After participating in the launch of Direct 8 (TNT), Dominique Delport hosted the weekly show titled "8-Fi", a live broadcast devoted to new media and technologies.

Dominique Delport joined Media Planning Group (MPG) on February 1, 2006 as Chief Executive Officer, while retaining his position as Chairman-CEO at Streampower. He was appointed Chief Executive of MPG France in June 2006 and then, in February 2007, Chief Executive Officer of Havas Media France.

In February 2008, he was promoted to the position of Chairman-Chief Executive Officer of Havas Media France.

In February 2009, he was elected to a two-year term as President of the Union of Media Consulting and Purchasing (UDECAM), the organization for all French media agencies.

Following the success of the integrated organization of Havas Media France, he was named CEO of the Havas Media Group global network.

As a member of the Executive Committee of Havas Media Group, today, he supervises all brands, customers, commercial activities, research and the economic watch for the Group's 126 markets, under the direction of Yannick Bolloré, Chairman-CEO of Havas.

In November 2013, he was given direct responsibility for Havas Media Group in the United Kingdom as Chairman.

He is also a member of the Facebook Client Council.

"Campaign" magazine ranked him in the "Top 3 UK Media Suit" in 2013, and according to the barometer TweetBosses he is one of the most followed Chairman-CEOs on social media in France.

3.1.1.3. Stock Trading Ethics

In compliance with the recommendations of the AFEP/MEDEF Code, hedging of transactions by means of short selling or using derivative financial instruments or options contracts of any kind is prohibited for all company officers and employees.

Any direct or indirect sale and purchase transactions by members of the Supervisory Board involving the Company's securities, whether by way of open market or off-market trading, are forbidden during blackout periods, namely those communicated to the members of the Supervisory Board by the General Counsel, and during the period:

- from the date on which members of the Supervisory Board become aware of specific market information in relation to the Company's day-to-day business or prospects which, if made public, would be likely to have a material impact on the Company's share price, up to the date this information is made public; and
- of 30 calendar days preceding and including the day of publication of the Company's quarterly, semi-annual and annual financial statements.

The Chairman of the Corporate Governance, Nominations and Remuneration Committee must be informed as soon as possible by any member of the Supervisory Board of any material purchase, subscription, sale or swap transaction involving securities issued by the Company which, while not falling within the scope of the above paragraph, is entered into by any relative of, or entities connected with, such member or the member's relatives, and where such transaction was recommended by such member or where such member was informed of its existence. The General Counsel must also inform the Chairman of the Corporate Governance, Nominations and Remuneration Committee of any transactions declared pursuant to the above paragraph.

3.1.1.4. Family Relationships

To the Company's knowledge, there are no family ties between members of the Supervisory Board or between any of them and any member of the Management Board.

3.1.1.5. Absence of Conflicts of Interest

To the Company's knowledge, there are no actual or potential conflicts of interest between Vivendi and any member of the Supervisory Board with regard to their personal interests or other responsibilities.

Pursuant to the internal rules of the Supervisory Board, members of the Supervisory Board have a duty to inform the Supervisory Board of any actual or potential conflict of interest situation they have encountered, or might encounter in the future. When the Supervisory Board discusses any matter relating, directly or indirectly, to one of its members, the member concerned may be asked to leave the Supervisory Board meeting during the deliberation and voting process.

3.1.1.6. Absence of any Conviction for Fraud, Liability Associated with a Business Failure, Public Accusation and/or Sanction

Over the past five years, to the Company's knowledge:

- no member of the Supervisory Board has been convicted of any fraud-related matter;
- no member of the Supervisory Board has been associated with bankruptcy, receivership or liquidation while serving on an administrative, management or supervisory body;
- no official public accusation or penalty has been brought against or imposed on any member of the Supervisory Board; and
- no member of the Supervisory Board has been prevented by a court from acting as a member of an administrative, management or supervisory body or from participating in the management of a public issuer.

On January 22, 2014, pursuant to Articles 187 *ter* and 187 *quinquies* of Italian Legislative Decree 58/1998 (*Testo Unico della Finanza*), Financière du Perguet and Financière de l'Odet as well as Mr. Vincent Bolloré, were jointly and severally ordered to pay an administrative fine of €1 million each in relation to the companies' acquisition of 3% of the capital of the Italian company Premafin (excluding any personal acquisition), and obligated not to hold Corporate Officer positions in Italy for a period of 18 months, which had no affect as the latter held no such officer positions on that date.

3.1.1.7. Agreements between the Company and Members of the Supervisory Board – Service Contracts

There are no service agreements or contracts between any member of the Supervisory Board and the Company or any of its subsidiaries that grant benefits to such members under the terms of such agreements or contracts.

3.1.1.8. Loans and Guarantees Granted to Members of the Supervisory Board

The Company has not granted any loans or issued any guarantees to any member of the Supervisory Board.

3.1.1.9. Internal Regulations and Jurisdiction of the Supervisory Board

Authority and Functions of the Supervisory Board pursuant to French Law and the Company's By-Laws

As required by law, the Supervisory Board continuously monitors the management of the Company by the Management Board. It may proceed with any verification or control it deems appropriate and is provided with all documents it deems useful to the fulfillment of its purpose and functions.

Internal Regulations

The Internal Regulations of the Supervisory Board is a purely internal document intended to supplement the Company's by-laws by setting forth the Supervisory Board's operational procedures and the rights and duties of its members. It is not enforceable against third parties and may not be appealed by them against members of the Supervisory Board.

Functions and Powers of the Supervisory Board under the Internal Regulations

The following transactions require the prior approval of the Supervisory Board:

- disposals of real estate property or the sale of all or a portion of investments in companies, where any individual transaction exceeds €300 million;
- issues of securities that, directly or indirectly, give right to the share capital of the Company or issues of convertible bonds, in excess of €100 million;
- issues of non-convertible bonds in excess of €500 million, except for transactions for purposes of renewing debt obligations on more favorable terms than those initially granted to the Company;

- share repurchase programs proposed to the Ordinary Shareholders' Meeting, and financings that are material or that may substantially alter the financial structure of the Company, with the exception of financing to optimize the Company's debt structure within previously approved thresholds;
- acquisitions, in any form, over €300 million;
- granting of sureties, endorsements and guarantees by the Management Board in favor of third parties, provided that each individual obligation does not exceed €100 million and that together all obligations do not exceed €1 billion. This authorization, which is given to the Management Board for 12 months, is reviewed every year;
- substantial internal restructuring transactions together with transactions falling outside the Company's publicly disclosed strategy and strategic partnership agreements;
- setting up stock option plans or performance share plans or any other mechanisms with a similar purpose or effect;
- granting stock options or performance shares to members of the Management Board; and determining the number of shares they must own during their terms of office; and
- submitting proposals to the General Shareholders' Meeting to amend the Company's by-laws, allocate profits and set the dividend.

3.1.1.10. Information Provided to the Supervisory Board

Members of the Supervisory Board receive all information necessary to perform their duties. Before any meeting, they may request any documents which they consider useful. Members of the Supervisory Board have the right to obtain information under the procedures set forth below.

Information Provided Prior to Meetings of the Supervisory Board

The Chairman of the Supervisory Board, with the assistance of the General Counsel, must send the appropriate information to the other members of the Supervisory Board, depending on the matters on the agenda.

Information Provided to the Supervisory Board on a Regular Basis

Members of the Supervisory Board are kept informed on a regular basis by either the Management Board or its Chairman of the Company's financial position, cash flow and obligations, as well as any major events and transactions relating to the Company.

The Management Board must provide a quarterly report to the Supervisory Board on its activities and the group's operations.

In addition, on a monthly basis, the Management Board must provide information to the Supervisory Board on the Company's operations and highlights.

Requests for information from members of the Supervisory Board relating to specific matters are sent to the Chairman and General Counsel who, along with the Chairman of the Management Board, are responsible for responding to such requests as soon as reasonably practicable. To supplement the information provided to them, members of the Supervisory Board are entitled to meet with each other and the senior managers of the Company, with or without the presence of members of the Management Board, after notice has been given to the Chairman of the Supervisory Board.

Collective Nature of the Supervisory Board's Decisions and Confidentiality of Information

The Supervisory Board acts as a body with collective responsibility. Its decisions are the responsibility of all its members. Members of the Supervisory Board and any person attending meetings of the Supervisory Board are bound by strict confidentiality obligations with respect to any company information they receive in the context of meetings of the Supervisory Board and any of its committees, or confidential information presented by the Chairman of the Supervisory Board or Management Board and identified as such.

If the Supervisory Board is aware of specific confidential information that, if made public, could have a material impact on the share price of the Company or the companies under its control, as such term is defined under Article L.233-3 of the French Commercial Code, members of the Supervisory Board must refrain from both disclosing such information to any third party and dealing in the Company's securities until such information has been made public.

3.1.1.11. Activities of the Supervisory Board in 2014

In 2014, the Supervisory Board met ten times. The average rate of attendance at meetings was 92.4%.

Its work included the following:

- review of the consolidated and statutory financial statements for fiscal year 2013, the 2014 budget, information contained in the semi-annual 2014 Consolidated Financial Statements prepared by the Management Board, and the 2015 preliminary budget;
- review of the resolutions prepared by the Management Board and submitted to the General Shareholders' Meeting of June 24, 2014;
- review of the quarterly reports prepared by the Management Board;
- assessment of the quality and structure of the group's balance sheet;
- the opportunity to continue the Euro Medium Term Notes (EMTN) program;
- operational progress of the group's main business activities;
- the group's internal and external growth prospects, principal strategic initiatives and opportunities;
- regular review of acquisition and disposal projects;
- finalization of the sale of the group's interest in Maroc Telecom;
- sale of the first block of the g roup's residual interest in Activision Blizzard;
- the potential initial public offering of SFR;
- review of offers to purchase SFR and its sale to Numericable Group;
- review of offers to purchase GVT and its sale to Telefonica;
- monitoring of current investigations and legal proceedings, in particular the securities class action and Liberty Media dispute in the United States, legal proceedings brought by minority shareholders against Activision Blizzard, its Board of Directors and Vivendi, and litigation by shareholders in France;
- the composition of the Supervisory Board and its committees;
- review of succession plans;
- evaluation of the performance of the Supervisory Board and its committees;
- compensation of the Chairman of the Supervisory Board;
- setting the compensation of the Chairman of the Management Board;
- the composition of the Management Board and compensation of its members;

- the grant of performance shares to members of the Management Board and executives of the business units;
- review of the Company's equal opportunities policy; and
- the employee shareholding policy and status.

3.1.1.12. Assessment of the Supervisory Board's Performance

On a regular basis, and at least once every three years, the Supervisory Board undertakes a formal assessment of its performance alongside the Corporate Governance, Nominations and Remuneration Committee. In February 2015, this assessment was completed on the basis of a questionnaire given to each member of the Supervisory Board and through individual interviews led by Vivendi's General Counsel. In addition, every year, one item on the agenda is dedicated to a discussion of the performance of the Supervisory Board.

The assessment conducted in February 2015 revealed that the majority of the members of the Supervisory Board are satisfied with the current size and composition of the Supervisory Board in terms of age, nationality and diversity, as well as expertise, culture and experience. They also believe that the time-frames for calling meetings, the frequency, duration and conduct of Board meetings, the consideration given to their requests, the division of work between the Supervisory Board and the committees, and the involvement of the Supervisory Board and the committees in the major decisions of the Company is satisfactory.

The majority of the Supervisory Board members would like to devote more time to strategic issues. This request has already been accepted and a Supervisory Board meeting dedicated to the group's strategic challenges, attended by the business units, is scheduled for May 2015.

Generally, the members of the Supervisory Board believe they receive the information they need to function effectively on the Supervisory Board.

3.1.1.13. Committees of the Supervisory Board

Organization and Operating Procedures of the Committees

Until June 24, 2014, four specialized committees assisted the Supervisory Board in fulfilling its duties: the Strategy Committee, the Audit Committee, the Human Resources Committee, and the Governance and Nomination Committee.

Since the work assigned to the Strategy Committee as part of the strategic review launched in the summer of 2012 was completed, and given the fact that, in the context of the group's growth, all members of the Supervisory Board had to participate in a review of both organic operations and strategic acquisitions, the Strategy Committee was discontinued. In addition, after noting that the work and line of thinking of the Governance and Nomination Committee and the Human Resources Committee overlapped and were complementary, the Supervisory Board decided to combine these two committees into a single Committee, the Corporate Governance, Nominations and Remuneration Committee.

As a result, since June 24, 2014, two specialized committees have been assisting the Supervisory Board in fulfilling its duties: the Audit Committee and the Corporate Governance, Nominations and Remuneration Committee. The members of these committees are indicated below.

The functions of the committees may not include delegating powers granted to the Supervisory Board by law or pursuant to the Company's by-laws, or reducing or limiting the powers of the Management Board. Within the scope of the powers granted to it, each Committee issues proposals, recommendations or advice, as required.

The Supervisory Board has appointed a Chairman for each Committee. The two Committees of the Supervisory Board are comprised of Supervisory Board members, appointed by the Supervisory Board. The members are appointed on a personal basis and cannot be represented by a delegate. Each Committee determines the frequency of its meetings, which are held at the registered office of the Company or in any other place that may be agreed by the Chairman of the Committee. Committee meetings can also be held using videoconferencing or other telecommunications technology.

The Chairman of each Committee sets the agendas for meetings after consultation with the Chairman of the Supervisory Board. Minutes of each Committee meeting are drafted by the General Counsel, under the authority of the Chairman of the relevant Committee, and are sent to the members of the relevant Committee and to all other members of the Supervisory Board. Information about the committees' work is included below.

Each Committee may request from the Management Board any document it deems useful to fulfill its purpose and functions. The Committee may carry out or commission surveys to provide information for the Supervisory Board's discussions, and may request external consulting expertise as required.

The Chairman of a Committee may invite the members of the Supervisory Board, as well as any other person, to attend a meeting of such Committee. However, only Committee members can take part in its deliberations. Each Committee may decide to invite any individual of its choice to its meetings, as needed.

List of Committee members

Audit Committee	Corporate Governance, Nominations and Remuneration Committee
Daniel Camus (Chairman)	Philippe Bénacin (Chairman)
Nathalie Bricault	Claude Bébéar (Non-Voting Member)
Pascal Cagni	Paulo Cardoso
Alexandre de Juniac	Philippe Donnet
Henri Lachmann	Aliza Jabès
Pierre Rodocanachi	Virginie Morgon
	Pierre Rodocanachi
	Katie Stanton

In addition to permanent committees, the Supervisory Board may establish *ad hoc* committees comprised of all or some of its members, each for a limited term and for specific purposes, for exceptional operations or tasks based on their importance or nature.

An *ad hoc* Committee was set up at the beginning of 2014, in order to review, among other things, offers received for the purchase of SFR. It was made up of Mr. Henri Lachmann (Chairman), Mr. Daniel Camus, Mr. Alexandre de Juniac and Ms. Nathalie Bricault. This Committee met eight times in April 2014 and the rate of attendance at its meetings was 97%.

Audit Committee

Composition

Until June 24, 2014, the Audit Committee comprised five members, four of whom were independent and all of whom had finance or accounting expertise. Its members were: Daniel Camus (Chairman), Nathalie Bricault, Philippe Donnet, Aliza Jabès and Pierre Rodocanachi.

Since June 24, 2014, the Audit Committee has been composed of six members, four of whom are independent and all of whom have finance or accounting expertise. Its members are: Daniel Camus (Chairman), Nathalie Bricault, Pascal Cagni, Alexandre de Juniac, Henri Lachmann and Pierre Rodocanachi.

Functions

Following their appointment, members of the Committee are informed as required of the accounting, financial and operational standards used within the Company and the group.

In 2014, the Audit Committee met six times, five of which were in the presence of the Company's Statutory Auditors. The attendance rate was 81.1%. The Audit Committee received information from, among other sources, the Company's Statutory Auditors, the Chief Financial Officer, the General Counsel, the Deputy Chief Financial Officers, the Senior Vice President of Taxes and the Senior Vice President of Audit and Risks.

Its work primarily consisted of a review of:

- the financial statements for fiscal year 2013, the 2014 quarterly and semi-annual financial statements and the Statutory Auditors' Reports;
- the achievement rates for Corporate Officers in respect of the 2013 bonuses;
- the 2014 and 2015 budgets and the 2015-2019 business plan;
- the report of the Chairman of the Supervisory Board on corporate governance and internal control and risk management procedures;
- the group's financial position, its debt and cash available, and in particular the opportunity for the early repayment of bonds;
- asset impairment tests;
- the process for monitoring return on capital employed (ROCE);
- the process for monitoring changes in accounting standards and the accounting impact resulting from sale transactions in progress or completed;
- detailed review of post-acquisition audits and profit on asset disposals;
- changes in the group's undertakings;
- the internal audit of the headquarters and subsidiaries, internal control procedures within the group and the 2014 and 2015 audit programs;
- analysis of risks, associated key audits and the operations of the Risks Committee;
- tax risks and changes in France's tax laws and regulations;
- the insurance program;
- Statutory Auditors' fees;
- implementation and follow-up of compliance procedures as applied within each business unit; and
- current investigations and legal proceedings, in particular the securities class action and the Liberty Media dispute in the United States, as well as the legal proceedings brought by minority shareholders against Activision Blizzard, its Board of Directors and Vivendi, and the shareholders' proceedings in France.

An *ad hoc* Committee, which was open to all other members of the Supervisory Board, was also set up in 2013 and existed until the beginning of the first quarter of 2014. The purpose of the Committee was to examine issues concerning the group's plan to separate its Media and Telecommunications operations. In 2014, this Committee met once.

Human Resources Committee

Composition

Until June 24, 2014, the Human Resources Committee comprised of seven members, five of whom were independent. Its members were: Jacqueline Tammenoms Bakker (Chairperson), Nathalie Bricault, Pascal Cagni, Yseulys Costes, Philippe Donnet, Dominique Hériard Dubreuil, and Henri Lachmann.

Functions

In 2014, until June 24, the Human Resources Committee met three times. The attendance rate was 69.8%. Its work primarily focused on the following matters:

- compensation of the Chairman of the Supervisory Board;
- compensation policies for 2014;
- the advisory vote of shareholders on the compensation of Corporate Officers; and
- the fact that no annual performance share plan or capital increase reserved for employees would be implemented in 2014, given the changes in the consolidation scope under way within the group.

Corporate Governance and Nomination Committee

Composition

Until June 24, 2014 the Corporate Governance and Nomination Committee comprised six members, four of whom were independent. Its members were: Dominique Hériard Dubreuil (Chairman), Claude Bébéar (Non-Voting Director), Vincent Bolloré, Henri Lachmann, Pierre Rodocanachi and Jacqueline Tammenoms Bakker.

Functions

In 2014, until June 24, the Corporate Governance and Nomination Committee met twice. The attendance rate was 100%. Its work primarily focused on the following matters:

- the Company's corporate governance;
- the composition of the Supervisory Board and its committees;
- review of the independence of members of the Supervisory Board whose appointments were proposed to the General Shareholders' Meeting; and
- assessment of the functioning of the Supervisory Board, the Management Board and its Chairman.

Corporate Governance, Nominations and Remuneration Committee

Composition

Since June 24, 2014, the Corporate Governance, Nominations and Remuneration Committee has been composed of eight members, all of whom are independent (with the exception of the employee representative). Its members are: Philippe Bénacin (Chairman), Claude Bébéar (Non-voting member), Paulo Cardoso, Philippe Donnet, Aliza Jabès, Virginie Morgon, Pierre Rodocanachi and Katie Stanton.

Functions

From June 24, 2014 until year-end, the Corporate Governance, Nominations and Remuneration Committee met twice. The attendance rate was 92.8%. Its work primarily focused on the following matters:

- the variable compensation, representation and travel expenses of the Chairman and members of the Management Board;
- the application of performance criteria to the compensation of the Supervisory Board Chairman;
- the principal features of the capital increase and the leveraged plan reserved for group employees for 2015;
- review of the employment contracts of several executives of the group and its subsidiaries;
- review of the succession plans within the group and the retention of key talents; and
- review of the Company's policy on equal opportunity and gender equality.

3.1.1.14. Compensation of Supervisory Board Members and Chairman

Compensation of Mr. Vincent Bolloré, Chairman of the Supervisory Board since June 24, 2014

As announced at the Combined Ordinary and Extraordinary Shareholders' Meeting held on June 24, 2014, the Supervisory Board meeting held at the end of this meeting, set the annual compensation of Vincent Bolloré at €400,000, which is entirely subject to performance conditions, at his request. Upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, on August 28, 2014, the Supervisory Board decided to subject this compensation to the same performance conditions as those set for the members of the Management Board (see Section 3.3). At its meeting held on February 27, 2015, the Supervisory Board duly noted that the performance conditions had been met and, as a result, set the compensation of the Supervisory Board Chairman at €207,778 for the period between June 24 and December 31, 2014.

For 2015, at the same meeting and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to re-establish the payment of an annual Director's fee of €60,000 to the Chairman of the Supervisory Board, pursuant to the decision of the Supervisory Board on June 24, 2014, and to offset it against his annual compensation fixed at €400,000, which was therefore reduced to €340,000 and remains subject to the same performance conditions used to calculate the 2015 variable compensation of the Management Board members.

Compensation of Mr. Jean-René Fourtou, Chairman of the Supervisory Board until June 24, 2014 and Honorary Chairman since that date

On February 25, 2010, at a meeting of the Supervisory Board, upon the recommendation of the Human Resources Committee, the Supervisory Board resolved to set the compensation of Mr. Jean-René Fortou, the Chairman of the Supervisory Board, at €700,000 beginning May 1, 2010. The Chairman received no Director's fee from Vivendi or any of its subsidiaries. He had use of a company car and the availability of a driver. His travel and entertainment expenses incurred in the exercise of his duties were paid by the Company. Since June 24, 2014, as Honorary Chairman, Mr. Jean-René Fortou no longer receives any compensation. As of June 24, 2014, Mr. Jean-René Fortou received pro rata compensation of €338,333 for that year.

Directors' Fees

Within the limits approved by the Combined Shareholders' Meeting held on April 24, 2008 (€1.5 million per year), the payment of Directors' fees to members of the Supervisory Board is based on actual attendance at meetings and depends on the number of meetings held by the Supervisory Board and the committees.

At its meeting held on March 6, 2007, the Supervisory Board decided that, as of 2007, Directors' fees would be paid on a semi-annual basis, in arrears. In 2014, total Director's fees paid (before taxes and withholdings at source) were €1,090,000. The individual breakdown is provided below.

During the first half of 2014, Director's fees were allocated as follows: each member of the Supervisory Board received a fixed annual Director's fee of €50,000, paid half-yearly pro rata for actual attendance at each Board meeting. Each member of the committees received an annual Director's fee based upon meeting attendance: for the Audit Committee, payment of a Director's fee of €40,000, and €55,000 for its Chairman; for the Human Resources and Corporate Governance and Nominations Committees, payment of an annual Director's fee of €30,000, and €45,000 for the Chairmen of the committees. At its meeting held on June 24, 2014, the Supervisory Board resolved to amend, as from the second half of 2014, the distribution of attendance fees, paid half-yearly, subject to an attendance condition. Pro rata to this, each member receives a fixed annual Director's fee of €60,000, each member of the Audit Committee receives an annual attendance fee of €40,000 (€55,000 for its Chairman), and each member of the Corporate Governance, Nominations and Remuneration Committee receives an annual attendance fee of €30,000 (€45,000 for its Chairman).

At its meetings on April 4 and 5, 2014, the Supervisory Board decided to allocate additional compensation to members of the *ad hoc* Committee: €40,000 to the Chairman and €30,000 to each of the other members, taking account of the Committee's workload (in particular, the review of the offers to purchase SFR), and the high quality of the work accomplished.

Members of the Supervisory Board receive no other compensation from the Company, with the exception of Ms. Nathalie Bricault, the member of the Supervisory Board representing employee shareholders, and Mr. Paulo Cardoso, member of the Supervisory Board representing employees, who hold employment contracts with Vivendi SA under which they receive compensation commensurate with their position in the Company (salary, profit sharing and performance shares, as applicable).

Individual amounts of director's fees and other compensation received by members of the Supervisory Board (in euros – rounded to the nearest euro) and compensation of non-voting Directors (in euros –rounded to the nearest euro) (AMF recommendations, Table 3)

Members of the Supervisory Board	Amounts paid for 2013	Amounts paid for 2014
Vincent Bolloré, Chairman (b)	90,852	41,429
Pierre Rodocanachi, Vice-Chairman	149,287	125,000
Philippe Bénacin (c)	na	56,071
Nathalie Bricault (d) *	65,846	110,000
Pascal Cagni	67,302	81,429
Daniel Camus *	125,350	110,000
Paulo Cardoso (e)	na	10,000
Yseulys Costes	54,622	75,000
Philippe Donnet	96,320	28,214
Dominique Hériard Dubreuil (f)	144,650	63,929
Aliza Jabès	102,717	83,333
Alexandre de Juniac *	39,756	48,096
Henri Lachmann **	123,100	105,000
Virginie Morgon (c)	na	48,571
Katie Stanton (c)	na	48,571
Jacqueline Tammenoms Bakker (f)	140,183	55,537
Jean-René Fourtou, Honorary Chairman (a)	None	None
TOTAL	**1,235,315**	**1,090,000**

na: not applicable.

(a) Mr. Fourtou, Chairman of the Supervisory Board until June 24, 2014, waived his right to receive Director's fees payable to Supervisory Board members of the Company and its subsidiaries.
(b) On June 24, 2014, the date of his appointment as Chairman of the Supervisory Board, Mr. Bolloré waived payment of attendance fees allocated to members of the boards of the Company and its subsidiaries.
(c) Member of the Supervisory Board since June 24, 2014.
(d) Ms. Nathalie Bricault is a member of the Supervisory Board representing employee shareholders.
(e) Mr. Cardoso is a member of the Supervisory Board representing employees since October 16, 2014.
(f) Member of the Supervisory Board until June 24, 2014.
* Additional compensation of €30,000 for participating in the *ad hoc* Committee formed in connection with the review of the offers to purchase SFR.
** Additional compensation of €40,000 for chairing the *ad hoc* Committee formed in connection with the review of the offers to purchase SFR.

This additional compensation was not deducted from the annual amount of Director's fees.

Non-voting Director	Amounts paid for 2013 (in euros)	Amounts paid for 2014
Claude Bébéar (a)	80,000	80,000
TOTAL	**80,000**	**80,000**

(a) Non-voting Director since April 19, 2012.

3.2. Management Board

***Arnaud de Puyfontaine**, Chairman of the Management Board*

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

***Stéphane Roussel**, Member of the Management Board and Senior Executive Vice President, Development and Organization*

3.2.1. General Provisions

In accordance with Vivendi's by-laws (Article 12), the Management Board may be composed of a minimum of two members and a maximum of seven members. Members of the Management Board are appointed by the Supervisory Board to serve four-year terms. The terms of office of members of the Management Board expire no later than upon completion of the Shareholders' Meeting held to approve the financial statements for the fiscal year during which the member reaches the age of 68. However, the Supervisory Board may prolong that member's term, on one or more occasions, for a period not exceeding two years in total (Article 12 of Vivendi's by-laws).

Pursuant to Vivendi's by-laws (Article 14), each Management Board member may choose to attend meetings by video-conferencing or telephone conference call.

3.2.2. Composition of the Management Board

At its meeting held on June 24, 2014, the Supervisory Board resolved to appoint Mr. Arnaud de Puyfontaine, Mr. Hervé Philippe and Mr. Stéphane Roussel for a term of four years, until June 23, 2018. The Supervisory Board appointed Mr. Arnaud de Puyfontaine as Chairman of the Management Board for the term of his mandate as member of the Management Board.

Detailed information about individual members of the Management Board is provided below in the Section titled "Main Activities of Current Members of the Management Board".

Until June 24, 2014, the Management Board was composed of three members: Mr. Jean-François Dubos (Chairman), Mr. Jean-Yves Charlier and Mr. Arnaud de Puyfontaine.

List of Management Board members

Name	Primary Position	Number of shares held directly or through the PEG
Arnaud de Puyfontaine	Chairman of the Management Board	2,500
Hervé Philippe	Member of the Management Board and Chief Financial Officer	2,500
Stéphane Roussel	Member of the Management Board and Senior Executive Vice President, Development and Organization	*64,290

* Units held in the Group Savings Plan (PEG) are valued based on Vivendi's share price at the close of business on December 31, 2014, i.e., €20,690.

Main activities of current members of the Management Board

ARNAUD DE PUYFONTAINE, Chairman of the Management Board

French citizen.

Business Address

Vivendi - 42, avenue de Friedland - 75008 Paris - France.

Expertise and experience

Mr. Arnaud de Puyfontaine was born on April 26, 1964 in Paris, France, and is a graduate of the ESCP (1988), the Multimedia Institute (1992) and Harvard Business School (2000).

In 1989, he started his career as a consultant at Arthur Andersen and then worked as a project manager at Rhône-Poulenc Pharma in Indonesia.

In 1990, he joined Figaro as Executive Director. In 1995, as a member of the founding team of the Emap Group in France, he headed Télé Poche and Studio Magazine, managed the acquisition of Télé Star and Télé Star Jeux, and started up the Emap Star Division, before becoming Chief Executive Officer of Emap France in 1998.

In 1999, he was appointed Chairman and Chief Executive Officer of Emap France, and, in 2000, joined the Executive Board of Emap Plc. He has led several M&A deals, and concomitantly, from 2000 to 2005, served as Chairman of EMW, the Emap/Wanadoo digital subsidiary.

In August 2006, he was appointed Chairman and Chief Executive Officer of Editions Mondadori France. In June 2007, he became General Head of all digital business for the Mondadori Group.

In April 2009, Mr. Puyfontaine joined the US HEARST media group as Chief Executive Officer of its UK subsidiary, Hearst UK. In 2011, on behalf of the Hearst Group, he led the acquisition of 102 magazines from the Lagardère Group published abroad, and, in June 2011, was appointed Executive Vice President of Hearst Magazines International before being appointed Managing Director of Western Europe in August 2013. In May 2012, he joined the Board of Directors of Schibsted. He was Chairman of ESCP Europe Alumni.

From January to June, 2014, Mr. Puyfontaine was a member of Vivendi's Management Board and Senior Executive Vice President in charge of its media and content operations. Since June 24, 2014, he has been Chairman of the Management Board.

Positions currently held within the Vivendi group

- Canal+ Group, Chairman of the Supervisory Board
- GVT Participaçoes SA (Brazil), Chairman of the Management Board

Other positions and functions

- Kepler, Independent Director
- Schibsted Media Group, Independent Director
- Iceberg lux, member of the Advisory Committee

Positions previously held that have expired during the last five years

- Canal+ Group, Vice-Chairman and member of the Supervisory Board
- ESCP Europe Alumni, Chairman
- The National Magazine Company Limited (United Kingdom), Director
- Hearst-Rodale UK Limited (United Kingdom), Director
- Handbag.com Limited (United Kingdom), Director
- Hearst Magazines UK 2012-1 (United Kingdom), Director
- F.E.P. (UK) Limited (United Kingdom), Director
- COMAG (Condé Nast Magazine Distributors Limited) (United Kingdom), Director
- PPA (Professional Publishers Association) (United Kingdom), Director
- Compagnie Internationale de Presse and de Publicité (Monaco), Director
- Hearts Magazines, S.L. (Spain), Director
- Hearts Magazines Italia S.p.A (Italy), Director

HERVÉ PHILIPPE, Member of the Management Board

Business Address

Vivendi - 42 avenue de Friedland - 75008 Paris - France

Expertise and experience

Mr. Hervé Philippe was born on August 10, 1958 in Cheillé, France. He is a graduate of the *Institut d'Études Politiques de Paris* and holds a degree in economic sciences. He began his career with Crédit National in 1982 as account manager for business financing in the Île-de-France region.

In 1989, he joined the French market authority, the *Commission des opérations de bourse* (COB) as manager for the sector of French companies listed for trading. From 1992 to 1998, he served as Head of the Transactions and Financial Information Department.

In 1998, he joined the Sagem Group, where he held the positions of Director of Legal and Administrative Affairs at Sagem SA (1998-2000), Chief Administrative and Financial Officer of Sfim (1999-2000), and Director of Communication at Sagem SA (2000-2001). In 2001, he assumed the position of Chief Financial Officer and became a member of the Sagem SA Management Board in 2003.

Hervé Philippe was appointed Chief Financial Officer of the Havas Group in November 2005 and, in May 2010, was named deputy Chief Executive Officer (*Directeur Général Délégué*) until December 31, 2013.

He has served as Vivendi's Chief Financial Officer since January 1, 2014.

Current positions

Vivendi group

- Canal+ Group, Vice-Chairman of the Supervisory Board
- GVT Participaçoes S.A. (Brazil), Director
- Compagnie Financière du 42 Avenue De Friedland (SAS), President

Havas Group

- Havas, permanent representative of Financière de Longchamp on the Board of Directors

Other positions and functions

- Harvest, Director
- Sifraba, Director
- Jean Bal, Director

Positions previously held that have expired during the last five years

- SFR, Director
- Maroc Telecom, member of the Supervisory Board
- Havas Life Paris, permanent representative of Havas on the Board of Directors
- Havas Media France, permanent representative of Havas on the Board of Directors
- Providence, permanent representative of Havas on the Board of Directors
- BETC, permanent representative of Havas on the Supervisory Board
- OPCI de la Seine et de l'Ourcq, Chairman of the Board of Directors
- LNE, Chairman of the Board of Directors
- HA Pôle Ressources Humaines, Chairman-CEO and Director
- Havas 04, President and member of the Supervisory Board
- Havas 08, President
- Rosapark (formerly Havas 11), President
- Havas 12, President
- Havas 14, President
- Havas 16, President
- Havas Immobilier, President
- Havas Participations, President
- Financière de Longchamp, President
- Havas RH, President
- Havas Worldwide Paris, Director
- W & Cie, Director
- Havas Finances Services, Joint Manager
- Havas Publishing Services, Joint Manager
- Havas IT, Manager
- Havas, Legal Representative
- MFG Leg, President
- R&D, Vice-Chairman and member of the Supervisory Board
- GR.PO SA (Belgium), Director
- HR Gardens SA (Belgium), Director
- HR Gardens Belgium SA (Belgium), Director
- EMDS Group SA (Belgium), Director
- Banner Hills Systems Sprl (Belgium), Manager
- Field Research Corporation (United States), Chairman
- Havas Creative Inc. (United States), Senior Vice President and Director
- Havas North America Inc. (United States), Executive Vice President and Director
- Data Communique Inc. (United States), Director
- Havas Middle East FZ LLC (United Arab Emirates), Director
- Havas Management Portugal Unipessoal Lda (Portugal), Manager
- Havas Worldwide LLC (United States), Manager
- Washington Printing LLC (United States), Manager
- Havas Worldwide Brussels (Belgium), permanent representative of Havas on the Board of Directors

STÉPHANE ROUSSEL, Member of the Management Board

Business Address
Vivendi - 42 avenue de Friedland - 75008 Paris - France

Expertise and experience

Stéphane Roussel was born on October 12, 1961, and is a graduate of the *École des Psychologues Praticiens de Paris*. He was appointed to the Vivendi Management Board in June 2014 and has been Senior Executive Vice President, Development and Organization since October 2014, after joining the group's management team in August 2013.

Stéphane Roussel held the position of Executive Vice President of Human Resources at Vivendi from 2009 to 2012 before being appointed Chairman-Chief Executive Officer of SFR. From 2004-2009, he served as SFR's Vice President of Human Resources.

From 1997 to 2004, Mr. Roussel held positions within the Carrefour Group. He was first appointed Director of Human Resources for hypermarkets in France, before becoming Director of Human Resources Development for international business and then Director of Human Resources France for the entire Carrefour Group. From 1985 to 1997, Stéphane Roussel worked at Xerox.

Current positions

- Canal+ Group, member of the Supervisory Board
- GVT Participaçoes S.A. (Brazil), Director
- Numericable-SFR, permanent representative of Compagnie Financière 42 Avenue De Friedland on the Board of Directors
- Fondation SFR, member of the Board of Directors

Other positions and offices

- IMS, Director

Positions previously held that have expired during the last five years

- SFR, Chairman-Chief Executive Officer
- Fondation SFR, Chairman of the Board of Directors
- Activision Blizzard, Director
- Digitick S.A., Chairman of the Board of Directors
- See Group Limited (United Kingdom), Director
- UK Ticketing Ltd (United Kingdom), Director
- Arpejeh, President

3.2.3. Family Relationships

To the Company's knowledge, no family relationships exist between any of the members of the Management Board, or between any of them and any member of the Supervisory Board.

3.2.4. Absence of Conflicts of Interest

To the Company's knowledge, there are no actual or potential conflicts of interest between Vivendi and the members of the Management Board with regard to their personal interests or other responsibilities.

3.2.5. Absence of Any Conviction for Fraud, Liability Associated with a Business Failure or Public Prosecution and/or Sanction

Over the past five years, to the Company's knowledge, no member of the Management Board has been convicted of any fraud-related matter, no official public prosecution or sanction has been filed against any member of the Management Board, no member of the Management Board has been associated with a bankruptcy, receivership or liquidation while serving on an administrative, management or supervisory body of a public company, or has been prevented by a court from acting as a member of an administrative, management or supervisory body or from participating in the management of a public issuer.

3.2.6. Agreements between the Company and Members of the Management Board - Service Contracts

As Corporate Officers, members of the Management Board are bound by an employment contract with the Company, with the exception of Mr. Arnaud de Puyfontaine, who, in line with the recommendations of the AFEP/MEDEF Code, waived the benefit of his employment contract at the time he was appointed Chairman of the Management Board by the Supervisory Board, at its meeting held on June 24, 2014.

No member of the Management Board is party to a service agreement entered into with Vivendi or any of its subsidiaries, pursuant to which such member may be entitled to receive any benefits.

3.2.7. Loans and Guarantees Granted to Members of the Management Board

The Company has not granted any loans or issued any guarantees to any member of the Management Board.

3.2.8. Jurisdiction and Internal Regulations of the Management Board

Authority and Functions of the Management Board Pursuant to Law and the Company's By-Laws

With respect to third parties, the Management Board is granted the broadest powers to act in any circumstance on behalf of the Company, subject to the scope of the Company's corporate purpose and to those situations where such power is expressly granted by law to the Supervisory Board or the Shareholders' Meetings, and to matters that require the prior approval of the Supervisory Board.

Internal Regulations

The Internal Regulations of the Management Board is a purely internal document that aims to ensure that the Company's Management Board functions properly and adheres to the most recent rules and regulations in furtherance of good corporate governance. Third parties cannot rely on the Internal Regulations when pursuing any claim against members of the Management Board.

The Management Board is responsible for the day-to-day management of the Company and for the conduct of its business. Pursuant to applicable law, the Company's by-laws and the Supervisory Board's internal rules, the Management Board must obtain prior authorization from the Supervisory Board in certain circumstances.

3.2.9. Activities of the Management Board in 2014

In 2014, the Management Board met a total of 20 times. The attendance rate at meetings of the Management Board was 100%. It considered, among others, the following matters:

- review and approval of the statutory and Consolidated Financial Statements for fiscal year 2013, the 2014 budget, the quarterly and semi-annual 2014 financial statements, the 2015 preliminary budget and financial projections for 2015-2019;
- the calling of the General Shareholders' Meeting on June 24, 2014;
- the preparation of quarterly reports for the Supervisory Board;
- the group's financial communications;
- the group's financial position;
- assessment of the quality and structure of the group's balance sheet;
- restructuring of the Company's debt;
- the opportunity to continue the Euro Medium Term Notes (EMTN) program and issuance of bonds;
- the work of the group's Internal Audit department;
- the group's internal and external growth prospects;
- principal strategic opportunities and initiatives;
- activities of the group's main business units;
- finalization of the sale of the group's interest in Maroc Telecom;
- the sale of an initial block of the group's residual interest in Activision Blizzard;
- the potential initial public offering of SFR, and review of the offers to purchase SFR;
- the sale of SFR to Numéricable Group;
- approval of the accounts of the combined SFR – SIG50 group and their subsidiaries;
- the planned sale of GVT and its implementation;
- monitoring of current investigations and legal proceedings, in particular the securities class action and the Liberty Media dispute in the United States, the minority shareholders' proceedings against Activision Blizzard, its Board of Directors and Vivendi, and litigation by shareholders in France;
- the group's compensation policy;
- postponement of implementation in 2014 of an annual performance share plan and a capital increase reserved for employees, taking into account changes in the scope of consolidation within the group;
- plans for granting performance shares to the group's Corporate Officers and executives, and the distribution policy for these plans for 2015;
- the main features of the capital increase and the leveraged plan reserved for group employees for 2015;
- development and retention of key employees;
- gender parity within the group;
- review of the business report and the corporate social responsibility ("CSR") report; and
- review of the Compliance Program.

3.3. Compensation of Directors and Officers

General

The compensation policy for Corporate Officers is devised by the Corporate Governance, Nominations and Remuneration Committee and approved by the Supervisory Board.

Its purpose, in both the short-term and long-term, is to better align the compensation of Corporate Officers and executives with shareholder interests. With this in mind, close attention has been paid to three major elements:

- the quantitative balance of the compensation, with attention given to variable and long-term factors to contribute to the group's development and growth;
- the quality of the criteria attached to setting the annual variable portion. These criteria are based on both quantitative and qualitative targets proposed by the Corporate Governance, Nominations and Remuneration Committee and set by the Supervisory Board, taking particular account of the issues defined in the Company's corporate social responsibility (CSR) policy; and
- the group's long-term development, through the grant of performance shares subject to internal criteria that differ from those applied to the variable portion of compensation, and external criteria to strengthen the alignment of management interests and those of shareholders.

This policy is supported by the setting of compensation for the management of the major subsidiaries, with distinct weightings and criteria adapted to their operations.

Lastly, in accordance with the governance rules applied within the group, Corporate Officers and executives waive the payment of Directors' attendance fees in subsidiaries in which they hold Director positions.

Compensation Elements

Fixed Portion

Each year, upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board sets the compensation of each Corporate Officer, taking into account his or her personal situation and comparative studies carried out by independent firms.

Annual Variable Portion

This is based on precise and adjusted quantitative and qualitative criteria. In order to provide dynamic support to the group's efforts, the weight of the quantitative and qualitative criteria respectively applied to the annual variable portion of compensation is set by the Corporate Governance, Nominations and Remuneration Committee as a reflection of the importance of and progress made in strategic efforts.

Quantitative Criteria

These are based on the financial indicators that the Corporate Governance, Nominations and Remuneration has deemed most relevant for the assessment of the financial performance of the group and its major subsidiaries, whose business is based largely on the same economic model: the sale of content and services. These financial indicators are adjusted net income of the group and operating cash flow. They allow for the accurate measurement of the performance and income recorded by each business unit.

Qualitative Criteria

These are based on a series of priority actions assigned to corporate management. These priority actions are defined as a function of strategy at group level and the action plans approved for each business unit.

These criteria allow assessment of the capacity of officers to implement and complete planned sales or acquisitions, undertake the necessary strategic realignments in an increasingly competitive environment, and identify new directions with regard to offerings of content and services.

The priority actions for Vivendi SA's corporate management in 2014 were as follows: (i) finalize the separation of SFR from the Vivendi group under the best possible conditions; (ii) prepare the governance and management of each entity; (iii) contribute to the collaboration between Vivendi's subsidiaries and; (iv) develop and seek certification for action taken on the group's societal challenges.

Lastly, these qualitative criteria take into account the extent of the group's commitments to corporate social responsibility (CSR): promoting cultural diversity, knowledge sharing, protecting and empowering young people, and the protection of personal data. CSR activities are certified by an independent specialized agency.

Weighting of the Variable Portion

Until June 24, 2014, the rate was 120% of fixed compensation if the targets were achieved, with a maximum of 200% if the targets were substantially exceeded. As from June 24, 2014, these rates were reduced to 100% and 150%, respectively. The factors of the variable portion are based on the fulfillment of precise, demanding and verifiable criteria. These include financial targets and implementing priority initiatives. Given the importance of non-financial efforts to the group in 2014, the weighting given to financial criteria was set at 50% (30% linked to the group share of adjusted net income and 20% linked to operating cash flow), and the weighting given to priority initiatives was 50%, distributed among several qualitative criteria (see above) and at differentiated percentages, including 5% linked to corporate social responsibility (CSR).

Grant of Performance Shares

Purpose

Annual compensation is supplemented by a deferred factor in the longer-term objectives: the granting of performance shares, which vest subject to internal and external performance criteria applicable to both corporate management as well as all other beneficiaries. The Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, approves criteria for the grant of performance shares and sets the limits (threshold, target and maximum) for calculating the level of performance to be achieved, to determine whether the granted shares are to vest completely or partially.

To better assess long-term performance, internal financial criteria different from those used in setting the variable portion of the compensation of senior management, and external criteria to take into account the alignment of the interests of management with those of the shareholders, have been applied.

For corporate management and the senior officers of Vivendi SA, the internal indicator (with a weighting of 70%) is the group's EBITA margin (adjusted operating income).

To address the need to motivate corporate management and senior officers of each subsidiary to increase the income of their entities, the grant of performance shares has been linked to the EBITA margin of the subsidiary for which they work. Until 2014 achievement of this financial objective was assessed once only, at the end of two cumulative fiscal years, in respect of the plans granted before June 24, 2014.

The external indicator (with a weighting of 30%) is Vivendi's stock price performance assessed over two consecutive trading years according to two indices: the STOXX® Europe 600 Media (19.5%) and the STOXX® Europe 600 Telecommunications (10.5%).

As from 2015, the internal indicators (weighting 80%) are the EBITA margin rate of each entity (40%), the EBITA growth rate (10%), and *Earning per share – EPS* (30%). The external indicator (weighting 20%) is linked to changes in the Vivendi share price compared with the STOXX® Europe 600 Media (15%) index and the CAC 40 (5%). Achievement of these targets is now assessed over three fiscal years, in line with what was proposed to and adopted by the General Shareholders' Meeting held on June 24, 2014.

Calculation

All performance shares and options vest after two years (three years as from 2015) subject to an attendance condition, if the weighted sum of internal and external indicators meets or exceeds 100%. 50% of shares and options vest if the weighted sum of the indicators meets the value for the thresholds (50%). An arithmetic calculation is performed for interim results. For a calculation of the achievement rate of performance criteria set for the performance share plans granted in 2013, see Section 3.4.

Deferred Commitments

Long-Term Cash Incentive

No long-term cash incentive has been granted to members of the Vivendi SA Management Board.

Non-competition Payments

Members of Vivendi's Management Board and the corporate Directors of its major subsidiaries do not receive this type of payment.

Severance Payments

Corporate Directors and holders of work contracts do not receive any type of severance payment resulting from the termination of their terms of office. Except for the Chairman of Vivendi SA's Management Board (see Section 3.3.1.2), corporate Directors are contractually entitled to severance payment in the event of termination of their employment contract at Vivendi's initiative. These payments are currently limited to 18 months of salary (fixed + target variable).

Supplemental Retirement Plan

The Chairman and members of the Management Board, similarly to a number of other senior executives of the Vivendi group, are eligible for the supplemental retirement plan, as implemented in December 2005 and approved by the Combined General Shareholders' Meeting held on April 20, 2006. The main terms of the supplemental retirement plan include: (i) a minimum of three years' seniority with the Company; (ii) progressive maximum acquisition of seniority rights, limited to 20 years, which, according to a sliding scale, is not to exceed 2.5% per year and is progressively reduced to 1%; (iii) reference salary for calculating retirement payments: an average of the past three years of fixed and variable compensation, if this average exceeds 13 maximum annual social security payments; (iv) "double ceiling": reference salary and a maximum of 60 times the social security maximum; (v) acquisition of rights subject to an upper limit of 30% of reference salary; and (vi) reversion to 60% in the event of death.

In 2014, the provision taken with respect to this retirement plan benefiting members of the Management Board totaled €1,875,469.

3.3.1. Status and Compensation of Members of the Management Board

3.3.1.1. Status and Compensation of the Chairman of the Management Board

Mr. Arnaud de Puyfontaine waived the benefit of his employment contract following his appointment as Chairman of the Management Board by the Supervisory Board, at its meeting held on June 24, 2014, thus following the recommendations of the AFEP/MEDEF Code of Corporate Governance.

At its meeting held on June 24, 2014, the Supervisory Board determined the elements of Mr. Arnaud de Puyfontaine's compensation and benefits in-kind:

- fixed gross compensation maintained at €900,000;
- variable compensation reduced from 120% to 100% of the target, with the maximum reduced from 200% to 150%;
- eligibility for performance share grants subject to achievement of the conditions set by the Supervisory Board, which will be vested and transferable in accordance with the plan's rules;
- availability of a company car;
- payment of travel and other expenses incurred in the performance of his duties;
- eligibility for the Social Security, AGIRC and ARRCO retirement plans, as well as accident insurance (mutual, disability and life insurance) under identical conditions as those subscribed for other company employees; and
- a supplemental retirement plan under identical conditions as those subscribed for other company employees set up in December 2005, as approved by the Combined Shareholders' Meeting held on April 20, 2006.

On February 21, 2014, the Supervisory Board, upon the recommendation of the Human Resources Committee, granted 100,000 performance shares to Mr. Arnaud de Puyfontaine, intended to partially offset the loss suffered as a result of his resignation from his former external positions. The definitive grant of these performance shares is subject to the satisfaction of performance conditions over two consecutive fiscal years (2014-2015), which will be assessed at the end of this period and are based on two criteria with the following weighting: (i) an internal indicator (70%): group-level EBITA margin, and (ii) external indicators (30%): performance of Vivendi shares compared to the STOXX® Europe 600 Media Index (19.5%) and the STOXX® Europe 600 Telecommunications Index (10.5%).

At its meeting on February 27, 2015, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, reviewed achievement of the financial objectives and priority actions defined by the Supervisory Board on April 24, 2014 in order to calculate the variable portion for fiscal year 2014.

After verifying the levels of achievement of the quantitative criteria (78%), and the qualitative criteria (73%), representing a total of 151%, the rate of variable compensation of the Chairman of the Management Board for 2014 was limited to 142.5% of the amount of his fixed compensation. His variable compensation for 2014, paid in 2015, was €1,282,500 before taxes and social security contributions.

The Chairman of the Management Board, similarly to a number of other senior executives of the Vivendi group, is eligible for the supplemental retirement plan, as implemented in December 2005 and approved by the Combined General Shareholders' Meeting held on April 20, 2006.

The rate of increase in the Chairman's annuity in 2014, based on seniority in the group, is 2.5%. The provision for fiscal year 2014 amounted to €1,135,133, and the amount of the potential benefit vested in 2014 is €22,500.

3.3.1.2. Conditional Severance Package for the Chairman of the Management Board upon Termination of his Position

At its meeting held on February 27, 2015, the Supervisory Board, after noting that Mr. Arnaud de Puyfontaine no longer benefited from his employment contract, which was waived following his appointment as Chairman of the Management Board, or from any possibility of compensation in the event of his dismissal, decided, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, that in the event of termination of his functions at the initiative of the Company, he would be entitled, except in the case of gross negligence, to compensation, subject to performance conditions as recommended in the AFEP/MEDEF Code. This severance compensation would be capped at a gross amount equal to 18 months of target compensation (on the basis of the last fixed compensation and the last annual bonus earned over a full year).

If the bonus paid during the reference period (the 12-month period preceding notification of departure) is:

- greater than the target bonus, the calculation of the compensation will only take into account the amount of the target bonus;
- less than the target bonus, the amount of the compensation will be capped in any event at two years' of the compensation actually received (in compliance with the AFEP/MEDEF Code), and may not exceed 18 months of the target compensation.

This indemnity would not be payable if the group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget over the two years prior to the departure, and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX® Media (50%)) over the last 24 months. At the same meeting, the Supervisory Board decided that, in the event of departure under the conditions defined above (giving a right to the indemnity), all rights to performance shares not yet vested on the departure date would be maintained, subject to the relevant performance conditions. This severance payment would not be payable in the event of resignation or retirement.

The conditional commitment described above must be approved by the General Shareholders' Meeting on April 17, 2015.

3.3.1.3. Status and Compensation of Management Board Members since June 24, 2014

Other than the Chairman, the members of the Management Board hold employment contracts.

The fixed compensation of each of Mr. Hervé Philippe and Mr. Stéphane Roussel in 2014 was €350,000 (pro rata).

On February 27, 2015 the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, reviewed achievement of the financial objectives and priority actions defined by the Supervisory Board at its meeting held on August 28, 2014, in order to calculate Mr. Hervé Philippe and Mr. Stéphane Roussel's variable portion of compensation (target 100%, capped at 150%) for fiscal year 2014.

After verifying the levels of achievement of the quantitative criteria (69%) and the qualitative criteria (65%), representing a total of 134%:

- the rate of variable compensation of Mr. Hervé Philippe, for fiscal year 2014, was limited, upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, acting on the recommendation of the Audit Committee, to 125% of the amount of his fixed compensation. His variable compensation, paid in 2015 and prorated, is €437,500 before taxes and social security contributions; and
- the rate of variable compensation of Mr. Stéphane Roussel, for fiscal year 2014, was limited, upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, acting on the recommendation of the Audit Committee, to 125% of the amount of his fixed compensation. His variable compensation, paid in 2015 and prorated, is €437,500 before taxes and social security contributions.

Similarly to some other senior executives of the Vivendi group, Mr. Hervé Philippe is eligible for the supplemental retirement plan set up in December 2005 and approved by the Combined Shareholders' Meeting of April 20, 2006. The rate of increase in his annuity in 2014, based on seniority in the group, is 2.5%. The provision for fiscal year 2014 amounted to €367,559 and the amount of the potential benefit vested in 2014 was €17,500.

Mr. Stéphane Roussel is also eligible for the supplemental retirement plan. The rate of increase in his annuity in 2014, based on seniority in the group, is 1.25%. The provisions for fiscal year 2014 amounted to €372,777, and the amount of the potential annuity vested in 2014 is €14,164.

3.3.1.4. Status and Compensation of Management Board Members in Office until June 24, 2014

Mr. Jean-François Dubos, Chairman of the Management Board until June 24, 2014, retired as of June 30, 2014. The fixed compensation of Mr. Jean-François Dubos for 2014 amounted to €450,000 (pro rata).

At its meeting held on August 28, 2014, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, decided to pay his variable portion for fiscal year 2014 at his target rate, on a pro rata basis, which amounted to €540,000.

Mr. Jean-François Dubos claimed his retirement rights on June 30, 2014. The amount of his annual annuity under the supplemental retirement plan is €411,611. This sum is paid by the organization mandated by Vivendi SA to manage the supplemental retirement plan, out of funds from a portfolio of hedging assets managed by this organization under this regime.

This annuity represents 20.79% of the amount of the last target compensation of Mr. Jean-François Dubos and 30% of his reference salary. It also takes into consideration his seniority of 23 years with Vivendi SA.

Mr. Jean-Yves Charlier resigned from his position as a member of the Management Board, with effect from June 24, 2014.

His fixed compensation for 2014 amounted to €475,000 (pro rata).

At its meeting held on August 28, 2014, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, approved payment of Mr. Jean-Yves Charlier's variable portion for 2014, at the target level on a pro rata basis, which was €570,000.

As the result of his resignation, Mr. Jean-Yves Charlier lost the benefit of the supplemental retirement plan in effect at Vivendi SA.

3.3.1.5. Summary of Gross Compensation Paid and the Value of Options and Performance Shares Granted to Each Member of the Management Board in Fiscal year 2014 (AMF Recommendations, Table 1)

(in euros)	2013	2014
Arnaud de Puyfontaine (1) **Chairman of the Management Board**		
Gross compensation paid (before taxes and social security contributions)	-	950,973
Book valuation of the options granted	-	na
Book valuation of the performance shares granted	-	1,713,000
Total		**2,663,973**
Hervé Philippe (2) **Member of the Management Board and Chief Financial Officer**		
Gross compensation paid (before taxes and social security contributions)	-	353,788
Book valuation of the options granted	-	na
Book valuation of the performance shares granted	-	na
Total		**353,788**
Stéphane Roussel (2) **Member of the Management Board and Senior Executive Vice President, Development and Organization**		
Gross compensation paid (before taxes and social security contributions)	-	373,554
Book valuation of the options granted	-	na
Book valuation of the performance shares granted	-	na
Total		**373,554**
Jean-François Dubos (3)		
Gross compensation paid (before taxes and social security contributions)	1,218,783	2,018,951
Book valuation of the options granted	na	na
Book valuation of the performance shares granted (a)	2,257,367	na
Total	**3,476,150**	**2,018,951**
Jean-Yves Charlier (4)		
Gross compensation paid (before taxes and social security contributions)	-	1,066,316
Book valuation of the options granted	-	na
Book valuation of the performance shares granted	-	na
Total		**1,066,316**

na: not applicable – no grant of stock options in 2013.

(1) Member of the Management Board since January 1, 2014 and Chairman of the Management Board since June 24, 2014.

(2) Member of the Management Board since June 24, 2014 – data prorated.

(3) Chairman of the Management Board until June 24, 2014 – data prorated.

(4) Member of the Management Board until June 24, 2014 – data prorated.

(a) The book value is calculated based on the adjusted number of options and performance shares. The applied value of the unit right is shown in the financial statements pursuant to IFRS standards (Note 22 to the Consolidated Financial Statements in Chapter 4 describes the valuation of securities settled through the issuance of shares). It is €11.79 for the performance shares granted in February 2013, €14.33 for the performance shares granted in December 2013, and €17.13 for the performance shares granted in February 2014.

3.3.1.6. Summary Table of Compensation (Before Taxes and Social Security Contributions) of Members of the Management Board during Fiscal Years 2013 and 2014 (AMF Recommendations, Table 2)

	Fiscal year 2013		Fiscal year 2014	
(in euros)	Amounts paid	Amounts owed	Amounts paid	Amounts owed
Arnaud de Puyfontaine (1) **Chairman of the Management Board**				
Fixed compensation	-	-	900,000	900,000
Variable compensation for 2014	-	-	-	1,282,500
Other compensation	-	-	na	na
Director's fees	-	-	na	na
Benefits in kind *	-	-	50,973	50,973
Total	**na**	**na**	**950,973**	**2,233,473**
Hervé Philippe (2) **Member of the Management Board**				
Fixed compensation	-	-	350,000	350,000
Variable compensation for 2014	-	-	-	437,500
Other compensation	-	-	-	-
Director's fees	-	-	na	na
Benefits in kind *	-	-	3,788	3,788
Total	**na**	**na**	**353,788**	**791,288**
Stéphane Roussel (2) **Member of the Management Board**				
Fixed compensation	-	-	350,000	350,000
Variable compensation for 2014	-	-	-	437,500
Other compensation	-	-	-	-
Director's fees	-	-	na	na
Benefits in kind *	-	-	23,554	23,554
Total	**na**	**na**	**373,554**	**811,054**
Jean-François Dubos (3) **Chairman of the Management Board**				
Fixed compensation	700,000	700,000	450,000	450,000
Variable compensation for 2012	485,000	-	-	-
Variable compensation for 2013	-	1,024,000	1,024,000	-
Variable compensation for 2014	-	-	540,000	540,000
Other compensation	na	na	na	na
Director's fees	na	na	na	na
Benefits in kind *	33,783	33,783	4,951	4,951
Total	**1,218,783**	**1,757,783**	**2,018,541**	**944,951**
Jean-Yves Charlier (4) **Member of the Management Board**				
Fixed compensation	-	-	475,000	475,000
Variable compensation for 2013	-	-	na	na
Variable compensation for 2014	-	-	570,000	570,000
Other compensation	-	-	na	na
Director's fees	-	-	na	na
Benefits in kind *	-	-	21,316	21,316
Total	**na**	**na**	**1,066,316**	**1,066,316**

na: not applicable.

(1) Member of the Management Board since January 1, 2014 and Chairman of the Management Board since June 24, 2014.
(2) Member of the Management Board since June 24, 2014.
(3) Chairman of the Management Board until June 24, 2014.
(4) Member of the Management Board until June 24, 2014.
* The amount of benefits in kind includes the use of a company car without driver, profit sharing and vacation pay.

3.3.1.7. Summary of Commitments Issued in Favor of the Chairman and Members of the Management Board (AMF Recommendations, Table 10)

	Employment Contract		Eligibility for supplementary retirement plan (1)		Compensation or other benefits due or that may become due at the end of a term in office		Compensation under a non-compete provision	
Corporate Directors	Yes	No	Yes	No	Yes	No	Yes	No
Arnaud de Puyfontaine Chairman of the Management Board Start of term: June 24, 2014		(2) X	X		(3) X			X
Hervé Philippe Member of the Management Board Start of term: June 24, 2014	X		X			X		X
Stéphane Roussel Member of the Management Board Start of term: June 24, 2014	X		X			X		X
Jean-François Dubos Start of term: June 28, 2012 End of term: June 24, 2014	X (suspended)		(4) X			X		X
Jean-Yves Charlier Start of term: January 1, 2014 End of term: June 24, 2014	X		(5) X			X		X

(1) Subject to plan terms and conditions (see page 130).

(2) Mr. Arnaud de Puyfontaine waived the benefit of his employment contract after his appointment as Chairman of the Management Board by the Supervisory Board on June 24, 2014.

(3) Commitment subject to approval by the Combined Shareholders' Meeting to be held on April 17, 2015.

(4) See Section 3.3.1.4.

(5) Mr. Jean-Yves Charlier lost the benefit of the supplemental retirement plan as a result of his resignation from his position as a member of the Management Board on June 24, 2014.

3.3.1.8. Compensation Elements Owed or Granted for Fiscal year 2014 to Members of the Management Board, Subject to Notice to the Combined General Shareholders' Meeting of April 17, 2015 (AFEP/MEDEF Code application guidelines)

Mr. Arnaud de Puyfontaine – Chairman of the Management Board

Compensation elements (fiscal year 2014)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (full year)	€900,000	Gross fixed compensation approved by the Supervisory Board on June 24, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee.
2013 variable compensation paid in 2014	na	
2014 variable compensation paid in 2015	€1,282,500	At its meeting held on February 27, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of the Chairman of the Management Board in respect of 2014. It amounts to 142.5% of his fixed compensation (see Section 3.3.1.1).
Variable deferred compensation	na	The Chairman of the Management Board does not receive variable deferred compensation.
Multi-year variable compensation	na	The Chairman of the Management Board does not receive multi-year variable compensation.
Extraordinary compensation	na	The Chairman of the Management Board does not receive any extraordinary compensation.
Stock options	na	The Company stopped awarding stock options in 2013.
Performance Shares	€1,713,000 (book value)	On February 21, 2014, upon the recommendation of the Human Resources Committee, the Supervisory Board approved a grant of 100,000 performance shares to compensate Mr. de Puyfontaine for the loss due to his resignation from his former external positions. The definitive grant of such performance shares is subject to the satisfaction of performance conditions over two consecutive years (2014-2015), assessed at the end of this period and based on two criteria as follows: (i) an internal indicator (with a weighting of 70%): the group-level EBITA margin, and (ii) external indicators (with a weighting of 30%): performance of Vivendi shares compared to the STOXX® Europe 600 Media Index (19.5%) and the STOXX® Europe 600 Telecommunications Index (10.5%).
Director's attendance fees	na	As for all corporate Directors at group headquarters, the Chairman of the Management Board receives no attendance fees.
Benefits in kind	€50,973	Company car without driver and the pay-out of the vacation balance under the employment agreement that terminated June 24, 2014.

Deferred compensation elements owed or granted in 2014 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to regulated agreements and commitments	Amount	Description
Severance payment	No payment	Conditional commitment in the event of termination at the initiative of the Company, subject to performance conditions (see Section 3.3.1.2).
Non-competition payment	No payment	The Chairman of the Management Board receives no payment of this kind.
Supplemental retirement plan	No payment	As for a number of the Vivendi group's senior management, the Chairman of the Management Board is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting held on April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) with a maximum of 60 times the social security upper limit. Annuity growth rate in 2014, including a seniority-based increase within the group: 2.5%.

na: not applicable.

Mr. Hervé Philippe – member of the Management Board and Chief Financial Officer

Compensation elements (fiscal year 2014)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (Prorata temporis)	€350,000	Gross fixed compensation approved by the Supervisory Board on August 28, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee.
2013 variable compensation paid in 2014	na	
2014 variable compensation paid in 2015	€437,500	At its meeting held on February 27, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Hervé Philippe in respect of 2014. They total 125% of his fixed compensation (see Section 3.3.1.3).
Variable deferred compensation	na	Mr. Hervé Philippe does not receive variable deferred compensation.
Multi-year variable compensation	na	Mr. Hervé Philippe does not receive multi-year variable compensation.
Extraordinary compensation	na	Mr. Hervé Philippe has not received any extraordinary compensation since his appointment as a member of the Management Board.
Stock options	na	The Company stopped awarding stock options in 2013.
Performance Shares	na	Mr. Hervé Philippe was not granted any performance shares in 2014.
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Hervé Philippe receives no attendance fees.
Benefits in kind	€3,788	Company car without driver.

Deferred compensation elements owed or granted in 2014 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to regulated agreements and commitments	Amount	Description
Severance payment	No payment	Hervé Philippe benefits from no severance pay commitment. 18 months (fixed salary + target bonus) payable under his employment contract.
Non-competition payment	No payment	Mr. Hervé Philippe does not receive payment of this kind.
Supplemental retirement plan	No payment	As for a number of the Vivendi group's senior management, Mr. Hervé Philippe is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting of April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) with a maximum of 60 times the social security upper limit. Annuity growth rate in 2014, including a seniority-based increase within the group: 2.5%.

na: not applicable.

Mr. Stéphane Roussel – member of the Management Board and Senior Executive Vice President, Development and Organization

Compensation elements (fiscal year 2014)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (Prorata temporis)	€350,000	Gross fixed compensation approved by the Supervisory Board on August 28, 2014 upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee.
2013 variable compensation paid in 2014	na	
2014 variable compensation paid in 2015	€437,500	At its meeting held on February 27, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Stéphane Roussel in respect of 2014. They total 125% of his fixed compensation (see Section 3.3.1.3).
Variable deferred compensation	na	Mr. Stéphane Roussel does not receive variable deferred compensation.
Multi-year variable compensation	na	Mr. Stéphane Roussel does not receive multi-year variable compensation.
Extraordinary compensation	na	Mr. Stéphane Roussel has not received any extraordinary compensation since his appointment as a member of the Management Board.
Stock options	na	The Company stopped awarding stock options in 2013.
Performance Shares	na	Mr. Stéphane Roussel was not granted any performance shares in 2014.
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Stéphane Roussel receives no attendance fees.
Benefits in kind	€23,554	Company car without driver and common profit-sharing (collective agreement in force at Vivendi).

Deferred compensation elements owed or granted in 2014 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to regulated agreements and commitments	Amount	Description
Severance payment	No payment	Mr. Stéphane Roussel benefits from no severance pay commitment. 18 months (fixed salary + target bonus) payable under his employment contract.
Non-competition payment	No payment	Mr. Stéphane Roussel does not receive payment of this kind.
Supplemental retirement plan	No payment	As for a number of the Vivendi group's senior management, Mr. Stéphane Roussel is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting of April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) with a maximum of 60 times the social security upper limit. Annuity growth rate in 2014, including a seniority-based increase within the group: 1.25%.

na: not applicable.

Mr. Jean-François Dubos – Chairman of the Management Board (until June 24, 2014)

Compensation elements (fiscal year 2014)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (full year)	€450,000	Gross fixed compensation approved by the Supervisory Board on December 11, 2013, upon the recommendation of the Human Resources Committee.
2013 variable compensation paid in 2014	€1,024,000	At its meeting held on February 21, 2014, upon the recommendation of the Human Resources Committee, the Supervisory Board approved the variable elements of the compensation of the Chairman of the Management Board. They total 146.3% of his fixed compensation (see Section 3.3.1.4).
2014 variable compensation paid in 2014	€540,000	At its meeting held on August 28, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Jean-François Dubos in respect of 2014. They total his target bonus (prorata temporis) (see Section 3.3.1.4).
Variable deferred compensation	na	Mr. Jean-François Dubos did not receive variable deferred compensation.
Multi-year variable compensation	na	Mr. Jean-François Dubos did not receive multi-year variable compensation.
Extraordinary compensation	na	Mr. Jean-François Dubos did not receive extraordinary compensation.
Stock options	na	The Company stopped awarding stock options in 2013.
Performance Shares	na	Mr. Jean-François Dubos was not granted any performance shares in 2014.
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Jean-François Dubos received no attendance fees.
Benefits in kind	€4,951	Company car without driver.

Deferred compensation elements owed or granted in 2014 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to regulated agreements and commitments	Amount	Description
Severance payment	No payment	Mr. Jean-François Dubos received no severance payment in respect of his corporate office or his employment contract.
Non-competition payment	No payment	Mr. Jean-François Dubos did not receive payment of this kind.
Supplemental retirement plan	Amount of annual annuity: €411,611	Mr. Jean-François Dubos, after 23 years of service within the Vivendi group, exercised his right to pension benefits as of June 30, 2014. This pension is paid by the organization mandated by Vivendi SA to manage the supplemental retirement plan, out of funds from a portfolio of hedging assets managed by that organization under this regime. It represents 20.79% of his last target compensation and 30% of his reference salary. It takes into account his seniority of 23 years within Vivendi SA.

na: not applicable.

Mr. Jean-Yves Charlier

Compensation elements (fiscal year 2014)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (full year)	€475,000	Gross fixed compensation approved by the Supervisory Board on December 11, 2013, upon the recommendation of the Human Resources Committee.
2013 variable compensation paid in 2014	na	
2014 variable compensation paid in 2014	€570,000	At its meeting held on August 28, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Jean-Yves Charlier in respect of 2014. They total his target bonus (prorata temporis) (see Section 3.3.1.4), which was paid to him upon his departure.
Variable deferred compensation	na	Mr. Jean-Yves Charlier did not receive variable deferred compensation.
Multi-year variable compensation	na	Mr. Jean-Yves Charlier did not receive multi-year variable compensation.
Extraordinary compensation	na	Mr. Jean-Yves Charlier did not receive extraordinary compensation.
Stock options	na	The Company stopped awarding stock options in 2013.
Performance Shares	na	Mr. Jean-Yves Charlier was not granted any performance shares in 2014.
Director's attendance fees	na	As for all corporate Directors at group headquarters, Jean-Yves Charlier received no attendance fees.
Benefits in kind	€21,316	Company car without driver and common profit-sharing (collective agreement in force at Vivendi).

Deferred compensation elements owed or granted in 2014 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to regulated agreements and commitments	Amount	Description
Severance payment	No payment	Mr. Jean-Yves Charlier received no severance payment in respect of his corporate office.
Non-competition payment	No payment	Mr. Jean-Yves Charlier did not receive payment of this kind.
Supplemental retirement plan	No payment	Given his departure from the group, Mr. Jean-Yves Charlier is no longer entitled to the Vivendi SA supplemental retirement plan.

na: not applicable.

3.3.2. Highest Compensation Paid within the Group

In fiscal year 2014, the compensation of the ten highest-paid Vivendi SA officers in France totaled €16.24 million, including benefits in kind. In 2014, the total compensation for the ten highest-paid officers in the group as a whole was €45.09 million, including benefits in kind.

Consistent with current rules of ethics in the Vivendi group, corporate Directors or executives have waived their receipt of attendance fees for meetings as Directors or permanent representatives of company subsidiaries, as defined by Article L.233-16 of the French Commercial Code.

3.4. Performance Shares

In 2014, performance share grant plans consisted of 80,000 shares, or 0.028% of the share capital, before adjustment. Performance shares granted to members of the Management Board are presented in the table below.

3.4.1. Performance Shares Granted to Members of the Management Board in 2014: Plan 2014-2 of February 21, 2014 (AMF Recommendations, Table 6)

	Adjusted number of rights to shares granted during the fiscal year	Value of rights under the method used for Consolidated Financial Statements (in euros) (a)	Vesting date of the rights	Date of availability of the shares	Performance conditions
Arnaud de Puyfontaine	100,000	1,713,000	02/22/2016	02/23/2018	Yes
Hervé Philippe	0	na	na	na	na
Stéphane Roussel	0	na	na	na	na
Jean-François Dubos	0	na	na	na	na
TOTAL	**100,000**	**1,713,000**			

na: not applicable in 2014

(a) The retained value of the unit right, under IFRS standards, was €17.13 for the February 2014 grant.

The definitive vesting of performance shares granted in 2014 will be reviewed in 2016, in accordance with the provisions of the Plan Regulations, and these shares will not be available until 2018.

3.4.2. History of Performance Shares Granted (AMF Recommendations, Table 9)

	2014 (adjusted)	2013 (adjusted)	2012 (adjusted)	2011 (adjusted)	2010 (adjusted)
Date of the Shareholders' Meeting approving the share grant	AGM of 04/21/11	AGM of 04/21/11	AGM of 04/21/11	AGM of 04/24/08	AGM of 04/24/08
Date of the Supervisory Board meeting	02/21/14	02/22/13	02/29/12	02/28/11	02/25/10
Grant date	02/21/14	02/22/13	04/17/12	04/13/11	04/15/10
Maximum number of shares that may be granted pursuant to authorization by the Shareholders' Meeting	13,396,099	13,239,624	12,472,630	6,186,685	6,144,297
Maximum number of shares that may be granted during the year based on grants already made	4,420,712	4,369,075	4,115,968	4,514,175	5,572,960
Total number of shares granted	400,796	(a) 3,097,719	1,915,977	1,679,200	1,084,172
Number of rights canceled due to the departure of beneficiaries	0	102,378	35,289	31,890	13,223
Adjusted Number of Shares Granted to Members of the Management Board					
Arnaud de Puyfontaine, Chairman	105,497	na	na	na	na
Hervé Philippe	0	na	na	na	na
Stéphane Roussel	0	na	na	na	na
Jean-François Dubos	0	(b) 176,384	(c) 63,847	na	na
Vesting date	02/22/16	02/23/15	04/18/14	04/15/13	04/16/12
Date of availability	02/23/18	02/24/17	04/19/16	04/16/15	04/17/14

na: not applicable.

(a) The definitive grant in 2015 amounts to 2,269,592 shares, given the rate of achievement of the performance criteria attached to these plans (62% to 80% depending on the subsidiaries concerned, 76% for beneficiaries of Vivendi SA).

(b) Given the rate of achievement of the performance criteria applicable to beneficiaries of Vivendi SA (76%), the definitive grant in 2015 amounts to 141,393 performance shares.

(c) Given the rate of achievement of 88% of the performance criteria, recorded in 2014, the definitive grant in 2014 amounted to 56,186 performance shares.

3.4.3. Performance Shares that Became Available in Fiscal year 2014 (AMF Recommendations, Table 7)

Performance Shares that Became Available for each Management Board Member	Plan Number and Date	Number of Shares that Became Available During the Year	Conditions of Acquisition
Jean-François Dubos	2010/04 (2) 04/15/2010	14,336	Yes

3.4.4. Assessment of Performance Criteria for Fiscal Years 2013 and 2014 for Definitive Grant in 2015 of the 2013 Performance Share Plans

At its meeting held on February 27, 2015, the Supervisory Board, after review by the Corporate Governance, Nominations and Remuneration Committee, approved the level of satisfaction of objectives for the cumulative fiscal years 2013 and 2014 for the performance share plans. It confirmed that not all of the criteria that had been set were satisfied for fiscal year 2014. The definitive grant of the 2013 performance share plans represents 76% of the original grant to Vivendi SA Corporate Officers and beneficiaries. This rate varies between 62% and 80% for Corporate Officers and beneficiaries from the main subsidiaries. Consequently, 828,127 rights to performance shares granted in 2013 were canceled.

The level of satisfaction of objectives for the cumulative fiscal years 2013 and 2014 is presented in the table below.

Cumulative objectives for fiscal years 2013 and 2014

Weight	Criteria	Objective (100%)	Achieved	Success rate
70%	**Group objectives**			
	Group EBITA margin (1)	**12%**	**94%**	**66**
30%	**Average stock market performance for the 2013 and 2014 indices (2)**		**Vivendi share performance**	**10**
10.5%	Performance Stoxx Europe Telecom index (2013)	**38.9%**	0%	**0**
19.5% (3)	Performance of the STOXX® Europe Media index (2013 and 2014)	**51.0%**	53.6%	**10**
TOTAL				**76**

(1) Adjusted for the impact of the classification of the assets sold or held for sale at December 31, 2014, in accordance with IFRS 5.
(2) Dividends reinvested.
(3) Represents a Telecom Index weighting of 21% and Media Index weighting of 9% in 2013, and a Media Index weighting of 30% in 2014.

3.4.5. Conditions for Acquiring Performance Shares

Following the assessment of satisfaction of the performance criteria attached to the plans, performance shares vest at the end of a two-year period (three years for the grants to be approved in 2015), subject to a condition of presence (vesting period), and the shares must be held by the beneficiaries for an additional two-year period (retention period). Shares granted to US, Brazilian and British residents vest four years after the date of grant of the rights (five years for the grants to be approved in 2015).

In 2014, 2,326,869 shares were granted to beneficiaries following the vesting period (2010 plan for US and Brazil resident beneficiaries and 2012 plans). In 2014, 200,565 rights were canceled following the departure of certain beneficiaries.

3.4.6. Largest Grants of Performance Shares and Exercises of Options in 2014, excluding Corporate Directors (AMF Recommendations, Table 9)

The largest grants to beneficiaries other than corporate Directors totaled 295,299 performance shares, representing 77.70% of the total number of performance shares granted in 2014, and 0.021% of the share capital as of December 31, 2014. The ten largest exercises of stock options, other than by corporate Directors, consisted of a total of 2,308,297 stock options at an average weighted price of €17.10.

3.4.7. Grant of Stock Options to Members of the Management Board

The Company has not granted any stock options since 2013.

3.4.8. Options Exercised in 2014 by Corporate Directors (AMF Recommendations, Table 5)

In 2014, Mr. Jean-François Dubos exercised 236,500 options at a price of €17.48 (Plan 2004/05), and Mr. Jean-René Fourtou exercised 904,609 options at a price of €17.48 (Plan 2004/05).

3.4.9. Conditions for Corporate Directors to Hold Shares Received from the Exercise of Stock Options and Grants of Performance Shares

At its meeting held on March 6, 2007, pursuant to Articles L.225-185 and L.225-197-1 of the French Commercial Code, the Supervisory Board approved rules for members of the Management Board in relation to the holding of shares received from the exercise of stock options and performance shares granted since 2007.

Members of the Management Board must hold, until the end of their term of office, and in a registered account, a number of shares received from the exercise of stock options and performance shares granted since the implementation of the 2007 plan that is equal to at least 20% of the net capital gain on acquisition recognized each year, if any, from the date of exercise of the stock options or sale of the performance shares.

3.4.10. Conditions Specific to Vivendi

At its meeting held on February 27, 2015, and on the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to amend the rules on the obligation for Corporate Officers and executives of the group to hold shares of the company as follows:

- the Chairman and the members of the Management Board must now retain a number of shares corresponding to one year of their fixed gross compensation and target bonus in a registered account until they leave their positions; and
- members of Management and the executives of each of the operational subsidiaries must retain a number of shares corresponding to six months of their fixed gross compensation and target bonus in a registered account until they leave their positions.

The Corporate Officers and executives concerned must achieve these objectives within a maximum of five years after they assume their positions.

3.5. Trading in Company Securities

Vivendi complies with the General Regulations of the AMF and the recommendations of the AFEP and MEDEF. Consequently, purchase and sale transactions involving the Company's securities are prohibited during the period from the date when a member of the Supervisory Board or Management Board becomes aware of precise market information concerning the Company's day-to-day business or prospects which, if made public, would likely have a material impact on the Company's share price, up to the date when this information is made public. In addition, such transactions are prohibited for a period of 30 calendar days up to and including the date of publication of the Company's quarterly, semi-annual and annual financial statements. Vivendi prepares and distributes a summary schedule setting out the periods during which transactions involving the Company's shares are prohibited ("blackout periods"). This schedule also makes clear that the periods indicated do not preclude the existence of other blackout periods that may apply, due to awareness of specific market information concerning developments in Vivendi's business or prospects which, if made public, would be likely to have a material impact on the Company's share price.

At its meeting held on January 24, 2007, Vivendi's Management Board prohibited the use of all hedge transactions on stock options, shares resulting from the exercise of stock options, performance shares, and the Company's securities in general, through the hedged purchase or sale of shares or the use of any other option mechanism. These prohibitions appear in the rules of the stock option and performance share plans, and beneficiaries of these plans are reminded of them in the individual grant letters. This prohibition also appears in the internal rules of the Supervisory Board and Management Board.

3.5.1. Trading in Securities by Members of the Supervisory Board and the Management Board

Pursuant to Article 223-26 of the General Regulations of the AMF, the table below sets out transactions involving the Company's securities in 2014 up to the date of registration of this Annual Report that were reported to the Company and to the AMF:

	Purchases			Sales		
Name	Date	Quantity	Unit price in euros	Date	Quantity	Unit price in euros
Compagnie de Cornouaille (Bolloré Group)	09/01/14	730,810	19.8410			
	09/02/14	1,103,287	19.9480			
	09/03/14	37,447	19.9090			
	02/17/15	158,609	20.7980			
	03/02/15	40,548,020	21.00			
Vincent Bolloré	05/16/14	2,000	18.6350			
Philippe Bénacin	06/13/14	6,300	19.19			
	06/25/14	7,800	18.27			
Aliza Jabès	03/11/15	910	21.790			
Virginie Morgon	03/12/15	1,000	21.9551			
Katie Stanton	03/10/15	1,000	21.99			
Arnaud de Puyfontaine	06/03/14	500	19.335			
	03/04/15	2,000	21.0386			
Hervé Philippe	03/03/15	2,400	21.00			
Jean-René Fourtou				05/16/14	163,484	18.5775
				05/19/14	163,484	18.65
				05/19/14	163,484	18.8695
				05/19/14	163,484	18.9275
				05/20/14	163,488	18.8349
Jean-François Dubos				05/16/14	78,833	18.5021
				05/16/14	78,833	18.6500
				05/16/14	78,834	18.6217

3.6. Compliance Program

The purpose of the Compliance Program is to inform, train and raise the awareness of group employees in their activities, with a view to maximizing reduction of any liability risks incurred.

The Compliance Program sets rules of conduct based on general principles of international law (including those established by the OECD, ILO and EU law) as well as prevailing legislation in various countries (principally France and common law countries) and European legislation.

The Compliance Program sets forth the general ethical rules applicable to all group entities. These rules are applied downstream, in each operational business unit in every country in which Vivendi is present, adapted to address the specific features of each subsidiary's business as well as those of national legislation. At its meeting held on March 16, 2004, the Board of Directors of Vivendi, upon recommendation of its Audit Committee, approved a Financial Code of Ethics. This Code has been maintained following the change in the Company's organizational structure. The Code applies to the senior executives of Vivendi SA, particularly those responsible for communications and financial and accounting reporting, which totals approximately 60 people.

The Company's General Counsel, based at its headquarters, and the Compliance Officers of each business unit work to ensure overall consistency. An annual progress report is prepared and presented by Vivendi SA's Legal department, in conjunction with the various operational divisions, to the Audit Committee, which then reports to the Supervisory Board and transmits the report to the Management Board.

3.6.1. Reasons for the Program

The Compliance Program addresses the following main issues:

- the new national and international standards requiring companies to report on how they comply with their societal responsibilities; and
- the introduction of new non-financial rating criteria aimed at assessing the policies that companies have set up to manage this responsibility.

3.6.2. Objectives

The Compliance Program has two major purposes:

- to raise the awareness of group employees and provide them with a clear and precise reference tool that guides them in determining appropriate courses of action; and
- to reduce the risks of civil and criminal liability by both the group's employees and its companies.

3.7. Financial Information and Communication Procedures Committee

Set up in 2002, this Committee is responsible for the regular assessment of the Company's procedures for preparing and publishing financial data, and for reviewing financial information published quarterly.

3.7.1. Composition

Committee members are nominated by the Chairman of the Management Board. At a minimum, the Committee is made up of Vivendi's executives holding the following positions:

- the group's General Counsel (Chairman of the Committee);
- the Chief Financial Officer;
- the Chairman of Vivendi Village, Senior Executive Vice President of Communications and New Business;
- the Deputy Chief Financial Officers;
- the Senior Vice President of Audit and Risks; and
- the Executive Vice President of Investor Relations and Corporate Development.

Members of the Committee may appoint additional members, who are executives from the above-mentioned departments. The Committee is currently comprised of 15 regular attendees.

3.7.2. Powers

The Committee assists the Chairman of the Management Board and the group's Chief Financial Officer in ensuring that Vivendi fulfills its disclosure requirements with respect to investors, the public and the regulatory and market authorities, specifically the *Autorité des marchés financiers* (AMF) and Euronext Paris, in France.

In pursuing its duties and objectives, the Committee ensures that Vivendi has established adequate controls and procedures so that:

- any financial information that must be disclosed to investors, the public or the regulatory authorities is reported within the deadlines set forth by applicable laws and regulations;
- all corporate communications are subject to appropriate verification in accordance with the procedures set up by the Committee;
- all information requiring a release to investors or appearing in the documents recorded or filed with any regulatory authority is communicated to the Company's senior management, including the Chairman of the Management Board and the group's Chief Financial Officer, prior to release so that decisions regarding such information can be made in a timely manner;
- monitoring is provided to assess Vivendi's procedures and those of the business units for controlling information as well as internal control procedures, under the supervision of the Chairman of the Management Board and the Group's Chief Financial Officer;
- the Chairman of the Management Board and the group's Chief Financial Officer are advised of any major procedural issues of which the Committee should be informed, and which are likely to affect Vivendi's procedures for controlling information and its internal control procedures. The Committee issues recommendations, where necessary, for changes to be made to these controls and procedures. The Committee monitors the implementation of changes approved by the Chairman of the Management Board and the group's Chief Financial Officer; and
- more generally, the Chairman of the Management Board and the group's Chief Financial Officer are assured that they will receive any information they might request.

3.7.3. Activity in 2014

The Committee meets at the request of the Chairman of the Management Board, the Chief Financial Officer, the Chairman of the Committee or of one of its members. Meetings are held prior to each meeting of the Audit Committee, and are coordinated with the schedule for releasing financial information on the group's results. In 2014, the Committee met six times. Its proceedings primarily consisted of:

- examining the annual and semi-annual accounts certification letters signed by the Chairman and Chief Financial Officer of each of the group's business units;
- reviewing the financial information published in the annual, semi-annual and quarterly Financial Reports and information published in the Annual Report – Reference Document; and
- reviewing the business report and the environmental, corporate, and societal data report.

The Committee reports on its work to the Chairman of the Management Board and informs the Audit Committee, as necessary.

3.8. Management Committees

Every month throughout the year, as part of a rigorous process instituted through review of the monthly closures, all of the group's operational entities make a presentation to the General Management team of their respective business. Such presentations consist of the results of the month, analysis of their operational and strategic positioning, their monetary targets, formalized through the budget and monitoring of their implementation, their action plans, and other matters of significant interest.

3.9. General Management

3.9.1. Composition

Next to Mr. Vincent Bolloré, the Chairman of the Supervisory Board, the General Management is made up of the following members:

- Arnaud de Puyfontaine, Chairman of the Management Board;
- Hervé Philippe, Member of the Management Board and Financial Director;
- Stéphane Roussel, Member of the Management Board and Senior Executive Vice President, Development and Organization;
- Frédéric Crépin, Group General Counsel and Company Secretary;
- Simon Gillham, Chairman of Vivendi Village, Senior Executive Vice President of Communications and New Business.

SECTION 4 Report by the Chairman of Vivendi's Supervisory Board on Corporate Governance, Internal Audits and Risk Management – Fiscal Year 2014

This report will be presented at Vivendi's General Meeting of Shareholders to be held on April 17, 2015, pursuant to Article L.225-68 of the French Commercial Code. It was prepared with the assistance of General Management, the General Counsel and the Internal Audit and Risks department. It was presented to the Audit Committee prior to its approval by the Supervisory Board on February 27, 2015, in accordance with the recommendations of the AFEP and MEDEF Corporate Governance Code for publicly traded companies (hereinafter the AFEP/MEDEF Code).

Since 2005, Vivendi has been operating as a French corporation (*société anonyme*) with a two-tier Board consisting of a Management Board and a Supervisory Board to provide separate management and control functions.

Every month throughout the year, as part of a rigorous process instituted through review of the monthly closures, all of the group's operational entities make a presentation to the General Management team of their respective business. Such presentations consist of the results of the month, analysis of their operational and strategic positioning, their monetary targets, formalized through the budget and monitoring of their implementation, their action plans, and other matters of significant interest.

4.1. Corporate Governance

4.1.1. Conditions Governing the Preparation and Organization of the Work of the Supervisory Board

In 2014, the Supervisory Board met ten times. The attendance rate at meetings of the Supervisory Board was 92.4%. In 2014, the Management Board met 20 times. The attendance rate at meetings of the Management Board was 100%.

The composition as well as the conditions governing the preparation and organization of the work of the Supervisory Board and its committees are detailed in Sections 3.1.1.2 to 3.1.1.13 of Chapter 3 of this Annual Report.

4.1.2. 2014 Assessment of Governance by Special Agencies

In 2014, Vivendi was ranked 2nd among European companies in the media sector by Vigeo, the non-financial rating agency, which praised the performance of its corporate social responsibility (CSR) policy. The group maintained its position in the top Socially Responsible Investment (SRI) rankings: the ASPI Eurozone index, the NYSE Euronext Vigeo World 120, the Euronext Vigeo Europe 120, the Euronext Vigeo France 20, the ECPI Ethical Indexes (E-capital Partners), the FTSE4 Good Global (FTSE) and the Ethibel Excellence (Ethibel) investment registry index. On January 21, 2015, it was announced in the opening remarks of the World Economic Forum meeting in Davos that Vivendi has been included in the Global 100 list of the world's most responsible companies and continues to rank 4th among French companies.

4.1.3. Setting of Deferred Compensation and Benefits Granted to Members of the Management Board and its Chairman

The Supervisory Board complies with all AFEP and MEDEF recommendations regarding the compensation of Directors and Corporate Officers of listed companies.

Compensation of members of the Management Board and of the Company's senior managers is set by the Supervisory Board based on information provided by the Corporate Governance, Nominations and Remuneration Committee. The Corporate Governance, Nominations and Remuneration Committee uses comparative studies by external and independent advisers covering a range of French, European and international companies operating in business sectors similar or identical to those of Vivendi and its subsidiaries. The compensation of Management Board members consists of both fixed and variable components and is subject to the satisfaction of performance conditions.

Since 2010, Vivendi's Supervisory Board has used sustainable development and corporate social responsibility criteria to assess the compensation of the group's senior executives. Criteria that are relevant, measurable and verifiable have been set for each business unit based on their respective expertise and positioning. Accordingly, the calculation of bonuses for the relevant executives requires an assessment of their personal contribution to the group's CSR strategic issues, such as protecting and empowering young people in their media and cultural practices, promoting cultural diversity and safeguarding personal data.

For a full list of all principles and rules established by the Supervisory Board concerning deferred compensation and benefits of Management Board members and its Chairman, see Sections 3.3 and 3.4 of Chapter 3 of this Annual Report.

For a description of the performance criteria relating to the vesting of performance shares, see Section 3.4.4 of Chapter 3 of this Annual Report.

4.1.4. Conditions for the Holding of Vivendi Shares by Management Board Members and Corporate Officers

Conditions for the holding of Vivendi shares by members of the Management Board and Corporate Officers are detailed in Sections 3.4.9 and 3.4.10 of Chapter 3 of this Annual Report.

4.1.5. Terms and Conditions Governing Shareholder Attendance at General Meetings

Each shareholder has the right to cast a number of votes equal to the number of shares it owns or represents at all shareholders' meetings.

For a description of the terms and conditions governing shareholders' attendance at General Meetings, see Section 2.1.4 of Chapter 3 of this Annual Report.

4.2. Vivendi's Equal Opportunities Policy

At its meeting held on November 14, 2014, the Supervisory Board discussed gender equality within the group, following a review of the Corporate Governance, Nominations and Remuneration Committee's report on this issue.

In 2014, 35% of employees in the group were women (compared to 38% in 2013). The percentage of women in management positions of the Company was 35%, in line with their overall employment rate.

In October 2014, Vivendi participated in a study on the ratio of male to female Corporate Officers that was carried out among companies of the SBF 120 by *Ethics & Board*, an international observer of corporate governance of publicly traded companies. This study was performed under the sponsorship of the Ministry of Women's Rights in France (*Ministère des Droits des Femmes*). Vivendi was ranked 78th.

At the Supervisory Board meeting held on December 14, 2011, the Supervisory Board approved the implementation of a two-fold initiative to improve gender equality within the group: mentoring and networking. A status report was prepared and presented to the Supervisory Board at its meetings held on December 13, 2012, December 11, 2013 and November 14, 2014.

Launched in 2012, the "Andiamo" network continued its activities in 2014, with meetings in dedicated sessions and personal development workshops. These activities gave women in the network the opportunity to discover inspiring role models and to learn from and share experiences with researchers, coaches and consultants in relation to issues relating to leadership positions. The network has approximately 30 members, composed entirely of women at the same seniority level.

4.3. Internal Control Procedures

Vivendi strives to maintain the highest standards of internal control and financial disclosure. In 2014, in furtherance of this objective, the Financial Information and Communication Procedures Committee met six times.

This Committee assists the Chairman of the Management Board and the Chief Financial Officer to ensure that Vivendi fully complies with its disclosure obligations to investors, the public and the French regulatory and market authorities. It is chaired by the General Counsel and Company Secretary and is comprised of representatives of all the Company's corporate operational departments.

This Committee is responsible for the assessment of information Vivendi is required to make publicly available including: (i) periodic information, including disclosure of documents to investors and financial markets in compliance with French financial market regulations, (ii) press releases related to quarterly financial results and (iii) investors and analysts presentations.

For a description of the functions and activities of this Committee in 2014, see Section 3.7 of Chapter 3 of this Annual Report.

4.3.1. Definition and Objectives of Internal Control

The Company manages internal control through a set of procedures established by Vivendi's Management Board and implemented by its employees to ensure that the following objectives are met:

- compliance with laws and regulations as well as adherence to the group's corporate values;
- the implementation of guidelines and strategies established by the Management Board;
- the prevention and monitoring of operational and financial risks as well as the management of risk of error, fraud, and reputation;
- the optimization of internal processes to ensure effectiveness of operations and efficient use of resources; and
- completeness and accuracy of accounting, financial and management information.

To achieve each of these objectives, Vivendi has defined and implemented general principles of internal control based to a large degree on the framework established by the report of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) published in 1992 and updated in 2013, as well as the reference framework of internal monitoring processes and the recommendations of the French *Autorité des marchés financiers* (AMF).

These principles are based upon:

- a policy that contributes to promoting a culture of internal control and principles of integrity;
- identification and analysis of risk factors that may adversely impact achievement of the group's objectives;
- the organization and establishment of procedures aimed at ensuring the implementation of the goals set by the Management Board;
- periodic review of control measures and an ongoing search for areas of improvement; and
- the process of channeling information relating to internal control.

However, as with any system of control, the application of these principles cannot provide an absolute certainty that all risks will be completely eliminated or controlled.

4.3.2. Scope of Internal Control

Vivendi is currently organized into three business units: the Canal+ group, the Universal Music Group and Vivendi Village (1). Each of these entities must implement the strategies set by the Management Board, including objectives in the area of internal control. SFR and GVT were classified as assets held for sale pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. The sale of SFR was completed on November 27, 2014 and the sale of GVT is ongoing. Each entity has a tailored set of internal control measures that includes both the implementation of the group's procedures and the definition and implementation of procedures specific to each business unit, depending on its organization, culture, risk factors and operational requirements. Vivendi, as the parent company, ensures that such internal control measures exist and adequately address the needs of each entity, particularly with respect to the accounting and financial procedures applied by group entities that are fully consolidated.

4.3.3. Internal Control Components

4.3.3.1. Control Environment

Rules of Conduct and Ethics Applicable to All Employees

Vivendi ensures that all aspects of corporate responsibility are taken into account. Vivendi has therefore established a charter of the group's values that includes consumer focus, creativity, ethics, cultural diversity and corporate and social responsibility. Vivendi is a signatory of the United Nations Global Compact.

A Compliance Program also sets general rules of ethics applicable to all group employees regardless of their seniority and position. These rules, available on the Vivendi website at www.vivendi.com, cover the following areas: employees' rights, integrity and protection of information and personal data, prevention of conflicts of interest, commercial and financial ethics, protection of the group's assets and resources, environmental respect and corporate social responsibility.

The Compliance Program has three major purposes:

- to raise awareness among the group's employees and provide them with a reference tool and guidance for determining appropriate courses of action;
- to minimize to the greatest extent the risk of civil and criminal liability for both the group's employees and companies; and
- to discuss in depth a cross-disciplinary theme each year. For this purpose, over the past five years, the following topics have been addressed: conflicts of interest, protection of personal data, preservation of tangible and intangible data, anti-corruption measures and the proper use of digital media within social networks. The 2014 report focuses on the progress made by subsidiaries in implementing their procedures regarding fraud, corruption and conflicts of interest.

The Compliance Program establishes rules of conduct based on general principles of international law, including those established by the OECD, ILO and European Union law, as well as legislation in Europe and various countries, principally those of France and countries with legal systems based on common law. Following this approach, each operational business unit has also established its own Code of Ethics.

The group's General Counsel and Company Secretary and the Compliance Officers of the principal business units work to ensure the overall consistency of the program. An annual Activity Report is presented to the Audit Committee, which then reports to the Supervisory Board.

(1) *Vivendi Village includes Digitick, See Tickets, Wengo and Watchever.*

The protection of personal data remains a major concern for Vivendi. Accordingly, the general counsels of the various business and legal departments within the group have been made aware of the updated charters on data and content protection and of the Good Practices Guidelines in respect of matters of sensitive data protection. Inspections and audits are conducted on a regular basis to ensure that the safeguard procedures have been properly applied.

Responsibilities and Commitments of each Business Unit's General Management

Every six months, the Chairman and Chief Financial Officer of each business unit signs a representation letter certifying compliance with internal control procedures relating to the preparation of financial statements and financial and industry-based information items, to ensure the accuracy, integrity and reliability of financial disclosure.

At the proposal of the Audit Committee, Vivendi established a Code of Financial Ethics. It applies to the senior executives of Vivendi SA responsible for communications and financial and accounting reporting.

Rules on Market Ethics

Vivendi complies with the General Regulations of the AMF as well as with the recommendations of the AFEP and MEDEF. Consequently, purchase and sale transactions involving company securities are prohibited during the period from the date on which a member of the Supervisory Board or the Management Board becomes aware of precise market information concerning the Company's day-to-day business or prospects which, if made public, would likely have a material impact on the Company's share price, up to the date on which this information is made public. In addition, such transactions are prohibited for 30 calendar days preceding and including the day of publication of the Company's quarterly, half-yearly and annual financial statements. The Company prepares and distributes a summary schedule setting out the periods during which transactions involving Company shares are prohibited ("blackout periods"). Pursuant to the AFEP/MEDEF Code, hedging transactions of any kind on the Company's securities following the exercise of stock options are prohibited.

Blackout periods are the subject of individual reminders sent via e-mail whenever necessary including before each identified Financial Reporting period.

Delegation of Powers

The delegation of operational powers, whether on a single occasion or on a recurring basis, is one of the responsibilities of the General Management of Vivendi and of the General Management of each of its business units. These delegated powers are updated and formalized on a regular basis in accordance with the evolving role and responsibilities of the relevant delegate.

4.4. Risk Monitoring and Management

Vivendi's Management Board is responsible for identifying and reviewing measures to manage risks within business units that are likely to affect achievement of the group's objectives.

At the group level, risks are assessed based on a qualitative and quantitative approach in reference to each business unit. In 2014, the Audit and Risk Department drew up a risk mapping for each of the group's principal business units. For each entity, the risk mapping was based on interviews held with 30 to 40 senior and operating managers. These mappings were then reviewed by the business unit managers, the Vivendi Management Board and the Statutory Auditors and presented to the Vivendi Audit Committee on December 9, 2014.

The principal risks faced by the Company are described in Chapter 1, Risk Factors of this Annual Report and in Chapter 4, Note 22 to the Consolidated Financial Statements relating to market risk management and derivative instruments.

Vivendi's General Counsel and Company Secretary and legal department are responsible for the prevention and management of risks relating to ethics, competition and conflicts of interest. The management of financial risks, including liquidity, interest and exchange rates, is carried out by Vivendi's Finance, Risk Management and Treasury departments through a centralized organization at the Company's headquarters.

Operational risks are managed by the business units, taking into account specific aspects of their operations (e.g., regulatory risks in the Pay-TV businesses, risks associated with infringement of intellectual property rights in the music business and risks associated with piracy and counterfeiting in the film and music businesses).

The policy of covering insurable risks, such as damage and operating losses from accident and civil liability is monitored by Vivendi's Risk Management department in collaboration with the Finance department and the General Counsel and Company Secretary. For a description of the current insurance programs (see, Chapter 1 of this Annual Report).

4.4.1. Internal Control Operations

Control operations are primarily performed by the functional and operational management teams in accordance with existing reference procedures.

The following bodies ensure the monitoring of internal control measures:

Audit Committee

The Audit Committee is comprised of independent members of the Supervisory Board. Pursuant to the powers conferred upon it, the Audit Committee prepares the decisions of the Supervisory Board and provides recommendations or issues opinions to the Supervisory Board on a wide range of matters. In 2014, at the proposal of its Chairman, the Audit Committee established a multi-year program, reviewed and reinforced by its members. This program specifically covers:

- a review of the quarterly Consolidated Financial Statements and annual financial statements of Vivendi SA, prepared by the Management Board;
- a review of impairment tests;
- monitoring of the Company's cash and any alerts as to potential related issues;

- a review of the assessment and coverage of operational and financial risks;
- changes in accounting standards, methods and accounting principles, the Company's scope of consolidation and the Company's off balance sheet commitments;
- the consistency and effectiveness of internal control measures and a review of this report;
- a review of tax-related risks;
- a review of major legal proceedings including legal and regulatory issues;
- a review of the insurance program;
- a review of material internal control weaknesses and, if applicable, a review of corruption and fraud cases;
- a review of the Annual Report on the Compliance Program, the proposal of any measure likely to improve its effectiveness and, if applicable, the formulation of an opinion on this review; and
- appointment and compensation of the Statutory Auditors.

A report is regularly presented by the Chairman of the Audit Committee to the Vivendi Supervisory Board and sent to every member of the Audit Committee and Supervisory Board.

In 2014, Vivendi's Audit Committee met six times with an 81% attendance rate. For a description of its work, see Section 3.1.1.13 of Chapter 3 of this Annual Report.

In furtherance of the Audit Committee's responsibilities, a specialized Committee was established whose meetings were open to all other members of the Supervisory Board. This Committee was responsible for reviewing issues relating to the planned separation of the media and telecommunications operations, which had been scheduled for July 2013. This Committee met twice between the end of 2013 and early 2014.

An *ad hoc* Committee, comprising Henri Lachmann (Chairman), Daniel Camus, Alexandre de Juniac and Nathalie Bricault, was set up in early 2014 to review offers received in connection with the sale of SFR. This Committee met eight times.

4.4.2. Internal Control Monitoring

The work performed by the Statutory Auditors in relation to the review and assessment of internal control is contained in a detailed presentation to the general management and the Audit Committees of the business units concerned. A summary of their conclusions was presented to Vivendi's Audit Committee.

Audit and Risk Department

The Audit and Risk department (made up of ten internal auditors for financial audits and external auditors for IT audits) reports to the Chief Financial Officer of the Vivendi group and is responsible for independently assessing the quality of internal controls at every level of the organization. The operations of the Internal Audit department are governed by a Charter approved by the Audit Committee.

The audit departments of Canal+ Group (five auditors) and GVT (seven auditors) bring additional resources to improve the effectiveness of the internal control at the business unit level. The annual audit plan approved by the Management Board provides that on average 44% of its projects will be conducted jointly by the auditing teams of the business units and headquarters.

The internal audit teams are responsible for performing an independent assessment of the effectiveness of internal control processes, based on an annual audit plan approved by the group's Management Board and presented to the Audit Committee. This plan stems from both an independent analysis of the operational, IT and financial risks of each business unit and consultation with the general management of each business unit. Reports on the audit work carried out are sent to Vivendi's General Management, as well as to operational and functional management and their superiors. Summary reports are presented at each Audit Committee meeting along with any comments made by the group's Statutory Auditors. Follow-up audits are generally performed within 12 months to ensure that recommended action plans and agreed corrective measures (if any) have been implemented. A status report on the implementation of the recommendations following an audit is presented to the Audit Committee once a year. A semi-annual internal audit report is presented to the Management Board and the Supervisory Board.

The group may encounter cases of fraud in connection with its operations, which – as soon as they are identified – are systematically reported to the Audit Committee and may be the subject of special investigations and, where applicable, may result in the imposition of penalties.

4.5. Key Procedures for Financial and Accounting Information

The procedures listed below help reinforce internal controls over the treatment of financial and accounting information disclosed by Vivendi. Provisions of the guide on applying internal control procedures in relation to financial disclosures, contained in the internal control standards published by the AMF, were taken into account when updating these procedures.

Consolidation and Financial Reports: the group's Consolidated Financial Statements and its Financial Reporting were prepared in accordance with international accounting standards (IFRS) and are based on accounting data prepared by the management for each business unit. The IFRS standards and IFRS Interpretations Committee (IFRIC) interpretations used are those adopted by the European Union. The main topics addressed in the Financial Report must comply with specific requirements, which include, in particular, an impairment test on assets held by the Company during the 4th quarter of each fiscal year, an assessment of liquidity risk, valuation of employee benefits, duties and taxes (see below) and off balance sheet commitments. The Consolidated Financial Statements are closed and approved by the Management Board quarterly and are reviewed by the Audit Committee. The annual and half yearly financial statements are reviewed by the Supervisory Board, in reliance on observations made by the Audit Committee. The group's financial statements are published quarterly. They are subject to an annual audit and limited semi-annual reviews by the group's Statutory Auditors.

Budget and management control: every year, each business unit presents its strategy and annual budget for the following year to the group's Senior Management. After approval by Vivendi's Management Board, a summary is then presented to the Supervisory Board. Quantitative and qualitative targets used as a basis to assess annual performance are then set for each business unit's management. Budgets are reviewed each month and updated three times per year.

Investments/divestments: any investments or divestments exceeding €15 million must receive prior approval from the Investment Committee chaired by the Chairman of the Management Board. This procedure applies to all transactions, including the acquisition of equity interests and the launch of new businesses, whatever the amount, and to any other financial commitment, including, among others, the purchase of rights and property contracts, that were not provided for in the annual budget. The Investment Committee meets as often as necessary. The analysis of documents and preparation of reports is done by the Disposals and Acquisitions department at the Company headquarters. Any transaction involving amounts greater than €100 million and €300 million must receive the prior approval of the Management Board and the Supervisory Board, respectively, pursuant to their Internal Regulations.

Monitoring of investment transactions: in connection with the regular follow-up of value creation, Vivendi's Management Board has strengthened the process of post-completion analysis of investment transactions, supplementing the existing budgetary reviews and quarterly Financial Reporting. The purpose of this analysis is to validate the implementation of controls as well as actual financial performance pursuant to the business plan approved for the acquisition. It takes into account both the progressive integration of companies acquired by the business units and the impact of changing market conditions following the acquisition date. Vivendi's Internal Audit department reviews the conclusions, which are then presented to Vivendi's Senior Management and, if there are any major issues, to the Management Board. An annual summary is presented to Vivendi's Audit Committee.

Monitoring of financial commitments: as part of the Financial Reporting process, the business units prepare a list of commitments given and received on a quarterly basis. These commitments are presented by the legal and finance officers of the business units at meetings held with the Vivendi's group's Management, which take place as part of the closing process for the annual financial statements. They are also presented to the Audit Committee once a year.

Sureties, endorsements and guarantees: pursuant to the provisions of the Company's by-laws and the Internal Regulations of the Supervisory Board, the granting of sureties, endorsements and guarantees by Vivendi to its subsidiaries is subject to prior approval in accordance with the following dual limitations:

- any commitment under €100 million where the aggregate amount of commitments is under €1 billion is subject to the approval of the Management Board, which may delegate such power. The approval requires the signatures of both the Chief Financial Officer and the General Counsel and Company Secretary; and
- any commitment over €100 million and any commitment, regardless of the amount, where the cumulative amount of commitments is over €1 billion is subject to the approval of the Supervisory Board. The approval requires the Chairman of the Management Board's signature.

Treasury, financing and liquidity: the management of cash flows and hedging transactions (foreign exchange and interest rates) is centralized at the headquarters of Vivendi SA. GVT's treasury functions are managed independently and are tailored to the group's policies and procedures. The liquidity position at the business unit level, as well as exposure to foreign exchange and interest rate risks, are monitored on a bi-monthly basis by a Treasury Committee. The majority of medium and long-term financing operations occur at the head office and such operations are subject to the prior approval of the Management Board and Supervisory Board, in accordance with their Internal Regulations. However, financing transactions that are part of the management of the Company's debt, when used to optimize it within thresholds previously authorized by the Supervisory Board, only require a notification to the Board. A financial management presentation is made to the Audit Committee once a year.

Duties and taxes: Vivendi SA's Tax department also provides advice to the group's subsidiaries and is responsible for tax audit defense before local tax authorities, with the exception of the companies within the GVT business unit in which case it participates in the review and auditing of duties and taxes as part of the preparation of the Vivendi group's Consolidated Financial Statements.

Litigation: major disputes are monitored directly or coordinated by the group's General Counsel and Company Secretary. A report relating to litigation involving Vivendi and its business units is prepared by the group's legal department in collaboration with the general counsels and heads of the legal departments of the main business units. A summary litigation report is provided to the Management Board on a monthly basis. A table of current litigation and disputes is updated for each quarterly closing date based on information provided by each business unit; a summary of this table is included in the Management Board's quarterly business report to the Supervisory Board. The Audit Committee, Supervisory Board and Management Board are kept informed of material ongoing litigation matters by the General Counsel and Company Secretary at all times.

4.6. Information and Communication

The group's values, Compliance Program, Data and Content Protection Charter and CSR policy are made available to employees and to the public on the Vivendi website at www.vivendi.com.

Group procedures designed to assist with the preparation of financial and accounting information are updated once a year and are available in French and English on the group's Intranet site. These procedures, which must be applied by each of the business units and headquarters, include: the IFRS accounting principles and the chart of accounts for the Vivendi group; the principles and procedures applicable to treasury transactions (banking relationships, foreign exchange, finance and investment); the procedures applicable to investment transactions; sales of assets; short-term and long-term financing transactions; the monitoring of disputes; the monitoring of sureties; endorsements and guarantees; and the rules relating to the prior approval of assignments given to the Statutory Auditors of Vivendi SA.

Training materials relating to the application of IFRS standards within the group are available online and are accessible to all employees. Training is organized each year by the Corporate Consolidation and Financial Reporting department.

4.7. Corporate Social Responsibility (CSR)

4.7.1. CSR, a Source of Value Creation for Vivendi and its Stakeholders

Innovative Positioning

Vivendi distinguishes itself with its approach and contribution to sustainable development: one that aims to meet the needs of present and future generations to communicate, feed their curiosity, foster the development of talent and encourage intercultural dialogue to promote mutual understanding and learning to live together.

As a publisher and distributor of content, the group has a human, intellectual and cultural influence on society.

The group is at the heart of the worlds of content, platforms and interactive networks. In 2014, Vivendi invested €2.3 billion in content.

Accordingly, as early as 2003, Vivendi focused its societal responsibility on three "core" strategic issues linked to the group's operations:

- promoting cultural diversity in the production and distribution of content while fostering the artistic creative process;
- protecting and empowering young people when they use digital media; and
- fostering knowledge sharing by enabling more customers to access media and by guaranteeing pluralism of content.

Vivendi's Eight Priority Issues

Vivendi operates a CSR policy that links its economic, societal, social and environmental performance with its operations and geographic presence.

The group makes its commitment clearly visible to all its stakeholders who were invited to participate in a consultation conducted in June 2014 to gain a clearer understanding of how they perceive the group's CSR policy. The three historical issues were seen as being particularly relevant to the group's business. Following this consultation, the valuation and protection of personal data was added to these three historical CSR issues in an effort to meet certain expectations from the stakeholders.

Vivendi's eight priority issues including those related to its "core business" are as follows:

- promotion of cultural diversity;
- protection and empowering of young people;
- knowledge sharing;
- valuation and protection of personal data;
- vigilance in business conduct;
- social and professional empowerment of employees;
- local economic, social and cultural development; and
- respect for the environment in the digital era.

These action areas are described in detail in the CSR section of Vivendi's website at www.vivendi.com. This section also includes all of Vivendi's non-financial indicators for fiscal year 2014 as well as the cross-reference table for the various reporting guidelines including the Global Reporting Initiative, French Grenelle II law, OECD, and United Nations Global Compact.

Creating Shared Value

Societal priorities are at the forefront of Vivendi's concerns and commitments. This position is welcomed by all partners with whom the group maintains a regular and constructive dialogue.

The high rating of Vivendi's CSR policy gives investors comfort in their investment choices. Vivendi's commitments to favoring the diversity of musical and cinematographic expression, pluralism and content quality, intercultural dialogue, access to media, and the empowering of young people, are what allow the group to gain market share. These trends and developments demonstrate that economic performance and sustainable development go hand in hand.

An Integrated Reporting Approach

Vivendi has initiated an integrated reporting approach, driven by a desire to better assess the CSR contribution to the results achieved by the group in the various missions that form part of its media operations.

Since 2003, the promotion of cultural diversity in the production and distribution of content has been recognized as a strategic issue and has contributed to the group's economic performance and to strengthening social cohesion. In 2013, General Management gave its approval to a pilot project aimed at measuring the contribution made by investments in a wide and diverse range of musical, film and audiovisual content.

This exercise has demonstrated that producing richly diverse cultural content is in the public interest (societal value) and gives the group a competitive advantage over its competitors (financial value).

In line with the group's commitments, this pilot project was expanded to an international scope in 2014 and was incorporated into a more strategic corporate vision setting forth its business model and value creation (see, Chapter 1 of this Annual Report).

4.7.2. Integration of CSR into Vivendi's Governance and Strategy

Cross-mobilization

In compliance with its Internal Regulations, the Supervisory Board annually reviews the societal responsibility policy implemented by the CSR department, which reports to the Senior Executive Vice President of Development and Organization who is a Management Board member. Every quarter, the Supervisory Board receives a status report on the roll-out of the CSR policy.

The CSR department establishes guidelines and engages in cross-disciplinary operations in close collaboration with the operating teams at headquarters and business units. Since 2003, it has been supported by a CSR Committee, which meets several times a year. This Committee brings together representatives dedicated to CSR issues in the business units, the representatives of several corporate operational departments as well as outside experts.

CSR Criteria Included in Senior Executives' Variable Compensation

The Supervisory Board has incorporated into the variable compensation of senior executives some CSR criteria associated with the three strategic issues that apply to all subsidiaries and are directly related to their operations: promoting cultural diversity; protecting and empowering young people; and fostering knowledge sharing. The issue on the valuation and protection of personal data was added to these three historical CSR issues in 2015. The Supervisory Board has required these CSR criteria to be defined for each business based on its expertise and positioning.

The Corporate Governance, Nominations and Remuneration Committee, within the Supervisory Board, assesses performance against these criteria and determines the components integrated into the variable compensation of executives.

Non-Financial Reporting, a Management Tool

Vivendi's non-Financial Reporting is a CSR management tool that enables the group to better control risks and capitalize on its opportunities. The incorporation of indicators linked to the group's strategic issues is an innovative approach in the media and cultural industries sector.

In 2014, Vivendi's Reporting Protocol was updated following a stakeholder consultation: it meets the requirements of Article 225 of the French Grenelle II law and incorporates the Media Sector Supplement of the Global Reporting Initiative (GRI) guidelines, to which Vivendi has been an active contributor.

These non-financial data collected pursuant to this reporting Protocol are set forth in Chapter 2 of this Annual Report and have been audited by Ernst & Young. The details of these data are showed in the CSR section of the corporate website. In the cultural and creative industries sector, Vivendi has for several years pioneered the reporting and verification of indicators directly linked to its operations.

Strategic Human Rights Issues

Vivendi has placed its strategic issues within the scope of human rights concerning the media and creative industries sector. This position has been applauded by the group's stakeholders and especially by the International Federation for Human Rights (FIDH). Following approval by the independent ethics Committee of the *Libertés & Solidarité* investment fund, FIDH has included Vivendi in its investment fund portfolio in November 2014. Its inclusion is primarily the result of "the innovative efforts made by Vivendi to understand, measure and improve its impact on human rights. The establishment and the reporting of indicators measuring impacts of the content distributed by Vivendi in terms of human rights is especially innovative." Vivendi is the first and only French media group to have been selected by this fund, which has been managed by La Banque Postale Asset Management since 2001.

4.8. Prospects

In 2015, Vivendi continues to promote and encourage its subsidiaries to accomplish the common goal of improving internal control procedures and internal monitoring with the reinforcement of procedures in compliance with the COSO framework published in May 2013 and their monitoring by the Audit and Risk department. The integrated reporting approach will be maintained and strengthened as it enables Vivendi to continue to drive the momentum to establish itself as an integrated industrial group, a leader in media and content.

Paris, February 27, 2015

Vincent Bolloré

Chairman of the Supervisory Board

SECTION 5 Statutory Auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code, on the Report prepared by the Chairman of the Supervisory Board of Vivendi SA

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and is construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Vivendi SA and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of the Supervisory Board of the Company in accordance with Article L.225-68 of the French Commercial Code (*Code de commerce*) for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare and submit to the Supervisory Board's approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L.225-68 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to confirm that the report also includes the other information required by Article L.225-68 of the French Commercial Code (*Code de commerce*) It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by Article L.225-68 of the French Commercial Code (*Code de commerce*).

Paris-La Défense, February 27, 2015

The Statutory Auditors

French original signed by

KPMG Audit	ERNST & YOUNG et Autres
Département de KPMG S.A.	
Baudouin Griton	Jean-Yves Jégourel
Associé	Associé

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Nota:

In accordance with European Commission Regulation (EC) 809/2004 (Article 28) which sets out the disclosure obligations for issuers of securities listed on a regulated market within the European Union (implementing Directive 2003/71/EC, the "Prospectus Regulation"), the following items are incorporated by reference into this report:

- *2013 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013, prepared under IFRS and the related Statutory Auditors' Report presented in pages 172 to 324 of the "Document de référence" No. D.14-0355, filed with the French Autorité des marchés financiers (AMF) on April 14, 2014, and on pages 172 to 324 of the English translation of this "Document de référence"; and*
- *2012 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2012, prepared under IFRS and the related Statutory Auditors' Report presented in pages 168 to 319 of the "Document de référence" No. D.13-0170, filed with the AMF on March 18, 2013, and on pages 168 to 319 of the English translation of this "Document de référence".*

Financial Report | Statutory Auditors' Report on the Consolidated Financial Statements | Consolidated Financial Statements | Statutory Auditors' Report on the Financial Statements | Statutory Financial Statements

4

Selected key consolidated financial data

PRELIMINARY COMMENTS

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively, i.e., the date of their effective sale by Vivendi.

The adjustments to previously published data are reported in Appendix 2 to the Financial Report and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2014. These adjustments were made to all periods as set out in the table of selected key consolidated financial data below in respect of data from the Consolidated Statements of Earnings and Cash Flows.

	Year ended December 31,				
	2014	2013	2012	2011	2010
Consolidated data					
Revenues	10,089	10,252	9,597	9,064	9,152
EBIT	736	637	(1,131)	1,269	777
Earnings attributable to Vivendi SA shareowners	4,744	1,967	179	2,681	2,198
of which earnings from continuing operations attributable to Vivendi SA shareowners	(290)	43	(1,565)	571	647
EBITA (a)	999	955	1,074	1,086	1,002
Adjusted net income (a)	626	454	318	270	514
Financial Net Debt/(Net Cash Position) (a)	(4,637)	11,097	13,419	12,027	8,073
Total equity	22,988	19,030	21,291	22,070	28,173
of which Vivendi SA shareowners' equity	22,606	17,457	18,325	19,447	24,058
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	1,086	1,139	1,139	1,205	1,251
Capital expenditures, net (capex, net) (b)	(243)	(245)	(293)	(308)	(271)
Cash flow from operations (CFFO) (a)	843	894	846	897	980
Cash flow from operations after interest and income tax paid (CFAIT)	421	503	772	826	370
Financial investments	(1,244)	(107)	(1,689)	(289)	(655)
Financial divestments	17,807	3,471	201	4,205	1,494
Dividends paid with respect to previous fiscal year	(c) 1,348	1,325	1,245	1,731	1,721
Per share data					
Weighted average number of shares outstanding	1,345.8	1,330.6	1,298.9	1,281.4	1,273.8
Adjusted net income per share	**0.46**	**0.34**	**0.24**	**0.21**	**0.40**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,351.6	1,339.6	1,322.5	1,287.4	1,278.7
Equity per share, attributable to Vivendi SA shareowners	16.73	13.03	13.86	15.11	18.81
Dividends per share paid with respect to previous fiscal year	(c) **1.00**	**1.00**	**1.00**	**1.40**	**1.40**

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

(a) The non-GAAP measures of EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), and Cash flow from operations (CFFO) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes, or as described in this Financial Report, and Vivendi considers that they are relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report or in its Appendix. In addition, it should be noted that other companies may define and calculate these indicators differently from Vivendi, thereby affecting comparability.

(b) Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

(c) On June 30, 2014, Vivendi SA paid an ordinary €1 per share to its shareholders from the additional paid-in capital, considered as a return of capital distribution to shareholders.

I – 2014 Financial Report

PRELIMINARY COMMENTS

- On February 11, 2015, at a meeting held at the headquarters of the company, the Management Board approved the Annual Financial Report and the Consolidated Financial Statements for the year ended December 31, 2014. Having considered the Audit Committee's recommendation from its meeting held on February 20, 2015, the Supervisory Board, at its meeting held on February 27, 2015, reviewed the Annual Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2014, as previously approved by the Management Board on February 11, 2015.
- The Consolidated Financial Statements for the year ended December 31, 2014 have been audited and certified by the Statutory Auditors with no qualified opinion. The Statutory Auditors' Report on the Consolidated Financial Statements is included in the preamble to the Financial Statements.
- In compliance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, GVT, SFR, Maroc Telecom, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations in accordance with the following terms:
  - **Ongoing sales as of December 31, 2014:** On September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT. As a result, GVT has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation as from the third quarter of 2014. Its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2014 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses".
  - **Completed sales as of December 31, 2014:** Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively. All three businesses have been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations.

The adjustments to previously published data are reported in Appendix 2 to the Financial Report and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2014.

SECTION 1 Significant events

1.1. Significant events in 2014

1.1.1. Group's Governance

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members: Ms. Katie Jacobs Stanton, Ms. Virginie Morgon and Mr. Philippe Bénacin.

Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr. Vincent Bolloré as Chairman. The Board also appointed Mr. Pierre Rodocanachi as Vice Chairman and Mr. Jean-René Fourtou, who had chaired the group since 2002, as Honorary Chairman. The Board appointed Mr. Daniel Camus as Chairman of the Audit Committee and Mr. Philippe Bénacin as Chairman of the Corporate Governance, Nominations, and Remuneration Committee.

The Supervisory Board also appointed the members to the Management Board, which is currently comprised of Messrs. Arnaud de Puyfontaine, who serves as Chairman, Hervé Philippe and Stéphane Roussel.

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative.

1.1.2. Sale of SFR

On November 27, 2014, pursuant to an agreement entered into on June 20, 2014 and following approval by the French Competition Authority on October 27, 2014 subject to conditions (see below), Vivendi announced the closing of the combination between SFR and Numericable. The main terms of this transaction are as follows:

Cash proceeds	€13.5 billion, subject to the sale price adjustment: on November 27, 2014, Vivendi received €13.366 billion in cash and, on December 3, 2014, Vivendi made a contribution of €200 million to the financing of the acquisition of Virgin Mobile by Numericable Group. Under the terms of the agreement, the price adjustment to be calculated is based, among other things, on any exceptional changes in the net working capital, SFR's net debt, as well as certain restatements as contractually defined by the parties and is subject to a contradictory accounting analysis in accordance with the contract.
Vivendi's interest in the combined entity	20% of Numericable-SFR (publicly-listed).
Altice's interest in the combined entity	Approximately 60% of Numericable-SFR (approximately 20% free float).
Earn-out	Earn-out of €750 million if the EBITDA-Capex aggregate of the combined entity is equal to or higher than €2 billion during any fiscal year, ending not later than December 31, 2024.
Commitments given	Limited representations and warranties.
Governance	■ Minority representation for Vivendi on the Board of Directors, or 2 out of 10 Directors, subject to Vivendi retaining a 20% interest in Numericable-SFR (1 Director if Vivendi holds an interest between 10% and 20%). ■ Veto rights on certain exceptional matters subject to Vivendi retaining a 20% interest in Numericable-SFR. ■ Numericable-SFR has notably given the French Competition Authority an undertaking not to disclose any strategic information on the pay-TV market, the distribution of pay-TV services, or ultramarine telecommunications markets to Vivendi.
Liquidity – Lock-up period	■ Standard 180-day lock-up period, including restrictions on any disposal or transfer of shares or equivalent transactions, following the date of settlement-delivery of the rights issue of Numericable Group (on November 20, 2014), at the request of the underwriting banks. ■ Lock-up period until the end of November 2015, after which Vivendi may sell or distribute its Numericable-SFR shares, without restrictions, with a right of priority granted to Altice (pre-emption right or right of first offer). ■ Vivendi has agreed not to acquire any Numericable-SFR shares, directly or indirectly, until June 30, 2018. ■ Subject to Vivendi retaining its shares, Altice will have a call option at market value (subject to a floor **(a)**) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over one-month window periods starting on June 1, 2016, June 1, 2017 and June 1, 2018. ■ Tag-along rights for Vivendi if Altice sells its shares.

(a) Volume Weighted Average Price (VWAP) of Numericable Group's share price over the 20 business days before the closing date (which occurred on November 27, 2014), €29.46, grossed-up at an annual rate of 5% during the period ranging from the closing date until the date of exercise of the call option.

As from the first quarter of 2014, SFR was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in the Statement of Financial Position of Vivendi as a discontinued operation. The capital gain on the sale of SFR amounted to €2,378 million (after taxes), recognized in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations". Excluding the discontinuation **(1)** of amortization since April 1, 2014, in accordance with IFRS 5, the capital gain on the sale of SFR amounted to €3,459 million (please refer to Note 3.1 to the Consolidated Financial Statements for the year ended December 31, 2014).

Recognition of 20% interest in Numericable-SFR

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13.166 billion in cash as well as 97,387,845 shares in the new combined entity Numericable-SFR, which represents a 20% interest and voting rights. Since that date, Vivendi deconsolidated SFR. Given the significant restrictive nature of the commitments given by Vivendi and Numericable-SFR to the French Competition Authority with respect to all Numericable-SFR's operations, Vivendi's minority representation on Numericable-SFR's Board of Directors together with the other specific rights granted to Vivendi by Numericable-SFR's governance (see above) helps Vivendi adequately protect its proprietary interests as a minority shareholder. Vivendi considers that it does not have the right to participate in Numericable-SFR's financial and operational policy-making processes, according to IAS 28. Without having a significant influence, the 20% interest in Numericable-SFR was recognized as an "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position, and, in accordance with IAS 39, was revalued at the stock market price at each reporting date (€3,987 million as of December 31, 2014) as the unrealized gains or losses were directly recognized in equity. From November 27, 2014 to December 31, 2014, the re-evaluation of Vivendi's interest in Numericable-SFR resulted in an unrealized gain of €743 million (before taxes).

(1) When an operation is discontinued, IFRS 5 requires the discontinuation of the amortization of the operation's tangible and intangible assets. Therefore, for SFR, reported as a discontinued operation since March 31, 2014, Vivendi discontinued the amortization of tangible and intangible assets as from the second quarter of 2014, resulting in a positive impact, attributable to Vivendi SA shareholders, of €1,081 million on earnings from discontinued operations from April 1 to November 27, 2014.

1.1.3. Plan to sell GVT

On August 28, 2014, Vivendi's Supervisory Board decided to enter into exclusive negotiations with Telefonica to sell GVT. After receiving a positive opinion from employee representatives, on September 18, 2014 it authorized the execution of an agreement with Telefonica for the sale of GVT. This agreement, the key terms of which are described below, represents a total enterprise value of €7.45 billion (based on the stock market value and foreign exchange rates on the date the exclusive negotiations were entered into with Telefonica), corresponding to a 2014 estimated EBITDA multiple of 10×. The closing of the transaction is subject to certain conditions, including the approval by the relevant regulatory authorities, and is expected to occur during the second quarter of 2015.

Cash proceeds at the completion date	€4.66 billion subject to the sale price adjustment, based, among other things, on exceptional changes in net working capital, GVT's bank debt (approximately €480 million), as well as certain restatements as contractually defined by the parties, at the completion date of the sale. Depending on these adjustments and the actual numbers as of the completion date, the amount of cash consideration paid, may be increased or decreased. Moreover, the cash proceeds, net of adjustments, will also be decreased by any applicable taxes related to the sale, currently estimated at approximately €500 million. The net sale price is estimated at approximately €3.75 billion.
Consideration shares	7.4% interest in Telefonica Brasil (VIVO/GVT) and 5.7% interest (8.3% voting rights) in Telecom Italia.
Financing	Capital increase at Vivo to fund cash proceeds, guaranteed by Telefonica.
Conditions precedent	Completion of the transaction is subject to obtaining approvals from ANATEL (*Agência Nacional de Telecomunicações*) and CADE (*Conselho Administrativo de Defesa Econômica*) in Brazil, and other conditions customary in this type of transaction.
Commitments given	Limited representations and warranties.
Liquidity	With respect to Vivendi's interest in the combined VIVO/GVT entity: ■ maximum 180 day lock-up period starting as from the completion date of the transaction; and ■ tag-along rights.
Governance	No specific governance rights in VIVO/GVT and Telecom Italia.

As from the third quarter of 2014, given the expected closing date of this transaction, GVT was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in Statement of Financial Position of Vivendi as a discontinued operation.

1.1.4. Sale of Maroc Telecom group

On May 14, 2014, pursuant to the agreements entered into on November 4, 2013, Vivendi sold its 53% interest in Maroc Telecom to Etisalat and received €4,138 million in cash proceeds from the sale after a contractual price adjustment (-€49 million). On the same date, Vivendi deconsolidated Maroc Telecom and recorded a capital gain of €786 million (before taxes and net of costs related to the sale), which is presented under "Earnings from discontinued operations" in 2014. The agreements, which are described in Note 3.3 to the Consolidated Financial Statements for the year ended December 31, 2014, contained representations and warranties customary to this type of transaction.

1.1.5. Canal+ Group

Broadcasting rights for sport events

In 2014, Canal+ Group was awarded broadcasting rights to the following sport events:

- the French Professional Soccer League 1, for four seasons (2016/2017 to 2019/2020): the two premium lots for an aggregate amount of €2,160 million (or €540 million per season); and
- the Champions League for three seasons (2015/2016 to 2017/2018).

On January 14, 2014, Canal+ Group was awarded broadcasting rights for the National French Rugby Championship "TOP 14" for five seasons (2014/2015 to 2018/2019). These exclusive rights related to all of the "TOP 14" matches across all media and all territories in which the Canal+ Group operates. On July 30, 2014, the French Competition Authority suspended the agreement between Canal+ Group and the National Rugby League as from the 2015/2016 season and ruled that a new call for tenders should be organized for the four seasons (2015/2016 to 2018/2019). Following to this call for tenders carried out in December 2014 and January 2015, Canal+ Group secured exclusive rights related to all of the "TOP 14" matches. These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover seasons 2015/2016 to 2018/2019.

Acquisitions by Canal+ Overseas

On February 13, 2014, following approval from the French Competition Authority, Canal+ Overseas completed its acquisition of a 51% interest in Mediaserv, an overseas telecom operator.

On October 28, 2014, Canal+ Overseas acquired a majority interest in Thema, a company specializing in the distribution of general, thematic and ethnic television channels in France and abroad. Among other channels, Thema broadcasts the African fiction TV channel Nollywood.

Launch of the A+ channel

On October 24, the A+ channel officially launched in Africa and will be broadcast in more than 20 countries in West and Central Africa through Canalsat. A+ is positioning itself as "the great African channel", seeking to bring together a wide audience and offering rich, varied and high quality programming.

TNT license in Congo

On December 12, 2014, Canal+ signed an operating agreement in relation to cable television services on digital terrestrial television in the Republic of Congo, where the company already offers television services via satellite.

TVN interest in Poland

On October 16, 2014, Canal+ Group and ITI Group announced that they were jointly considering strategic options in relation to their 51% interest in TVN (FTA broadcaster in Poland).

Success at the box office for *Non-Stop* and *Paddington*

In March 2014, *Non-Stop*, directed by Jaume Collet-Serra and starring Liam Neeson and Julianne Moore, arrived in first place at the US weekend box office with $56 million in revenue after its first operating weekend. This success was largely confirmed wherever the film was subsequently released, including in France, Germany and China where it also dominated its competitors during its release. To date, the film has generated $236 million in worldwide revenue.

Since the end of November 2014, *Paddington*, produced by David Heyman (the Harry Potter saga, Gravity..) and featuring Hugh Bonneville and Nicole Kidman has captivated audiences around the world. *Paddington* is the biggest success for a Studiocanal film in the United Kingdom, where it earned £34 million in revenue in eight weeks. In France, it sold 2.8 million tickets and it is off to a great start in the United States where it is distributed by the Weinstein Company. As of February 4, 2015, *Paddington* had exceeded $200 million in worldwide revenues, a record for a family film produced by an independent studio.

TV Series Development

In 2014, Studiocanal produced 57 hours of series television through its subsidiaries Red Production Company and Tandem. Red produced season 4 of *Scott and Bailey*, and the new series *Happy Valley*, *Prey* and *The Driver* all of which broke audience and satisfaction records in the United Kingdom when broadcast. Tandem produced season 2 of *Crossing Lines*, the crime series with an international cast and the *Spotless* series, an original Canal+ creation.

New partnerships entered into by Studiocanal

In May 2014, Canal+ and Studiocanal joined forces with writers and creators Søren Sveistrup and Adam Price and producer and CEO Meta Louise Foldager to create the production company SAM Productions ApS. SAM will work with the strongest Scandinavian creative talents to produce TV-series for the international market. Studiocanal joined SAM as a partner and will serve as the company's distributor.

In September 2014, Studiocanal and The Picture Company – Andrew Rona and Alex Heineman's new production company – announced they had entered into a development and production agreement. The first collaboration is the development of the adaptation of Tom Wood's *Victor the Assassin* book franchise to be directed by Pierre Morel. In the past, the two producers, while at Silver Pictures, produced several hit action films for Studiocanal including *Without Identity* and *Non-Stop*, as well as the soon-to-be released *The Gunman*, also directed by Pierre More.

In September 2014, Grand Electric, the new production company created by Eric Newman, and Studiocanal entered into an agreement for the acquisition, development and production of feature films for the European and American markets. Under this agreement, Studiocanal will be both a creative and financial partner, will handle international sales and will distribute the new Grand Electric films in its territories.

On September 4, 2014, Studiocanal and Svensk Filmindustri entered into a strategic partnership to distribute all Studiocanal films across the Nordic market (Sweden, Norway, Denmark and Finland) and co-produce films and TV-series. This strategic partnership capitalizes upon Nordic titles and talents and targets the international market. Svensk Filmindustri will be responsible for the Nordic market and Studiocanal will be responsible for international distribution.

On October 8, 2014, Studiocanal extended its multi-year SVOD agreement with Amazon in the United Kingdom and Germany. Amazon will have the exclusive first pay-TV rights to all Studiocanal theatrical titles in both territories, as well as hundreds of library titles added to its service.

1.1.6. Universal Music Group (UMG)

Acquisition of Eagle Rock Entertainment Group Limited

On April 8, 2014, UMG acquired the entire issued share capital of Eagle Rock Entertainment Group Limited, an independent producer and distributor of music films and programming for DVD, television and digital media.

Sale of interest in Beats

On August 1, 2014, UMG sold its interest in Beats to Apple for a net amount of €250 million (of which €221 million was received during the period). The net gain on sale, recorded as other income in the Statement of Earnings, amounted to €179 million.

Sale of Parlophone Label Group

On July 1, 2013, Vivendi sold Parlophone Label Group to Warner Music Group for a consideration of €591 million. The arbitration process in respect of contractual restatements to Parlophone Label Group's sale price completed at the end of November 2014 and UMG was awarded a further €30 million. As a result, this restatement took the total amount received from Warner Music Group in respect of this sale to €621 million.

New agreements entered into with Havas

Havas and Universal Music Group (UMG) announced the following agreements:

- on September 29, 2014: digital brand integrations in select UMG music videos by using Mirriad's Academy Award-winning video technology; and
- on January 5, 2015: formation of Global Music Data Alliance (GMDA) related to consumer's data.

1.1.7. Vivendi Village

Vivendi Village consists of the following companies as of December 31, 2014: Vivendi Ticketing (with See Tickets and Digitick), Watchever and Wengo.

Watchever

In Germany, since the start of the second half of 2014, Vivendi is carrying out a transformation plan at Watchever to reduce costs while at the same time exploring new content and platform monetization models. An exceptional provision of €44 million was recorded as of June 30, 2014, reduced by €18 million.

1.1.8. Sale of Activision Blizzard shares

In accordance with the agreements entered into on October 11, 2013, the 83 million Activision Blizzard shares retained by Vivendi were subject to a two-tiered lock-up provision:

- from October 11, 2013 until April 9, 2014, Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly; from April 10, until July 9, 2014, Vivendi can sell Activision Blizzard shares provided they constitute no more than the lesser of (i) 50% of Vivendi's 83 million remaining shares and (ii) 9% of the outstanding shares of Activision Blizzard; and
- from July 10, 2014 until January 7, 2015, Vivendi was subject to another lock-up provision; as from January 7, 2015, Vivendi may sell its remaining Activision Blizzard shares without restriction.

Considering the initial intention of Vivendi Management to sell these shares at the end of the lock-up periods if market conditions were favorable, the 83 million Activision Blizzard shares were classified as "Assets held for sale".

On May 22, 2014, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares for $852 million (€623 million). The €84 million capital gain is presented in "Earnings from discontinued operations". Taking into account the capital gain of €123 million recorded in 2013, the capital gain realized by Vivendi with respect to this first tranche of Activision Blizzard shares amounted to €207 million.

As of December 31, 2014, the remaining interest of 41.5 million Activision Blizzard shares, valued at $836 million (€689 million) was reclassified in "available-for-sale securities" as Vivendi Management has decided not to sell this interest in the immediate future. As of December 31, 2014, the unrealized capital gain with respect to this interest amounted to €273 million (before taxes), directly recognized in equity.

1.1.9. Other

Early redemption of bonds

Following receipt of the cash proceeds from the sale of SFR on November 27, 2014, in order to enhance the structure of its financial position statement, Vivendi allocated a portion of the sale proceeds to the early redemption of all eight tranches of its euro and US dollar denominated bonds that contained a make-whole option, representing an aggregate principal amount of €4.25 billion and $0.6 billion. In addition, Vivendi cancelled all of its existing bank credit facilities for €7.1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019), with two one-year renewal options. Please refer to Section 5.

Distribution to shareholders

On June 30, 2014, Vivendi SA paid an ordinary €1 per share to its shareholders, from additional paid-in capital for an aggregate amount of €1,348 million, considered as a return of capital distribution to shareholders.

1.2. Subsequent events

The significant events that occurred between December 31, 2014 and February 11, 2015 (the date of the Management Board Meeting that approved Vivendi's Financial Statements for the year ended December 31, 2014) were as follows:

- on January 19, 2015, following a call for tenders carried out by the National Rugby League, Canal+ Group secured exclusive rights related to all of the National French Rugby Championship's "TOP 14" matches. These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover the seasons 2015-2016 to 2018-2019: please refer to Section 1.1.5; and
- in February 2015, Vivendi announced the creation of Vivendi Contents, managed by Mr. Rodolphe Belmer, Chief Executive Officer of Canal+ Group. Vivendi Contents will be in charge of the design, leadership and development of new content support for music and visual image, and will manage related investments.

SECTION 2 Earnings analysis

PRELIMINARY COMMENTS

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively.

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

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

The adjustments to previously published data are presented in Appendix 2 to the Financial Report and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2014.

2.1. Consolidated Statement of Earnings and Adjusted Statement of Earnings

Consolidated statement of earnings	Year ended December 31, 2014	Year ended December 31, 2013 (a)	Year ended December 31, 2014	Year ended December 31, 2013 (a)	Adjusted statement of earnings
Revenues	**10,089**	**10,252**	**10,089**	**10,252**	**Revenues**
Cost of revenues	(6,121)	(6,097)	(6,121)	(6,097)	Cost of revenues
Margin from operations	**3,968**	**4,155**	**3,968**	**4,155**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,811)	(3,008)	(2,811)	(3,008)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(158)	(192)	(158)	(192)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(344)	(350)			
Impairment losses on intangible assets acquired through business combinations	(92)	(6)			
Other income	203	88			
Other charges	(30)	(50)			
EBIT	**736**	**637**	**999**	**955**	**EBITA**
Income from equity affiliates	(18)	(21)	(18)	(21)	Income from equity affiliates
Interest	(96)	(266)	(96)	(266)	Interest
Income from investments	3	66	3	66	Income from investments
Other financial income	19	13			
Other financial charges	(751)	(300)			
Earnings from continuing operations before provision for income taxes	**(107)**	**129**	**888**	**734**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(130)	17	(200)	(170)	Provision for income taxes
Earnings from continuing operations	**(237)**	**146**			
Earnings from discontinued operations	5,262	2,633			
Earnings	**5,025**	**2,779**	**688**	**564**	**Adjusted net income before non-controlling interests**
of which					*of which*
Earnings attributable to Vivendi SA shareowners	**4,744**	**1,967**	**626**	**454**	**Adjusted net income**
Continuing operations	**(290)**	**43**			
Discontinued operations	5,034	1,924			
Non-controlling interests	281	812	62	110	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share – basic (in euros)	**3.52**	**1.48**	**0.46**	**0.34**	**Adjusted net income per share – basic** (in euros)
Earnings attributable to Vivendi SA shareowners per share – diluted (in euros)	**3.51**	**1.47**	**0.46**	**0.34**	**Adjusted net income per share – diluted** (in euros)

In millions of euros, except per share amounts.

(a) Data published with respect to the year 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comment above).

2.2. Earnings review

Earnings attributable to Vivendi SA shareowners analysis

In 2014, **earnings attributable to Vivendi SA shareowners** amounted to €4,744 million (or €3.52 per share), compared to €1,967 million (or €1.48 per share) in 2013, a €2,777 million increase (×2.4). This change notably included the capital gains on the divestitures of SFR (€2,378 million), Maroc Telecom (€786 million), Beats (€179 million) and half of the remaining interest in Activision Blizzard (€84 million), as well as conversely, premium paid (€642 million) on the early redemption of bonds following the sale of SFR.

Earnings attributable to Vivendi SA shareowners for continuing operations, after non-controlling interests (Canal+ Group, Universal Music Group and Vivendi Village, as well as Corporate) was negative at €290 million in 2014, compared to a €43 million gain in 2013, an unfavorable change of €333 million. The €99 million increase in EBIT, notably included the capital gain on the divestiture of Beats (€179 million), as well as the decrease in interest expense (+€170 million) more than offset by the increase in premium paid on the early redemption of bonds (€642 million in 2014 following the sale of SFR, compared to €182 million in 2013 following the sale of 88% of the interest in Activision Blizzard) and by the income tax expense (-€147 million).

Earnings attributable to Vivendi SA shareowners for discontinued operations, after non-controlling interest (SFR, Maroc Telecom, Activision Blizzard, and GVT), amounted to €5,034 million in 2014, compared to €1,924 million in 2013, a €3,110 million increase. In 2014, the amount notably included the capital gains on the divestitures of SFR (€2,378 million) and Maroc Telecom (€786 million) as well as the capital gain on the divestiture of half of the remaining interest in Activision Blizzard (€84 million). In 2013, the amount notably included the capital gain on the sale of 88% of the interest in Activision Blizzard (€2,915 million), as well as, conversely, the impairment of SFR's goodwill (-€2,431 million).

Adjusted net income analysis

In 2014, **adjusted net income** was €626 million (or €0.46 per share **(1)**) compared to €454 million in 2013 (€0.34 per share), a €172 million increase (+37.9%). As a reminder, according to the application of IFRS 5 to SFR, Maroc Telecom, Activision Blizzard, and GVT, the Adjusted Statement of Earnings presents the results of Canal+ Group, Universal Music Group (UMG) and Vivendi Village's activities, as well as Corporate costs. The increase in adjusted net income notably resulted from:

- a decrease in interest expense (+€170 million);
- an increase in EBITA (+€44 million);
- a decrease in the share of adjusted net income attributable to non-controlling interests (+€48 million); and
- a decrease in income from equity affiliates (+€3 million);

partially offset by:

- a decrease in income from investments (-€63 million); and
- an increase in income tax expense (-€30 million).

Detailed analysis of the main items from the Statement of Earnings

Revenues were €10,089 million, compared to €10,252 million in 2013 (-1.6%, or -1.4% at constant currency and perimeter **(2)**). For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

Cost of revenues amounted to €6,121 million, compared to €6,097 million in 2013.

Margin from operations decreased by €187 million to €3,968 million, compared to €4,155 million in 2013 (-4.5%).

Selling, general and administrative expenses, excluding the amortization of intangible assets acquired through business combinations, amounted to €2,811 million, compared to €3,008 million in 2013, a €197 million decrease (-6.5%).

Depreciation and amortization of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses. Depreciation and amortization, excluding amortization of intangible assets acquired through business combinations, were stable at €307 million (compared to €310 million in 2013), and were notably related to Canal+ Group's set-top boxes, as well as Studiocanal's catalogs, films, and television programs.

EBITA was €999 million, compared to €955 million in 2013, a €44 million increase (+4.6%). At constant currency, EBITA increased by €46 million (+4.8%). At constant currency and perimeter, EBITA increased by €74 million (+8.1%). This change primarily reflected the increase in Universal Music Group's EBITA (+€58 million at constant currency), notably due to the decrease in restructuring and integration costs (-€78 million). For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

(1) For the details of adjusted net income per share, please refer to Appendix 1 to this Financial Report.

(2) Constant perimeter reflects the following changes made in the consolidation scope:

– at Canal+ Group: it excludes the impact in 2014 of the acquisitions of Red Production Company (November 22, 2013), of Mediaserv (February 13, 2014) and of Thema (October 28, 2014); and

– at UMG: it excludes the impacts in 2013 of operating the Parlophone Label Group repertoire.

Restructuring charges and other operating charges and income amounted to a net charge of €158 million (compared to a net charge of €192 million in 2013). They notably included restructuring charges for €104 million, a €12 million decrease compared to 2013; the decrease in UMG's restructuring charges for €64 million was offset by the €44 million provision recorded as of June 30, 2014 with respect to Watchever's transformation plan in Germany, reduced by €18 million.

EBIT was €736 million, compared to €637 million in 2013, a €99 million increase (+15.6%). This amount included:

- amortization of intangible assets acquired through business combinations for €344 million, compared to €350 million in 2013, a €6 million decrease;
- impairment losses on intangible assets acquired through business combinations for €92 million, compared to €6 million in 2013. In 2014, they related to goodwill attributable to Digitick (€43 million) and Wengo (€48 million); and
- other charges and income for €173 million of net income and primarily included the capital gain on the sale of UMG's interest in Beats (€179 million). In 2013, other charges and income were a net income of €38 million and included the gain related to the dilution of Universal Music Group's interest dilution in Vevo (€18 million).

Income from equity affiliates amounted to €18 million, compared to €21 million in 2013.

Interest was an expense of €96 million, compared to €266 million in 2013, a €170 million decrease (-64.1%).

In 2014, interest expense on borrowings amounted to €283 million, compared to €494 million in 2013. This €211 million decrease was attributable for (i) €167 million, to the decrease in the average outstanding borrowings to €9.7 billion in 2014 (compared to €15.3 billion in 2013) and (ii) €44 million, to the decrease in the average interest rate on borrowings to 2.94% in 2014 (compared to 3.22% in 2013). The early redemption of bonds for an aggregate amount of €3 billion carried out in October and November 2013 following the sale of 88% of the interest in Activision Blizzard, as well as the redemption, at maturity, of other bonds for €700 million in October 2013 and €894 million in January 2014, resulted in a €191 million reduction in interest compared to 2013. The bond redemptions for €4.7 billion in December 2014 following to the sale of SFR will only have an impact in 2015; interest expense on remaining bonds (€1,950 million as of December 31, 2014) amounted to €61 million in 2014, similar to 2013.

Moreover, as a result of the application of IFRS 5 to GVT and SFR, interest expense was reported net of interests received by Vivendi SA on the financings granted to SFR and GVT, at market conditions, for €172 million in 2014 (compared to €222 million in 2013).

Interest income earned on cash and cash equivalents amounted to €15 million in 2014, compared to €6 million in 2013. This change was related to the increase in average cash and cash equivalents to €2.1 billion in 2014 (compared to €0.6 billion in 2013), which reflected the impact of the sales of businesses.

For a breakdown of the impact of the sales carried out in 2014 on Vivendi's treasury, please refer to Section 5 of this Financial Report.

Income from investments amounted to €3 million, compared to €66 million in 2013. It included interest income and dividends received from unconsolidated companies. In 2013, it included interest income paid by PLG for €10 million and the dividend paid by Beats to UMG for €54 million.

Other financial charges and income were a net charge of €732 million, compared to a net charge of €287 million in 2013, a €445 million increase. In 2014, they mainly included the premium paid (€642 million) with respect to the early redemption of the bonds following the sale of SFR. In 2013, they mainly included the premium paid (€182 million) with respect to the early redemption of bonds following the sale of 88% of the interest in Activision Blizzard. Please refer to Note 5 to the Consolidated Financial Statements for the year ended December 31, 2014.

Earnings from continuing operations before provision for income taxes amounted to a €107 million loss, compared to a €129 million gain in 2013, an unfavorable change of €236 million.

Income taxes reported to adjusted net income was a net charge of €200 million, compared to €170 million in 2013, a €30 million increase (+17.7%). In 2013, income tax expense included certain non-recurring items (+€149 million), which reflected the change, during 2013, to the assessment of risks related to previous years' income taxes. The effective tax rate reported to adjusted net income was at 22.0% in 2014 (compared to 22.5% in 2013).

In addition, **provision for income taxes** was a net charge of €130 million, compared to a net gain of €17 million in 2013. In addition to the non-recurring items, which explain the increase in income taxes reported to adjusted net income, this €147 million unfavorable impact reflected the change in tax savings related to Vivendi SA's Tax Group System, which was a €110 million income in 2014, compared to a €254 million income in 2013. This change was notably attributable to the entry of Canal+ France in Vivendi SA's Tax Group System in 2013 (an income of €258 million, of which €129 million related to current tax savings realized in 2013 and €129 million related to deferred tax savings expected in 2014). The exit of SFR from Vivendi SA's Tax Group System was anticipated at the end of 2013, hence had no impact on tax savings for 2014.

Earnings from discontinued operations (before non-controlling interests) amounted to €5,262 million, compared to €2,633 million in 2013. They primarily included:

- with respect to SFR, the capital gain on its sale on November 27, 2014 (€2,378 million, after taxes) as well as net earnings until the effective divestiture date (€1,299 million, before non-controlling interests), which comprised the discontinuation **(1)** of the amortization of tangible and intangible assets since April 1, 2014 (impact of +€1,088 million for the period from April 1 to November 27, 2014). In 2013, SFR's net earnings were -€2,004 million, after a -€2,431 million loss related to the goodwill impairment;

(1) When an operation is discontinued, IFRS 5 requires the discontinuation of the amortization of the operation's tangible and intangible assets. Therefore, for SFR, reported as a discontinued operation since March 31, 2014, Vivendi discontinued the amortization of tangible and intangible assets as from the second quarter of 2014.

- with respect to GVT, net earnings of €304 million in 2014, compared to €89 million in 2013. GVT's net earnings comprised the discontinuation of the amortization of tangible and intangible assets since September 1, 2014, in compliance with IFRS 5 (impact of +€116 million for the period);
- with respect to Maroc Telecom group, the capital gain on its sale on May 14, 2014 (€786 million) as well as net earnings until the effective divestiture date (€407 million, before non-controlling interests), which comprised the discontinuation of amortization of tangible and intangible assets since July 1, 2013, in compliance with IFRS 5 (impact of +€181 million for 2014, compared to +€245 million for 2013). In 2013, Maroc Telecom group's net earnings were €782 million, before non-controlling interests and before deferred taxes related to its expected sale (-€86 million); and
- with respect to Activision Blizzard, the capital gain on the divestiture of 41.5 million Activision Blizzard shares on May 22, 2014 (€84 million). In 2013, it notably included the capital gain on the sale of 88% of the interest in Activision Blizzard on October 11, 2013 (€2,915 million) and Activision Blizzard's net earnings until the effective date of divestiture (€692 million, before non-controlling interests).

Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2014.

Earnings attributable to non-controlling interests amounted to €281 million, compared to €812 million in 2013, a €531 million decrease (-65.4%). This change was primarily attributable to the sale of Activision Blizzard on October 11, 2013 (-€269 million) and the sale of Maroc Telecom group on May 14, 2014 (-€222 million). This change also included a favorable impact for Canal+ Group related to the acquisition of non-controlling interests on November 5, 2013 (-€75 million) partially offset by the increase in earnings of nc+ in Poland (+€27 million).

Adjusted net income attributable to non-controlling interests amounted to €62 million, compared to €110 million in 2013, a €48 million decrease resulting from the changes in Canal+ Group's non-controlling interest.

The reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income is further described in Appendix 1 to this Financial Report. In 2014, this reconciliation primarily included earnings from discontinued operations (+€5,034 million, after non-controlling interests). The reconciliation also included the premium paid and other costs related to the early redemptions of the bonds (-€698 million), the capital gain on the sale of Beats (+€179 million) as well as the amortization and impairment of intangible assets acquired through business combinations (-€327 million, after taxes). In 2013, this reconciliation primarily included earnings from discontinued operations (+€1,924 million, after non-controlling interests) offset by the amortization and impairment of intangible assets acquired through business combinations (-€246 million, after taxes), as well as the premium paid and other costs related to the early redemptions of bonds (-€202 million).

2.3. Outlook for 2015

PRELIMINARY COMMENTS

The outlook presented below regarding revenues, income from operations, income from operations margin rates, adjusted net income as well as distributions and share repurchases is based on data, assumptions, and estimates considered as reasonable by Vivendi Management. They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and/or regulatory environment as well as the impact of certain transactions, if any. In addition, the materialization of certain risks described in Section 6 of this report could have an impact on the group's operations and its ability to achieve its outlook. Finally, Vivendi considers that the non-GAAP measures, income from operations, income from operations margin rates, and adjusted net income are relevant indicators of the group's operating and financial performance.

Vivendi expects a slight increase in revenues thanks to the growth of UMG's streaming and subscription activities and Canal+ Group's international operations. 2015 income from operations margin should be close to 2014 level. Vivendi also expects an increase in its adjusted net income of approximately 10%, mainly thanks to lower restructuring charges and decrease in interest expenses.

In addition, it will be proposed to the Annual Shareholders' Meeting to be held on April 17, 2015 that an ordinary dividend of €1 be paid with respect to 2014 **(1)**, comprising €0.20 relative to the Group's business performance and a €0.80 return to shareholders as a result of the disposals of assets.

The objective is to maintain this distribution level for the fiscal years 2015 and 2016, representing an additional return to shareholders of €2 billion.

In addition to this distribution, a share repurchase program is planned to be launched, within the legal limit of 10% of the share capital, for approximately €2.7 billion in accordance with the market regulations on share repurchases. The program will run over a period of 18 months.

In total, the return to shareholders could reach approximately €5.7 billion by mid-2017 in addition to the €1.3 billion paid in 2014.

(1) With an ex-distribution date of April 21, 2015 and a payment date of April 23, 2015.

SECTION 3 Cash flow from operations analysis

PRELIMINARY COMMENTS

- The non-GAAP measures cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net), and cash flow from operations after interest and taxes (CFAIT) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that they are relevant indicators of the group's operating and financial performance.
- In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported as discontinued operations. Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively.

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

  – their contribution until the effective sale, if any, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations";
  – in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and
  – their cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO, CFFO before capex, net and CFAIT.

In 2014, cash flow from operations (CFFO) generated by business segments was €843 million (compared to €894 million in 2013), a €51 million decrease (-5.8%). Capital expenditures remained stable at €243 million (compared to €245 million in 2013) and included the acquisition of set-top boxes by Canal+ Group for €115 million (compared to €133 million in 2013). Moreover, in 2013, CFFO included dividends (€54 million) paid by Beats, sold in August 2014. Excluding dividends received and capital expenditures, net cash provided by operating activities before income tax paid amounted to €1,079 million (compared to €1,082 million in 2013).

In 2014, cash flow from operations after interest and income tax paid (CFAIT) was €421 million (compared to €503 million in 2013), a €82 million decrease.

Cash payments related to financial activities amounted to €702 million (compared to €596 million in 2013), a €106 million increase. In 2014, they primarily included the premium paid (€642 million) related to the early redemption of bonds following the sale of SFR. In 2013, they mainly included the premium paid (€182 million) related to the early redemption of bonds following the sale of 88% of the interest in Activision Blizzard. Moreover, cash payments related to financial activities included interest paid, net for €96 million (compared to €266 million in 2013), a decrease of €170 million, and the results on foreign exchange risk hedging (a €47 million gain in 2014, compared to a €142 million loss in 2013).

Cash flows related to income taxes were made up of a €280 million inflow in 2014, compared with €205 million in 2013. These amounts notably included refunds received by Vivendi SA related to previous years (€366 million in 2014 with respect to 2011 Consolidated Global Profit Tax System and €201 million received in 2013 with respect to 2012 Vivendi SA's Tax Group System). In 2013, the amount of taxes paid included the additional contribution of 3% on the dividend paid by Vivendi SA (€40 million).

(in millions of euros)	Year ended December 31, 2014	2013 (a)	% Change
Revenues	10,089	10,252	-1.6%
Operating expenses excluding depreciation and amortization	(8,646)	(8,797)	+1.7%
EBITDA	***1,443***	***1,455***	***-0.8%***
Restructuring charges paid	(84)	(105)	+20.2%
Content investments, net	19	(148)	na
of which film and television rights, net at Canal+ Group			
acquisition of film and television rights	*(604)*	*(738)*	*+18.1%*
consumption of film and television rights	*713*	*743*	*-4.1%*
	109	*5*	*×19.7*
of which sports rights, net at Canal+ Group			
acquisition of sports rights	*(818)*	*(714)*	*-14.4%*
consumption of sports rights	*801*	*759*	*+5.5%*
	(17)	*45*	*na*
of which payments to artists and repertoire owners, net at UMG			
payments to artists and repertoire owners	*(554)*	*(599)*	*+7.5%*
recoupment of advances and other movements	*613*	*561*	*+9.2%*
	59	*(38)*	*na*
Neutralization of change in provisions included in operating expenses	(154)	(78)	-97.9%
Other cash operating items	(22)	(78)	+72.3%
Other changes in net working capital	(123)	36	na
Net cash provided by operating activities before income tax paid (b)	***1,079***	***1,082***	***-0.2%***
Dividends received from equity affiliates (c)	4	3	+32.3%
Dividends received from unconsolidated companies (c)	3	54	-96.1%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	***1,086***	***1,139***	***-4.7%***
Capital expenditures, net (capex, net) (d)	(243)	(245)	+0.9%
Cash flow from operations (CFFO)	**843**	**894**	**-5.8%**
Interest paid, net (e)	(96)	(266)	+64.1%
Other cash items related to financial activities (e)	(606)	(330)	-84.1%
of which premium paid on early bonds redemption	*(642)*	*(182)*	*×3.3*
gains/(losses) on currency transactions	*47*	*(142)*	*na*
Financial activities cash payments	***(702)***	***(596)***	***-17.8%***
Payment received from the French State Treasury as part of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	366	201	+82.1%
Other taxes paid	(86)	4	na
Income tax (paid)/collected, net (b)	***280***	***205***	***+36.6%***
Cash flow from operations after interest and income tax paid (CFAIT)	**421**	**503**	**-16.4%**

na: not applicable.

(a) Data published with respect to fiscal year 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comments above).

(b) As presented in net cash provided by operating activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

(c) As presented in net cash provided by/(used for) investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

(d) Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets as presented in the investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

(e) As presented in net cash provided by/(used for) financial activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

SECTION 4 Business segment performance analysis

PRELIMINARY COMMENTS

- Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably the non-GAAP measures EBITA (Adjusted Earnings Before Interest and Income Taxes), and income from operations.

  The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations, and EBIT's "other charges" and "other income" as defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2014.

  As defined by Vivendi, income from operations is calculated as EBITA as presented in the Adjusted Statement of Earnings, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance (please refer to Appendix 1 to this Financial Report).

  Moreover, it should be noted that other companies may define and calculate EBITA, and income from operations differently from Vivendi, thereby affecting comparability.

- In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported as discontinued operations. In practice, income and charges from these four businesses have been reported as follows:
  - their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations";
  - in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and
  - their share of net income has been excluded from Vivendi's adjusted net income.

  Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively.

4.1. Revenues, EBITA and cash flow from operations by business segment

(in millions of euros)	Year ended December 31, 2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Revenues					
Canal+ Group	5,456	5,311	+2.7%	+2.6%	+0.4%
Universal Music Group	4,557	4,886	-6.7%	-5.6%	-3.8%
Vivendi Village	96	71			
Elimination of intersegment transactions	(20)	(16)			
Total Vivendi	**10,089**	**10,252**	**-1.6%**	**-1.1%**	**-1.4%**
EBITA					
Canal+ Group	583	611	-4.7%	-4.8%	-6.3%
Universal Music Group	565	511	+10.7%	+11.3%	+20.2%
Vivendi Village	(79)	(80)			
Corporate	(70)	(87)			
Total Vivendi	**999**	**955**	**+4.6%**	**+4.8%**	**+8.1%**

(in millions of euros)	Year ended December 31, 2014	2013	% Change	% Change at constant rate
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)				
Canal+ Group	722	689	+4.6%	
Universal Music Group	471	611	-22.8%	
Vivendi Village	(38)	(72)		
Corporate	(69)	(89)		
Total Vivendi	**1,086**	**1,139**	**-4.7%**	
Cash flow from operations (CFFO)				
Canal+ Group	531	478	+11.1%	+10.9%
Universal Music Group	425	585	-27.3%	-27.8%
Vivendi Village	(44)	(80)		
Corporate	(69)	(89)		
Total Vivendi	**843**	**894**	**-5.8%**	**-6.4%**

(a) Constant perimeter reflects the following changes made in the consolidation scope:
- at Canal+ Group: it excludes the impacts in 2014 of the acquisitions of Red Production Company (on November 22, 2013), of Mediaserv (on February 13, 2014) and of Thema (on October 28, 2014); and
- at UMG: it excludes the impacts in 2013 of operating the Parlophone Label Group repertoire.

4.2. Comments on the operating performance of business segments

4.2.1. Canal+ Group

(in millions of euros)	Year ended December 31, 2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Pay-TV in Mainland France	3,454	3,544	-2.6%	-2.6%	-2.6%
Free-to-air TV in Mainland France	196	172	+14.8%	+14.8%	+14.8%
International pay-TV	1,273	1,122	+13.5%	+13.4%	+6.6%
Studiocanal	533	473	+12.5%	+11.6%	+2.8%
Total Revenues	**5,456**	**5,311**	**+2.7%**	**+2.6%**	**+0.4%**
Income from operations	**618**	**660**	**-6.4%**	**-6.6%**	**-8.6%**
Income from operations' margin	*11.3%*	*12.4%*			
Charges related to equity-settled share-based compensation plans	(3)	(12)			
Other special items excluded from income from operations (including transition and restructuring costs)	(32)	(37)			
EBITA	**583**	**611**	**-4.7%**	**-4.8%**	**-6.3%**
EBITA margin	*10.7%*	*11.5%*			
Cash flow from operations (CFFO)	**531**	**478**	**+11.1%**	**+10.9%**	
Canal+ Group's pay-TV					
Individual subscribers (in thousands)					
Mainland France	6,062	6,091	-29		
International	4,986	4,352	+634		
Poland	*2,146*	*2,197*	*-51*		
Overseas	*494*	*485*	*+9*		
Africa	*1,552*	*1,083*	*+469*		
Vietnam	*794*	*587*	*+207*		
Total Canal+ Group	**11,048**	**10,443**	**+605**		
Subscriptions (in thousands)					
Mainland France (b)	9,463	9,534	-71		
International	5,886	5,137	+749		
Total Canal+ Group	**15,349**	**14,671**	**+678**		
Mainland France pay-TV					
Churn, per individual subscriber with commitment	14.5%	14.9%	-0.4 pt		
Net ARPU, in euros per individual subscriber with commitment	44.0	44.2	-0.5%		
Mainland France free-to-air TV's rating shares (c)					
D8	3.3%	3.2%	+0.1 pt		
D17	1.2%	1.3%	-0.1 pt		
i>Télé	0.9%	0.8%	+0.1 pt		
Total	**5.4%**	**5.3%**	**+0.1 pt**		

(a) Constant perimeter excludes the impacts in 2014 of the acquisitions of Red Production Company (on November 22, 2013), of Mediaserv (on February 13, 2014) and of Thema (on October 28, 2014).

(b) Includes individual and collective subscriptions with commitment and without commitment (Canal+, Canalsat and Canalplay).

(c) Source: Médiamétrie. Population four years and older.

Revenues and EBITA

Canal+ Group's revenues amounted to €5,456 million, a 2.7% increase compared to 2013 (+0.4% at constant perimeter and currency).

At the end of December 2014, Canal+ Group had a total of 15.3 million subscriptions, an increase of 678,000 year-on-year, notably thanks to strong performance in Africa and Vietnam, as well as the growth in mainland France of Canalplay, its subscription video on demand offer. For the first time, the total number of individual subscribers exceeds 11 million, compared to 10.4 million at the end of 2013.

Revenues from pay-TV operations in mainland France were impacted by the higher VAT rate, which increased from 7% to 10% on January 1, 2014. Pay-TV revenues outside of mainland France showed significant growth thanks to a portfolio increase, notably in Africa.

Advertising revenues were up due to higher audience ratings especially at i>Télé and D8, which was ranked as the fifth most watched French national channel in 2014.

Studiocanal's revenues grew significantly, thanks to strong theatrical releases and rights sales (television and subscription video-on-demand), including *Paddington*, *Imitation Game*, *Non-Stop* and *RoboCop*, as well as the ramping up of the TV series production business with Red in Great Britain and Tandem in Germany.

Canal+ Group's EBITA was €583 million, compared to €611 million at the end of 2013. This change mainly reflected the VAT increase in France, partially offset by strong results in other countries.

Cash flow from operations (CFFO)

Canal+ Group's cash flow from operations amounted to €531 million in 2014, compared to €478 million in 2013, a €53 million increase. This change mainly resulted from a decrease in net content investments and net capital expenditures, partially offset by an unfavorable change in EBITDA after changes in net working capital and transition costs paid.

4.2.2. Universal Music Group (UMG)

	Year ended December 31,				
(in millions of euros)	2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Physical sales	*1,417*	*1,665*	*-14.9%*	*-13.5%*	*-12.2%*
Digital sales	*1,636*	*1,705*	*-4.1%*	*-2.8%*	*-0.4%*
License and other	*635*	*622*	*+2.1%*	*+2.6%*	*+6.0%*
Recorded music	3,688	3,992	-7.6%	-6.4%	-4.4%
Music publishing	673	655	+2.8%	+4.2%	+4.2%
Merchandising and other	232	273	-14.9%	-15.0%	-15.0%
Elimination of intersegment transactions	(36)	(34)			
Total Revenues	**4,557**	**4,886**	**-6.7%**	**-5.6%**	**-3.8%**
Income from operations	**606**	**636**	**-4.6%**	**-3.8%**	**+2.3%**
Income from operations' margin	*13.3%*	*13.0%*			
Charges related to equity-settled share-based compensation plans	(2)	(6)			
Special items excluded from income from operations (including integration and restructuring costs)	(39)	(119)			
EBITA	**565**	**511**	**+10.7%**	**+11.3%**	**+20.2%**
EBITA margin	*12.4%*	*10.5%*			
Cash flow from operations (CFFO)	**425**	**585**	**-27.3%**	**-27.8%**	
Recorded music revenues by geographical area					
Europe	41%	39%			
North America	39%	40%			
Asia	11%	12%			
Rest of the world	9%	9%			
	100%	**100%**			

(a) Constant perimeter excludes the impacts in 2013 of operating the Parlophone Label Group repertoire.

Recorded music: sales of physical and digital supports (albums, tracks, DVDs and streaming), in millions of equivalent album units

Artist	2014	Artist	2013
Frozen	10.0	Eminem	8.3
Taylor Swift	8.8	Katy Perry	6.0
Sam Smith	4.6	Rihanna	4.9
Katy Perry	4.2	Imagine Dragons	4.4
Maroon 5	3.7	Luke Bryan	4.1
Ariana Grande	3.6	Lady GaGa	4.0
Eminem	3.5	Drake	3.9
Lana Del Rey	3.0	Justin Bieber	3.8
Helene Fischer	2.9	Taylor Swift	3.6
Lorde	2.9	The Beatles	3.4
Total	**47.2**	**Total**	**46.4**

Revenues and EBITA

Universal Music Group's (UMG) revenues were €4,557 million, down 5.6% at constant currency (-6.7% at actual currency) compared to 2013. Excluding the impact of Parlophone Label Group (divested in 2013 as part of the EMI Recorded Music acquisition remedies) and at constant currency, UMG's revenues were down 3.8% compared to 2013 due to the rapid transformation of the recorded music industry.

Recorded music digital sales were flat compared to 2013 at constant currency and perimeter, as significant growth in subscription and streaming revenues offset the decline in digital download sales. However, total recorded music revenues declined due to the continued industry decline in physical sales.

In the United States, UMG had the top three albums of the year: Disney's *Frozen* soundtrack, Taylor Swift's *1989* and Sam Smith's *In The Lonely Hour*. Including track and stream equivalent albums, UMG had the top six, adding Ariana Grande *My Everything*, Katy Perry *Prism* and Lorde *Pure Heroine*. In France, UMG had the top three albums of the year from Stromae, Indila and Kendji Girac. Globally, recorded music best sellers for 2014 included sales from the Disney *Frozen* soundtrack, the new release from Taylor Swift, the breakthrough releases from Sam Smith, Ariana Grande and 5 Seconds Of Summer and carryover sales from Katy Perry and Lorde.

Reflecting this success, UMG won 33 awards and swept all four major categories at the 57th Annual Grammy Awards in February 2015. Sam Smith received three of the four major awards for Record of the Year, Song of the Year and Best New Artist and Beck won for Album of the Year.

UMG's EBITA was €565 million, up 11.3% at constant currency (+10.7% at actual currency) compared to 2013 and up 20.2% excluding last year's contribution from divested Parlophone Label Group. The favorable performance reflected the benefit of cost management and lower restructuring and integration costs that more than offset the decline in revenues.

Cash flow from operations (CFFO)

UMG's cash flow from operations amounted to €425 million (compared to €585 million in 2013). In 2013, cash flow from operations benefited from exceptional proceeds in relation to an insurance settlement, property disposals and dividends (€54 million) from its interest in Beats, divested in August 2014. UMG's cash flow from operations was also impacted by the unfavorable changes in working capital related to the phasing of digital income receipts and royalty payments.

4.2.3. Vivendi Village

	Year ended December 31,	
(in millions of euros)	2014	2013
Digitick	15	13
See Tickets	36	31
Watchever	26	12
Wengo	19	15
Total Revenues	**96**	**71**
Income from operations	(34)	(78)
EBITA	(79)	(80)
Cash flow from operations (CFFO)	(44)	(80)

Revenues and EBITA

Vivendi Village's revenues amounted to €96 million, an increase of €25 million. It included revenues from Digitick (€15 million, compared to €13 million in 2013), See Tickets (€36 million, compared to €31 million in 2013), Watchever (€26 million, compared to €12 million in 2013), and Wengo (€19 million, compared to €15 million in 2013).

Vivendi Village's EBITA amounted to -€79 million, compared to -€80 million in 2013. In 2014, it was notably impacted by Watchever's restructuring charges in Germany (-€44 million).

Cash flow from operations (CFFO)

Vivendi Village's cash flow from operations amounted to -€44 million, compared to -€80 million in 2013. This change was mainly related to the change in EBITDA.

4.2.4. Corporate

	Year ended December 31,	
(in millions of euros)	2014	2013
Income from operations	(82)	(87)
EBITA	(70)	(87)
Cash flow from operations (CFFO)	(69)	(89)

EBITA

Corporate EBITA was -€70 million (compared to -€87 million in 2013), an increase of €17 million. This increase was primarily due to the decrease in operating expenses and to non-recurring items related to pensions.

Cash flow from operations (CFFO)

Corporate's cash flow from operations amounted to -€69 million, compared to -€89 million in 2013. This change was mainly attributable to the change in EBITA.

4.2.5. GVT (discontinued operation)

GVT's revenues were €1,765 million, a 12.8% increase at constant currency compared to 2013. This performance was driven by continuous growth of the core segment (retail and SME), which increased 14.1% at constant currency; including a 56.8% year-on-year increase in pay-TV. This service, which now represents 14.2% of GVT's total revenues, had 858,860 pay-TV subscribers, reflecting a 33.6% increase compared to 2013.

GVT pursued its expansion in Brazil in a controlled and targeted manner and launched its services in six additional cities during 2014. It now operates in 156 cities in the South, Southeast, Midwest and Northeast regions in Brazil.

GVT's EBITDA was €702 million, a 8.4% increase at constant currency compared to 2013. Its EBITDA margin reached 39.8% (41.4% for its telecom activities alone), which is the highest margin in the Brazilian telecom operator market.

SECTION 5 Treasury and capital resources

PRELIMINARY COMMENTS

- Vivendi considers Financial Net Debt and Net Cash Position, non-GAAP measures, to be relevant indicators in measuring Vivendi's treasury and capital resources position:
  - Financial Net Debt is calculated as the sum of long-term and short-term borrowings and other financial liabilities as reported on the Consolidated Statement of Financial Position, less cash and cash equivalents as reported on the Consolidated Statement of Financial Position as well as derivative financial instruments in assets and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets");
  - Net Cash Position is calculated as the sum of cash and cash equivalents as reported on the Consolidated Statement of Financial Position, derivative financial instruments in assets, and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets") less long-term and short-term borrowings and other financial liabilities.
- Financial Net Debt and Net Cash Position should be considered in addition to, and not as substitutes for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP, and Vivendi considers that they are relevant indicators of treasury and capital resources position of the group. Vivendi Management uses these indicators for reporting, management, and planning purposes, as well as to comply with certain debt covenants of Vivendi.
- In addition, cash and cash equivalents are not fully available for debt repayments since they are used for several purposes, including but not limited to business acquisitions, capital expenditures, dividend payments, share repurchases, payments of contractual obligations and working capital.

5.1. Summary of Vivendi's exposure to credit and liquidity risks

As of December 31, 2014, Vivendi has a Net Cash Position of €4,637 million (including cash and cash equivalents for €6,845 million and bonds for €1,950 million), compared to a Financial Net Debt of €11,097 million as of December 31, 2013 (including bonds for €7,827 million, bank credit facilities for €2,075 million and commercial papers for €1,906 million), a €15,734 million favorable impact.

In May 2014, Vivendi completed the sale of its 53% interest in Maroc Telecom group for €4,138 million and sold 41.5 million Activision Blizzard shares for €623 million. Vivendi notably used this cash to redeem its drawn bank credit facilities and to pay an ordinary €1 per share to its shareholders from additional paid-in capital for an aggregate amount of €1,348 million.

On November 27, 2014, Vivendi completed the sale of SFR to Numericable Group (please refer to Section 1.1.2). Cash proceeds received from the sale amounted to €13,166 million, or €13,500 million, net of the price adjustments (-€134 million) and of Vivendi's contribution to the financing of the acquisition of Virgin Mobile by Numericable Group (-€200 million).

At that date, to further enhance its balance sheet, Vivendi allocated a portion of the sale proceeds to the early redemption of all eight tranches of its euro and US dollar denominated bonds that had a make-whole option, representing an aggregate principal amount of €4.25 billion and $0.6 billion. This transaction, completed in December 2014, resulted in a net cash payment of a €642 million in addition to the principal amount of €4.7 billion.

In addition, on November 27, 2014, following the receipt of cash proceeds from the sale of SFR, Vivendi cancelled all of its existing bank credit facilities for €7.1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019), with two one-year renewal options. As of December 31, 2014, this credit facility was undrawn.

As a reminder, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Section 6). This letter of credit is guaranteed by a syndicate of 15 international banks with which Vivendi signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit. On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit. This deposit, which significantly reduced the letter of credit's financing cost, resulted in a €975 million decrease in the group's Net Cash Position. Prior to this deposit being placed, the letter of credit was recorded as an off-balance sheet financial commitment, with no impact on Vivendi's Financial Net Debt.

As of December 31, 2014, Vivendi had €6,845 million in cash and cash equivalents, primarily comprised of monetary UCITS, term deposits and interest-bearing current accounts.

In addition, on September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT. The agreement represents a total enterprise value of €7.45 billion (on the basis of stock market prices and exchange rates on the date the exclusive negotiation agreements were entered into with Telefonica). The transaction is expected to close during the second quarter of 2015. After taking into account the estimated tax impact, GVT's external debt and the price adjustments at closing of the transaction, the expected net proceeds upon the sale is expected to amount to approximately €3.8 billion (please refer to Section 1.1.3).

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2013	**(1,041)**	**12,138**	**11,097**
Outflows/(inflows) related to continuing operations:			
Operating activities	(1,359)	-	(1,359)
Investing activities	(16,326)	26	(16,300)
Financing activities	11,128	(9,212)	1,916
Foreign currency translation adjustments of continuing operations	(10)	(1)	(11)
Outflows/(inflows) related to continuing operations	**(6,567)**	**(9,187)**	**(15,754)**
Outflows/(inflows) related to discontinued operations	560	(450)	110
Reclassification of discontinued operations' Financial Net Debt as of December 31, 2014	203	(293)	(90)
Change related to discontinued operations	**763**	**(743)**	**20**
Financial Net Debt/(Net Cash Position) as of December 31, 2014	**(6,845)**	**2,208**	**(4,637)**

(a) "Other financial items" include commitments to purchase non-controlling interests, derivative financial instruments (assets and liabilities) and cash deposits backed to borrowings.

Financial Net Debt change during fiscal year 2014

As of December 31, 2014, Vivendi had a Net Cash Position of €4,637 million, compared to a Financial Net Debt of €11,097 million as of December 31, 2013), a €15,734 million favorable impact.

This change notably reflected:

- proceeds from the sales completed during fiscal year 2014 for €17.9 billion. They primarily included net proceeds of €13,166 million from the sale of SFR, €4,138 million from the sale of Vivendi's 53% interest in Maroc Telecom group, €623 million from the sale of 41.5 million Activision Blizzard shares, and €221 million from the sale of UMG's interest in Beats;
- cash provided by operating activities of continuing operations (1) (€1,359 million);
- cash received from the exercise of stock options by the executive management and employees (€197 million); and
- restatement of GVT's Financial Net Debt as a discontinued operation (€217 million);

partially offset by:

- the cash outflow related to the €1 per share distribution made to Vivendi SA shareowners (€1,348 million);
- the placing of cash deposits in relation to the appeal against the Liberty Media judgment (€975 million) and to the securities' class action in the United States (€45 million);
- cash payments related to financial activities (€702 million), of which €642 million related to the early redemption of bonds and €96 million related to net interest paid;
- acquisitions (€303 million) made by Canal+ Group for an aggregate amount of €244 million (primarily comprised of acquisitions of Mediaserv, Thema, and of an additional 9% interest in N-Vision) and by UMG for an aggregate amount of €59 million (notably included the acquisition of Eagle Rock and the contribution to Vevo's share capital increase); and
- cash outflows related to capital expenditures from continuing operations (1) (€243 million).

(1) Continuing operations include Canal+ Group, Universal Music Group, Vivendi Village, and Corporate.

5.2. Net Cash Position as of December 31, 2014

As of December 31, 2014, Vivendi's Net Cash Position, in IFRS, amounted to €4,637 million.

As of December 31, 2014, the group's cash and cash equivalents amounted to an aggregate of €6,845 million, placed primarily in monetary UCITS (€4,754 million) and in term deposits and interest-bearing current accounts (€1,851 million).

Moreover, borrowings and other financial liabilities amounted to €2,208 million (compared to €12,138 million as of December 31, 2013), a €9,930 million decrease following the redemptions of borrowings carried out during fiscal year 2014: €5,564 million in bonds, €1,655 million in bank credit facilities and €1,906 million in commercial papers.

As of December 31, 2014, the group's bonds amounted to €1,950 million, compared to €7,827 million as of December 31, 2013. In 2014, Vivendi redeemed at maturity a €894 million bond, SFR's €300 million bond, and early redeemed bonds with make-whole options, of which €4,250 million in euro denominated bonds, and $595 million (€420 million) related to US dollar denominated bonds.

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31, 2014 (a)	December 31, 2013
Borrowings and other financial liabilities	21	2,347	12,266
of which long-term (b)		*2,074*	*8,737*
short-term (b)		*273*	*3,529*
Derivative financial instruments in assets (c)		(139)	(126)
Cash deposits backing borrowings (c)		-	(2)
		2,208	**12,138**
Cash and cash equivalents (b)		(6,845)	(1,041)
Financial Net Debt/(Net Cash Position)		**(4,637)**	**11,097**

(a) As of December 31, 2014, in compliance with IFRS 5, Vivendi's Net Cash Position does not include the external Financial Net Debt of GVT (€217 million).

(b) As presented in the Consolidated Statement of Financial Position.

(c) Included in the Financial Assets items of the Consolidated Statement of Financial Position.

5.3. Analysis of Financial Net Debt changes

		Year ended December 31, 2014		
(in millions of euros)	Refer to section	Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT	2	**(736)**	**-**	**(736)**
Adjustments		(447)	-	(447)
Content investments, net	3	(19)	-	(19)
Gross cash provided by operating activities before income tax paid		***(1,202)***	***-***	***(1,202)***
Other changes in net working capital		123	-	123
Net cash provided by operating activities before income tax paid	3	***(1,079)***	***-***	***(1,079)***
Income tax paid, net	3	(280)	-	(280)
Net cash provided by operating activities of continuing operations		**(1,359)**	**-**	**(1,359)**
Net cash provided by operating activities of discontinued operations		**(2,234)**	**-**	**(2,234)**
Operating activities		**(3,593)**	**-**	**(3,593)**
Financial investments				
Purchases of consolidated companies, after acquired cash		100	116	216
of which investments realized by Canal+ Group	1	*86*	*95*	*181*
investments realized by UMG	1	*14*	*21*	*35*
Investments in equity affiliates		87	-	87
of which investments realized by Canal+ Group		*63*	-	*63*
investments realized by UMG		*24*	-	*24*
Increase in financial assets		1,057	-	1,057
of which cash deposit related to Vivendi's appeal against the Liberty Media judgment	6	*975*	-	*975*
cash deposit related to Securities Class Action in the United States	6	*45*	-	*45*
Total financial investments		***1,244***	***116***	***1,360***
Financial divestments				
Proceeds from sales of consolidated companies, after divested cash		(16,929)	(90)	(17,019)
of which cash proceeds from the sale of SFR	1	*(13,366)*	-	*(13,366)*
financing of Virgin Mobile acquisition	1	*200*	-	*200*
SFR's net cash deconsolidated		*133*	*(89)*	*44*
proceeds from the sale of the 53% interest in Maroc Telecom group	1	*(4,138)*	-	*(4,138)*
Decrease in financial assets		(878)	-	(878)
of which proceeds from the sale of 41.5 million Activision Blizzard shares	1	*(623)*	-	*(623)*
proceeds from the sale of UMG's interest in Beats	1	*(221)*	-	*(221)*
Total financial divestments		***(17,807)***	***(90)***	***(17,897)***
Financial investment activities		**(16,563)**	**26**	**(16,537)**
Dividends received from equity affiliates		(4)	-	(4)
Dividends received from unconsolidated companies		(2)	-	(2)
Net investing activities excluding capital expenditures, net		**(16,569)**	**26**	**(16,543)**
Capital expenditures		249	-	249
Proceeds from sales of property, plant, equipment and intangible assets		(6)	-	(6)
Capital expenditures, net	3	***243***	***-***	***243***
Net cash provided by/(used for) investing activities of continuing operations		**(16,326)**	**26**	**(16,300)**
Net cash provided by/(used for) investing activities of discontinued operations		**2,034**	**55**	**2,089**
Investing activities		**(14,292)**	**81**	**(14,211)**

Please refer to the next page for the end of this table.

Continued from previous page.

(in millions of euros)	Refer to section	Year ended December 31, 2014 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		(197)	-	(197)
of which exercise of stock options by executive management and employees		*(197)*	-	*(197)*
(Sales)/purchases of Vivendi SA's treasury shares		32	-	32
Distribution to Vivendi SA's shareowners (€1 per share)	1	1,348	-	1,348
Other transactions with shareowners		2	-	2
Dividends paid by consolidated companies to their non-controlling interests		34	-	34
Total transactions with shareowners		***1,219***	***-***	***1,219***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long-term financial liabilities		(3)	3	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities		1,670	(1,670)	-
of which bank credit facilities		*1,655*	*(1,655)*	-
Principal payments on short-term borrowings		7,680	(7,680)	-
of which bonds		*5,564*	*(5,564)*	-
commercial paper		*1,906*	*(1,906)*	-
Other changes in short-term borrowings and other financial liabilities		(140)	140	-
Non-cash transactions		-	(5)	(5)
Interest paid, net	3	96	-	96
Other cash items related to financial activities	3	606	-	606
Total transactions on borrowings and other financial liabilities		***9,909***	***(9,212)***	***697***
Net cash provided by/(used for) financing activities of continuing operations		**11,128**	**(9,212)**	**1,916**
Net cash provided by/(used for) financing activities of discontinued operations		**756**	**(508)**	**248**
Financing activities		**11,884**	**(9,720)**	**2,164**
Foreign currency translation adjustments of continuing operations		(10)	(1)	(11)
Foreign currency translation adjustments of discontinued operations		4	3	7
Reclassification of Financial Net Debt from discontinued operations		203	(293)	(90)
Change in Financial Net Debt		**(5,804)**	**(9,930)**	**(15,734)**

5.4. Changes to financings

- In January 2014, Vivendi redeemed the 7.75% bond issued in January 2009, for €894 million, upon its contractual maturity.
- On November 27, 2014, following the receipt of cash proceeds from the sale of SFR, Vivendi cancelled all of its existing bank credit facilities for €7.1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019) and with two one-year renewal options. As of December 31, 2014, this credit facility was undrawn.
- On December 15, 2014, Vivendi redeemed all its euro-denominated bonds with a make-whole option representing a total principal amount of €4,250 million and paid a net cash premium of €572 million.
- On December 29, 2014, Vivendi redeemed all its US dollar-denominated bonds with a make-whole option representing a total principal amount of $595 million (€420 million) and paid a net premium of €70 million.

For a detailed analysis of the borrowings as of December 31, 2014, please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2014.

SECTION 6 Litigation

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings. As of December 31, 2014, provisions recorded by Vivendi for all claims and litigations amounted to €1,206 million, compared to €1,379 million as of December 31, 2013.

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature, including, to the company's knowledge, any pending or threatened proceedings in which it is a defendant, which may have or have had in the previous twelve months a significant impact on the company's and on its group's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of February 11, 2015, the date of the Management Board Meeting held to approve Vivendi's Financial Statements for the year ended December 31, 2014.

Vivendi litigation

Securities Class Action in the United States

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

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v. National Australia Bank case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007.

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi will then have the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment.

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal will be heard together with Vivendi's appeal in the Liberty Media case.

Vivendi believes that it has solid grounds for an appeal. Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial. Several aspects of the verdict will also be challenged.

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1.3.1 (Use of Estimates) and 1.3.8 (Provisions). Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate. As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Messrs. Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Exchange Act of 1934 and breached certain contractual representations and warranties. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial.

On January 9, 2013, the Court confirmed the jury's verdict. It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills. On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013.

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action. Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015; these two cases will be heard together by the Court of Appeals.

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2014, the provision in the amount of €945 million recorded as of December 31, 2012.

Trial of Vivendi's former officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001. Vivendi joined the proceedings as a civil party.

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*), following which the Public Prosecutor asked the Court to drop the charges against the defendants. On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean-Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi Officers as well as some civil parties appealed the decision. The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal. The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr. Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr. Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr. Edgar Bronfman Jr. for insider trading. On May 19, 2014, the Paris Court of Appeal rendered its judgment. Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense. The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine. The Court also upheld the convictions against Messrs. Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2.5 million is suspended), respectively. Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action"). With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders. An appeal has been filed with the French Supreme Court (Cour de Cassation) by certain of the defendants and some civil parties.

LBBW and al. against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

California State Teachers Retirement System and al. against Vivendi and Jean-Marie Messier

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former CEO, between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

Actions against Activision Blizzard, Inc., its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc. ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi. The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company. The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi.

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia.

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. The case will proceed on the merits.

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled. *In Re Activision Blizzard Inc Securities Litigation*.

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston. This action was consolidated into the *In Re Activision Blizzard Inc. Securities Litigation* proceeding currently underway.

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute. On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced. The Court is expected to approve the settlement agreement at an upcoming hearing.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first ruling. On November 27, 2008, Unibail appealed against this decision. On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing will take place on April 2, 2015.

Vivendi Deutschland against FIG

Further to a claim filed by CGIS BIM (a former subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the annulment of the sale following a judgment of the Berlin Court of Appeal, which overruled a judgment rendered by the Berlin High Court. CGIS BIM was ordered to repurchase the buildings and to pay damages. Vivendi delivered a guarantee so as to pursue settlement negotiations. As no settlement was reached, on September 3, 2008, CGIS BIM challenged the validity of the reasoning of the judgment. On April 23, 2009, the Regional Berlin Court issued a decision setting aside the judgment of the Berlin Court of Appeal dated May 29, 2008. On June 12, 2009, FIG appealed that decision. On December 16, 2010, the Berlin Court of Appeal rejected FIG's appeal and confirmed the decision of the Regional Berlin Court in April 2009, which decided in SGIC BIM's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damages and interest. This decision is now final. In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS BIM on March 3, 2009. On June 19, 2013, the Berlin Regional Court ordered CGIS BIM to pay FIG the sum of €3.9 million together with interest from February 27, 2009. CGIS BIM has appealed this decision.

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*). The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4.9 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT. At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba. This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal.

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT. The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware. Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica. On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo.

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side. Pending the conclusion of this settlement transaction (which is to be signed on the day of the closing of the sale of GVT), the case has been suspended.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds filed a complaint for damages against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange). According to Dynamo, a former shareholder of GVT that sold the vast majority of its stake in the company before November 13, 2009 (the date on which Vivendi took control of GVT), the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber should be scheduled shortly. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. This was rejected on November 7, 2013 as the Court found that only the arbitral tribunal could make such an application. On December 17, 2014, the Rio de Janeiro Court of Appeal overturned the lower court's decision and authorized the provision of the above-mentioned information solely to the arbitral tribunal, denying Dynamo access to the information.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Arbitration Chamber of the Bovespa (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica.

Litigation involving Vivendi subsidiaries

Parabole Réunion

In July 2007, the Group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion. In the context of this dispute, various jurisdictions have taken the opportunity to apply the fact that in the event of the loss of the TPS Foot channel, Canal+ Group must make available to Parabole Réunion a channel of similar attractiveness. Non-compliance with this order would result in a penalty. On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (*Tribunal de grande instance de Nanterre*) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion. Parabole Réunion filed an appeal against this judgment. On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible. Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision.

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter. On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance.

beIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons. On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized. Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal.

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015. On October 30, 2014, Canal+ Group appealed against this decision.

Action brought by the French competition authority regarding practices in the pay-TV sector

On January 9, 2009, further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ Group a notification of allegations. It alleges that Canal+ Group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ Group colluded with TF1 and M6, on the one hand, and with Lagardère, on the other. Vivendi and Canal+ Group have each denied these allegations.

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ Group. The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Canal+ Group's exclusive distribution rights on channels broadcast by the Group and independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV. On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case.

Canal+ Group against TF1, M6, and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market. Canal+ Group accused them of inserting pre-emption rights into co-production contracts, in such a way as to discourage competition. The French Competition Authority is examining the case.

Canal+ Group against TF1, and TMC Régie

On June 12, 2013, Canal+ Group and Canal+ Régie filed a complaint with the French Competition Authority against the practices of TF1 and TMC Régie in the television advertising market. Canal+ Group and Canal+ Régie accused them of cross-promotion, having a single advertising division and refusing to promote the D8 channel during its launch. The French Competition Authority is examining the case.

Private copying levy case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre (*Tribunal de grande instance de Nanterre*) by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes. Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top boxes and therefore it should be treated as an integrated hard drive. Copie France believes that the applicable amount of the compensation is €45 per hard drive as opposed to €8.7.

Aston France against Canal+ Group

On September 25, 2014, Aston notified the French Competition Authority about Canal+ Group's decision to stop selling its satellite subscription called "cards only" (enabling the reception of Canal+/Canalsat programs on Canal Ready-labeled satellite decoders, manufactured and distributed by third parties, including Aston). In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ Group before the Commercial Court of Paris, seeking a stay of the decision of the Canal+ Group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called "cards only". On October 17, 2014, the Paris Commercial Court issued an order denying Aston's requests. On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruling in chambers, granted its request and suspended the decision of Canal+ Group to stop selling its "cards only" subscriptions until the French Competition Authority renders its decision on the merits of the case.

Complaints against music industry majors in the United States

Several complaints have been filed before the Federal Courts in New York and California against Universal Music Group and the other music industry majors for alleged anti-competitive practices in the context of sales of CDs and Internet music downloads. These complaints have been consolidated before the Federal Court in New York. The motion to dismiss filed by the defendants was granted by the Federal Court on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010. The defendants filed a motion for rehearing which was denied. They filed a petition with the US Supreme Court which was rejected on January 10, 2011. The discovery process is underway.

Complaints against UMG regarding royalties for digital downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones. UMG contests the merits of these actions.

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Records and EMI Music Publishing filed a joint complaint against MP3Tunes and its founder, Michael Robertson, for copyright infringement on the sideload.com and mp3tunes.com websites. The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records. It found the defendants liable for knowingly allowing the unauthorized content on the websites. On March 26, 2014, the jury awarded damages in the amount of $41 million. On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of $12.2 million. The defendants have appealed against the judgment.

Mireille Porte against Interscope Records, Inc., Stefani Germanotta and Universal Music France

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Inc., Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*) for the alleged copyright infringement of several of Orlan's artistic works.

James Clar against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France

On June 13, 2014, the artist James Clar filed a complaint against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France before the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*) for the alleged infringement of his work.

Litigation involving GVT (discontinued operation)

Actions related to the ICMS Tax

GVT, like all other telecommunications operators, is party in several Brazilian States to various proceedings concerning the application of the "ICMS" tax (*Imposto Sober Circulação de Mercadorias e Prestação de Serviços*), which is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services.

GVT is notably a party to litigation in various Brazilian States concerning the application of the ICMS tax on voice telecommunication services. GVT argues that the ICMS tax should not apply to monthly plans. Of the 21 proceedings initiated by GVT, all have resulted in decisions favorable to GVT and 12 are no longer subject to appeal.

Actions related to the FUST and FUNTTEL taxes in Brazil

The Brazilian tax authorities argue that the assessment of the taxes known as "FUST" (*Fundo da Universalização dos Serviços de Telecomunicações*), a federal tax to promote the supply of telecommunications services throughout the whole Brazilian territory, including in areas that are not economically viable, and "FUNTTEL" (*Fundo para Desenvolvimento Tecnológioco das Telecomunicações*), a federal tax to finance technological investments in Brazilian telecommunications services, should be based on the company's gross revenue without deduction for price reductions or interconnection expenses and other taxes, which would lead to part of that sum being subject to double taxation. GVT is challenging this interpretation and has secured a suspension of payment of the sums claimed by the tax authority from the federal judge.

Proceedings brought against telecommunications operators in Brazil regarding the application of the PIS and COFINS taxes

Several proceedings were initiated against all the telecommunications operators in Brazil, including GVT, seeking to prevent invoices from being increased by taxes known as "PIS" (Programa de Integração Social) and "COFINS" (Contribuição para Financiamento da Seguridade Social), which are federal taxes that apply to revenue from the provision of telecommunications services. GVT believes that the arguments in its defense have a stronger basis than those of the historic operators as GVT operates pursuant to a more flexible license that allows it to set its own tariffs.

SECTION 7 Forward looking statements

Cautionary note

This Financial Report, notably in Section 2.3, 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 with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, we caution you against relying on forward looking statements. These forward-looking statements are made as of the date of this Financial Report. 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.

SECTION 8 Other disclaimers

Unsponsored ADRs

Vivendi does not sponsor an American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.

Translation

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

II - Appendices to the Financial Report: Unaudited supplementary financial data

1. Non-GAAP measures in Statement of Earnings

Income from operations, EBITA and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance, as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that they are relevant indicators to assess the group's operating and financial performance. Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they better illustrate the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Each of these indicators are defined in Section 4 of this report or in Notes to the Consolidated Financial Statements for the year ended December 31, 2014.

Reconciliation of EBIT to EBITA and to income from operations

	Year ended December 31,	
(in millions of euros)	2014	2013
EBIT (a)	**736**	**637**
Adjustments		
Amortization of intangible assets acquired through business combinations	344	350
Impairment losses on intangible assets acquired through business combinations (a)	92	6
Other income (a)	(203)	(88)
Other charges (a)	30	50
EBITA	**999**	**955**
Adjustments		
Charges related to equity-settled share-based compensation plans	9	23
Special items excluded from income from operations (including transition/integration costs, and restructuring costs)	100	153
Income from operations	**1,108**	**1,131**

(a) As reported in the Consolidated Statement of Earnings.

Reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income

	Year ended December 31,	
(in millions of euros)	2014	2013
Earnings attributable to Vivendi SA shareowners (a)	**4,744**	**1,967**
Adjustments		
Amortization of intangible assets acquired through business combinations	344	350
Impairment losses on intangible assets acquired through business combinations (a)	92	6
Other income (a)	(203)	(88)
Other charges (a)	30	50
Other financial income (a)	(19)	(13)
Other financial charges (a)	751	300
Earnings from discontinued operations (a)	(5,262)	(2,633)
of which capital gain on the divestiture of SFR	*(2,378)*	-
impairment of SFR's goodwill	-	*2,431*
capital gain on the divestiture of Maroc Telecom group	*(786)*	-
capital gain on Activision Blizzard shares	*(84)*	*(2,915)*
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	37	(109)
Non-recurring items related to provision for income taxes	5	28
Provision for income taxes on adjustments	(112)	(106)
Non-controlling interests on adjustments	219	702
Adjusted net income	**626**	**454**

(a) As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	Year ended December 31,			
	2014		2013	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	626	626	454	454
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,345.8	1,345.8	1,330.6	1,330.6
Potential dilutive effects related to share-based compensation	-	5.5	-	4.7
Adjusted weighted average number of shares	**1,345.8**	**1,351.3**	**1,330.6**	**1,335.3**
Adjusted net income per share (in euros)	**0.46**	**0.46**	**0.34**	**0.34**

(a) Net of treasury shares (50,033 shares as of December 31, 2014).

2. Adjustment of comparative information

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively.

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

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

The adjustments to published data for the first quarter and the first half of 2014 are reported below and only relate to GVT.

	2014		
(in millions of euros, except per share amounts)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,
Adjusted earnings before interest and income taxes (EBITA) (as previously published)	**268**	**358**	**626**
Reclassifications related to the application of IFRS 5 for GVT	-83	-88	-171
Adjusted earnings before interest and income taxes (EBITA) (restated)	**185**	**270**	**455**
Adjusted net income (as previously published)	**161**	**194**	**355**
Reclassifications related to the application of IFRS 5 for GVT	-52	-50	-102
Adjusted net income (restated)	**109**	**144**	**253**
Adjusted net income per share (as previously published)	**0.12**	**0.14**	**0.26**
Adjusted net income per share (restated)	**0.08**	**0.11**	**0.19**

The adjustments to data published in the 2013 Annual Report are reported below and relate to GVT and SFR.

	2013		
(in millions of euros, except per share amounts)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,
Adjusted earnings before interest and income taxes (EBITA) (as published (a))	**629**	**762**	**1,391**
Reclassifications related to the application of IFRS 5 for GVT	-99	-98	-197
Reclassifications related to the application of IFRS 5 for SFR	-328	-377	-705
Adjusted earnings before interest and income taxes (EBITA) (restated)	**202**	**287**	**489**
Adjusted net income (as published (a))	**366**	**479**	**845**
Reclassifications related to the application of IFRS 5 for GVT	-70	-67	-137
Reclassifications related to the application of IFRS 5 for SFR	-232	-254	-486
Adjusted net income (restated)	**64**	**158**	**222**
Adjusted net income per share (as published (a))	**0.28**	**0.36**	**0.64**
Adjusted net income per share (restated)	**0.05**	**0.12**	**0.17**

(a) As published in the 2013 Annual Report.

(in millions of euros, except per share amounts)	2013 Three months ended Sept. 30,	Nine months ended Sept. 30,	Three months ended Dec. 31,	Year ended Dec. 31,
Adjusted earnings before interest and income taxes (EBITA) (as published (a))	**730**	**2,121**	**312**	**2,433**
Reclassifications related to the application of IFRS 5 for GVT	-101	-298	-107	-405
Reclassifications related to the application of IFRS 5 for SFR	-334	-1,039	-34	-1,073
Adjusted earnings before interest and income taxes (EBITA) (restated)	**295**	**784**	**171**	**955**
Adjusted net income (as published (a))	**403**	**1,248**	**292**	**1,540**
Reclassifications related to the application of IFRS 5 for GVT	-75	-212	-62	-274
Reclassifications related to the application of IFRS 5 for SFR	-249	-735	-77	-812
Adjusted net income (restated)	**79**	**301**	**153**	**454**
Adjusted net income per share (as published (a))	**0.30**	**0.94**	**0.22**	**1.16**
Adjusted net income per share (restated)	**0.06**	**0.23**	**0.11**	**0.34**

(a) As published in the 2013 Annual Report.

3. Revenues and EBITA by business segment – 2014 and 2013 quarterly data

(in millions of euros)	2014 1st Quarter ended March 31,	2nd Quarter ended June 30,	3rd Quarter ended Sept. 30,	4th Quarter ended Dec. 31,
Revenues				
Canal+ Group	1,317	1,350	1,300	1,489
Universal Music Group	984	1,019	1,094	1,460
Vivendi Village	21	25	23	27
Elimination of intersegment transactions	(5)	(5)	(5)	(5)
Total Vivendi	**2,317**	**2,389**	**2,412**	**2,971**
EBITA				
Canal+ Group	175	245	206	(43)
Universal Music Group	56	97	121	291
Vivendi Village	(20)	(67)	-	8
Corporate	(26)	(5)	(17)	(22)
Total Vivendi	**185**	**270**	**310**	**234**

(in millions of euros)	2013 1st Quarter ended March 31,	2nd Quarter ended June 30,	3rd Quarter ended Sept. 30,	4th Quarter ended Dec. 31,
Revenues				
Canal+ Group	1,286	1,314	1,257	1,454
Universal Music Group	1,091	1,145	1,162	1,488
Vivendi Village	16	17	18	20
Elimination of intersegment transactions	(5)	(3)	(5)	(3)
Total Vivendi	**2,388**	**2,473**	**2,432**	**2,959**
EBITA				
Canal+ Group	183	247	217	(36)
Universal Music Group	55	88	112	256
Vivendi Village	(14)	(23)	(20)	(23)
Corporate	(22)	(25)	(14)	(26)
Total Vivendi	**202**	**287**	**295**	**171**

III - Consolidated Financial Statements for the year ended December 31, 2014

Statutory Auditors' Report on the Consolidated Financial Statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meetings, we hereby report to you for the year ended December 31, 2014 on:

- the audit of the accompanying Consolidated Financial Statements of Vivendi, hereinafter referred to as "the Company";
- the justification of our assessments;
- the specific verifications required by law.

These Consolidated Financial Statements have been approved by your Management Board. Our role is to express an opinion on the financial statements, based on our audit.

I. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and liabilities and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we draw your attention to the following matters:

- Note 1.3.5.8 to the financial statements describes the accounting principles applicable to financial assets, including non-consolidated investments. We examined the accounting treatment applied to the group's investment in Numericable-SFR. We ensured that Note 3.1 to the Consolidated Financial Statements gives appropriate disclosures thereon.
- Note 1.3.6 to the Consolidated Financial Statements describes the applicable criteria for classification and accounting for discontinued operations or assets held for sale in accordance with IFRS 5. We verified the correct application of this accounting principle and we ensured that Note 3 to the Consolidated Financial Statements provides appropriate disclosures with respect to management's position as of December 31, 2014.
- At each financial year end, your Company systematically performs impairment tests on goodwill and assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in Note 1.3.5.7 to the Consolidated Financial Statements. We examined the methods used to perform these impairment tests, as well as the main assumptions and estimates, and ensured that Notes 1.3.5.7 and 9 to the Consolidated Financial Statements provide appropriate disclosures thereon.
- Note 1.3.9 to the Consolidated Financial Statements describes the accounting principles applicable to deferred tax and Note 1.3.8 describes the methods used to assess and recognize provisions. We verified the correct application of these accounting principles and also examined the assumptions underlying the positions as of December 31, 2014. We ensured that Note 6 to the Consolidated Financial Statements gives appropriate information on tax assets and liabilities and on your company's tax positions.
- Notes 1.3.8 and 26 to the Consolidated Financial Statements describe the methods used to assess and recognize provisions for litigation. We examined the methods used within the group to identify, calculate, and determine the accounting for such litigation. We also examined the assumptions and data underlying the estimates made by the Company. As stated in Note 1.3.1 to the Consolidated Financial Statements, facts and circumstances may lead to changes in estimates and assumptions which could have an impact upon the reported amount of provisions.

Our assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications

We have also verified, in accordance with professional standard applicable in France, the information provided in the group management report, as required by law.

We have no matters to report as its fair presentation and its consistency with the Consolidated Financial Statements.

Paris-La Défense, February 27, 2015

The Statutory Auditors

KPMG AUDIT
KPMG SA Department

Baudouin Griton

ERNST & YOUNG ET AUTRES

Jean-Yves Jégourel

Consolidated Statement of Earnings

	Note	Year ended December 31. 2014	2013 (a)
Revenues	4	**10,089**	**10,252**
Cost of revenues	4	(6,121)	(6,097)
Selling, general and administrative expenses		(3,155)	(3,358)
Restructuring charges and other operating charges and income		(158)	(192)
Impairment losses on intangible assets acquired through business combinations	4	(92)	(6)
Other income	4	203	88
Other charges	4	(30)	(50)
Earnings before interest and income taxes (EBIT)	2	**736**	**637**
Income from equity affiliates	13	(18)	(21)
Interest	5	(96)	(266)
Income from investments		3	66
Other financial income	5	19	13
Other financial charges	5	(751)	(300)
Earnings from continuing operations before provision for income taxes		**(107)**	**129**
Provision for income taxes	6.2	(130)	17
Earnings from continuing operations		**(237)**	**146**
Earnings from discontinued operations	3	5,262	2,633
Earnings		**5,025**	**2,779**
of which			
Earnings attributable to Vivendi SA shareowners		**4,744**	**1,967**
of which ***earnings from continuing operations attributable to Vivendi SA shareowners***		***(290)***	***43***
earnings from discontinued operations attributable to Vivendi SA shareowners		*5,034*	*1,924*
Non-controlling interests		281	812
of which earnings from continuing operations		*53*	*103*
earnings from discontinued operations		*228*	*709*
Earnings from continuing operations attributable to Vivendi SA shareowners per share – basic	7	(0.22)	0.03
Earnings from continuing operations attributable to Vivendi SA shareowners per share – diluted	7	(0.22)	0.03
Earnings from discontinued operations attributable to Vivendi SA shareowners per share – basic	7	3.74	1.45
Earnings from discontinued operations attributable to Vivendi SA shareowners per share – diluted	7	3.73	1.44
Earnings attributable to Vivendi SA shareowners per share – basic	7	**3.52**	**1.48**
Earnings attributable to Vivendi SA shareowners per share – diluted	7	3.51	1.47

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

(a) In compliance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Earnings as discontinued operations (please refer to Note 3). Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively. The adjustments to previously published data are presented in Note 31.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

		Year ended December 31,	
(in millions of euros)	Note	2014	2013
Earnings		**5,025**	**2,779**
Actuarial gains/(losses) related to employee defined benefit plans, net		(68)	(23)
Items not reclassified to profit or loss		**(68)**	**(23)**
Foreign currency translation adjustments		778	(1,429)
Unrealized gains/(losses), net		936	58
Other impacts, net		(94)	15
Items to be subsequently reclassified to profit or loss		**1,620**	**(1,356)**
Charges and income directly recognized in equity	8	**1,552**	**(1,379)**
Total comprehensive income		**6,577**	**1,400**
of which			
Total comprehensive income attributable to Vivendi SA shareowners		**6,312**	**789**
Total comprehensive income attributable to non-controlling interests		265	611

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2014	December 31, 2013
ASSETS			
Goodwill	9	9,329	17,147
Non-current content assets	10	2,550	2,623
Other intangible assets	11	229	4,306
Property, plant and equipment	12	717	7,541
Investments in equity affiliates	13	306	446
Non-current financial assets	14	6,144	654
Deferred tax assets	6	710	733
Non-current assets		**19,985**	**33,450**
Inventories	15	114	330
Current tax receivables	6	234	627
Current content assets	10	1,135	1,149
Trade accounts receivable and other	15	1,983	4,898
Current financial assets	14	49	45
Cash and cash equivalents	16	6,845	1,041
		10,360	**8,090**
Assets held for sale		-	1,078
Assets of discontinued businesses	3	5,393	6,562
Current assets		**15,753**	**15,730**
TOTAL ASSETS		**35,738**	**49,180**
EQUITY AND LIABILITIES			
Share capital		7,434	7,368
Additional paid-in capital		5,160	8,381
Treasury shares		(1)	(1)
Retained earnings and other		10,013	1,709
Vivendi SA shareowners' equity		**22,606**	**17,457**
Non-controlling interests		382	1,573
Total equity	17	**22,988**	**19,030**
Non-current provisions	18	2,888	2,904
Long-term borrowings and other financial liabilities	21	2,074	8,737
Deferred tax liabilities	6	657	680
Other non-current liabilities	15	121	757
Non-current liabilities		**5,740**	**13,078**
Current provisions	18	290	619
Short-term borrowings and other financial liabilities	21	273	3,529
Trade accounts payable and other	15	5,306	10,416
Current tax payables	6	47	79
		5,916	**14,643**
Liabilities associated with assets held for sale		-	-
Liabilities associated with assets of discontinued businesses	3	1,094	2,429
Current liabilities		**7,010**	**17,072**
Total liabilities		**12,750**	**30,150**
TOTAL EQUITY AND LIABILITIES		**35,738**	**49,180**

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(in millions of euros)	Note	Year ended December 31, 2014	2013 (a)
Operating activities			
EBIT	4	736	637
Adjustments	23	447	557
Content investments, net		19	(148)
Gross cash provided by operating activities before income tax paid		***1,202***	***1,046***
Other changes in net working capital	15	(123)	36
Net cash provided by operating activities before income tax paid		***1,079***	***1,082***
Income tax (paid)/collected, net	6.3	280	205
Net cash provided by operating activities of continuing operations		**1,359**	**1,287**
Net cash provided by operating activities of discontinued operations	3	**2,234**	**3,953**
Net cash provided by operating activities		**3,593**	**5,240**
Investing activities			
Capital expenditures	2	(249)	(278)
Purchases of consolidated companies, after acquired cash		(100)	(42)
Investments in equity affiliates	13	(87)	-
Increase in financial assets	14	(1,057)	(65)
Investments		***(1,493)***	***(385)***
Proceeds from sales of property, plant, equipment and intangible assets	2	6	33
Proceeds from sales of consolidated companies, after divested cash	3	16,929	2,739
Disposal of equity affiliates	13	-	8
Decrease in financial assets	14	878	724
Divestitures		***17,813***	***3,504***
Dividends received from equity affiliates		4	3
Dividends received from unconsolidated companies		2	54
Net cash provided by/(used for) investing activities of continuing operations		**16,326**	**3,176**
Net cash provided by/(used for) investing activities of discontinued operations	3	**(2,034)**	**(4,363)**
Net cash provided by/(used for) investing activities		**14,292**	**(1,187)**

Please refer to the next page for the end of this table.

Continued from previous page.

(in millions of euros)	Note	Year ended December 31, 2014	2013 (a)
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	20	197	195
Sales/(purchases) of Vivendi SA's treasury shares		(32)	-
Distribution to Vivendi SA's shareowners	17	(1,348)	(1,325)
Other transactions with shareowners		(2)	(1,046)
Dividends paid by consolidated companies to their non-controlling interests		(34)	(33)
Transactions with shareowners		***(1,219)***	***(2,209)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	21	3	2,405
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	21	(1,670)	(1,910)
Principal payment on short-term borrowings	21	(7,680)	(5,161)
Other changes in short-term borrowings and other financial liabilities	21	140	36
Interest paid, net	5	(96)	(266)
Other cash items related to financial activities		(606)	(330)
Transactions on borrowings and other financial liabilities		***(9,909)***	***(5,226)***
Net cash provided by/(used for) financing activities of continuing operations		**(11,128)**	**(7,435)**
Net cash provided by/(used for) financing activities of discontinued operations	3	**(756)**	**1,017**
Net cash provided by/(used for) financing activities		**(11,884)**	**(6,418)**
Foreign currency translation adjustments of continuing operations		10	(20)
Foreign currency translation adjustments of discontinued operations	3	(4)	(72)
Change in cash and cash equivalents		**6,007**	**(2,457)**
Reclassification of discontinued operations' cash and cash equivalents	3	(203)	(396)
Cash and cash equivalents			
At beginning of the period	16	1,041	3,894
At end of the period	16	6,845	1,041

(a) In compliance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Cash Flows as discontinued operations (please refer to Note 3). Vivendi deconsolidated SFR, Maroc Telecom group, and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively. These adjustments are presented in Note 31. The accompanying notes are an integral part of the Consolidated Financial Statements.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

YEAR ENDED DECEMBER 31, 2014

	Capital					Retained earnings and other				
	Common shares									
(in millions of euros, except number of shares)	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury shares	Sub total	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Sub total	Total equity
BALANCE AS OF DECEMBER 31, 2013	**1,339,610**	**7,368**	**8,381**	**(1)**	**15,748**	**5,236**	**184**	**(2,138)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	*1,339,610*	*7,368*	*8,381*	*(1)*	*15,748*	*3,604*	*185*	*(2,080)*	*1,709*	*17,457*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*1,632*	*(1)*	*(58)*	*1,573*	*1,573*
Contributions by/distributions to Vivendi SA shareowners	**11,991**	**66**	**(3,221)**	**-**	**(3,155)**	**1,986**	**-**	**-**	**1,986**	**(1,169)**
Sales/(purchases) of Vivendi SA's treasury shares	-	-	-	(32)	(32)	-	-	-	-	(32)
Allocation of Vivendi SA's 2013 result	-	-	(2,004)	-	(2,004)	2,004	-	-	2,004	-
Distribution to Vivendi SA's shareowners (€1 per share)	-	-	(1,348)	-	(1,348)	-	-	-	-	(1,348)
Capital increase related to Vivendi SA's share-based compensation plans	11,991	66	131	32	229	(18)	-	-	(18)	211
of which exercise of stock options by executive management and employees	*11,264*	*62*	*135*	*-*	*197*	*-*	*-*	*-*	*-*	*197*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**-**	**6**	**6**
Changes in equity attributable to Vivendi SA shareowners (A)	**11,991**	**66**	**(3,221)**	**-**	**(3,155)**	**1,992**	**-**	**-**	**1,992**	**(1,163)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(107)**	**-**	**-**	**(107)**	**(107)**
of which dividends paid by subsidiaries to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*(107)*	*-*	*-*	*(107)*	*(107)*
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(1,346)**	**-**	**-**	**(1,346)**	**(1,346)**
of which sale of the 53% interest in Maroc Telecom group	*-*	*-*	*-*	*-*	*-*	*(1,328)*	*-*	*-*	*(1,328)*	*(1,328)*
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(4)**	**-**	**-**	**(4)**	**(4)**
Changes in equity attributable to non-controlling interests (B)	**-**	**-**	**-**	**-**	**-**	**(1,457)**	**-**	**-**	**(1,457)**	**(1,457)**
Earnings	**-**	**-**	**-**	**-**	**-**	**5,025**	**-**	**-**	**5,025**	**5,025**
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	**(162)**	**936**	**778**	**1,552**	**1,552**
Total comprehensive income (C)	**-**	**-**	**-**	**-**	**-**	**4,863**	**936**	**778**	**6,577**	**6,577**
Total changes over the period (A+B+C)	***11,991***	***66***	***(3,221)***	***-***	***(3,155)***	***5,398***	***937***	***778***	***7,113***	***3,958***
Attributable to Vivendi SA shareowners	*11,991*	*66*	*(3,221)*	*-*	*(3,155)*	*6,581*	*935*	*788*	*8,304*	*5,149*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*(1,183)*	*2*	*(10)*	*(1,191)*	*(1,191)*
BALANCE AS OF DECEMBER 31, 2014	**1,351,601**	**7,434**	**5,160**	**(1)**	**12,593**	**10,634**	**1,121**	**(1,360)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	*1,351,601*	*7,434*	*5,160*	*(1)*	*12,593*	*10,185*	*1,120*	*(1,292)*	*10,013*	*22,606*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*449*	*1*	*(68)*	*382*	*382*

The accompanying notes are an integral part of the Consolidated Financial Statements.

YEAR ENDED DECEMBER 31, 2013

(in millions of euros, except number of shares)	Capital					Retained earnings and other				
	Common shares									
	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury shares	Sub total	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Sub total	Total equity
BALANCE AS OF JANUARY 1, 2013	**1,323,962**	**7,282**	**8,271**	**(25)**	**15,528**	**6,346**	**126**	**(709)**	**5,763**	**21,291**
Attributable to Vivendi SA shareowners	*1,323,962*	*7,282*	*8,271*	*(25)*	*15,528*	*3,529*	*129*	*(861)*	*2,797*	*18,325*
Attributable to non-controlling interests	-	-	-	-	-	*2,817*	*(3)*	*152*	*2,966*	*2,966*
Contributions by/distributions to Vivendi SA shareowners	**15,648**	**86**	**110**	**24**	**220**	**(1,296)**	**-**	**-**	**(1,296)**	**(1,076)**
Dividends paid by Vivendi SA (€1 per share)	-	-	-	-	-	(1,325)	-	-	(1,325)	(1,325)
Capital increase related to Vivendi SA's share-based compensation plans	15,648	86	110	24	220	29	-	-	29	249
of which Vivendi Employee Stock Purchase Plans (July 25, 2013)	*12,286*	*68*	*81*	-	*149*	-	-	-	-	*149*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**(581)**	**-**	**-**	**(581)**	**(581)**
of which acquisition of Lagadère Group's non-controlling interest in Canal+ France	-	-	-	-	-	*(636)*	-	-	*(636)*	*(636)*
Changes in equity attributable to Vivendi SA shareowners (A)	**15,648**	**86**	**110**	**24**	**220**	**(1,877)**	**-**	**-**	**(1,877)**	**(1,657)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(431)**	**-**	**-**	**(431)**	**(431)**
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	*(431)*	-	-	*(431)*	*(431)*
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(1,273)**	**-**	**-**	**(1,273)**	**(1,273)**
of which sale of 88% of the ownership interest in Activision Blizzard	-	-	-	-	-	*(1,272)*	-	-	*(1,272)*	*(1,272)*
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(300)**	**-**	**-**	**(300)**	**(300)**
of which acquisition of Lagadère Group's non-controlling interest in Canal+ France	-	-	-	-	-	*(387)*	-	-	*(387)*	*(387)*
Changes in equity attributable to non-controlling interests (B)	**-**	**-**	**-**	**-**	**-**	**(2,004)**	**-**	**-**	**(2,004)**	**(2,004)**
Earnings	**-**	**-**	**-**	**-**	**-**	**2,779**	**-**	**-**	**2,779**	**2,779**
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	**(8)**	**58**	**(1,429)**	**(1,379)**	**(1,379)**
Total comprehensive income (C)	**-**	**-**	**-**	**-**	**-**	**2,771**	**58**	**(1,429)**	**1,400**	**1,400**
Total changes over the period (A+B+C)	***15,648***	***86***	***110***	***24***	***220***	***(1,110)***	***58***	***(1,429)***	***(2,481)***	***(2,261)***
Attributable to Vivendi SA shareowners	*15,648*	*86*	*110*	*24*	*220*	*75*	*56*	*(1,219)*	*(1,088)*	*(868)*
Attributable to non-controlling interests	-	-	-	-	-	*(1,185)*	*2*	*(210)*	*(1,393)*	*(1,393)*
BALANCE AS OF DECEMBER 31, 2013	**1,339,610**	**7,368**	**8,381**	**(1)**	**15,748**	**5,236**	**184**	**(2,138)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	*1,339,610*	*7,368*	*8,381*	*(1)*	*15,748*	*3,604*	*185*	*(2,080)*	*1,709*	*17,457*
Attributable to non-controlling interests	-	-	-	-	-	*1,632*	*(1)*	*(58)*	*1,573*	*1,573*

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

Vivendi is a limited liability company (*société anonyme*) incorporated under French law and subject to French commercial company law including the French Commercial Code (*Code de commerce*). Vivendi was incorporated on December 18, 1987, for a term of 99 years expiring on December 17, 2086, except in the event of an early dissolution or unless its term is extended. Its registered office is located at 42 avenue de Friedland – 75008 Paris (France). Vivendi is listed on Euronext Paris (Compartment A).

Vivendi operates a number of companies that are leaders in content and media. Canal+ Group is the French leader in pay-TV and is also present in African countries, Poland, and Vietnam; its subsidiary Studiocanal, is a leading European player in the production, acquisition, distribution and sale of films and TV series. Universal Music Group is the world's leader in music. Vivendi Village brings together Vivendi Ticketing, Wengo (expert counseling), Watchever (subscription video-on-demand). In addition, Vivendi controls GVT, the leading Brazilian alternative operator.

Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014 and October 11, 2013, respectively, each date being the date of their effective sale by Vivendi. Moreover, as a result of the plan to sell GVT, this business has been reported in Vivendi's Consolidated Statement of Earnings as a discontinued operation, in accordance with IFRS 5.

The Consolidated Financial Statements reflect the financial and accounting situation of Vivendi and its subsidiaries (the "group") together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest million.

On February 11, 2015, at a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2014. They were examined by the Audit Committee at its meeting held on February 20, 2015 and the Supervisory Board, at its meeting held on February 27, 2015.

On April 17, 2015, the Consolidated Financial Statements for the year ended December 31, 2014 will be submitted for approval at Vivendi's Annual General Shareholders' Meeting.

NOTE 1. Accounting policies and valuation methods

1.1. Compliance with accounting standards

The 2014 Consolidated Financial Statements of Vivendi SA have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and in accordance with IFRS published by the International Accounting Standards Board (IASB) with mandatory application as of December 31, 2014.

Vivendi applied from the first quarter of 2014 IFRIC 21 interpretation – *Levies*, issued by the IFRS Interpretation Committee (IFRS IC) on May 20, 2013, endorsed by the EU on June 13, 2014 and published in the EU Official Journal on June 14, 2014. IFRIC 21 clarifies the treatment of certain levies, in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.

IFRIC 21 specifically addresses the accounting of a liability to pay a levy imposed by public authorities on entities in accordance with legislation (i.e., laws or regulations), except for income tax and value-added taxes. Applying this interpretation has led to the modification, where necessary, of the analysis of the obligating event triggering recognition of the liability. This interpretation, which mandatorily applies to accounting periods beginning on or after January 1, 2014 (and retrospectively as from January 1, 2013), had no material impact on Vivendi's Financial Statements.

In addition and as a reminder, as from the Condensed Financial Statements for the first quarter of 2013, Vivendi voluntarily opted for the early application, with retrospective effect as from January 1, 2012, of the standards relating to the principles of consolidation: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements*, IFRS 12 – *Disclosure of Interests in Other Entities*, IAS 27 – *Separate Financial Statements*, and IAS 28 – *Investments in Associates and Joint Ventures* (refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013 – pages 220 to 235 of the Annual Report). The application of these standards had no material impact on Vivendi's Financial Statements.

1.2. Presentation of the Consolidated Financial Statements

1.2.1. Consolidated Statement of Earnings

The main line items presented in Vivendi's Consolidated Statement of Earnings are revenues, income from equity affiliates, interest, provision for incomes taxes, earnings from discontinued or held for sale operations, and earnings. The Consolidated Statement of Earnings presents a subtotal for Earnings Before Interest and Tax (EBIT) equal to the difference between charges and income (excluding those financing activities, equity affiliates, discontinued or held for sale operations, and income taxes).

The charges and income related to financing activities consist of interest, income from investments, as well as other financial charges and income as defined in paragraph 1.2.3 and presented in Note 5.

1.2.2. Consolidated Statement of Cash Flows

Net cash provided by operating activities

Net cash provided by operating activities is calculated using the indirect method based on EBIT. EBIT is adjusted for non-cash items and changes in net working capital. Net cash provided by operating activities excludes the cash impact of financial charges and income and net changes in working capital related to property, plant and equipment, and intangible assets.

Net cash used for investing activities

Net cash used for investing activities includes changes in net working capital related to property, plant and equipment, and intangible assets as well as cash from investments (particularly dividends received from equity affiliates). It also includes any cash flows arising from the gain or loss of control of subsidiaries.

Net cash used for financing activities

Net cash used for financing activities includes net interest paid on borrowings, cash and cash equivalents, bank overdrafts, as well as the cash impact of other items related to financing activities such as premiums from the early redemption of borrowings and the settlement of derivative instruments. It also includes cash flows from changes in ownership interests in a subsidiary that do not result in a loss of control (including increases in ownership interests).

1.2.3. Operating performance of each operating segment and the group

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), Adjusted net income (ANI), and cash flow from operations (CFFO), non-GAAP measures, to be relevant indicators of the group's operating and financial performance.

EBITA

Vivendi considers EBITA, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. The method used in calculating EBITA excludes the accounting impact of the amortization of intangible assets acquired through business combinations, impairment losses on goodwill and other intangibles acquired through business combinations, and other income and charges related to financial investing transactions and to transactions with shareowners. This enables Vivendi to measure and compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions.

The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, impairment losses on goodwill and other intangibles acquired through business combinations, as well as other financial income and charges related to financial investing transactions and transactions with shareowners that are included in EBIT. The charges and income related to financial investing transactions include gains and losses recognized in business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as gains or losses incurred from the gain or loss of control in a business.

Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. Vivendi Management uses adjusted net income because it better illustrates the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Adjusted net income includes the following items:

- EBITA (**);
- income from equity affiliates (*) (**);
- interest (*) (**), equal to interest expense on borrowings net of interest income earned on cash and cash equivalents;
- income from investments (*) (**), including dividends and interest received from unconsolidated companies; and
- taxes and non-controlling interests related to these items.

It does not include the following items:

- amortization of intangibles acquired through business combinations (**) as well as impairment losses on goodwill and other intangibles acquired through business combinations (*) (**);
- other income and charges related to financial investing transactions and to transactions with shareowners (*), as defined above;

(*) Items as presented in the Consolidated Statement of Earnings.
(**) Items as reported by each operating segment.

- other financial charges and income **(*) (**)**, equal to the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in the fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in the EBIT), as well as the effect of undiscounting assets and liabilities, and the financial components of employee benefits (interest cost and expected return on plan assets);
- earnings from discontinued operations **(*) (**)**; and
- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SA's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period).

Cash flow from operations (CFFO)

Vivendi considers cash flow from operations (CFFO), a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. The CFFO includes net cash provided by operating activities, before income tax paid, as presented in the Statement of Cash Flows, as well as dividends received from equity affiliates and unconsolidated companies. It also includes capital expenditures, net that relate to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

The difference between CFFO and net cash provided by operating activities, before income tax, consists of dividends received from equity affiliates and unconsolidated companies and capital expenditures, net, which are included in net cash used for investing activities and of income tax paid, net, which are excluded from CFFO.

1.2.4. Consolidated Statement of Financial Position

Assets and liabilities that are expected to be realized, or intended for sale or consumption, within the entity's normal operating cycle (generally 12 months), are recorded as current assets or liabilities. If their maturity exceeds this period, they are recorded as non-current assets or liabilities.

Moreover, certain reclassifications have been made to the 2013 and 2012 Consolidated Financial Statements to conform to the presentation of the 2014 and 2013 Consolidated Financial Statements.

1.3. Principles governing the preparation of the Consolidated Financial Statements

Pursuant to IFRS principles, notably IFRS 13 – *Fair Value Measurement* relating to measurement and disclosures, the Consolidated Financial Statements have been prepared on a historical cost basis, with the exception of certain assets and liabilities detailed below.

The Consolidated Financial Statements include the financial statements of Vivendi and its subsidiaries after eliminating intragroup items and transactions. Vivendi has a December 31 year-end. Subsidiaries that do not have a December 31 year-end prepare interim financial statements at that date, except when their year-end falls within the three months prior to December 31.

Acquired subsidiaries are included in the Consolidated Financial Statements of the group as of the date of acquisition.

1.3.1. Use of estimates

The preparation of Consolidated Financial Statements in compliance with IFRS requires the group's management to make certain estimates and assumptions that they consider reasonable and realistic. Although these estimates and assumptions are regularly reviewed by Vivendi Management based, in particular, on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions which could have an impact on the reported amount of group assets, liabilities, equity or earnings.

The main estimates and assumptions relate to the measurement of:

- revenue: estimates of provisions for returns and price guarantees (please refer to Note 1.3.4);
- provisions: risk estimates, performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1.3.8 and 18);
- employee benefits: assumptions are updated annually, such as the probability of employees remaining within the group until retirement, expected changes in future compensation, the discount rate and inflation rate (please refer to Notes 1.3.8 and 19);

(*) Items as presented in the Consolidated Statement of Earnings.
(**) Items as reported by each operating segment.

- share-based compensation: assumptions are updated annually, such as the estimated term, volatility and the estimated dividend yield (please refer to Notes 1.3.10 and 20);
- certain financial instruments: fair value estimates (please refer to Notes 1.3.5.8, 1.3.7 and 22);
- deferred taxes: estimates concerning the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1.3.9 and 6);
- goodwill and other intangible assets: valuation methods adopted for the identification of intangible assets acquired through business combinations (please refer to Notes 1.3.5.2);
- goodwill, intangible assets with indefinite useful lives and assets in progress: assumptions are updated annually relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates (please refer to Notes 1.3.5.7, 9, 11, and 12); and
- UMG content assets: estimates of the future performance of beneficiaries who were granted advances are recognized in the Statement of Financial Position (please refer to Notes 1.3.5.3 and 10).

1.3.2. Principles of consolidation

A list of Vivendi's major subsidiaries, joint ventures and associated entities is presented in Note 27.

Consolidation

All companies in which Vivendi has a controlling interest, namely those in which it has the power to govern financial and operational policies in order to obtain benefits from their operations, are fully consolidated.

The new model of control, introduced by IFRS 10 which supersedes the revised IAS 27 – *Consolidated and Separate Financial Statements*, and interpretation SIC 12 – *Consolidation – Special Purpose Entities*, is based on the following three criteria to be fulfilled simultaneously to conclude that the parent company exercises control:

- a parent company has power over a subsidiary when the parent company has existing rights that give it the current ability to direct the relevant activities of the subsidiary, i.e., the activities that significantly affect the subsidiary's returns. Power may arise from existing or potential voting rights, or contractual agreements. Voting rights must be substantial, i.e., they shall be exercisable at any time without limitation, particularly during decision making related to significant activities. The assessment of the exercise of power depends on the nature of the subsidiary's relevant activities, the internal decision-making process, and the allocation of rights among the subsidiary's other shareowners;
- the parent company is exposed, or has rights, to variable returns from its involvement with the subsidiary which may vary as a result of the subsidiary's performance. The concept of returns is broadly defined and includes, among other things, dividends and other economic benefit distributions, changes in the value of the investment in the subsidiary, economies of scale, and business synergies; and
- the parent company has the ability to use its power to affect the returns. Exercising power without having any impact on returns does not qualify as control.

Consolidated Financial Statements of a group are presented as if the group was a single economic entity with two categories of owners: (i) the owners of the parent company (Vivendi SA shareowners) and (ii) the owners of non-controlling interests. A non-controlling interest is defined as the interest in a subsidiary that is not attributable, directly or indirectly, to a parent. As a result, changes to a parent company's ownership interest in a subsidiary that do not result in a loss of control only impact equity, as control does not change within the economic entity. Hence, in the event of the acquisition of an additional interest in a consolidated entity after January 1, 2009, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners. Conversely, any acquisition of control achieved in stages or a loss of control gives rise to profit or loss in the statement of earnings.

Accounting for joint arrangements

IFRS 11, which supersedes IAS 31 – *Financial Reporting of Interests in Joint Ventures,* and interpretation SIC 13 – *Jointly Controlled Entities – Non-monetary Contributions by Venturers,* establishes principles for Financial Reporting by parties to a joint arrangement.

In a joint arrangement, parties are bound by a contractual arrangement, giving these parties joint control of the arrangement. An entity that is a party to an arrangement shall assess whether the contractual arrangement gives all the parties or a group of the parties, control of the arrangement collectively. Once it has been established that all the parties or a group of the parties collectively control the arrangement, joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

Joint arrangements are classified into two categories:

- joint operations: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint operator shall recognize 100% of wholly-owned assets/liabilities, expenses/revenues of the joint operation, and its share of any of those items held jointly; and
- joint ventures: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. Each joint venturer shall recognize its interest in a joint venture as an investment, and shall account for that investment using the equity method in accordance with IAS 28 (please refer below).

The elimination of proportionate consolidation for joint ventures has no impact on Vivendi, which already accounted for companies that were, directly or indirectly, jointly controlled by Vivendi under the equity method, and a limited number of other shareholders under the terms of a contractual arrangement.

Equity accounting

Entities over which Vivendi exercises significant influence as well as joint ventures are accounted for under the equity method.

Significant influence is presumed to exist when Vivendi holds, directly or indirectly, at least 20% of the voting rights in an entity unless it can be clearly demonstrated that Vivendi does not exercise a significant influence. Significant influence can be evidenced through other criteria, such as representation on the Board of Directors or the entity's equivalent governing body, participation in policy-making of financial and operational processes, material transactions with the entity or the interchange of managerial personnel.

1.3.3. Foreign currency translation

The Consolidated Financial Statements are presented in millions of euros. The functional currency of Vivendi SA and the presentation currency of the group is the euro.

Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency of the entity at the exchange rate prevailing at the date of the transaction. At the closing date, foreign currency monetary assets and liabilities are translated into the entity's functional currency at the exchange rate prevailing on that date. All foreign currency differences are expensed, with the exception of differences resulting from borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These differences are allocated directly to charges and income directly recognized in equity until the divestiture of the net investment.

Financial statements denominated in a foreign currency

Except in cases of significant exchange rate fluctuation, financial statements of subsidiaries, joint ventures or other associated entities for which the functional currency is not the euro are translated into euros as follows: the Consolidated Statement of Financial Position is translated at the exchange rate at the end of the period, and the Consolidated Statement of Earnings and the Consolidated Statement of Cash Flow are translated using average monthly exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation differences in charges and income directly recognized in equity. In accordance with IFRS 1, Vivendi elected to reverse the accumulated foreign currency translation differences against retained earnings as of January 1, 2004. These foreign currency translation differences resulted from the translation into euros of the financial statements of subsidiaries that use foreign currencies as their functional currencies. Consequently, these adjustments are not applied to earnings on the subsequent divestiture of subsidiaries, joint ventures or associates whose functional currency is not the euro.

1.3.4. Revenues from operations and associated costs

Revenues from operations are recorded when it is probable that future economic benefits will be obtained by the group and when they can be reliably measured. Revenues are reported net of discounts.

1.3.4.1. Canal+ Group

Pay and free-to-air television

Revenues from television subscription services for terrestrial, satellite or cable pay-television platforms are recognized over the service period, net of gratuities granted. Revenues from advertising are recognized over the period during the advertising commercials are broadcast. Revenues from ancillary services (such as interactive or video-on-demand services) are recognized when the service is rendered. Subscriber management and acquisition costs, as well as television distribution costs, are included in selling, general and administrative expenses.

Equipment rentals

IFRIC 4 – *Determining Whether an Arrangement Contains a Lease*, applies to equipment for which a right of use is granted. Equipment lease revenues are generally recognized on a straight-line basis over the life of the lease agreement.

Film and television programming

Theatrical revenues are recognized as the films are screened. Revenues from film distribution and from video and television or pay television licensing agreements are recognized when the films and television programs are available for telecast and all other conditions of sale have been met. Home video product revenues, less a provision for estimated returns (please refer to Note 1.3.4.3) and rebates, are recognized upon shipment and availability of the product for retail sale. Amortization of film and television capitalized and acquisition costs, theatrical print costs, home video inventory costs and television and home video marketing costs are included in costs of revenues.

1.3.4.2. Universal Music Group (UMG)

Recorded music

Revenues from the physical sale of recorded music, net of a provision for estimated returns (please refer to Note 1.3.4.3) and rebates, are recognized upon shipment to third parties, at the shipping point for products sold free on board (FOB) and on delivery for products sold free on destination.

Revenues from the digital sale of recorded music, for which UMG has sufficient, accurate, and reliable data from certain distributors, are recognized based on their estimate at the end of the month in which those sales were made to the final customer. In the absence of such data, revenues are recognized upon notification by the distribution platform (on-line or mobile music distributor) to UMG of a sale to the final customer.

Music publishing

Revenues from the third-party use of copyrights on musical compositions owned or administered by UMG are recognized when royalty statements are received and collectability is assured.

Costs of revenues

Costs of revenues include manufacturing and distribution costs, royalty and copyright expenses, artists' costs, recording costs, and direct overheads. Selling, general and administrative expenses primarily include marketing and advertising expenses, selling costs, provisions for doubtful receivables and indirect overheads.

1.3.4.3. Other

Provisions for estimated returns and price guarantees are deducted from sales of products to customers through distributors. The provisions are estimated based on past sales statistics and take into account the economic environment and product sales forecast to final customers.

Selling, general and administrative expenses primarily include salaries and employee benefits, rent, consulting and service fees, insurance costs, travel and entertainment expenses, administrative department costs, provisions for receivables and other operating expenses.

Advertising costs are expensed when incurred.

Slotting fees and cooperative advertising expenses are recorded as a reduction in revenues. However, cooperative advertising at UMG is treated as a marketing expense and expensed when its expected benefit is individualized and can be estimated.

1.3.5. Assets

1.3.5.1. Capitalized financial interest

Until December 31, 2008, Vivendi did not capitalize financial interest incurred during the construction and acquisition period of intangible assets, and property, plant and equipment. Since January 1, 2009, according to amended IAS 23 – *Borrowing Costs*, this interest is included in the cost of qualifying assets. Vivendi applies this amendment to qualifying assets for which the commencement date for capitalization of costs is January 1, 2009 onwards.

1.3.5.2. Goodwill and business combinations

Business combinations from January 1, 2009

Business combinations are recorded using the acquisition method. Under this method, upon the initial consolidation of an entity over which the group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are recognized at their fair value on the acquisition date; and
- non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is initially measured as the difference between:

(i) the fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; and

(ii) the net fair value of the identifiable assets and liabilities assumed on the acquisition date.

The measurement of non-controlling interests at fair value results in an increase in goodwill up to the extent attributable to these interests, thereby leading to the recognition of a "full goodwill". The purchase price allocation shall be performed within 12 months after the acquisition date. If goodwill is negative, it is recognized in the Statement of Earnings. Subsequent to the acquisition date, goodwill is measured at its initial amount less recorded accumulated impairment losses (please refer to Note 1.3.5.7 below).

In addition, the following principles are applied to business combinations:

- on the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- contingent consideration in a business combination is recorded at fair value on the acquisition date, and any subsequent adjustment occurring after the purchase price allocation period is recognized in the Statements of Earnings;
- acquisition-related costs are recognized as expenses when incurred;
- in the event of the acquisition of an additional interest in a subsidiary, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners; and
- goodwill is not amortized.

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Vivendi elected not to restate business combinations that occurred prior to January 1, 2004. IFRS 3, as published by the IASB in March 2004, retained the acquisition method. However, its provisions differed from those of its revised standard in respect of the main following items:

- minority interests were measured at their proportionate share of the acquiree's net identifiable assets as there was no option for measurement at fair value;
- contingent consideration was recognized in the cost of acquisition only if the payment was likely to occur and the amounts could be reliably measured;
- transaction costs that were directly attributable to the acquisition formed part of acquisition costs; and
- in the event of the acquisition of an additional interest in a subsidiary, the difference between the acquisition cost and the carrying value of minority interests acquired was recognized as goodwill.

1.3.5.3. Content assets

Canal+ Group

Film, television or sports broadcasting rights

When entering into contracts for the acquisition of film, television or sports broadcasting rights, the rights acquired are classified as contractual commitments. They are recorded in the Statement of Financial Position and classified as content assets as follows:

- film and television broadcasting rights are recognized at their acquisition cost when the program is available for screening and are expensed over their broadcasting period;
- sports broadcasting rights are recognized at their acquisition cost at the opening of the broadcasting period of the related sports season or upon the first payment and are expensed as they are broadcast; and
- expensing of film, television or sports broadcasting rights is included in cost of revenues.

Theatrical film and television rights produced or acquired to be sold

Theatrical film and television rights produced or acquired before their initial exhibition to be sold, are recorded as a content asset at capitalized cost (mainly direct production and overhead costs) or at their acquisition cost. Theatrical film and television rights are amortized, and other related costs are expensed, pursuant to the estimated revenue method (i.e., based on the ratio of the current period's gross revenues to estimated total gross revenues from all sources on an individual production basis). Vivendi considers that amortization pursuant to the estimated revenue method reflects the rate at which the entity plans to consume the future economic benefits related to the asset. Accumulated amortization under this rate is, for this activity, generally not lower than the charge that would be obtained under the straight-line amortization method. If, however, the accumulated amortization would be lower than this charge, a minimum straight-line amortization would be calculated over a maximum 12-year period, which corresponds to the typical screening period of each film.

Where appropriate, estimated losses in value are provided in full against earnings for the period in which the losses are estimated, on an individual product basis.

Film and television rights catalogs

Catalogs comprise film rights acquired for a second television exhibition, or produced or acquired film and television rights that are sold after their first television screening (i.e., after their first broadcast on a free terrestrial channel). They are recognized as an asset at their acquisition or transfer cost and amortized as groups of films, or individually, based respectively on the estimated revenue method.

UMG

Music publishing rights and catalogs include music catalogs, artists' contracts and publishing rights, acquired through business combinations, amortized in selling, general and administrative expenses over a period not exceeding 15 years.

Royalty advances to artists, songwriters, and co-publishers are capitalized as an asset when their current popularity and past performances provide a reasonable basis to conclude that the probable future recoupment of such royalty advances against earnings otherwise payable to them is reasonably assured. Royalty advances are recognized as an expense as subsequent royalties are earned by the artist, songwriter or co-publisher. Any portion of capitalized royalty advances not deemed to be recoverable against future royalties is expensed during the period in which the loss becomes evident. These expenses are recorded in cost of revenues.

Royalties earned by artists, songwriters, and co-publishers are recognized as an expense in the period during which the sale of the product occurs, less a provision for estimated returns.

1.3.5.4. Research and Development costs

Research costs are expensed when incurred. Development expenses are capitalized when the feasibility and, in particular, profitability of the project can reasonably be considered certain.

Cost of internal use software

Direct internal and external costs incurred for the development of computer software for internal use, including website development costs, are capitalized during the application development stage. Application development stage costs generally include software configuration, coding, installation and testing. Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized. These capitalized costs are amortized over 5 to 10 years. Maintenance, minor upgrade, and enhancement costs are expensed as incurred.

1.3.5.5. Other intangible assets

Intangible assets separately acquired are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. The historical cost model is applied to intangible assets after they have been recognized. Assets with an indefinite useful life are not amortized but are subject to an annual impairment test. Amortization is accrued for assets with a finite useful life. Useful life is reviewed at the end of each reporting period.

Other intangible assets include trade names, customer bases and licenses. Music catalogs, trade names, subscribers' bases and market shares generated internally are not recognized as intangible assets.

1.3.5.6. Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost, costs directly attributable to transporting an asset to its physical location and preparing it for its operational use, the estimated costs relating to the demolition and the collection of property, plant and equipment, and the rehabilitation of the physical location resulting from the incurred obligation.

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is calculated using the straight-line method based on the estimated useful life of the assets. Useful lives of the main components are reviewed at the end of each reporting period and are as follows:

- buildings: 5 to 40 years;
- equipment and machinery: 3 to 8 years;
- set-top boxes: 5 to 7 years; and
- other: 2 to 10 years.

Assets financed by finance lease contracts are capitalized at the lower of the fair value of future minimum lease payments and of the market value and the related debt is recorded as "Borrowings and other financial liabilities". In general, these assets are amortized on a straight-line basis over their estimated useful life, corresponding to the duration applicable to property, plant and equipment from the same category. Amortization expenses on assets acquired under such leases are included in amortization expenses.

After initial recognition, the cost model is applied to property, plant and equipment.

Vivendi has elected not to apply the option available under IFRS 1, involving the remeasurement of certain property, plant and equipment at their fair value as of January 1, 2004.

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to apply IFRIC Interpretation 4 – *Determining whether an arrangement contains a lease*, which currently mainly applies to commercial supply agreements for the Canal+ Group (and GVT) satellite capacity, which are commercial service agreements that do not convey a right to use a specific asset; contract costs under these agreements are consequently expensed as operational costs for the period.

1.3.5.7. Asset impairment

Each time events or changes in the economic environment indicate a current risk of impairment of goodwill, other intangible assets, property, plant and equipment, and assets in progress, Vivendi re-examines the value of these assets. In addition, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year. This test is performed to compare the recoverable amount of each Cash Generating Unit (CGU) or, if necessary, groups of CGU to the carrying value of the corresponding assets (including goodwill). A Cash Generating Unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Vivendi group operates through different communication businesses. Each business offers different products and services that are marketed through different channels. CGUs are independently defined at each business level, corresponding to the group operating segments. Vivendi CGUs and groups of CGUs are presented in Note 9.

The recoverable amount is determined as the higher of: (i) the value in use; or (ii) the fair value (less costs to sell) as described hereafter, for each individual asset. If the asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for the group of assets. In particular, an impairment test of goodwill is performed by Vivendi for each CGU or group of CGUs, depending on the level at which Vivendi Management measures return on operations.

The value in use of each asset or group of assets is determined as the discounted value of future cash flows (discounted cash flow method (DCF)) by using cash flow projections consistent with the budget of the following year and the most recent forecasts prepared by the operating segments.

Applied discount rates are determined by reference to available external sources of information, usually based on financial institutions' benchmarks, and reflect the current assessment by Vivendi of the time value of money and risks specific to each asset or group of assets.

Perpetual growth rates used for the evaluation of CGUs are those used to prepare budgets for each CGU or group of CGUs, and beyond the period covered, are consistent with growth rates estimated by the business by extrapolating growth rates used in the budgets, without exceeding the long-term average growth rate for the markets in which the group operates.

The fair value (less costs to sell) is the price that would be received from the sale of an asset or group of assets in an orderly transaction between market participants at the measurement date, less costs to sell. These values are determined on the basis of market data (stock market prices or comparison with similar listed companies, with the value attributed to similar assets or companies in recent transactions) or on discontinued future cash flows in the absence of reliable data.

If the recoverable amount is lower than the carrying value of an asset or group of assets, an impairment loss equal to the difference is recognized in EBIT. In the case of a group of assets, this impairment loss is first recorded against goodwill.

The impairment losses recognized in respect of property, plant and equipment, and intangible assets (other than goodwill) may be reversed in a later period if the recoverable amount becomes greater than the carrying value, within the limit of impairment losses previously recognized. Impairment losses recognized in respect of goodwill cannot be reversed at a later date.

1.3.5.8. Financial assets

Financial assets consist of financial assets measured at fair value and financial assets recognized at amortized cost. Financial assets are initially recognized at fair value corresponding, in general, to the consideration paid, which is best evidenced by the acquisition cost (including associated acquisition costs, if any).

Financial assets at fair value

Financial assets at fair value include available-for-sale securities, derivative financial instruments with a positive value (please refer to Note 1.3.7) and other financial assets measured at fair value through profit or loss. Most of these financial assets are actively traded in organized public markets, their fair value being calculated by reference to the published market price at period end. Fair value is estimated for financial assets which do not have a published market price on an active market. As a last resort, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market, the group values financial assets at historical cost, less any impairment losses.

Available-for-sale securities consist of unconsolidated interests and other securities that cannot be classified in the other financial asset categories described below. Unrealized gains and losses on available-for-sale securities are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in another way, or until there is objective evidence that the investment is impaired, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is expensed in other financial charges and income.

Other financial assets measured at fair value through profit or loss mainly consist of assets held for trading which Vivendi intends to sell in the near future (primarily marketable securities). Unrealized gains and losses on these assets are recognized in other financial charges and income.

Financial assets at amortized cost

Financial assets at amortized cost consist of loans and receivables (primarily loans to affiliates and associates, current account advances to equity affiliates and unconsolidated interests, cash deposits, securitized loans and receivables, and other loans and receivables, and debtors) and held-to-maturity investments (financial assets with fixed or determinable payments and fixed maturity). At the end of each period, these assets are measured at amortized cost using the effective interest method. If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial asset's carrying value and its recoverable amount (equal to the present value of estimated future cash flows discounted at the financial asset's initial effective interest rate), is recognized in profit or loss. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

1.3.5.9. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost comprises purchase costs, production costs and other supply and packaging costs. They are usually calculated using the weighted average cost method. Net realizable value is the estimated selling price in the normal course of business, less estimated completion costs and selling costs.

1.3.5.10. Trade accounts receivable

Trade accounts receivable are initially recognized at fair value, which is generally equal to their nominal value. Provisions for the impairment of receivables are specifically valued in each business unit, generally using a default percentage based on the unpaid amounts during one reference period. For the group's businesses which are based partly or fully on subscription (Canal+ Group), the depreciation rate of trade account receivables is assessed on the basis of historical account receivables from former customers, primarily on a statistical basis. In addition, account receivables from customers subject to insolvency proceedings or customers with whom Vivendi is involved in litigation or a dispute are generally impaired in full.

1.3.5.11. Cash and cash equivalents

The "cash and cash equivalents" category consists of cash in banks, monetary UCITS, which satisfy AMF position No. 2011-13, and other highly liquid investments with initial maturities of generally three months or less. Investments in securities, investments with initial maturities of more than three months without the possibility of early termination and bank accounts subject to restrictions (blocked accounts), other than restrictions due to regulations specific to a country or activity sector (e.g., exchange controls), are not classified as cash equivalents but as financial assets. Moreover, the historical performance of the investments is monitored regularly to confirm their cash equivalents accounting classification.

1.3.6. Assets held for sale and discontinued operations

A non-current asset or a group of assets and liabilities is held for sale when its carrying value may be recovered principally through its divestiture and not by its continued utilization. To meet this definition, the asset must be available for immediate sale and the divestiture must be highly probable. These assets and liabilities are recognized as assets held for sale and liabilities associated with assets held for sale, without offset. The related assets recorded as assets held for sale are valued at the lowest value between the fair value (net of divestiture fees) and the carrying value, or cost less accumulated depreciation and impairment losses and are no longer depreciated.

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for sale have been met or when Vivendi has sold the asset. Discontinued operations are reported on a single line of the Statement of Earnings for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to divest the assets and liabilities of the discontinued operations. In addition, cash flows generated by discontinued operations are reported on a separate line of the Statement of Consolidated Cash Flows for the relevant periods.

Accounting principles and valuation methods specific to telecommunications activities, divested in 2014 (SFR, Maroc Telecom group) or currently in the process of being divested (GVT)

Revenues from operations and associated costs

Separable components of bundled offers

Revenues from telephone packages are recognized as multiple-component sales in accordance with IAS 18. Revenues from the sale of telecommunication equipment (mobile phones and other equipment), net of discounts granted to customers through the distribution channel, are recognized upon activation of the line. Revenues from telephone subscriptions are recognized on a straight-line basis over the subscription contract period. Revenues from incoming and outgoing traffic are recognized when the service is rendered.

Customer acquisition and loyalty costs for mobile phones, principally consisting of rebates on the sale of equipment to customers through distributors, are recognized as a deduction from revenues. Customer acquisition and loyalty costs consisting of premiums not related to the sale of equipment as part of telephone packages and commissions paid to distributors are recognized as selling and general expenses.

Content sales

Sales of services provided to customers managed on behalf of content providers (mainly premium rate numbers) are either accounted for gross, or net of the content providers' fees when the provider is responsible for the content and for setting the price payable by subscribers.

Custom contracts

Service access and installation costs invoiced primarily to the operator's clients on the installation of services such as a broadband connection, bandwidth service or IP connection are recognized over the expected duration of the contractual relationship and the supply of the primary service.

Access to telecommunication infrastructure is provided to clients pursuant to various types of contracts: lease arrangements, hosting contracts or Indefeasible Right of Use (IRU) agreements. IRU agreements, which are specific to the telecommunication sector, confer an exclusive and irrevocable right to use an asset (cables, fiber optic or bandwidth) during a (generally lengthy) defined period without a transfer of ownership of the asset. Revenue generated by leases, hosting contracts in the Netcenters and IRU agreements is recognized over the duration of the corresponding contract, except in the case of a finance lease whereby the equipment is considered as a sale on credit.

Costs of revenues

Costs of revenues comprise purchasing costs (including purchases of mobile phones), interconnection and access costs, network, and equipment costs. Selling, general and administrative expenses notably include commercial costs relating to marketing and customer care expenses.

Other intangible assets

Licenses to operate telecom networks are recorded at historical cost based upon the discounted value of deferred payments and amortized on a straight-line basis from their effective service start date over their estimated useful life until maturity. Licenses to operate in France are recognized in the amount of the fixed, upfront fee paid upon the granting of the license. The variable fee, which cannot be reliably determined (equal to 1% of the revenues generated by the activity in the case of the telecommunication licenses in France), is recorded as an expense when incurred.

Property, plant and equipment

These mainly consist of the network equipment for telecommunications activities, each part of which is amortized generally over 1 to 50 years for fiber optic equipment.

In respect of commercial supply agreements for telecommunications capacities:

- Indefeasible Right of Use (IRU) agreements confer an exclusive and irrevocable right to use an asset during a defined period. IRU agreements are leases which convey a specific right of use for a defined portion of the underlying asset in the form of dedicated fibers or wavelengths. IRU agreements are capitalized if the agreement period covers the major part of the useful life of the underlying asset. IRU contract costs are capitalized and amortized over the contract term; and
- some IRU contracts are commercial service agreements that do not convey a right to use a specific asset; contract costs under these agreements are consequently expensed as operational costs for the period.

Accounting principles and valuation methods applicable specifically to Activision Blizzard (video games), a business divested in 2013

Revenue and related costs

The major portion of Activision Blizzard revenue is generated by the sale of boxes for video games, net of a provision for estimated returns and price guarantees as well as rebates, if any. Regarding video games with significant online functionality or Massively Multiplayer Online Role Playing Games, revenues are recorded ratably over the estimated relationship period with the customer, usually and respectively beginning in the month following the shipment or upon activation of the subscription. The estimated relationship period with the customer over which revenues are recognized currently ranges from a minimum of five months to a maximum of less than a year. Costs of sales associated with revenues from the sale of boxes for video games with significant online functionality are recorded ratably according to the same method as for revenues.

Content assets

Licensing activities and internally developed franchises are recognized as contents assets at their acquisition cost or development cost and are amortized over their estimated useful life on the basis of the rate at which the related economic benefits are consumed. This generally leads to an amortization period of 3 to 10 years for licenses, and 11 to 12 years for franchises.

Cost of software for rental, sale or commercialization

Software development costs (video games) are capitalized when, notably, the technical feasibility of the software is established and they are deemed recoverable. These costs are mainly generated by Activision Blizzard as part of the games development process and are amortized using the estimated revenue method (i.e., based on the ratio of the current period's gross revenues to estimated total gross revenues) for a given product, which generally leads to the amortization of costs over a maximum period of 6 months commencing on a product's release date. Non-capitalized software development costs are immediately recorded as Research and Development costs.

1.3.7. Financial liabilities

Long-term and short-term borrowings and other financial liabilities include:

- bonds and credit facilities, as well as various other borrowings (including commercial paper and debt related to finance leases) and related accrued interest;
- obligations arising out of commitments to purchase non-controlling interests;
- bank overdrafts; and
- the negative value of other derivative financial instruments. Derivatives with positive values are recorded as financial assets in the Statement of Financial Position.

Borrowings

All borrowings are initially accounted for at fair value net of transaction costs directly attributable to the borrowing. Borrowings bearing interest are subsequently valued at amortized cost, applying the effective interest method. The effective interest rate is the internal yield rate that discounts future cash flows over the term of the borrowing. In addition, where the borrowing comprises an embedded derivative (e.g., an exchangeable bond) or an equity instrument (e.g., a convertible bond), the amortized cost is calculated for the debt component only, after separation of the embedded derivative or equity instrument. In the event of a change in expected future cash flows (e.g., redemption is earlier than initially expected), the amortized cost is adjusted against earnings to reflect the value of the new expected cash flows, discounted at the initial effective interest rate.

Commitments to purchase non-controlling interests

Vivendi has granted commitments to purchase non-controlling interests to certain shareowners of its fully consolidated subsidiaries. These purchase commitments may be optional (e.g., put options) or mandatory (e.g., forward purchase contracts).

The following accounting treatment has been adopted in respect of commitments granted on or after January 1, 2009:

- upon initial recognition, the commitment to purchase non-controlling interests is recognized as a financial liability for the present value of the purchase consideration under the put option or forward purchase contract, mainly offset through the book value of non-controlling interests and the remaining balance through equity attributable to Vivendi SA shareowners;
- subsequent changes to the value of the commitment are recognized as a financial liability by an adjustment to equity attributable to Vivendi SA shareowners; and
- upon maturity of the commitment, if the non-controlling interests are not purchased, the previously recognized entries are reversed; if the non-controlling interests are purchased, the amount recognized in financial liabilities is reversed, offset by the cash outflow relating to the purchase of the non-controlling interests.

Derivative financial instruments

Vivendi uses derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates, and foreign currency exchange rates. All instruments are either listed on organized markets or traded over-the-counter with highly-rated counterparties. These instruments include interest rate and currency swaps, and forward exchange contracts. All these derivative financial instruments are used for hedging purposes.

When these contracts qualify as hedges for accounting purposes, gains and losses arising on these contracts are offset in earnings against the gains and losses relating to the hedged item. When the derivative financial instrument hedges exposures to fluctuations in the fair value of an asset or a liability recognized in the Statement of Financial Position or of a firm commitment which is not recognized in the Statement of Financial Position, it is a fair value hedge. The instrument is remeasured at fair value in earnings, with the gains or losses arising on remeasurement of the hedged portion of the hedged item offset on the same line of the Statement of Earnings, or, as part of a forecasted transaction relating to a non-financial asset or liability, at the initial cost of the asset or liability. When the derivative financial instrument hedges cash flows, it is a cash flow hedge. The hedging instrument is remeasured at fair value and the portion of the gain or loss that is determined to be an effective hedge is recognized through charges and income directly recognized in equity, whereas its ineffective portion is recognized in earnings, or, as part of a forecasted transaction on a non-financial asset or liability, they are recognized at the initial cost of the asset or liability. When the hedged item is realized, accumulated gains and losses recognized in equity are released to the Statement of Earnings and recorded on the same line as the hedged item. When the derivative financial instrument hedges a net investment in a foreign operation, it is recognized in the same way as a cash flow hedge. Derivative financial instruments which do not qualify as a hedge for accounting purposes are remeasured at fair value and resulting gains and losses are recognized directly in earnings, without remeasurement of the underlying instrument.

Furthermore, income and expenses relating to foreign currency instruments used to hedge highly probable budget exposures and firm commitments contracted pursuant to the acquisition of editorial content rights (including sports, audiovisual and film rights) are recognized in EBIT. In all other cases, gains and losses arising on the fair value remeasurement of instruments are recognized in other financial charges and income.

1.3.8. Other liabilities

Provisions

Provisions are recognized when, at the end of the reporting period, Vivendi has a legal obligation (legal, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be reliably estimated. Where the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. If the amount of the obligation cannot be reliably estimated, no provision is recorded and a disclosure is made in the Notes to the Consolidated Financial Statements.

Employee benefit plans

In accordance with the laws and practices of each country in which it operates, Vivendi participates in, or maintains, employee benefit plans providing retirement pensions, post-retirement health care, life insurance and post-employment benefits to eligible employees, former employees, retirees and such of their beneficiaries who meet the required conditions. Retirement pensions are provided for substantially all employees through defined contribution plans, which are integrated with local social security and multi-employer plans, or defined benefit plans, which are generally managed via group pension plans. The plan funding policy implemented by the group is consistent with applicable government funding requirements and regulations.

Defined contribution plans

Contributions to defined contribution and multi-employer plans are expensed during the year.

Defined benefit plans

Defined benefit plans may be funded by investments in various instruments such as insurance contracts or equity and debt investment securities, excluding Vivendi shares or debt instruments.

Pension expenses and defined benefit obligations are calculated by independent actuaries using the projected unit credit method. This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan. The assumptions adopted in 2013 and 2014, and the means of determining these assumptions, are presented in Note 19. A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, and includes past service cost and actuarial gains and losses.

The cost of defined benefit plans consists of three components recognized as follows:

- the service cost is included in selling, general and administrative expenses. It comprises current service cost, past service cost resulting from a plan amendment or a curtailment, immediately recognized in profit and loss, and gains and losses on settlement;
- the financial component, recorded in other financial charges and income, consists of the undiscounting of the obligation, less the expected return on plan assets determined using the discount rate retained for the valuation of the benefit obligation; and
- the remeasurements of the net defined benefit liability (asset), recognized in items of other comprehensive income not reclassified to profit and loss, mainly consist of actuarial gains and losses, i.e., changes in the present value of the defined benefit obligation and plan assets resulting from changes in actuarial assumptions and experience adjustments (representing the differences between the expected effect of some actuarial assumptions applied to previous valuations and the effective effect).

Where the value of plan assets exceeds benefit obligations, a financial asset is recognized up to the present value of future refunds and the expected reduction in future contributions.

Some other post-employment benefits, such as life insurance and medical coverage (mainly in the United States) are subject to provisions which are assessed through an actuarial calculation comparable to the method used for pension provisions.

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to record unrecognized actuarial gains and losses against consolidated equity.

1.3.9. Deferred taxes

Differences existing at closing between the tax base value of assets and liabilities and their carrying value in the Consolidated Statement of Financial Position give rise to temporary differences. Pursuant to the liability method, these temporary differences result in the accounting of:

- deferred tax assets, when the tax base value is greater than the carrying value (expected future tax saving); and
- deferred tax liabilities, when the tax base value is lower than the carrying value (expected future tax expense).

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor tax income or loss.

For deductible temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that a taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the group proved to differ significantly from those expected, the group would be required to increase or decrease the carrying value of deferred tax assets with a potentially material impact on the Statement of Financial Position and Statement of Earnings of the group.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from goodwill or initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, tax income or loss.

For taxable temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Current tax and deferred tax shall be charged or credited directly to equity, and not earnings, if the tax relates to items that are credited or charged directly to equity.

1.3.10. Share-based compensation

With the aim of aligning the interests of its executive management and employees with its shareholders' interests by providing them with an additional incentive to improve the company's performance and increase its share price on a long-term basis, Vivendi maintains several share-based compensation plans (share purchase plans, performance share plans, and bonus share plans) or other equity instruments based on the value of the Vivendi share price (stock options), which are settled either in equity instruments or in cash. Grants under these plans are approved by the Management Board and the Supervisory Board. In addition, the definitive grant of stock options and performance shares is contingent upon the achievement of specific performance objectives set by the Management Board and the Supervisory Board. Moreover, all granted plans are conditional upon active employment at the vesting date.

In addition, Universal Music Group maintains Equity Long-Term Incentive Plans. Under these plans, certain key executives are awarded equity units, which are settled in cash. These equity units are phantom stock units whose value is intended to reflect the value of Universal Music Group.

Please refer to Note 20 for details of the features of these plans.

Share-based compensation is recognized as a personnel cost at the fair value of the equity instruments granted. This expense is spread over the vesting period, i.e., three years for stock option plans and two years for performance shares and bonus share plans at Vivendi, other than in specific cases.

Vivendi use a binomial model to assess the fair value of such instruments. This method relies on assumptions updated at the valuation date such as the calculated volatility of the relevant shares, the discount rate corresponding to the risk-free interest rate, the expected dividend yield, and the probability of relevant managers and employees remaining employed within the group until the exercise of their rights.

However, depending on whether the equity instruments granted are equity-settled or cash-settled, the valuation and recognition of the expense will differ:

Equity-settled instruments

- the expected term of the option granted is deemed to be the mid-point between the vesting date and the end of the contractual term;
- the value of the instruments granted is estimated and fixed at grant date; and
- the expense is recognized with a corresponding increase in equity.

Cash-settled instruments

- the expected term of the instruments granted is deemed to be equal to one-half of the residual contractual term of the instrument for vested rights, and to the average of the residual vesting period at the remeasurement date and the residual contractual term of the instrument for unvested rights;
- the value of instruments granted is initially estimated at grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted *pro rata* taking into account the vested rights at each such reporting date;
- the expense is recognized as a provision; and
- moreover, as plans settled in cash are primarily denominated in US dollars, the value fluctuates based on the EUR/USD exchange rate.

Share-based compensation cost is allocated to each operating segment, pro rata to the number of equity instruments or equivalent instruments granted to their managers and employees.

The dilutive effect of stock options and performance shares settled in equity through the issuance of Vivendi shares which are in the process of vesting is reflected in the calculation of diluted earnings per share.

In accordance with IFRS 1, Vivendi elected to retrospectively apply IFRS 2 as of January 1, 2004. Consequently, all share-based compensation plans for which rights remained to be vested as of January 1, 2004 were accounted for in accordance with IFRS 2.

1.4. Related parties

Group-related parties are those companies over which the group exercises exclusive control, joint control or significant influence, shareholders exercising joint control over group joint ventures, non-controlling interests exercising significant influence over group subsidiaries, Corporate Officers, group management and Directors and companies over which the latter exercise exclusive control, joint control, or significant influence.

The transactions realized with subsidiaries over which the group exercises control are not included in the intersegment operations (a list of the principal consolidated subsidiaries is presented in Note 27).

Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's length basis on terms and conditions similar to those which would be offered by third parties. The operating costs of Vivendi SA's headquarters, after the allocation of a portion of these costs to each of the group's businesses, are included in the Corporate operating segment (Please refer to Note 2 for a detailed description of the transactions between the parent company and the subsidiaries of the group, aggregated by operating segments).

1.5. Contractual obligations and contingent assets and liabilities

Once a year, Vivendi and its subsidiaries prepare detailed reports on all material contractual obligations, commercial and financial commitments and contingent obligations, for which they are jointly and severally liable. These detailed reports are updated by the relevant departments and reviewed by senior management on a regular basis. To ensure completeness, accuracy and consistency of these reports, some dedicated internal control procedures are carried out, including (but not limited to) the review of:

- minutes of meetings of the shareholders, Management Board, Supervisory Board and Committees of the Supervisory Board in respect of matters such as contracts, litigation, and authorization of asset acquisitions or divestitures;
- pledges and guarantees with banks and financial institutions;
- pending litigation, claims (in dispute) and environmental matters as well as related assessments for unrecorded contingencies with internal and/or external legal counsels;
- tax examiner's reports and, if applicable, notices of reassessments and tax expense analyses for prior years;
- insurance coverage for unrecorded contingencies with the Risk Management department and insurance agents and brokers with whom the group contracted;
- related-party transactions for guarantees and other given or received commitments; and more generally
- major contracts and agreements.

1.6. New IFRS standards and IFRIC interpretations that have been published but are not yet effective

The IFRS standards and IFRIC interpretations that have been published by the IASB and endorsed in the European Union, which are not yet effective but which have been applied in anticipation are detailed in Note 1.1.

Among IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC at the date of approval of these Consolidated Financial Statements, but which are not yet effective, and for which Vivendi has not elected for an earlier application, the main standard which may have an impact on Vivendi is IFRS 15 – *Revenue from Contracts with Customers*, issued by IASB on May 28, 2014, which applies mandatorily from January 1, 2017, and still being endorsed in the EU. Vivendi is currently assessing the potential impact on the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements in applying this standard.

NOTE 2. Segment data

2.1. Operating segment data

The Vivendi group comprises several businesses that are leaders in content and media. Each business offers different products and services that are marketed through different channels. Given the unique customer base, technology, marketing and distribution requirements of each of these businesses, each business is managed separately and represents the base of the internal reporting of the group. The Vivendi group has the following main businesses:

- **Canal+ Group:** publishing and distribution of premium and thematic pay-TV channels as well as free-to-air channels in France, Poland, Africa and Vietnam as well as production and distribution of cinema film and TV series in Europe. In 2014 and 2013, Canal+ Group notably acquired Red Production Company (November 22, 2013), Mediaserv (February 13, 2014) and Thema (October 28, 2014); and
- **Universal Music Group:** sale of recorded music (physical and digital media), exploitation of music publishing rights as well as artist services and merchandising. In 2014, UMG notably acquired Eagle Rock Entertainment Limited (April 8, 2014).

Vivendi Management evaluates the performance of these operating segments and allocates necessary resources to them based on certain operating indicators (segment earnings and cash flow from operations). Segment earnings relate to the EBITA of each business segment.

Additionally, segment data is prepared in accordance with the following principles:

- the operating segment **Vivendi Village** includes other operations, notably Vivendi Ticketing (with See Tickets and Digitick), Wengo (expert advisory services), and Watchever (platform in broadcasting of audiovisual works);
- the operating segment **Corporate** includes the headquarter's costs, net of the allocation of a portion of these costs to each of the businesses;
- intersegment commercial relations are conducted on an arm's length basis on terms and conditions similar to those which would be offered by third parties; and
- the operating segments presented hereunder are strictly identical to the information given to Vivendi's Management Board.

In addition, Vivendi's interests in SFR and GVT, discontinued businesses as of December 31, 2014 (please refer to Note 3), are no longer reported in segment data as a result of the application of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*:

- the 2013 Consolidated Statement of Earnings and 2013 Consolidated Statement of Cash Flows were adjusted to ensure consistency of information; and
- GVT's assets and liabilities were reclassified as unallocated assets as of December 31, 2014.

For a detailed description of the adjustments made to the previously published Financial Statements, please refer to Note 31.

As of December 31, 2014, Vivendi also presented data categorized according to four geographic regions, including France and the United States.

Consolidated Statements of Earnings

(in millions of euros)	Year ended December 31, 2014					
	Canal+ Group	Universal Music Group	Vivendi Village	Corporate	Eliminations	Total Vivendi
External revenues	5,440	4,554	95	-	-	10,089
Intersegment revenues	16	3	1	-	(20)	-
Revenues	**5,456**	**4,557**	**96**	**-**	**(20)**	**10,089**
Operating expenses excluding amortization and depreciation	(4,615)	(3,869)	(125)	(57)	20	(8,646)
EBITDA	**841**	**688**	**(29)**	**(57)**	**-**	**1,443**
Restructuring charges	-	(50)	(44)	(10)	-	(104)
Gains/(losses) on sales of tangible and intangible assets	(1)	(2)	-	-	-	(3)
Other non-recurring items	(15)	(13)	-	(2)	-	(30)
Depreciation of tangible assets	(170)	(58)	(3)	(1)	-	(232)
Amortization of intangible assets excluding those acquired through business combinations	(72)	-	(3)	-	-	(75)
Adjusted earnings before interest and income taxes (EBITA)	**583**	**565**	**(79)**	**(70)**	**-**	**999**
Amortization of intangible assets acquired through business combinations	(8)	(334)	(2)	-	-	(344)
Impairment losses on intangible assets acquired through business combinations	-	(1)	(91)	-	-	(92)
Other income						203
Other charges						(30)
Earnings before interest and income taxes (EBIT)						**736**
Income from equity affiliates						(18)
Interest						(96)
Income from investments						3
Other financial income						19
Other financial charges						(751)
Provision for income taxes						(130)
Earnings from discontinued operations						5,262
Earnings						**5,025**
of which						
Earnings attributable to Vivendi SA shareowners						**4,744**
Earnings from continuing operations attributable to Vivendi SA shareowners						**(290)**
Earnings from discontinued operations attributable to Vivendi SA shareowners						5,034
Non-controlling interests						281

	Year ended December 31, 2013					
(in millions of euros)	Canal+ Group	Universal Music Group	Vivendi Village	Corporate	Eliminations	Total Vivendi
External revenues	5,300	4,882	70	-	-	10,252
Intersegment revenues	11	4	1	-	(16)	-
Revenues	**5,311**	**4,886**	**71**	**-**	**(16)**	**10,252**
Operating expenses excluding amortization and depreciation	(4,406)	(4,172)	(145)	(90)	16	(8,797)
EBITDA	**905**	**714**	**(74)**	**(90)**	**-**	**1,455**
Restructuring charges	-	(114)	-	(2)	-	(116)
Gains/(losses) on sales of tangible and intangible assets	(8)	6	(1)	-	-	(3)
Other non-recurring items	(50)	(26)	(1)	6	-	(71)
Depreciation of tangible assets	(156)	(69)	(2)	(1)	-	(228)
Amortization of intangible assets excluding those acquired through business combinations	(80)	-	(2)	-	-	(82)
Adjusted earnings before interest and income taxes (EBITA)	**611**	**511**	**(80)**	**(87)**	**-**	**955**
Amortization of intangible assets acquired through business combinations	(7)	(341)	(2)	-	-	(350)
Impairment losses on intangible assets acquired through business combinations	-	(5)	(1)	-	-	(6)
Other income						88
Other charges						(50)
Earnings before interest and income taxes (EBIT)						**637**
Income from equity affiliates						(21)
Interest						(266)
Income from investments						66
Other financial income						13
Other financial charges						(300)
Provision for income taxes						17
Earnings from discontinued operations						2,633
Earnings						**2,779**
of which						
Earnings attributable to Vivendi SA shareowners						**1,967**
Earnings from continuing operations attributable to Vivendi SA shareowners						**43**
Earnings from discontinued operations attributable to Vivendi SA shareowners						1,924
Non-controlling interests						812

Consolidated Statements of Financial Position

(in millions of euros)	Canal+ Group	Universal Music Group	Vivendi Village	Corporate	GVT	SFR	Total Vivendi
December 31, 2014							
Segment assets **(a)**	7,829	8,677	154	5,896	-	-	22,556
Unallocated assets **(b)**							13,182
Total Assets							**35,738**
Segment liabilities **(c)**	2,609	3,463	129	2,404	-	-	8,605
Unallocated liabilities **(d)**							4,145
Total Liabilities							**12,750**
Increase in tangible and intangible assets	205	47	7	-	-	-	259
Capital expenditures, net (capex, net) **(e)**	190	46	7	-	-	-	243
December 31, 2013							
Segment assets **(a)**	7,500	8,256	251	154	4,674	18,304	39,139
Unallocated assets **(b)**							10,041
Total Assets							**49,180**
Segment liabilities **(c)**	2,542	3,402	78	2,213	548	5,913	14,696
Unallocated liabilities **(d)**							15,454
Total Liabilities							**30,150**
Increase in tangible and intangible assets	213	54	8	1	776	1,665	2,717
Capital expenditures, net (capex, net) **(e)**	211	26	8	-	769	1,610	2,624

Additional operating segment data is presented in Note 9 "Goodwill", and Note 10 "Content assets and commitments".

(a) Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, investments in equity affiliates, financial assets, inventories and trade accounts receivable, and other.

(b) Unallocated assets include deferred tax assets, current tax receivables and cash and cash equivalents. As of December 31, 2014, they also included GVT's assets of discontinued businesses for €5,393 million. As of December 31, 2013, they also included Maroc Telecom group's assets of discontinued businesses for €6,562 million and the remaining 83 million Activision Blizzard shares held by Vivendi, valued at €1,078 million (please refer to Note 3).

(c) Segment liabilities include provisions, other non-current liabilities, and trade accounts payable.

(d) Unallocated liabilities include borrowings and other financial liabilities, deferred tax liabilities and current tax payables. As of December 31, 2014, they also included GVT's liabilities associated with assets of discontinued businesses for €1,094 million (excluding financial liabilities to Vivendi SA). As of December 31, 2013, they also included Maroc Telecom group's liabilities associated with assets of discontinued businesses for €2,429 million (please refer to Note 3).

(e) Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

2.2. Geographic information

Revenues are broken down by customer location.

(in millions of euros)	Year ended December 31, 2014		2013	
Revenues				
France	4,482	*44%*	4,491	*44%*
Rest of Europe	2,505	*25%*	2,462	*24%*
United States	1,748	*17%*	1,883	*18%*
Rest of the World	1,354	*14%*	1,416	*14%*
	10,089	***100%***	**10,252**	***100%***

(in millions of euros)	December 31, 2014		December 31, 2013	
Segment assets				
France	11,774	*52%*	24,950	*64%*
Rest of Europe	2,519	*11%*	2,483	*6%*
United States	7,660	*34%*	6,549	*17%*
Brazil	31	*0%*	4,725	*12%*
Rest of the World	572	*3%*	432	*1%*
	22,556	***100%***	**39,139**	***100%***

In 2014 and 2013, acquisitions of tangible and intangible assets were mainly realized in France by Canal+ Group.

NOTE 3. Discontinued operations

In compliance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, GVT, SFR, Maroc Telecom, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations in accordance with the following terms:

- **Ongoing sales as of December 31, 2014:** on September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT. As a result, GVT has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation as from the third quarter of 2014. Its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2014 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses";
- **Completed sales as of December 31, 2014:** Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively. All three businesses have been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations.

The adjustments to previously published data are presented in Note 31.

3.1. Sale of SFR

On November 27, 2014, pursuant to an agreement entered into on June 20, 2014 and following approval by the French Competition Authority on October 27, 2014 subject to conditions (see below), Vivendi announced the closing of the combination between SFR and Numericable. The main terms of this transaction are as follows:

Cash proceeds	€13.5 billion, subject to the sale price adjustment: on November 27, 2014, Vivendi received €13.366 billion in cash and, on December 3, 2014, Vivendi made a contribution of €200 million to the financing of the acquisition of Virgin Mobile by Numericable Group. Under the terms of the agreement, the price adjustment to be calculated is based, among other things, on any exceptional changes in the net working capital, SFR's net debt, as well as certain restatements as contractually defined by the parties and is subject to a contradictory accounting analysis in accordance with the contract.
Vivendi's interest in the combined entity	20% of Numericable-SFR (publicly-listed).
Altice's interest in the combined entity	Approximately 60% of Numericable-SFR (approximately 20% free float).
Earn-out	Earn-out of €750 million if the EBITDA-Capex aggregate of the combined entity is equal to or higher than €2 billion during any fiscal year, ending not later than December 31, 2024.
Commitments given	Limited representations and warranties.
Governance	■ Minority representation for Vivendi on the Board of Directors, or 2 out of 10 Directors, subject to Vivendi retaining a 20% interest in Numericable-SFR (1 Director if Vivendi holds an interest between 10% and 20%). ■ Veto rights on certain exceptional matters subject to Vivendi retaining a 20% interest in Numericable-SFR. ■ Numericable-SFR has notably given the French Competition Authority an undertaking not to disclose any strategic information on the pay-TV market, the distribution of pay-TV services, or ultramarine telecommunications markets to Vivendi.
Liquidity – Lock-up period	■ Standard 180-day lock-up period, including restrictions on any disposal or transfer of shares or equivalent transactions, following the date of settlement-delivery of the rights issue of Numericable Group (on November 20, 2014), at the request of the underwriting banks. ■ Lock-up period until the end of November 2015, after which Vivendi may sell or distribute its Numericable-SFR shares, without restrictions, with a right of priority granted to Altice (pre-emption right or right of first offer). ■ Vivendi has agreed not to acquire any Numericable-SFR shares, directly or indirectly, until June 30, 2018. ■ Subject to Vivendi retaining its shares, Altice will have a call option at market value (subject to a floor (1)) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over one-month window periods starting on June 1, 2016, June 1, 2017 and June 1, 2018. ■ Tag-along rights for Vivendi if Altice sells its shares.

(1) Volume Weighted Average Price (VWAP) of Numericable Group's share price over the 20 business days before the closing date (which occurred on November 27, 2014), €29.46, grossed-up at an annual rate of 5% during the period ranging from the closing date until the date of exercise of the call option.

As from the first quarter of 2014, SFR was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in the Statement of Financial Position of Vivendi as a discontinued operation. The data presented below relates to the contribution of the operating segment "SFR" until the effective divestiture date, which includes SFR S.A. and its subsidiaries, as well as the interest held by Vivendi, through its subsidiary, SIG 50, in the telecommunication products and services distribution operations.

Recognition of 20% interest in Numericable-SFR

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13.166 billion in cash as well as 97,387,845 shares in the new combined entity Numericable-SFR, which represents a 20% interest and voting rights. Since that date, Vivendi deconsolidated SFR. Given the significant restrictive nature of the commitments given by Vivendi and Numericable-SFR to the French Competition Authority with respect to all Numericable-SFR's operations, Vivendi's minority representation on Numericable-SFR's Board of Directors together with the other specific rights granted to Vivendi by Numericable-SFR's governance (see above) helps Vivendi adequately protect its proprietary interests as a minority shareholder. Vivendi considers that it does not have the right to participate in Numericable-SFR's financial and operational policy-making processes, according to IAS 28. Without having a significant influence, the 20% interest in Numericable-SFR was recognized as an "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position, and, in accordance with IAS 39, was revalued at the stock market price at each reporting date (€3,987 million as of December 31, 2014) as the unrealized gains or losses were directly recognized in equity. From November 27, 2014 to December 31, 2014, the revaluation of Vivendi's interest in Numericable-SFR resulted in an unrealized gain of €743 million (before taxes).

Capital gain on the sale of SFR

In accordance with IFRS, the capital gain on the sale of SFR was calculated as the difference between the sale price of 100% of SFR and the value of SFR's net assets, as recorded in Vivendi's Consolidated Financial Statements on the date of the sale. The components of the sale price are (i) the €13.166 billion cash proceeds, and (ii) the value of a 20% interest in the new combined entity Numericable-SFR, valued at the stock market's price on November 27, 2014 (€33.315 per share), or €3.244 billion. The earn-out (€750 million) was excluded from the calculation at this stage, due to its contingent nature. On this basis, the capital gain on the sale of SFR amounted to €2,378 million (after taxes), recognized in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations". Excluding the discontinuation **(1)** of amortization since April 1, 2014, in accordance with IFRS 5, the capital gain on the sale of SFR amounted to €3,459 million.

Guarantees related to the sale of Maroc Telecom group

Vivendi has agreed to counter-guarantee SFR for any amount that may be claimed by Etisalat or any third party other than Etisalat in relation with the sale of its interest in Maroc Telecom:

- with respect to the sale agreement entered into with Etisalat, this commitment will expire at the expiry of Etisalat's right to make a claim against Vivendi and SFR, i.e., on May 14, 2018; and
- this commitment, which will also cover any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable Group within the applicable statutes of limitations.

(1) When an activity is discontinued, IFRS 5 requires the discontinuation of the amortization of the operation's tangible and intangible assets. Therefore, for SFR, reported as a discontinued operation since March 31, 2014, Vivendi discontinued the amortization of tangible and intangible assets as from the second quarter of 2014, resulting in a positive impact, attributable to Vivendi SA shareholders, of €1,081 million on earnings from discontinued operations from April 1 to November 27, 2014.

3.2. Plan to sell GVT

On August 28, 2014, Vivendi's Supervisory Board decided to enter into exclusive negotiations with Telefonica to sell GVT. After receiving a positive opinion from employee representatives, on September 18, 2014 it authorized the execution of an agreement with Telefonica for the sale of GVT. This agreement, the key terms of which are described below, represents a total enterprise value of €7.45 billion (based on the stock market value and foreign exchange rates on the date the exclusive negotiations were entered into with Telefonica), corresponding to a 2014 estimated EBITDA multiple of 10x. The closing of the transaction is subject to certain conditions, including the approval by the relevant regulatory authorities, and is expected to occur during the second quarter of 2015.

Cash proceeds at the completion date	€4.66 billion subject to the sale price adjustment, based, among other things, on exceptional changes in net working capital, GVT's bank debt (approximately €480 million), as well as certain restatements as contractually defined by the parties, at the completion date of the sale. Depending on these adjustments and the actual numbers as of the completion date, the amount of cash consideration paid, may be increased or decreased. Moreover, the cash proceeds, net of adjustments, will also be decreased by any applicable taxes related to the sale, currently estimated at approximately €500 million. The net sale price is estimated at approximately €3.75 billion.
Consideration shares	7.4% interest in Telefonica Brasil (VIVO/GVT) and 5.7% interest (8.3% voting rights) in Telecom Italia.
Financing	Capital increase at Vivo to fund cash proceeds, guaranteed by Telefonica.
Conditions precedent	Completion of the transaction is subject to obtaining approvals from ANATEL (*Agência Nacional de Telecomunicações*) and CADE (*Conselho Administrativo de Defesa Econômica*) in Brazil, and other conditions customary in this type of transaction.
Commitments given	Limited representations and warranties.
Liquidity	With respect to Vivendi's interest in the combined VIVO/GVT entity: ■ maximum 180 day lock-up period starting as from the completion date of the transaction; and ■ tag-along rights.
Governance	No specific governance rights in VIVO/GVT and Telecom Italia.

As from the third quarter of 2014, given the expected closing date of this transaction, GVT was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in Statement of Financial Position of Vivendi as a discontinued operation.

3.3. Sale of Maroc Telecom group

On May 14, 2014, pursuant to the agreements entered into on November 4, 2013, Vivendi sold its 53% interest in Maroc Telecom to Etisalat and received €4,138 million in total cash proceeds from sale, after a contractual price adjustment (-€49 million). On the same date, Vivendi deconsolidated Maroc Telecom and recorded a capital gain of €786 million (before taxes and net of costs related to the sale), which is presented under "Earnings from discontinued operations" in 2014. The agreements contained representations and warranties customary to this type of transaction. The main terms of the sale were the following:

- Vivendi provided certain customary representations and warranties to Etisalat relating to SPT (the holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries. Vivendi also granted a number of specific guarantees;
- the amount of compensation to be paid by Vivendi in respect of indemnifiable losses incurred by Maroc Telecom or one of its subsidiaries was determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i.e., 53% for Maroc Telecom);
- Vivendi's overall obligation to indemnify was capped at 50% of the initial sale price, and this threshold was increased to 100% in respect of claims related to SPT;
- the commitments to indemnify provided by Vivendi, other than those in respect of taxes and SPT, will remain in effect for a 24 month period following completion of the transaction (May 2016). Claims for tax-related indemnities must be made by January 15, 2018. The indemnity related to SPT remains in effect until the end of a four-year period following the closing (May 14, 2018); and
- to guarantee the payment of any specific indemnity amounts referenced above, Vivendi delivered a bank guarantee to Etisalat in the amount of €247 million, expiring on February 15, 2018. On July 8, 2014, Vivendi received a discharge of this guarantee for the amount of €229 million.

3.4. Sale of Activision Blizzard shares

In accordance with the agreements entered into on October 11, 2013, the 83 million Activision Blizzard shares retained by Vivendi were subject to a two-tiered lock-up provision:

- from October 11, 2013 until April 9, 2014, Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly; from April 10, until July 9, 2014, Vivendi can sell Activision Blizzard shares provided they constitute no more than the lesser of (i) 50% of Vivendi's 83 million remaining shares and (ii) 9% of the outstanding shares of Activision Blizzard; and
- from July 10, 2014 until January 7, 2015, Vivendi was subject to another lock-up provision; as from January 7, 2015, Vivendi may sell its remaining Activision Blizzard shares without restriction.

Considering the initial intention of Vivendi Management to sell these shares at the end of the lock-up periods if market conditions were favorable, the 83 million Activision Blizzard shares were classified as "Assets held for sale".

On May 22, 2014, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares for $852 million (€623 million). The €84 million capital gain is presented in "Earnings from discontinued operations". Taking into account the capital gain of €123 million recorded in 2013, the capital gain realized by Vivendi with respect to this first tranche of Activision Blizzard shares amounted to €207 million.

As of December 31, 2014, the remaining interest of 41.5 million Activision Blizzard shares, valued at $836 million (€689 million) was reclassified in "available-for-sale securities" as Vivendi Management has decided not to sell this interest in the immediate future. As of December 31, 2014, the unrealized capital gain with respect to this interest amounted to €273 million (before taxes), directly recognized in equity.

3.5. Earnings from discontinued operations

In compliance with IFRS 5, the line "Earnings from discontinued operations" presented in Vivendi's Consolidated Statement of Earnings includes the operations of GVT (for the years 2014 and 2013), SFR (for the year 2013 and until the date of the sale on November 27, 2014), Maroc Telecom group (for the year 2013 and until the date of the sale on May 14, 2014), and Activision Blizzard (until the date of the sale on October 11, 2013) as well as the capital gain on completed divestiture with respect to discontinued operations.

	2014 contributions				
(in million of euros)	GVT	SFR	Maroc Telecom group	Other	Total
Revenues	1,765	8,981	969	-	11,715
EBITDA	702	2,129	530	-	3,361
Adjusted earnings before interest and income taxes (EBITA)	367	689	360	-	1,416
EBITA after discontinuation of amortization (a)	478	1,732	531	-	2,741
Earnings before interest and income taxes (EBIT)	457	1,676	531	-	2,664
Earnings before provision for income taxes	393	1,487	527	-	2,407
Provision for income taxes	(89)	(188)	(120)	-	(397)
Earnings	**304**	**1,299**	**407**	**-**	**2,010**
Capital gain on completed divestiture	na	2,378	786	(b) 84	3,248
Other	(2)	-	-	6	4
Earnings from discontinued operations	**302**	**3,677**	**1,193**	**90**	**5,262**
of which attributable to Vivendi SA shareowners	*302*	*3,663*	*979*	*90*	*5,034*
non-controlling interests	*-*	*14*	*214*	*-*	*228*

	2013 contributions				
(in millions of euros)	GVT	SFR	Maroc Telecom group	Activision Blizzard	Total
Revenues	1,709	10,199	2,559	2,328	16,795
EBITDA	707	2,766	1,453	989	5,915
Adjusted earnings before interest and income taxes (EBITA)	405	1,073	984	871	3,333
EBITA after discontinuation of amortization (a)	405	1,073	1,215	895	3,588
Earnings before interest and income taxes (EBIT)	355	(c) (1,427)	1,202	891	1,021
Earnings before provision for income taxes	121	(c) (1,689)	1,169	846	447
Provision for income taxes	(32)	(315)	(473)	(154)	(974)
Earnings	**89**	**(c) (2,004)**	**696**	**692**	**(527)**
Capital gain on completed divestiture	na	na	na	2,915	2,915
Gain in value of the remaining interest	na	na	na	245	245
Earnings from discontinued operations	**89**	**(c) (2,004)**	**696**	**3,852**	**2,633**
of which attributable to Vivendi SA shareowners	*89*	*(c) (2,010)*	*261*	*3,584*	*1,924*
non-controlling interests	*-*	*6*	*435*	*268*	*709*

na: not applicable.

(a) In compliance with IFRS 5, Vivendi discontinued the amortization of tangible and intangible assets of:
- GVT as from September 1, 2014;
- SFR as from April 1, 2014;
- Maroc Telecom group as from July 1, 2013; and
- Activision Blizzard as from July 1, 2013.

(b) Includes the capital gain on the divestiture of 41.5 million Activision Blizzard shares, completed on May 22, 2014.

(c) Includes the impairment of SFR's goodwill for €2,431 million.

3.6. Assets and liabilities of discontinued businesses

In compliance with IFRS 5, the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses" presented in Vivendi's Consolidated Statement of Financial Position report the contribution of discontinued operations at the closing date:

- GVT as of December 31, 2014; and
- Maroc Telecom group as of December 31, 2013.

	December 31, 2014
(in millions of euros)	GVT
Goodwill	1,676
Intangible assets	171
Property, plant and equipment	2,694
Trade accounts receivable and other	657
Cash and cash equivalents	179
Other	16
Assets of discontinued businesses	**5,393**
Provisions	67
Borrowings and other financial liabilities	1,506
of which borrowings from Vivendi (a)	*1,110*
Trade accounts payable and other	510
Other	121
Liabilities	2,204
Borrowings from Vivendi (a)	(1,110)
Liabilities associated with assets of discontinued businesses	**1,094**
	4,299

(a) This borrowing from Vivendi will be redeemed on the date of GVT's sale completion.

	December 31, 2013
(in millions of euros)	Maroc Telecom group
Goodwill	2,392
Intangible assets	386
Property, plant and equipment	2,466
Trade accounts receivable and other	845
Cash and cash equivalents	396
Other	77
Assets of discontinued businesses	**6,562**
Provisions	78
Borrowings and other financial liabilities	710
Trade accounts payable and other	1,541
Other	100
Liabilities associated with assets of discontinued businesses	**2,429**
	4,133

3.7. Statement of Cash Flows of discontinued operations

In accordance with IFRS 5, the line "Cash Flows of discontinued operations" of Vivendi's Consolidated Statement of Cash Flows takes into account GVT (for the years 2014 and 2013), SFR (for the year 2013 and until its effective sale in 2014), Maroc Telecom group (for the year 2013 and until its effective sale in 2014), and Activision Blizzard (until its effective sale in 2013).

	2014 contributions			
(in millions of euros)	GVT	SFR	Maroc Telecom group	Total
Operating activities				
Gross cash provided by operating activities before income tax paid	710	1,846	345	2,901
Other changes in net working capital	(40)	(320)	27	(333)
Net cash provided by operating activities	**593**	**1,339**	**302**	**2,234**
Investing activities				
Capital expenditures, net	(617)	(1,238)	(146)	(2,001)
Change in financial assets, net	2	(35)	-	(33)
Net cash provided by/(used for) investing activities	**(615)**	**(1,273)**	**(146)**	**(2,034)**
Financing activities				
Dividends paid to non-controlling interests	-	(7)	(20)	(27)
Other transactions with non-controlling interests	-	-	(11)	(11)
Interest paid, net on financings	(22)	(6)	-	(28)
Interest paid on borrowings from Vivendi	(13)	(141)	-	(154)
Other transactions on borrowings and other financial liabilities	(25)	(410)	(101)	(536)
Net cash provided by/(used for) financing activities excluding intersegment transactions	**(60)**	**(564)**	**(132)**	**(756)**
Transactions with Vivendi on borrowings and other financial liabilities	110	237	-	347
Net cash provided by/(used for) financing activities	**50**	**(327)**	**(132)**	**(409)**
Foreign currency translation adjustments	(2)	-	(2)	(4)
Change in cash and cash equivalents	**26**	**(261)**	**22**	**(213)**
Cash and cash equivalents				
At beginning of the period	154	394	396	944
At end of the period	180	133	418	731

	2013 contributions				
(in millions of euros)	GVT	SFR	Maroc Telecom group	Activision Blizzard	Total
Operating activities					
Gross cash provided by operating activities before income tax paid	717	2,565	1,448	907	5,637
Other changes in net working capital	(39)	(305)	29	(524)	(839)
Net cash provided by operating activities	**575**	**1,961**	**1,110**	**307**	**3,953**
Investing activities					
Capital expenditures, net	(769)	(1,610)	(434)	(44)	(2,857)
Change in financial assets, net	(4)	(28)	5	(1,479)	(1,506)
Net cash provided by/(used for) investing activities	**(773)**	**(1,638)**	**(429)**	**(1,523)**	**(4,363)**
Financing activities					
Dividends paid to non-controlling interests	-	(3)	(328)	(66)	(397)
Interest paid, net on financings	(23)	(16)	(29)	1	(67)
Interest paid on borrowings from Vivendi	(10)	(212)	-	-	(222)
Other transactions on borrowings and other financial liabilities	43	(46)	(13)	1,719	1,703
Net cash provided by/(used for) financing activities excluding intersegment transactions	**10**	**(277)**	**(370)**	**1,654**	**1,017**
Dividends paid to Vivendi	-	(982)	-	(98)	(1,080)
Transactions with Vivendi on borrowings and other financial liabilities	184	1,063	-	-	1,247
Net cash provided by/(used for) financing activities	**194**	**(196)**	**(370)**	**1,556**	**1,184**
Foreign currency translation adjustments	(28)	-	(1)	(43)	(72)
Change in cash and cash equivalents	**(32)**	**127**	**310**	**297**	**702**
Cash and cash equivalents					
At beginning of the period	186	267	86	2,989	3,528
At end of the period	154	394	396	3,286	4,230

NOTE 4. EBIT

Breakdown of revenues and cost of revenues

	Year ended December 31,	
(in millions of euros)	2014	2013
Product sales, net	4,701	5,028
Services revenues	5,322	5,196
Other	66	28
Revenues	**10,089**	**10,252**
Cost of products sold, net	(2,365)	(2,514)
Cost of service revenues	(3,748)	(3,576)
Other	(8)	(7)
Cost of revenues	**(6,121)**	**(6,097)**

Personnel costs and average employee numbers

(in millions of euros except number of employees)	Note	Year ended December 31, 2014	2013
Annual average number of full-time equivalent employees (in thousands)		**15,0**	**14,6**
Salaries		1,015	1,043
Social security and other employment charges		251	241
Capitalized personnel costs		(3)	(3)
Wages and expenses		**1,263**	**1,281**
Share-based compensation plans	20.1	(8)	29
Employee benefit plans	19.1	10	17
Other		42	34
Personnel costs		**1,307**	**1,361**

Additional information on operating expenses

Advertising costs amounted to €407 million in 2014 (compared to €442 million in 2013).

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €115 million in 2014 (compared to €108 million in 2013).

Expense recorded in the Statement of Earnings, with respect to operating leases amounted to €104 million in 2014 (compared to €97 million in 2013).

Amortization and depreciation of intangible and tangible assets

(in millions of euros)	Note	Year ended December 31, 2014	2013
Amortization (excluding intangible assets acquired through business combinations)		307	310
of which property, plant and equipment	12	*232*	*228*
content assets	10	*14*	*22*
other intangible assets	11	*61*	*60*
Amortization of intangible assets acquired through business combinations		344	350
of which content assets	10	*334*	*339*
other intangible assets	11	*10*	*11*
Impairment losses on intangible assets acquired through business combinations	10-11	(a) 92	6
Amortization and depreciation of intangible and tangible assets		**743**	**666**

(a) Primarily relates to full impairment losses of goodwill related to Digitick for €43 million and Wengo for €48 million (please refer to Note 9).

Other income and other charges

(in millions of euros)	Year ended December 31, 2014	2013
Capital gain on financial investments	(a) 194	37
Capital gain on the divestiture of businesses	-	3
Other	9	48
Other income	**203**	**88**
Downside adjustment on financial investments	(17)	(28)
Other	(13)	(22)
Other charges	**(30)**	**(50)**
Net total	**173**	**38**

(a) Includes the capital gain of the sale of Universal Music Group's interest in Beats (€179 million).

NOTE 5. Financial charges and income

Interest

(in millions of euros)	Note	Year ended December 31, 2014	2013
(Charge)/Income			
Interest expense on borrowings	21	*(283)*	*(494)*
Interest income on SFR's loans		*159*	*212*
Interest income on GVT's loans		*13*	*10*
Interest expense net of borrowings		(111)	(272)
Interest income from cash and cash equivalents		15	6
Interest from continuing operations		**(96)**	**(266)**
Premium paid and other costs related to the early redemptions of bonds **(a)**		(698)	(202)
		(794)	***(468)***

Other financial income and charges

(in millions of euros)	Note	Year ended December 31, 2014	2013
Expected return on plan assets related to employee benefit plans	19.2	12	13
Foreign exchange gain		7	-
Other financial income		**19**	**13**
Premium paid and other costs related to the early redemptions of bonds **(a)**		(698)	(202)
Effect of undiscounting liabilities **(b)**		(8)	(12)
Interest cost related to employee benefit plans	19.2	(31)	(31)
Foreign exchange loss		(8)	(45)
Change in value of derivative instruments		-	(1)
Other		(6)	(9)
Other financial charges		**(751)**	**(300)**
Net total		**(732)**	**(287)**

(a) Includes net premium paid related to the early redemption of bonds:
- a net amount of €642 million in 2014, following the completion of the sale of SFR; and
- a net amount of €182 million in 2013, following the sale of 88% of Vivendi's interest in Activision Blizzard.

(b) In accordance with applicable accounting standards, when the effect of the time value of money is material, assets and liabilities are initially recorded on the Statement of Financial Position in an amount corresponding to the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time. As of December 31, 2014 and 2013, these adjustments only applied to liabilities (mainly trade accounts payable and provisions).

NOTE 6. Income taxes

6.1. French Tax Group and Consolidated Global Profit Tax Systems

Vivendi SA benefits from the French Tax Group System and considers that it benefited, until December 31, 2011 inclusive, from the Consolidated Global Profit Tax System, as authorized under Article 209 *quinquies* of the French Tax Code. Since January 1, 2012, Vivendi only benefits from the French Tax Group System.

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% owned directly or indirectly by it, and that are located in France: for 2014, this mainly applied to Universal Music in France and Canal+ Group. In 2014, SFR is no longer part of Vivendi's tax group following its sale to Numericable Group at the end of November 2014.
- Until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned directly or indirectly by it, and located in France or abroad, i.e., other than the French companies that were at least 95% owned directly or indirectly by Vivendi: Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Édition de Canal Plus (SECP). As a reminder, on May 19, 2008, Vivendi lodged an appeal with the French Ministry of Finance in relation to the renewal of its authorization to use the Consolidated Global Profit Tax System and an authorization was granted by an order dated March 13, 2009, for a three-year period beginning with the taxable year 2009 and ending with the taxable year 2011.
- In addition, as a reminder, on July 6, 2011, Vivendi lodged an appeal with the French Ministry of Finance in relation to the renewal of its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014.
- The changes in French Tax Law in 2011 terminated the Consolidated Global Profit Tax System as of September 6, 2011 and capped the deduction for tax losses carried forward at 60% of taxable income. Since 2012, the deduction for tax losses carried forward is capped at 50% of taxable income and the deductibility of interest is limited to 85% of financial charges, net (75% as from January 1, 2014).

The impact of the French Tax Group and Consolidated Global Profit Tax Systems on the valuation of Vivendi's tax attributes (tax losses and tax credits carried forward) are as follows:

- as Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, including fiscal year ending December 31, 2011, on November 30, 2012, Vivendi filed for a refund of €366 million with respect to the tax saving for the fiscal year ended December 31, 2011.As this request was denied by the tax authorities, in its Financial Statements for the year ended December 31, 2012, Vivendi accrued a €366 million provision for the associated risk, unchanged as of December 31, 2013. On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi. Pursuant to this ruling, on December 23, 2014, Vivendi received a €366 million refund and moratorium interests of €43 million which were received on January 16, 2015. On December 2, 2014, the tax authorities appealed this ruling. As a result, in its Financial Statements for the year ended December 31, 2014, Vivendi maintained the provision related to the €366 million principal refund increased by €43 million with respect to moratorium interests (please refer to Note 6.6);
- moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due, under the French Tax Group System for the year ended December 31, 2012, or €208 million, brought to €220 million, in 2013 when filing the tax return with respect to fiscal year ended December 31, 2012. This position was challenged by the tax authorities as part of an in-process control procedure and Vivendi accrued the associated risk for a principal amount of €208 million in provision in its Financial Statements for the year ended December 31, 2012, brought to €220 million as of December 31, 2013. In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €220 million principal refund, increased by an additional default interest of €11 million (please refer to Note 6.6);
- in the Financial Statements for the year ended December 31, 2014, the 2014 tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were estimated, and as a result, the amount of tax attributes as of December 31, 2014 could not be reliably determined. Taking into account the impact of the estimated 2014 tax results and before the effects of the ongoing tax audits (please refer to Note 6.6) on the amount of tax attributes, Vivendi SA may achieve €1,400 million in tax savings from tax attributes (undiscounted value based on the current income tax rate of 38.00%); and
- as of December 31, 2014, Vivendi SA valued its tax attributes under the French Tax Group System on the basis of one year's forecasted results, taken from the following year's budget. On this basis, Vivendi would achieve tax savings from the French Tax Group System in an amount of €126 million (undiscounted value based on the current income tax rate of 38.00%).

6.2. Provision for income taxes

(in millions of euros)	Note	Year ended December 31, 2014	2013
(Charge)/Income			
Current			
Use of tax losses and tax credits:			
Related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	6.1	147	415
US tax group		66	25
Adjustments to prior year's tax expense		(21)	(22)
Consideration of risks related to previous years' income taxes		(3)	133
Other income taxes items		(283)	(375)
		(94)	**176**
Deferred			
Impact of Vivendi SA's French Tax Group System and of the Consolidated Global Profit Tax System	6.1	(37)	(161)
Impact of the US tax group		-	-
Other changes in deferred tax assets		21	2
Impact of the change(s) in tax rates		-	34
Reversal of tax liabilities		-	12
Other deferred tax income/(expenses)		(20)	(46)
		(36)	**(159)**
Provision for income taxes		**(130)**	**17**

6.3. Provision for income taxes and income tax paid by geographic area

(in millions of euros)	Year ended December 31, 2014	2013
(Charge)/Income		
Current		
France	(44)	199
United States	5	8
Other countries	(55)	(31)
	(94)	**176**
Deferred		
France	(61)	(163)
United States	(58)	(46)
Other countries	83	50
	(36)	**(159)**
Provision for income taxes	**(130)**	**17**
Income tax (paid)/collected, net		
France	320	277
United States	(5)	(8)
Other countries	(35)	(64)
Income tax (paid)/collected, net	**280**	**205**

6.4. Effective tax rate

(in millions of euros, except%)	Year ended December 31, 2014	2013
Earnings (before non-controlling interests)	**5,025**	**2,779**
Elimination:		
Income from equity affiliates	18	21
Earnings from discontinued operations	(5,262)	(2,633)
Provision for income taxes	130	(17)
Earnings from continuing operations before provision for income taxes	**(89)**	**150**
French statutory tax rate	**38.00%**	**38.00%**
Theoretical provision for income taxes based on French statutory tax rate	**34**	**(57)**
Reconciliation of the theoretical and effective provision for income taxes		
Permanent differences	**74**	**(28)**
of which other differences from tax rates on earnings	*12*	*4*
impacts of the changes in tax rates	*-*	*34*
Changes in deferred tax assets related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	**(37)**	**(161)**
Other tax losses and tax credits	**(175)**	**(205)**
of which use of unrecognized losses and tax credits	*46*	*-*
unrecognized losses	*(221)*	*(205)*
Other temporary differences	**42**	**317**
of which reserve accrual regarding the Liberty Media Corporation litigation in the United States	*-*	*341*
Adjustments to prior year's tax expense	**(33)**	**130**
of which consideration of risks related to previous years' income taxes	*(3)*	*145*
Capital gain or loss on the divestiture of or downside adjustments on financial investments or businesses	**(35)**	**(2)**
of which impairment of Digitick goodwill	*(17)*	*-*
impairment of Wengo goodwill	*(18)*	*-*
Other	**-**	**23**
Provision for income taxes	**(130)**	**17**
Effective tax rate	**-146.1%**	**-11.3%**

6.5. Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2014	2013
Opening balance of deferred tax assets/(liabilities)	**53**	**454**
Provision for income taxes (a)	(53)	(437)
Charges and income directly recorded in equity	54	-(b)
Business combinations	9	163
Divestitures in progress or completed	(20)	(206)
Changes in foreign currency translation adjustments and other	10	79
Closing balance of deferred tax assets/(liabilities)	**53**	**53**

(a) Includes income/(charges) related to taxes from discontinued operations: in accordance with IFRS 5, these amounts were reclassified to the line "Earnings from discontinued operations" in the 2014 and 2013 Consolidated Statement of Earnings.

(b) Includes -€43 million recognized in other items of charges and income directly recognized in equity for the year ended December 31, 2013 (please refer to Note 8).

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2014	December 31, 2013
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes (a)	2,437	2,591
of which Vivendi SA (b)	*1,400*	*1,527*
US tax group (c)	*419*	*364*
Temporary differences (d)	704	1,105
Netting	(124)	(501)
Recognizable deferred taxes	**3,017**	**3,195**
Deferred taxes, unrecognized		
Tax attributes (a)	(2,155)	(2,262)
of which Vivendi SA (b)	*(1,274)*	*(1,364)*
US tax group (c)	*(419)*	*(364)*
Temporary differences (d)	(152)	(200)
Deferred taxes, unrecognized	**(2,307)**	**(2,462)**
Recorded deferred tax assets	**710**	**733**
Deferred tax liabilities		
Asset revaluations (e)	484	591
Other	297	590
Netting	(124)	(501)
Recorded deferred tax liabilities	**657**	**680**
DEFERRED TAX ASSETS/(LIABILITIES), NET	**53**	**53**

(a) The amounts of tax attributes, as reported in this table, were estimated at the end of the relevant fiscal years. In jurisdictions which are significant for Vivendi, mainly France and the United States, tax returns are filed on May 1 and September 15 of the following year at the latest, respectively. The amounts of tax attributes reported in this table and the amounts reported to the tax authorities may therefore differ, and if necessary, may need to be adjusted at the end of the following year in the above table.

(b) Relates to deferred tax assets recognizable in respect of tax attributes by Vivendi SA as head of the French Tax Group, representing €1,400 million as of December 31, 2014 (please refer to Note 6.1), of which €1,115 million related to tax losses and €285 million related to tax credits, taking into account the estimated impact (-€110 million) of 2014 transactions (taxable income and use or expiration of tax credits), but before taking into account the effects of ongoing tax audits (please refer to Note 6.6).

In France, tax losses can be carried forward indefinitely and Vivendi considers that tax credits can be carried forward for a minimum period of five years upon exit from the Consolidated Global Profit Tax System. In 2014, €265 million tax credits matured as of December 31, 2014.

(c) Relates to deferred tax assets recognizable in respect of tax attributes by Universal Music Group, Inc. in the United States as head of the US tax group, representing $509 million as of December 31, 2014, taking into account the estimated impact (-$68 million) of the 2014 transactions (taxable income, capital losses, and tax credits that expired, capital losses and tax credits generated, but before taking into account the final outcome of ongoing tax audits (please refer to Note 6.6).

As a reminder, with respect to the divestiture of 88% of the interest in Activision Blizzard and in accordance with US tax rules, Vivendi allocated to Activision Blizzard, the acquirer of the majority of the Activision Blizzard shares transferred in the transaction, a fraction of its tax losses estimated at more than $700 million. In addition, Universal Music Group Inc. replaced Vivendi Holding I LLC (formerly, Vivendi Holding I Corp.) as head of the Tax Group System in the United States.

In the United States, tax losses can be carried forward for a period of up to 20-years and tax credits can be carried forward for a period of up to 10-years. No tax credit will mature prior to December 31, 2021 and no tax credit had matured in 2014.

(d) Mainly relates to the deferred tax assets associated with non-deducted provisions upon recognition, including provisions relating to employee benefit plans, and share-based compensation plans.

(e) These tax liabilities, generated by asset revaluations following purchase allocations are terminated upon the amortization or divestiture of the underlying asset and generate no current tax charge.

6.6. Tax audits

The fiscal year ended on December 31, 2014 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations. Various tax authorities have proposed adjustments to the taxable income reported for prior years. It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of these audits. Vivendi Management believes that these tax audits should not have a material unfavorable impact on the financial position or liquidity of the group.

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the consolidated income reported for fiscal years 2006, 2007, and 2008 is under audit by the French tax authorities. This tax audit began in January 2010. In addition, in January 2011, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2009 and in February 2013, the French tax authorities expanded the audit to include the consolidated income reported for fiscal year 2010. Finally, the audit of Vivendi SA's tax group System for the years 2011 and 2012 began in July 2013. As of December 31, 2014, all of these audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit. In any event, a provision for the impact of the Consolidated Global Profit Tax System in 2011 has been accrued (€409 million), notwithstanding the decision of the Administrative Court of Montreuil on October 6, 2014, subject to the appeal filed by the Tax Authorities (please refer to Note 6.1), as well as a provision for the impact in relation to the use of tax credits in 2012 (€231 million).

In respect of the US tax group, the fiscal years ending December 31, 2005, 2006, and 2007 were under a tax audit. The final outcome of this tax audit did not materially impact the amount of tax attributes. Vivendi's US tax group was also under audit for the fiscal years ending December 31, 2008, 2009, and 2010. This tax audit has now been completed and its final outcome did not materially impact the amount of tax attributes. In June 2014, the US tax authorities began a tax audit for fiscal years 2011 and 2012, and in December 2014, stated that they undertook a tax audit for fiscal year 2013. As of December 31, 2014, the audit with respect to these fiscal years was ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

NOTE 7. Earnings per share

	Year ended December 31,			
	2014		2013	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners	(290)	(290)	43	43
Earnings from discontinued operations attributable to Vivendi SA shareowners	5,034	5,034	1,924	1,921
Earnings attributable to Vivendi SA shareowners	4,744	4,744	1,967	1,964
Number of shares (in millions)				
Weighted average number of shares outstanding **(a)**	1,345.8	1,345.8	1,330.6	1,330.6
Potential dilutive effects related to share-based compensation **(b)**	-	5.5	-	4.7
Adjusted weighted average number of shares	**1,345.8**	**1,351.3**	**1,330.6**	**1,335.3**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners per share	(0.22)	(0.22)	0.03	0.03
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	3.74	3.73	1.45	1.44
Earnings attributable to Vivendi SA shareowners per share	3.52	3.51	1.48	1.47

(a) Net of treasury shares (please refer to Note 17).

(b) Does not include accretive instruments as of December 31, 2014 and 2013, which could be potentially dilutive. The balance of common shares in connection with Vivendi SA's share-based compensation plans is presented in Note 20.2.1.

NOTE 8. Charges and income directly recognized in equity

		Year ended December 31, 2014		
(in millions of euros)	Note	Gross	Tax	Net
Actuarial gains/(losses) related to employee defined benefit plans	19	(93)	25	(68)
Items not reclassified to profit or loss		**(93)**	**25**	**(68)**
Foreign currency translation adjustments (a)		**778**	**-**	**778**
Unrealized gains/(losses)		**907**	**29**	**936**
Change in fair value **(b)**		*920*	*(5)*	*915*
Transferred to profit or loss of the period **(c)**		*(95)*	*36*	*(59)*
Other **(d)**		*123*	*-*	*123*
Assets available for sale	14	**948**	**31**	**979**
Cash flow hedge instruments		15	(1)	14
Change in fair value		*6*	*(1)*	*5*
Transferred to profit or loss of the period		*9*	*-*	*9*
Net investment hedge instruments		(56)	-	(56)
Change in fair value		*(56)*	*-*	*(56)*
Transferred to profit or loss of the period		*-*	*-*	*-*
Hedging instruments	22	**(41)**	**(1)**	**(42)**
Other impacts		**(94)**	-	**(94)**
Items to be subsequently reclassified to profit or loss		**1,591**	**29**	**1,620**
CHARGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY		**1,498**	**54**	**1,552**

		Year ended December 31, 2013		
(in millions of euros)	Note	Gross	Tax	Net
Actuarial gains/(losses) related to employee defined benefit plans	19	(22)	(1)	(23)
Items not reclassified to profit or loss		**(22)**	**(1)**	**(23)**
Foreign currency translation adjustments (e)		**(1,429)**	**-**	**(1,429)**
Unrealized gains/(losses)		**99**	**(41)**	**58**
Change in fair value		*120*	*(42)*	*78*
Transferred to profit or loss of the period		*1*	*-*	*1*
Assets available for sale	14	**121**	**(42)**	**79**
Cash flow hedge instruments		2	1	3
Change in fair value		*16*	*-*	*16*
Transferred to profit or loss of the period		*(14)*	*1*	*(13)*
Net investment hedge instruments		(24)	-	(24)
Change in fair value		*15*	*-*	*15*
Transferred to profit or loss of the period		*(39)*	*-*	*(39)*
Hedging instruments	22	**(22)**	**1**	**(21)**
Other impacts		**16**	**(1)**	**15**
Items to be subsequently reclassified to profit or loss		**(1,314)**	**(42)**	**(1,356)**
CHARGES AND INCOME DIRECTLY RECOGNIZED IN EQUITY		**(1,336)**	**(43)**	**(1,379)**

(a) Mainly relates to foreign currency translation adjustments due to fluctuations in exchange rates at UMG (€730 million).

(b) Primarily includes unrealized capital gains related to 97.4 million shares in Numericable-SFR from November 27 to December 31, 2014 for €743 million (please refer to Note 3.1) and 41.5 million shares in Activision Blizzard in 2014 for €150 million (please refer to Note 3.4). In accordance with IAS 39, these available-for-sale securities were valued on stock market price at each reporting date; relevant unrealized gains and losses were directly recognized in equity and will be reclassified to profit or loss upon their sale, if any.

(c) Relates to the reclassification to profit or loss of the gain realized on the sale of the interest in Beats by UMG in August 2014.

(d) Relates to the unrealized gain generated from October 11 to December 31, 2013 with respect to 41.5 million Activision Blizzard shares held by Vivendi as of December 31, 2014 following their reclassification from assets held for sale to available-for-sale securities as Vivendi Management has decided not to sell this interest in the immediate future. As of December 31, 2014, this interest amounted to $836 million (€689 million) and the unrealized capital gain with respect to this interest amounted to €273 million.

(e) Includes the changes in foreign currency translation adjustments relating to discontinued operations for €685 million and the reclassification in earnings for €555 million as part of the sale of 88% of the interest in Activision Blizzard.

NOTE 9. Goodwill

(in millions of euros)	December 31, 2014	December 31, 2013
Goodwill, gross	22,622	31,539
Impairment losses	(13,293)	(14,392)
Goodwill	**9,329**	**17,147**

Changes in goodwill

(in millions of euros)	December 31, 2013	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	December 31, 2014
Canal+ Group	4,464	-	(a) 110	-	(1)	4,573
Universal Music Group	4,100	-	6	-	(b) 550	4,656
Vivendi Village	185	(c) (91)	-	-	6	100
GVT	1,676	-	-	(1,676)	-	-
SFR	6,722	-	77	(6,799)	-	-
Total	**17,147**	**(91)**	**193**	**(8,475)**	**555**	**9,329**

(in millions of euros)	December 31, 2012	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	December 31, 2013
Canal+ Group	4,513	-	(46)	-	(3)	4,464
Universal Music Group	4,138	(5)	(d) 64	5	(102)	4,100
Vivendi Village	184	-	2	-	(1)	185
GVT	2,006	-	-	-	(330)	1,676
SFR	9,153	(2,431)	-	-	-	6,722
Maroc Telecom group	2,407	-	-	(2,392)	(15)	-
Activision Blizzard	2,255	-	-	(2,208)	(47)	-
Total	**24,656**	**(2,436)**	**20**	**(4,595)**	**(498)**	**17,147**

(a) Notably includes goodwill attributable to Mediaserv and Thema acquired by Canal+ Overseas on February 13, 2014 and October 28, 2014, respectively.
(b) Includes €549 million related to foreign currency translation (EUR/USD).
(c) Relates to full impairment losses on the goodwill of Digitick and Wengo (€43 million and €48 million, respectively).
(d) Mainly relates to a €57 million adjustment to goodwill attributable to EMI Recorded Music, recorded within the 12-month period for the purchase price allocation as required by IFRS 3. The final goodwill of EMI Recorded Music amounts to €358 million.

Goodwill impairment test

In 2014, Vivendi tested the value of goodwill allocated to its cash-generating units (CGUs) or groups of CGU applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU exceeded their carrying value (including goodwill). The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method (DCF)) and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent transactions). For a description of the methods used for the impairment test, please refer to Note 1.3.5.7.

Presentation of CGU or groups of CGUs tested

Operating Segments	Cash Generating Units (CGU)	CGU or groups of CGU tested
Canal+ Group	Pay-TV in Mainland France	Pay-TV and free-to-air TV in France, Africa and Vietnam (b)
	Canal+ Overseas (a)	
	Free-to-air TV	
	nc+ (Poland)	nc+
	Studiocanal	Studiocanal
Universal Music Group	Recorded music	Universal Music Group
	Artist services and merchandising	
	Music publishing	
Vivendi Village	See Tickets	See Tickets
	Digitick	Digitick
	Wengo	Wengo

(a) Relates to pay-TV in France overseas, Africa and Vietnam.

(b) The process of integrating free-to-air TV operations (D8/D17 channels acquired on September 27, 2012) with pay-TV operations in mainland France, as well as the development of pay-TV in Vietnam reflects the further convergence of pay-TV and free-to-air TV operations in French-speaking countries in which Canal+ Group operates. As a result, as of December 31, 2014, Vivendi performed a goodwill impairment test related to pay-TV and free-to-air TV operations in France, Africa and Vietnam by aggregating the CGU of pay-TV in Mainland France, Canal+ Overseas and free-to-air TV, which corresponds to the level of monitoring the return on such investments.

During the fourth quarter of 2014, Vivendi performed a goodwill impairment test on each cash generating unit (CGU) or groups of CGU, on the basis of valuations of recoverable amounts determined with the assistance of third-party appraisers, for pay-TV and free-to-air TV in France, Africa and Vietnam as well as Universal Music Group and internal valuations for nc+ in Poland, Studiocanal, See Tickets, Digitick and Wengo. As a result, Vivendi Management concluded that, as of December 31, 2014, except for the cases of Digitick and Wengo (see above), the recoverable amount for each CGU or groups of CGU tested exceeded their carrying value.

As a reminder, as of December 31, 2013, Vivendi examined the value of goodwill of pay-TV in Mainland France and Canal+ Overseas (previously Canal+ France), using the usual valuation methods and concluded that its recoverable amount, based upon the DCF method, using the most recent cash flow forecasts approved by the Management of the group, exceeded its carrying value at that date. Since November 5, 2013, Vivendi holds a 100% interest in pay-TV operations of Canal+ in France and Africa pursuant to the acquisition of Lagardère Group's 20% interest in Canal+ France for €1,020 million, in cash. In accordance with IFRS 10, this transaction was recognized as the acquisition of a non-controlling interest and the difference between the consideration paid and the carrying value of the acquired non-controlling interest was recorded as a deduction from equity attributable to Vivendi SA shareowners.

As a reminder, in respect of SFR: as of December 31, 2013, Vivendi examined the value of SFR's goodwill. SFR's recoverable amount was determined upon the basis of the usual valuation methods, in particular the value in use, based upon the DCF method. The most recent cash flow forecasts, and financial assumptions approved by the Management of the group were used and were updated to take into account the strong impact on revenues of the new pricing policies decided by SFR in a competitive environment, partially offset by cost savings which were consistent with expectations under SFR's transformation plan, while maintaining high capital expenditures, notably due to SFR's acceleration of very-high speed mobile network investments. As a result, Vivendi's Management concluded that SFR's recoverable amount was below its carrying value as of December 31, 2013 and decided to record a goodwill impairment loss of €2,431 million.

Presentation of key assumptions used for the determination of recoverable amounts

The value in use of each CGU or groups of CGU is determined as the discounted value of future cash flows by using cash flow projections consistent with the 2015 budget and the most recent forecasts prepared by the operating segments. These forecasts are prepared for each operating segment, on the basis of financial targets as well as the following main key assumptions: discount rate, perpetual growth rate and EBITA as defined in Note 1.2.3, capital expenditures, the competitive and regulatory environments, technological developments and level of commercial expenses. The recoverable amount for each CGU or groups of CGU was determined based on its value in use in accordance with the main key assumptions set out below.

Operating segments	CGU or groups of CGU tested	Valuation method		Discount rate (a)		Perpetual growth rate	
		2014	2013	2014	2013	2014	2013
Canal+ Group	Pay-TV and free-to-air TV in France, Africa and Vietnam	DCF & comparables model	(b)	(c)	(d)	(e)	(f)
	nc+	DCF	(g)	9.75%	(g)	3.00%	(g)
	Studiocanal	DCF	DCF	9.75%	9.00%	1.00%	0.00%
Universal Music Group	Universal Music Group	DCF & comparables model	DCF & comparables model	8.90%	9.15%	1.00%	1.00%
Vivendi Village	See Tickets	DCF	DCF	11.50%	11.50%	2.00%	2.00%
	Digitick	DCF	DCF	11.50%	11.50%	2.00%	2.00%
	Wengo	DCF	DCF	13.20%	15.00%	2.00%	(h)
GVT	GVT	(i)	DCF	(i)	11.24%	(i)	4.00%
SFR	SFR	(j)	DCF & comparables model	(j)	7.30%	(j)	0.50%

DCF: Discounted Cash Flows.

(a) The determination of recoverable amounts using a post-tax discount rate applied to post-tax cash flows provides recoverable amounts consistent with the ones that would have been obtained using a pre-tax discount rate applied to pre-tax cash flows.

(b) Pay-TV in Mainland France and Canal+ Overseas: DCF & comparables model.
Free-to-air TV: DCF.

(c) Pay-TV – Mainland France: 8.04%; France overseas: 9.04%; Africa: 10.04%; Vietnam: 10.88%.
Free-to-air TV: 9.5%.

(d) Pay-TV – Mainland France: 8.3%; France overseas: 9.3%; Africa: 10.3%.
Free-to-air TV: 9.5%.

(e) Pay-TV – Mainland France: 1.5%; France overseas: 1.5%; Africa: 3.14%; Vietnam: 4.5%.
Free-to-air TV: 2%.

(f) Pay-TV – Mainland France: 1.5%; France overseas: 2.2%; Africa: 3.17%.
Free-to-air TV: 2%.

(g) As of December 31, 2013, no goodwill impairment test in respect of nc+ (pay-TV in Poland) was undertaken given that the completion date of the goodwill of "n", acquired on November 30, 2012 was close to the closing date, and considering that no triggering event had occurred between those dates.

(h) As of December 31, 2013, the terminal value was determined by using an EBITDA multiple.

(i) Considering the current plan to sell GVT, and in accordance with IFRS 5, GVT has been classified as a discontinued operation since the third quarter of 2014.

(j) SFR was sold on November 27, 2014 (please refer to Note 3.1).

Sensitivity of recoverable amounts

	December 31, 2014					
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay-TV and free-to-air TV in France, Africa and Vietnam	(a)	+0.28 pt	(b)	-0.39 pt	-4%
nc+	9.75%	+6.31 pts	3.00%	-10.25 pts	-49%
Studiocanal	9.75%	+1.66 pt	1.00%	-2.57 pts	-18%
Universal Music Group	8.90%	+0.62 pt	1.00%	-0.77 pt	-8%

	December 31, 2013				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay-TV in Mainland France and Canal+ Overseas	(c)	+0.23 pt	(d)	-0.32 pt	-3%
Free-to-air TV	9.50%	+1.84 pt	2.00%	-2.74 pts	-21%
Studiocanal	9.00%	+2.19 pts	0.00%	-3.53 pts	-21%
Universal Music Group	9.15%	+2.25 pts	1.00%	-2.98 pts	-22%
GVT	11.24%	+1.26 pt	4.00%	-2.57 pts	-20%
SFR	7.30%	(e)	0.50%	(e)	(e)

(a) Pay-TV – Mainland France: 8.04%; France overseas: 9.04%; Africa: 10.04%; Vietnam: 10.88%.
Free-to-air TV: 9.5%.

(b) Pay-TV – Mainland France: 1.5%; France overseas: 1.5%; Africa: 3.14%; Vietnam: 4.5%.
Free-to-air TV: 2%.

(c) Pay-TV – Mainland France: 8.3%; France overseas: 9.3%; Africa: 10.3%.
Free-to-air TV: 2%.

(d) Pay-TV – Mainland France: 1.5%; France overseas: 2.2%; Africa: 3.17%.
Free-to-air TV: 2%.

(e) SFR was sold on November 27, 2014 (please refer to Note 3.1).

NOTE 10. Content assets and commitments

10.1. Content assets

(in millions of euros)	December 31, 2014 Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	6,003	(5,244)	759
Sports rights	411	-	411
Music catalogs and publishing rights	7,897	(6,031)	1,866
Advances to artists and repertoire owners	642	-	642
Merchandising contracts and artists services	27	(20)	7
Content assets	**14,980**	**(11,295)**	**3,685**
Deduction of current content assets	(1,155)	20	(1,135)
Non-current content assets	**13,825**	**(11,275)**	**2,550**

(in millions of euros)	December 31, 2013 Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	5,678	(4,875)	803
Sports rights	380	-	380
Music catalogs and publishing rights	6,992	(5,032)	1,960
Advances to artists and repertoire owners	621	-	621
Merchandising contracts and artists services	25	(17)	8
Content assets	**13,696**	**(9,924)**	**3,772**
Deduction of current content assets	(1,176)	27	(1,149)
Non-current content assets	**12,520**	**(9,897)**	**2,623**

Changes in main content assets

(in millions of euros)	Year ended December 31, 2014	2013
Opening balance	**3,772**	**4,371**
Amortization of content assets excluding those acquired through business combinations	(14)	(81)
Amortization of content assets acquired through business combinations	(334)	(344)
Increase	2,339	2,495
Decrease	(2,352)	(2,332)
Business combinations	27	3
Divestitures in progress or completed	-	(347)
Changes in foreign currency translation adjustments and other	247	7
Closing balance	**3,685**	**3,772**

10.2. Contractual content commitments

Commitments given recorded in the Statement of Financial Position: content liabilities

Content liabilities are mainly part of "Trade accounts payable and other" or part of "Other non-current liabilities" whether they are current or non-current, as applicable (please refer to Note 15).

(in millions of euros)	Minimum future payments as of December 31, 2014				Total minimum future payments as of December 31, 2013
		Due in			
	Total	2015	2016-2019	After 2019	
Film and television rights **(a)**	193	193	-	-	208
Sports rights	400	400	-	-	402
Music royalties to artists and repertoire owners	1,721	1,699	22	-	1,614
Creative talent, employment agreements and others	119	42	75	2	111
Content liabilities	**2,433**	**2,334**	**97**	**2**	**2,335**

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of December 31, 2014				Total minimum future payments as of December 31, 2013
		Due in			
	Total	2015	2016-2019	After 2019	
Film and television rights **(a)**	2,443	982	1,416	45	2,383
Sports rights **(b)**	3,087	635	2,452	-	1,350
Creative talent, employment agreements and others **(c)**	807	367	401	39	754
Given commitments	**6,337**	**1,984**	**4,269**	**84**	**4,487**
Film and television rights **(a)**	(199)	(85)	(89)	(25)	(179)
Sports rights	(3)	(3)	-	-	(10)
Creative talent, employment agreements and others **(c)**	Not available				
Received commitments	**(202)**	**(88)**	**(89)**	**(25)**	**(189)**
Total net	**6,135**	**1,896**	**4,180**	**59**	**4,298**

(a) Mainly includes contracts valid over several years for the broadcast of film and TV productions (mainly exclusivity contracts with major US studios, as well as the license agreement entered into on March 29, 2013 in respect of the entire HBO new series, for 5 years, as of May 2013) and pre-purchase contracts relating to the French movie industry, Studiocanal film production and co-production commitments (given and received) and broadcasting rights of Canalsat and nc+ multichannel digital TV packages. They are recorded as content assets when the broadcast is available for initial release or after the initial significant payment. As of December 31, 2014, provisions recorded relating to these commitments amounted to €73 million, compared to €71 million as of December 31, 2013.

In addition, this amount does not include commitments in relation to channel right contracts, ISP (Internet Service Provider) royalties and non-exclusive distribution of channels, under which Canal+ Group has not granted or received minimum guarantees. The variable amount of these commitments cannot be reliably determined and is not reported in the Statement of Financial Position or in commitments and is instead recorded as an expense for the period in which it was incurred. Based on the estimation of the future subscriber number at Canal+ Group, commitments in relation to channel right contracts would have increased by a net amount of €342 million as of December 31, 2014, compared to €354 million as of December 31, 2013.

Moreover, according to the agreement entered into with organizations of cinema professionals on December 18, 2009, Société d'Édition de Canal Plus (SECP) is required to invest, every year for a five-year period (2010-2014), 12.5% of its annual revenues in the financing of European films. With respect to audiovisual, in accordance with the agreements entered into with producers and authors' organizations, Canal+ Group is required to invest, in France, a percentage of its revenues in the financing of heritage work every year.

Agreements with cinema organizations and with producers and authors' organizations are not recorded as off-balance sheet commitments as the future estimate of these commitments cannot be reliably determined.

(b) Notably includes broadcasting rights of Canal+ Group for the following sport events:

- the French professional Soccer League 1, for the 2015/2016 season (€427 million) and the four seasons (2016/2017 to 2019/2020) awarded on April 4, 2014 for the two premium lots (€2,160 million), compared to €854 million as of December 31, 2013 with respect to the two seasons 2014/2015 and 2015/2016;
- the Soccer Champions League for three seasons (2015/2016 to 2017/2018) awarded on April 11, 2014 for one lot;
- the Soccer English Premier League for the 2015/2016 season, renewed in January 2013 for three seasons; and
- the Formula 1 World Championship awarded in February 2013.

These commitments will be recognized in the Statement of Financial Position either upon the start of every season or upon a significant initial payment.

Moreover, on January 19, 2015, following to a call for tenders carried out by the National Rugby League, Canal+ Group secured exclusive rights related to all of the National French Rugby Championship's "TOP 14" matches. These rights, which include all seven games on each match day, play-off games, as well as the Jour de Rugby show, cover the seasons 2015/2016 to 2018/2019.

(c) Primarily relates to UMG which routinely commits to pay agreed amounts to artists and other parties upon delivery of content or other products ("Creative talent and employment agreements"). Until the artist or the other party has delivered his or her content or the repayment of an advance, UMG discloses its obligation as an off-balance sheet given commitment. While the artist or the other party is obligated to deliver a content or other product to UMG (these arrangements are generally exclusive), this counterpart cannot be reliably determined and, thus, is not reported in received commitments.

NOTE 11. Other intangible assets

	December 31, 2014		
(in millions of euros)	Other intangible assets, gross	Accumulated amortization and impairment losses	Other intangible assets
Software	242	(204)	38
Customer bases	230	(178)	52
Trade names	44	(25)	19
Other	337	(217)	120
	853	**(624)**	**229**

	December 31, 2013		
(in millions of euros)	Other intangible assets, gross	Accumulated amortization and impairment losses	Other intangible assets
Software	5,158	(3,906)	1,252
Telecom licenses	2,505	(620)	1,885
Customer bases	956	(811)	145
Trade names	167	(51)	116
Other	1,825	(917)	908
	10,611	**(6,305)**	**4,306**

Changes in other intangible assets

	Year ended December 31,	
(in millions of euros)	2014	2013
Opening balance	**4,306**	**5,190**
Depreciation	(278)	(a) (924)
Acquisitions	275	477
Increase related to internal developments	169	264
Divestitures/Decrease	(11)	(4)
Business combinations	60	33
Divestitures in progress or completed	(4,310)	(678)
Changes in foreign currency translation adjustments and other	18	(52)
Closing balance	**229**	**4,306**

(a) Relates to the depreciation of other intangible assets as published in the 2013 Annual Report. This amount was not adjusted to take into account the impact of the application of IFRS 5 to Maroc Telecom group.

Depreciation of other intangible assets related to continuing operations (primarily Canal+ Group and UMG) was recognized as cost of revenues and in selling, general and administrative expenses (-€61 million in 2014 and -€60 million in 2013).

Depreciation of other intangible assets related to discontinued businesses was recognized in the line "Earnings from discontinued operations" for -€207 million in 2014 and -€853 million in 2013 (of which -€729 million related to SFR).

NOTE 12. Property, plant and equipment

(in millions of euros)	December 31, 2014 Property, plant and equipment, gross	Accumulated depreciation and impairment losses	Property, plant and equipment
Land	4	-	4
Buildings	133	(101)	32
Equipment and machinery	488	(402)	86
Set top boxes	976	(584)	392
Construction-in-progress	36	-	36
Other	597	(430)	167
	2,234	**(1,517)**	**717**

(in millions of euros)	December 31, 2013 Property, plant and equipment, gross	Accumulated depreciation and impairment losses	Property, plant and equipment
Land	82	(2)	80
Buildings	3,052	(1,718)	1,334
Equipment and machinery	8,768	(4,704)	4,064
Set top boxes	2,197	(1,224)	973
Construction-in-progress	353	-	353
Other	2,109	(1,372)	737
	16,561	**(9,020)**	**7,541**

Changes in property, plant and equipment

(in millions of euros)	Year ended December 31, 2014	2013
Opening balance	**7,541**	**9,926**
Depreciation	(643)	(a) (1,851)
Acquisitions/Increase	1,404	2,448
Divestitures/Decrease	(42)	(115)
Business combinations	25	(40)
Divestitures in progress or completed	(7,542)	(2,381)
Changes in foreign currency translation adjustments and other	(26)	(446)
Closing balance	**717**	**7,541**

(a) Relates to the depreciation of property, plant and equipment as published in the 2013 Annual Report. This amount was not adjusted for the impact on the Consolidated Income Statement of the application of IFRS 5 to Activision Blizzard and Maroc Telecom group as well as SFR and GVT (please see below).

Depreciation of property, plant and equipment related to continuing operations (primarily Canal+ Group and UMG) was recognized as cost of revenues and in selling, general and administrative expenses for -€232 million in 2014 and -€228 million in 2013. It mainly consists of set top boxes (-€129 million in 2014, compared to -€125 million in 2013).

Depreciation of property, plant and equipment related to discontinued operations was recognized as earnings from discontinued operations. It amounted to -€411 million in 2014 and -€1,624 million in 2013 and primarily pertains to SFR and GVT for -€212 million and -€199 million, respectively in 2014 (compared to -€932 million and -€281 million, respectively, in 2013).

NOTE 13. Investments in equity affiliates

	Voting interest		Value of equity affiliates	
(in millions of euros)	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
N-Vision (a)	49%	49%	213	215
VEVO	48%	47%	71	58
Numergy	-	47%	-	95
Other	na	na	22	78
			306	**446**

na: not applicable.

(a) As of December 31, 2014, N-Vision, which indirectly owns a 51% interest in TVN (FTA broadcaster in Poland), was held by Canal+ Group (49% interest) and ITI (51% interest). On October 16, 2014 Canal+ Group and ITI announced that they were jointly considering strategic options in respect of their interest in TVN.

NOTE 14. Financial assets

(in millions of euros)	December 31, 2014	December 31, 2013
Available-for-sale securities (a)	4,881	360
Other loans and receivables	(b) 1,160	206
Derivative financial instruments	139	126
Cash deposits backing borrowings	-	2
Other financial assets	13	5
Financial assets	**6,193**	**699**
Deduction of current financial assets	(49)	(45)
Non-current financial assets	**6,144**	**654**

(a) As of December 31, 2014, available-for-sale securities notably included:
- 97,387,845 Numericable-SFR shares valued at stock market price on the closing date, or €40.94/share, for an aggregate value of €3,987 million (please refer to Note 3.1); and
- 41,499,688 Activision Blizzard shares valued at stock market price on the closing date, or USD$20.15/share, for an aggregate value of $836 million (€689 million) (please refer to Note 3.4).

As of December 31, 2013, available-for-sale securities included securities held by UMG in Beats for €161 million. On August 1, 2014, these securities were sold for a net amount of €250 million resulting in a €179 million net gain on sale.

Available-for-sale securities did not include any other publicly quoted securities as of December 31, 2014 and December 31, 2013, and were not subject to any impairment with respect to fiscal years 2014 and 2013.

(b) Relates to the cash deposits of €975 million as part of the appeal against the Liberty Media judgment and €45 million ($55 million) as part of the securities class action in the United States. Please refer to Note 26.

NOTE 15. Net working capital

Changes in net working capital

(in millions of euros)	December 31, 2013	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31, 2014
Inventories	330	16	19	(257)	6	-	114
Trade accounts receivable and other	4,898	135	107	(3,218)	42	19	1,983
Working capital assets	**5,228**	**151**	**126**	**(3,475)**	**48**	**19**	**2,097**
Trade accounts payable and other (c)	10,416	20	138	(5,422)	156	(2)	5,306
Other non-current liabilities	757	8	(8)	(576)	13	(73)	121
Working capital liabilities	**11,173**	**28**	**130**	**(5,998)**	**169**	**(75)**	**5,427**
Net working capital	**(5,945)**	**123**	**(4)**	**2,523**	**(121)**	**94**	**(3,330)**

(in millions of euros)	December 31, 2012	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31, 2013
Inventories	738	(20)	(3)	(376)	(9)	-	330
Trade accounts receivable and other	6,587	(8)	(192)	(1,419)	(79)	9	4,898
Working capital assets	**7,325**	**(28)**	**(195)**	**(1,795)**	**(88)**	**9**	**5,228**
Trade accounts payable and other (c)	14,196	(252)	(8)	(3,506)	(211)	197	10,416
Other non-current liabilities	1,002	(84)	17	(12)	(23)	(143)	757
Working capital liabilities	**15,198**	**(336)**	**9**	**(3,518)**	**(234)**	**54**	**11,173**
Net working capital	**(7,873)**	**308**	**(204)**	**1,723**	**146**	**(45)**	**(5,945)**

(a) Excludes content investments made by Canal+ Group and UMG. In 2013, related to amounts as published in the 2013 Annual Report; does not include the adjustments from the impact of the application of IFRS 5 to Activision Blizzard and Maroc Telecom group as well as GVT and SFR on the Consolidated Statement of Cash Flows.

(b) Mainly includes the change in net working capital relating to content investments, capital expenditures, and other investments.

(c) Includes trade accounts payable for €2,215 million (€5,454 million as of December 31, 2013) as well as music royalties to artists and repertoire owners of UMG whose maturity is lesser than one year for €1,699 million as of December 31, 2014 (€1,598 million as of December 31, 2013). Please refer to Note 10.2.

NOTE 16. Cash and cash equivalents

(in millions of euros)	December 31, 2014	December 31, 2013
Cash	240	525
Cash equivalents	6,605	516
of which UCITS	*4,754*	*46*
Term deposits and interest-bearing current accounts	*1,851*	*470*
Cash and cash equivalents	**6,845**	**1,041**

As of December 31, 2014, outstanding cash and cash equivalents of Vivendi amounted to €6,845 million, of which €6,524 million is held by Vivendi SA and invested in the following financial institutions with at least an A2/A rating:

- €4,754 million in 10 UCITS monetary funds, managed by five management companies; and
- €1,770 million in term deposits and interest-bearing current accounts within eight banks. Term deposits with initial maturities greater than three months contain an option to terminate at any time and present an insignificant risk of changing in value.

NOTE 17. Equity

Share capital of Vivendi SA

(in thousands)	December 31, 2014	December 31, 2013
Common shares outstanding (nominal value: €5.5 per share)	**1,351,601**	**1,339,610**
Treasury shares	(50)	(51)
Voting rights	**1,351,551**	**1,339,559**

As of December 31, 2014, Vivendi held 50 thousand treasury shares, representing a non-significant portion of its share capital. These shares are backed to the partial hedging of performance share plans. As of December, 31, 2014, the market value of the portfolio amounted to approximately €1 million.

In addition, as of December 31, 2014, approximately 42.7 million stock options were outstanding, representing a potential maximum nominal share capital increase of €235 million (i.e., 3.16%).

Non-controlling interests

(in millions of euros)	December 31, 2014	December 31, 2013
Canal+ Group	369	368
Maroc Telecom group (a)	-	1,176
Other	13	29
Total	**382**	**1,573**

(a) On May 14, 2014, Vivendi sold its 53% interest in Maroc Telecom group (please refer to Note 3.3).

Distributions to shareowners of Vivendi SA

On June 30, 2014, Vivendi SA paid an ordinary €1 per share to its shareholders from additional paid-in capital for an aggregate amount of €1,348 million, considered as a return of capital distribution to shareholders.

On February 11, 2015, the date of Vivendi's Management Board's meeting which approved the Consolidated Financial Statements as of December 31, 2014 and the appropriation of earnings for the fiscal year then ended, Vivendi's Management Board decided to propose to shareholders an ordinary dividend of €1 per share, comprising €0.20 relative to the Group's business performance and a €0.80 return to shareholders as a result of the disposals of assets. Based on Vivendi's share capital outstanding shares as of December 31, 2014, this dividend would represent a total distribution estimated at approximately €1.4 billion, to be paid in cash on April 23, 2015, following the coupon detachment on April 21, 2015. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 27, 2015.

Share repurchase program

In addition to this distribution, a share repurchase program will be submitted to shareholders' approval, within the legal limit of 10% of the share capital, for approximately €2.7 billion in accordance with the market regulations on share repurchases. The program will run over a period of 18 months.

NOTE 18. Provisions

(in millions of euros)	Note	December 31, 2013	Addition	Utilization	Reversal	Business combinations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2014
Employee benefits (a)		674	26	(53)	(51)	4	54	654
Restructuring costs (b)		156	79	(121)	-	-	(42)	72
Litigations (c)	26	1,379	276	(116)	(45)	3	(291)	1,206
Losses on onerous contracts		128	40	(43)	(1)	-	-	124
Contingent liabilities due to disposal (d)		24	7	(1)	(13)	-	-	17
Cost of dismantling and restoring sites		75	-	(1)	-	-	(74)	-
Other (e)		1,087	110	(52)	(53)	1	14	1,105
Provisions		**3,523**	**538**	**(387)**	**(163)**	**8**	**(341)**	**3,178**
Deduction of current provisions		(619)	(325)	165	66	(4)	427	(290)
Non-current provisions		**2,904**	**213**	**(222)**	**(97)**	**4**	**86**	**2,888**

(in millions of euros)	Note	December 31, 2012	Addition	Utilization	Reversal	Business combinations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2013
Employee benefits (a)		715	23	(56)	(16)	10	(2)	674
Restructuring costs (b)		258	199	(256)	(1)	(5)	(39)	156
Litigations (c)	26	1,357	143	(58)	(41)	13	(35)	1,379
Losses on onerous contracts		143	13	(62)	(1)	35	-	128
Contingent liabilities due to disposal (d)		24	3	-	(3)	-	-	24
Cost of dismantling and restoring sites		83	-	(4)	-	-	(4)	75
Other (e)		1,389	99	(111)	(245)	34	(79)	1,087
Provisions		**3,969**	**480**	**(547)**	**(307)**	**87**	**(159)**	**3,523**
Deduction of current provisions		(711)	(277)	237	130	(7)	9	(619)
Non-current provisions		**3,258**	**203**	**(310)**	**(177)**	**80**	**(150)**	**2,904**

(a) Includes deferred employee compensation as well as provisions for defined employee benefit plans (€608 million as of December 31, 2014 and €619 million as of December 31, 2013; please refer to Note 19.2), but excludes employee termination reserves recorded under restructuring costs.

(b) As of December 31, 2014, mainly relates to provisions for restructuring at UMG (€38 million). As of December 31, 2013, mainly relates to provisions for restructuring at SFR (€85 million) and UMG (€67 million).

(c) Notably includes the reserve accrual in relation to the Liberty Media Corporation litigation and securities class action in the United States for €945 million and €100 million, respectively.

(d) Certain commitments given in relation to divestitures are the subject of provisions. These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi.

(e) Notably includes litigation provisions for which the amount is not detailed because such disclosure could be prejudicial to Vivendi.

NOTE 19. Employee benefits

19.1. Analysis of expenses related to employee benefit plans

The table below provides information about the cost of employee benefit plans excluding its financial component. The total cost of defined benefit plans is set forth in Note 19.2.2 below.

(in millions of euros)	Note	Year ended December 31, 2014	2013
Employee defined contribution plans		20	16
Employee defined benefit plans	19.2.2	(10)	1
Employee benefit plans		**10**	**17**

19.2. Employee defined benefit plans

19.2.1. Assumptions used in the evaluation and sensitivity analysis

Discount rate, expected return on plan assets, and rate of compensation increase

The assumptions underlying the valuation of defined benefit plans were made in compliance with the accounting policies presented in Note 1.3.8 and have been applied consistently for several years. Demographic assumptions (including notably the rate of compensation increase) are company specific. Financial assumptions (notably the discount rate) are determined by independent actuaries and other independent advisors and reviewed by Vivendi's Finance department. The discount rate is therefore determined for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices. The discount rates selected are therefore used, at year-end, to determine a best estimate by Vivendi's Finance department of expected trends in future payments from the first benefit payments.

In accordance with amended IAS 19, the expected return on plan assets is estimated using the discount rate used to value the obligations of the previous year.

In weighted average

	Pension benefits		Post-retirement benefits	
	2014	2013	2014	2013
Discount rate (a)	2.9%	3.6%	3.8%	4.5%
Rate of compensation increase	2.0%	2.0%	3.0%	2.9%
Duration of the benefit obligation (in years)	14.7	14.2	10.8	10.0

(a) A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2014 discount rate would have led to a decrease of €1 million in pre-tax expense (or an increase of €1 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €66 million (or an increase of €73 million, respectively).

Assumptions used in accounting for pension benefits, by country

	United States		United Kingdom		Germany		France	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount rate	3.75%	4.50%	3.75%	4.50%	2.00%	3.00%	2.00%	3.00%
Rate of compensation increase (weighted average)	na	na	5.00%	5.00%	2.00%	2.00%	3.43%	3.36%

na: not applicable.

Assumptions used in accounting for post-retirement benefits, by country

	United States		Canada	
	2014	2013	2014	2013
Discount rate	3.75%	4.50%	3.75%	4.50%
Rate of compensation increase	3.50%	3.50%	na	na

na: not applicable.

Allocation of pension plan assets

	December 31, 2014 (a)	December 31, 2013 (a)
Equity securities	3%	4%
Debt securities	45%	48%
Diversified funds	36%	31%
Insurance contracts	4%	5%
Real estate	1%	1%
Cash and other	11%	11%
Total	**100%**	**100%**

(a) Pension plan assets are mainly financial assets actively traded in organized financial markets.

Pension plan assets which were not transferred have a limited exposure to stock market fluctuations. These assets do not include occupied buildings or assets used by Vivendi nor shares or debt instruments of Vivendi.

Cost evolution of post-retirement benefits

For the purpose of measuring post-retirement benefits, Vivendi assumed the annual growth in the *per capita* cost of covered health care benefits would slow down from 6.7% for the under 65 years of age and 65 years of age and older categories in 2014, to 4.5% in 2022 for these categories. In 2014, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €11 million and the pre-tax expense by €1 million. Conversely, a one-percentage-point decrease in the assumed cost evolution rates would have decreased post-retirement benefit obligations by €9 million and the pre-tax expense by €1 million.

19.2.2. Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2014	2013	2014	2013	2014	2013
Current service cost	14	12	-	-	14	12
Past service cost (a)	(25)	(5)	-	-	(25)	(5)
(Gains)/losses on settlements	-	(7)	-	-	-	(7)
Other	1	1	-	-	1	1
Impact on selling, administrative and general expenses	**(10)**	**1**	**-**	**-**	**(10)**	**1**
Interest cost	25	25	6	6	31	31
Expected return on plan assets	(12)	(13)	-	-	(12)	(13)
Impact on other financial charges and income	**13**	**12**	**6**	**6**	**19**	**18**
Net benefit cost recognized in profit and loss	**3**	**13**	**6**	**6**	**9**	**19**

(a) The recorded past service cost relates to the change of part of the group's management team since June 2012.

In 2014, benefits paid amounted to (i) €45 million (compared to €35 million in 2013) with respect to pensions, of which €18 million (compared to €9 million in 2013) was paid by pension funds, and (ii) €9 million (compared to €10 million in 2013) was paid with respect to post-retirement benefits.

19.2.3. Analysis of net benefit obligations with respect to pensions and post-retirement benefits

Changes in value of benefit obligations, fair value of plan assets, and funded status

		Employee defined benefit plans		
		Year ended December 31, 2014		
		Benefit obligation	Fair value of plan assets	Net (provision)/ asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**966**	**356**	**(610)**
Current service cost		20		(20)
Past service cost		(26)		26
(Gains)/losses on settlements		-	(1)	(1)
Other		-		-
Impact on selling, administrative and general expenses				***5***
Interest cost		33		(33)
Expected return on plan assets			12	12
Impact on other financial charges and income				***(21)***
Net benefit cost recognized in profit and loss				**(16)**
Experience gains/(losses) (a)		-	24	24
Actuarial gains/(losses) related to changes in demographic assumptions		(7)		7
Actuarial gains/(losses) related to changes in financial assumptions		122		(122)
Adjustment related to asset ceiling				-
Actuarial gains/(losses) recognized in other comprehensive income				**(91)**
Contributions by plan participants		1	1	-
Contributions by employers			43	43
Benefits paid by the fund		(18)	(18)	-
Benefits paid by the employer		(36)	(36)	-
Business combinations		1	-	(1)
Divestitures of businesses (b)		(102)	-	102
Transfers		-	-	-
Other (of which foreign currency translation adjustments)		51	23	(28)
Reclassification to assets held for sale		-	-	-
Closing balance		**1,005**	**404**	**(601)**
of which wholly or partly funded benefits		*558*		
wholly unfunded benefits (c)		*447*		
of which assets related to employee benefit plans				*7*
provisions for employee benefit plans (d)	18			*(608)*

		Employee defined benefit plans		
		Year ended December 31, 2013		
		Benefit obligation	Fair value of plan assets	Net (provision)/ asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**1,020**	**367**	**(653)**
Current service cost		21		(21)
Past service cost **(e)**		(18)		18
(Gains)/losses on settlements		(29)	(22)	7
Other		1		(1)
Impact on selling, administrative and general expenses				***3***
Interest cost		35		(35)
Expected return on plan assets			13	13
Impact on other financial charges and income				***(22)***
Net benefit cost recognized in profit and loss				**(19)**
Experience gains/(losses) **(a)**		12	(1)	(13)
Actuarial gains/(losses) related to changes in demographic assumptions		2		(2)
Actuarial gains/(losses) related to changes in financial assumptions		5		(5)
Adjustment related to asset ceiling				-
Actuarial gains/(losses) recognized in other comprehensive income				**(20)**
Contributions by plan participants		1	1	-
Contributions by employers			46	46
Benefits paid by the fund		(9)	(9)	-
Benefits paid by the employer		(36)	(36)	-
Business combinations **(f)**		12	9	(3)
Divestitures of businesses		-	-	-
Transfers		-	-	-
Other (of which foreign currency translation adjustments)		(20)	(12)	8
Reclassification to assets held for sale **(g)**		(31)	-	31
Closing balance		**966**	**356**	**(610)**
of which wholly or partly funded benefits		*487*		
wholly unfunded benefits **(c)**		*479*		
of which assets related to employee benefit plans				*9*
provisions for employee benefit plans **(d)**	18			*(619)*

(a) Includes the impact on the benefit obligation resulting from the difference between actuarial assumptions at the previous year-end and effective benefits during the year, and the difference between the expected return on plan assets at the previous year-end and the actual return on plan assets during the year.

(b) Relates to the impact of the sale of SFR on November 27, 2014.

(c) In accordance with local laws and practices, certain plans are not covered by plan assets. As of December 31, 2014 and December 31, 2013, such plans principally comprise supplementary pension plans in the United States, pension plans in Germany and post-retirement benefit plans in the United States.

(d) Includes a current liability of €48 million as of December 31, 2014 (compared to €55 million as of December 31, 2013).

(e) In 2013, past service costs mainly related to the effect of decreases related to restructuring at SFR, as well as the renewal of some members of the group's management team since the end of June 2012.

(f) Relates to the adjustment in 2013 to account for the impact of the acquisition on September 28, 2012 of EMI Recorded Music on the value of the obligations, plan assets, and underfunded obligation.

(g) Relates to the impact of the reclassification of Maroc Telecom group as a discontinued operation, in accordance with IFRS 5.

Benefit obligation, fair value of plan assets, and funded status detailed by country

	Pension benefits (a)		Post-retirement benefits (b)		Total	
	December 31,		December 31,		December 31,	
(in millions of euros)	2014	2013	2014	2013	2014	2013
Benefit obligation						
US companies	125	107	136	120	261	227
UK companies	296	233	1	1	297	234
German companies	209	190	-	-	209	190
French companies	157	233	-	-	157	233
Other	65	67	16	15	81	82
	852	**830**	**153**	**136**	**1,005**	**966**
Fair value of plan assets						
US companies	57	48	-	-	57	48
UK companies	252	201	-	-	252	201
German companies	3	3	-	-	3	3
French companies	54	65	-	-	54	65
Other	38	39	-	-	38	39
	404	**356**	**-**	**-**	**404**	**356**
Underfunded obligation						
US companies	(68)	(59)	(136)	(120)	(204)	(179)
UK companies	(44)	(32)	(1)	(1)	(45)	(33)
German companies	(206)	(187)	-	-	(206)	(187)
French companies	(103)	(168)	-	-	(103)	(168)
Other	(27)	(28)	(16)	(15)	(43)	(43)
	(448)	**(474)**	**(153)**	**(136)**	**(601)**	**(610)**

(a) No employee defined benefit plan individually exceeded 10% of the aggregate value of the obligations and of the underfunded obligation of these plans.

(b) Primarily relates to medical coverage (hospitalization, surgery, doctor visits and drug prescriptions), post-retirement and life insurance benefits for certain employees and retirees in the United States. In accordance with the current regulation in relation to the funding policy of this type of plan, the plan is not funded. The main risks for the group relate to changes in discount rates as well as the increase in the cost of benefits (please refer to the sensitivity analysis described in Note 19.2.1).

19.2.4. Benefits estimation and future payments

For 2015, hedge fund contributions and benefit payments by Vivendi to retirees are estimated to be €40 million in respect of pensions, of which €22 million relates to pension funds and €8 million relates to post-retirement benefits.

Estimates of future benefit payments to beneficiaries by the relevant pension funds or by Vivendi (in nominal value for the following ten years) are as follows:

(in millions of euros)	Pension benefits	Post-retirement benefits
2015	43	9
2016	32	9
2017	32	9
2018	29	9
2019	29	9
2020-2024	162	44

NOTE 20. Share-based compensation plans

20.1. Impact on the Consolidated Statement of Earnings

		Year ended December 31,	
(in millions of euros)	Note	2014	2013
Charge/(Income)			
Stock options, performance shares and bonus shares		*9*	*15*
Employee stock purchase plans		*-*	*8*
Stock Appreciation Rights (SAR)		*-*	*1*
Vivendi stock instruments	20.2	9	24
UMG equity unit plan	20.3	(17)	5
Charge/(Income) related to share-based compensation plans		**(8)**	**29**
Equity-settled instruments		*9*	*23*
Cash-settled instruments		*(17)*	*6*

20.2. Plans granted by Vivendi

Vivendi grants several share-based compensation plans each year based on Vivendi shares to officers and employees of the group: stock option plans (without discount), performance share plans, as well as a capital increase reserved for employees and retirees (classic and leveraged plans).

In 2013, the Supervisory Board decided, upon the recommendation of the Management Board and after the advice of the Human Resources Committee, to stop granting stock option plans. In addition, in 2013, Vivendi put into place a capital increase reserved for employees and retirees (employee stock purchase and leveraged plans).

In 2014, due to the changes in the scope already completed or in progress, Vivendi did not grant any annual plan to its employees and only granted 380,000 performance shares to a member of the Management Board and certain Executive Officers of its subsidiaries.

The accounting methods applied to value and recognize these granted plans are described in Note 1.3.10. More specifically, the risk-free interest rate applied is the rate of French fungible treasury bonds or "*Obligations Assimilables du Trésor*" (OAT) with a maturity corresponding to the expected term of the instrument at the valuation date, and the expected dividend yield at grant date is based on Vivendi's dividend distribution policy.

20.2.1. Equity-settled instruments

Transactions on outstanding instruments, which have occurred since January 1, 2013

	Stock options		Performance shares
	Number of outstanding stock options (in thousands)	Weighted average strike price of outstanding stock options (in euros)	Number of outstanding performance shares (in thousands)
Balance as of December 31, 2012	**53,406**	**20.5**	**3,884**
Granted	-	na	2,782
Exercised	(a) (3,362)	13.3	(1,409)
Forfeited	(354)	12.9	na
Cancelled	(194)	15.9	(199)
Adjusted (b)	3,339	19.4	286
Balance as of December 31, 2013	**52,835**	**19.7**	**5,344**
Granted	-	na	380
Exercised	(a) (11,264)	17.5	(1,600)
Forfeited	(717)	17.5	na
Cancelled (c)	(571)	13.7	(440)
Adjusted (b)	2,439	19.1	183
Balance as of December 31, 2014	**(d) 42,722**	**19.3**	**(e) 3,867**
Exercisable as of December 31, 2014	**40,268**	**19.8**	**-**
Acquired as of December 31, 2014	**40,413**	**19.8**	**845**

na: not applicable.

(a) As of the dates of exercise of the stock options, the weighted average share price for Vivendi shares was €19.68 (compared to €16.21 for stock options exercised in 2013).

(b) In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares were adjusted to take into account the impact for the beneficiaries of the following distributions (please refer to Note 17):
- on May 17, 2013: a dividend distribution of €1 per share from reserves with respect to fiscal year 2012; and
- on June 30, 2014: an ordinary distribution of €1 per share from additional paid-in capital.

These adjustments have no impact on share-based compensation expenses related to the relevant stock option and performance share plans.

(c) At its meeting on February 21, 2014, after review by the Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives for the cumulative fiscal years 2012 and 2013 for the performance share plans and the last stock option plan granted in 2012. It confirmed that not all the criteria that had been set were satisfied for fiscal year 2013. The final grant of the 2012 performance share and stock option plans represents 88% of the original grant. Consequently, among the instruments cancelled in 2014 were 335,784 stock options and 239,207 performance shares granted in 2012.

(d) The total intrinsic value of outstanding stock options was €98 million.

(e) The weighted-average remaining period before delivering performance shares was 0.8 year.

Please refer to Note 17 for the potential impact on the share capital of Vivendi SA of the outstanding stock options, the performance shares and bonus shares.

Information on stock options as of December 31, 2014

	Outstanding stock options			Vested stock options	
Range of strike prices	Number (in thousands)	Weighted average strike price (in euros)	Weighted average remaining contractual life (in years)	Number (in thousands)	Weighted average strike price (in euros)
Under €15	2,454	11.9	7.3	145	11.8
€15-€17	10,980	15.9	4.8	10,980	15.9
€17-€19	9,286	18.5	2.0	9,286	18.5
€19-€21	7,012	20.2	3.3	7,012	20.2
€21-€23	6,413	22.9	1.3	6,413	22.9
€23-€25	6,577	24.7	2.3	6,577	24.7
€25 and more	-	-	-	-	-
	42,722	**19.3**	**3.2**	**40,413**	**19.8**

Performance share plans

In 2014, due to the changes in the scope already completed or in progress, Vivendi did not grant any annual plan to its employees and only granted 380,000 performance shares to a member of the Management Board and certain Executive Officers of its subsidiaries.

On February 22, 2013, 2,573 thousand performance shares were granted. The share price was €14.91.

After taking into account a discount for non-transferability of 8.3% of the share price on February 22, 2013 and an expected dividend yield of 6.71%, the fair value of each granted performance share was €11.79, corresponding to an aggregate fair value of €30 million. This value is estimated and is set at grant date.

These rights vest at the end of a two-year period; the compensation cost is therefore recognized on a straight-line basis over the vesting period. Granted performance shares are then available at the end of a two-year period. However, as the shares granted are ordinary shares of the same class as existing shares making up the share capital of Vivendi SA, employee shareholders are entitled to the dividends and voting rights attached to these shares from the end of the two-year vesting period. The recognized compensation cost corresponds to the value of the equity instruments received by the beneficiary, and is equal to the difference between the fair value of the shares to be received and the discounted value of dividends that were not received over the vesting period.

The definitive grant of performance shares is subject to the satisfaction of performance conditions. Such performance conditions include an external indicator, therefore following the recommendations of the AFEP/MEDEF Code. The objectives relating to the performance conditions are determined by the Supervisory Board upon proposal by the Governance, Nominating and Human Resources Committee.

The objectives relating to the performance conditions are assessed on a two-year period (three-year period for plans granted since June 24, 2014).

The definitive grant is effective upon the satisfaction of the following performance conditions:

- internal indicators (with a weighting of 70%): for corporate head office, the group's EBITA margin and for each subsidiary, its EBITA margin, as a function of the cumulative income from fiscal years 2013 and 2014; and
- external indicators (with a weighting of 30%): performance of Vivendi's share price over two consecutive trading years, compared to a basket of indices, the STOXX® Europe 600 Media and the STOXX® Europe 600 Telecommunications.

At the meeting held on February 27, 2015, after review by the Governance, Nominating and Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives for the cumulative fiscal years 2013 and 2014 for the performance share plans granted in 2013. It confirmed that not all the criteria that had been set were satisfied for fiscal year 2014. The final grant of the 2013 performance share plans represents, depending on the subsidiaries of the group, between 62% and 80% of the original grant. Consequently, a portion of performance shares granted in 2013 will be cancelled.

50 bonus share plan

On July 16, 2012, Vivendi granted a 50 bonus share per employee plan for all the group's French subsidiaries. 727 thousand shares were issued on July 17, 2014 at the end of a two-year vesting period. The compensation cost is therefore recognized on a straight-line basis over the vesting period. These shares will only be available at the end of another two-year period. However, as the shares granted are ordinary shares of the same class as existing shares making up the share capital of Vivendi SA, employee shareholders have been entitled to the dividend and voting rights relating to these shares since July 17, 2014.

20.2.2. Employee stock purchase and leveraged plans

In 2014, no capital increase, reserved for employees of participating group companies that have joined an employee stock purchase and leveraged plans, was put into place by Vivendi.

In 2013, Vivendi made a capital increase reserved for employees (stock purchase and leveraged plans) that allowed substantially all of its employees and retirees to subscribe for Vivendi shares. These shares, which are subject to certain sale or transfer restrictions, may be subscribed by employees for a maximum discount of 20% on the average opening market price for Vivendi shares during the 20 trading days preceding the date of approval of the share capital increase by the Management Board and the subscription price of new shares to issue. The difference between the subscription price of the shares and the share price on that date represents the benefit granted to the beneficiaries. Furthermore, Vivendi applied a discount for non-transferability in respect of the restrictions on the sale or transfer of the shares during a five-year period, which is deducted from the benefit granted to the employees. The value of the subscribed shares is estimated and fixed at the date of the subscription price for new shares to issue.

For the employee stock purchase and leveraged plans subscribed in 2013, the applied valuation assumptions were as follows:

	2013
Grant date	June 28
Subscription price (in euros)	12.10
Data at grant date:	
Share price (in euros)	14.55
Discount to face value	16.82%
Expected dividend yield	6.87%
Risk-free interest rate	1.19%
5-year interest rate in fine	6.08%
Repo rate	0.36%

Under the **employee stock purchase plans**, 2,055 thousand shares were subscribed in 2013 at €12.10 per share. After taking into account a 15.2% discount to the share price on the grant date for non-transferability, the fair value per subscribed share was €0.24 on June 28, 2013.

Under the **leveraged plans**, 9,758 thousand shares were subscribed in 2013. After taking into account a discount for non-transferability measured after the leveraged impact, the fair value per subscribed share on June 28, 2013 was €2.23.

The leveraged plans entitles virtually all employees and retirees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share. A financial institution mandated by Vivendi hedges this transaction.

In 2013, the charge recognized with respect to employee stock purchase and leveraged plans amounted to €8 million.

Stock purchase and leveraged plans resulted in a capital increase (including issue premium) with an aggregate value of €149 million on July 25, 2013.

20.2.3. Cash-settled instruments

In 2006 and 2007, Vivendi granted specific instruments to its US resident managers and employees, with economic features similar to those granted to non-US resident managers and employees, except that these equity instruments are settled in cash only. The value of the cash-settled instruments granted is initially estimated as of the grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted pro rata taking into account the vested rights at each such reporting date. All of the rights for these plans were definitively vested as of April 2010.

Stock appreciation right plans

When the instruments entitle the beneficiaries thereof to receive the appreciation in the value of the Vivendi share price, they are known as "stock appreciation rights" (SAR) which are the economic equivalent of stock options. Under a SAR plan, the beneficiaries will receive a cash payment upon exercise of their rights based on the Vivendi share price equal to the difference between the Vivendi share price upon exercise of the SAR and their strike price as set at the grant date. SAR expire at the end of a ten-year period.

As of December 31, 2014, the outstanding SAR was 4,427 thousand (compared to 2,980 thousand as of December 31, 2013). All rights related to SAR were vested and their aggregate intrinsic value amounted to $6 million. As of December 31, 2014 and 2013, the amount accrued for these instruments was non-significant.

20.3. UMG long-term incentive plan

Effective from January 1, 2010, UMG implemented long-term incentive arrangements under which certain key executives of UMG are awarded phantom equity units and phantom stock appreciation rights whose value is intended to reflect the value of UMG. These units are simply account units and do not represent an actual ownership interest in either UMG or Vivendi. The equity units are notional grants of equity that will be payable in cash upon settlement no later than 2015 or earlier under certain circumstances. The stock appreciation rights are essentially options on those notional shares that provide additional compensation tied to any increase in value of UMG over the term.

Payouts under the plan generally coincide with terms of employment, but can be accelerated or reduced under certain circumstances. The values for both payouts are based upon third party valuations. While the participants' rights vest at the end of a fixed vesting period, compensation expense is recognized over the vesting period as services are rendered. At each closing date, the expense is recognized based on the portion of the vesting period that has elapsed and the fair value of the units calculated using an appropriate grant date model in accordance with IFRS 2.

During the third quarter of 2014, one executive, who benefited from the plan, ended his employment contract. The phantom equity units and phantom stock appreciation rights that were awarded to him were therefore cancelled. Consequently, the amount previously accrued for these rights was reversed (€19 million).

As of December 31, 2014, the remaining amount accrued under these arrangements was €12 million (€26 million as of December 31, 2013). No payments have been made to date.

NOTE 21. Borrowings and other financial liabilities

		December 31, 2014			December 31, 2013		
(in millions of euros)	Note	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	21.1	1,950	1,950	-	7,827	6,633	1,194
Bank credit facilities (drawn confirmed)	21.2	-	-	-	2,075	2,014	61
Commercial paper issued		-	-	-	1,906	-	1,906
Bank overdrafts		168	-	168	143	-	143
Accrued interest to be paid		27	-	27	186	-	186
Other		54	5	49	73	53	20
Nominal value of borrowings		**2,199**	1,955	244	**12,210**	8,700	3,510
Cumulative effect of amortized cost and revaluation due to hedge accounting		28	28	-	8	8	-
Commitments to purchase non-controlling interests		87	79	8	22	22	-
Derivative financial instruments	22	33	12	21	26	7	19
Borrowings and other financial liabilities		**2,347**	**2,074**	**273**	**12,266**	**8,737**	**3,529**

21.1. Bonds

(in millions of euros)	Interest rate (%) Nominal	Effective	Maturity	Dec. 31, 2014	Maturing during the following periods 2015	2016	2017	2018	2019	After 2019	Dec. 31, 2013
€750 million (March 2010)	4.000%	4.15%	Mar. 2017	750	-	-	750	-	-	-	750
€700 million (December 2009)	4.875%	4.95%	Dec. 2019	700	-	-	-	-	700	-	700
€500 million (December 2009)	4.250%	4.39%	Dec. 2016	500	-	500	-	-	-	-	500
€300 million – SFR (July 2009)	5.000%	5.05%	Jul. 2014	-	-	-	-	-	-	-	300
€1,120 million (January 2009)	7.750%	7.69%	Jan. 2014	(a) -	-	-	-	-	-	-	894
Bonds without make-whole option				**1,950**	**-**	**500**	**750**	**-**	**700**	**-**	**3,144**
€750 million (July 2013)	2.375%	2.51%	Jan. 2019	-	-	-	-	-	-	-	750
€700 million (December 2012)	2.500%	2.65%	Jan. 2020	-	-	-	-	-	-	-	700
$650 million (April 2012)	3.450%	3.56%	Jan. 2018	-	-	-	-	-	-	-	69
$800 million (April 2012)	4.750%	4.91%	Apr. 2022	-	-	-	-	-	-	-	189
€1,250 million (January 2012)	4.125%	4.31%	Jul. 2017	-	-	-	-	-	-	-	1,250
€500 million (November 2011)	4.875%	5.00%	Nov. 2018	-	-	-	-	-	-	-	500
€1,050 million (July 2011)	4.750%	4.67%	Jul. 2021	-	-	-	-	-	-	-	1,050
$700 million (April 2008)	6.625%	6.85%	Apr. 2018	-	-	-	-	-	-	-	175
Bonds with make-whole option (b)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,683**
Nominal value of bonds				**1,950**	**-**	**500**	**750**	**-**	**700**	**-**	**7,827**

(a) Redemption at maturity in January 2014 of the 7.75% bond issued in January 2009 for €894 million.

(b) Vivendi allocated a portion of the SFR sale proceeds to the early redemption of all eight tranches of its euro and U.S. dollar denominated bonds with a make-whole option, representing an aggregate principal amount of €4,250 million and $595 million (€420 million). This transaction, completed in December 2014, resulted in a premium payment of €642 million (net of gains on interest rate risk hedging) in addition to the principal amount of €4,670 million.

The bonds denominated in euros are listed on the Luxembourg Stock Exchange.

Bonds issued by the group contain customary provisions related to events of default, negative pledge and, rights of payment (pari-passu ranking). In addition, bonds issued by Vivendi SA contain an early redemption clause in case of a change in control trigger if, as a result of any such event, the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-).

21.2. Bank credit facilities

On November 27, 2014, following the receipt of cash proceeds from the sale of SFR, Vivendi cancelled all of its existing bank credit facilities for €7.1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019) and with two one-year renewal options. As of December 31, 2014, this credit facility was undrawn.

The €2 billion bank credit facility contains customary provisions relating to events of default and covenants relating to negative pledge, divestiture and merger transactions. In addition, at the end of each half year, Vivendi SA is required to comply with a Proportionate Financial Net Debt (1) to EBITDA (2) financial covenant over a 12-month rolling period not exceeding 3 for the duration of the loan. Non-compliance with this covenant could result in the early redemption of the facility if it were drawn, or its cancellation. As of December 31, 2014, Vivendi SA was in compliance with its financial covenant.

The renewal of Vivendi SA's confirmed bank credit facility when it is drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its financial obligations with respect to loan contracts.

In addition, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Note 26). This letter of credit is guaranteed by a syndicate of 15 international banks with which Vivendi signed a Reimbursement Agreement that includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter

(1) Relates to Financial Net Debt as defined by Vivendi.

(2) Relates to EBITDA as defined by Vivendi, plus dividends received from unconsolidated companies.

of credit. On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit. This deposit, which significantly reduced the letter of credit's financing cost, resulted in a €975 million decrease in the group's Net Cash Position. Prior to this deposit being placed, the letter of credit was recorded as an off-balance sheet financial commitment, with no impact on Vivendi's Financial Net Debt.

21.3. Breakdown of the nominal value of borrowings by maturity, nature of the interest rate, and currency

Breakdown by maturity

(in millions of euros)	December 31, 2014		December 31, 2013	
Maturity				
< 1 year **(a)**	244	*11%*	3,510	*29%*
Between 1 and 2 years	505	*23%*	588	*5%*
Between 2 and 3 years	750	*34%*	1,562	*13%*
Between 3 and 4 years	-	-	2,065	*17%*
Between 4 and 5 years	700	*32%*	1,005	*8%*
> 5 years	-	-	3,480	*28%*
Nominal value of borrowings	**2,199**	***100%***	**12,210**	***100%***

(a) As of December 31, 2014, short-term borrowings (with a maturity of less than one year) primarily included bank overdrafts for €168 million. As of December 31, 2013, they mainly included commercial paper issued for €1,906 million (with a 17-day average remaining period), Vivendi SA's €894 million bond, maturing in January 2014, SFR's €300 million bond, maturing in July 2014, and bank overdrafts for €143 million.

As of December 31, 2014, the average "economic" term of the group's financial debt, pursuant to which all undrawn amounts on available medium term credit lines may be used to redeem group borrowings with the shortest term was 4.9 years (compared to 4.2 years at year-end 2013).

Breakdown by nature of interest rate

(in millions of euros)	Note	December 31, 2014		December 31, 2013	
Fixed interest rate		1,995	*91%*	7,830	*64%*
Floating interest rate		204	*9%*	4,380	*36%*
Nominal value of borrowings before hedging		**2,199**	***100%***	**12,210**	***100%***
Pay-fixed interest rate swaps		*450*		*450*	
Pay-floating interest rate swaps		*(1,450)*		*(2,600)*	
Net position at fixed interest rate	22.2	***(1,000)***		***(2,150)***	
Fixed interest rate		995	*45%*	5,680	*47%*
Floating interest rate		1,204	*55%*	6,530	*53%*
Nominal value of borrowings after hedging		**2,199**	***100%***	**12,210**	***100%***

Breakdown by currency

(in millions of euros)	Note	December 31, 2014		December 31, 2013	
Euro – EUR		2,162	*98%*	11,396	*93%*
US dollar – USD		-	-	433	*4%*
Other (of which BRL and PLN)		37	*2%*	381	*3%*
Nominal value of borrowings before hedging		**2,199**	***100%***	**12,210**	***100%***
Currency swaps USD		*748*		*1,468*	
Other currency swaps		*(52)*		*(199)*	
Net total of hedging instruments	22.2	***696***		***1,269***	
Euro – EUR		2,858	*130%*	12,665	*104%*
US dollar – USD		*(748)*	*-34%*	(1,035)	*-9%*
Other (of which BRL and PLN)		89	*4%*	580	*5%*
Nominal value of borrowings after hedging		**2,199**	***100%***	**12,210**	***100%***

21.4. Credit ratings

As of February 11, 2015, the date of the Management Board Meeting that approved the Financial Statements for the year ended December 31, 2014, Vivendi's credit ratings were as follows:

Rating agency	Type of debt	Ratings	Outlook
Standard & Poor's	Long-term corporate *debt*	BBB	Positive
	Short-term corporate debt	A-2	
	Senior unsecured debt	BBB	
Moody's	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	Long-term senior unsecured debt	BBB	Stable

NOTE 22. Financial instruments and management of financial risks

22.1. Fair value of financial instruments

Financial instruments, as assets under Vivendi's Statement of Financial Position, include financial assets measured at fair value and at historical cost, trade accounts receivable and other, as well as cash and cash equivalents. As liabilities, they include bonds and bank credit facilities, other financial liabilities (including commitments to purchase non-controlling interests), as well as trade accounts payable and other non-current liabilities. In addition, financial instruments include derivative instruments (assets or liabilities).

Accounting category and fair value of financial instruments

		December 31, 2014		December 31, 2013	
(in millions of euros)	Note	Carrying value	Fair value	Carrying value	Fair value
Assets					
Available-for-sale securities		*4,881*	*4,881*	*360*	*360*
Derivative financial instruments		*139*	*139*	*126*	*126*
Other financial assets at fair value through profit or loss		*13*	*13*	*5*	*5*
Financial assets at amortized cost		*1,160*	*1,160*	*208*	*208*
Financial assets	14	6,193	6,193	699	699
Trade accounts receivable and other, at amortized cost	15	1,983	1,983	4,898	4,898
Cash		*240*	*na*	*525*	*na*
Term deposits and interest-bearing current accounts		*1,851*	*na*	*470*	*na*
UCITS		*4,754*	*4,754*	*46*	*46*
Cash and cash equivalents	16	6,845	4,754	1,041	46
Liabilities					
Borrowings, at amortized cost		*2,227*	*2,483*	*12,218*	*12,721*
Derivative financial instruments		*33*	*33*	*26*	*26*
Commitments to purchase non-controlling interests		*87*	*87*	*22*	*22*
Borrowings and other financial liabilities	21	2,347	2,603	12,266	12,769
Other non-current liabilities, at amortized cost		121	121	757	757
Trade accounts payable and other, at amortized cost	15	5,306	5,306	10,416	10,416

na: not applicable.

Valuation method for financial instruments at fair value

The following tables show the fair value method of financial instruments according to the three following levels:

- **Level 1**: fair value measurement based on quoted prices in active markets for identical assets or liabilities;
- **Level 2**: fair value measurement based on observable market data (other than quoted prices included within Level 1); and
- **Level 3**: fair value measurement based on valuation techniques that use inputs for the asset or liability that are not based on observable market data.

As a reminder, the other financial instruments at amortized cost are not included in the following tables.

		December 31, 2014			
(in millions of euros)	Note	Total	Level 1	Level 2	Level 3
Assets					
Available-for-sale securities (a)	14	4,881	4,676	162	43
Derivative financial instruments	22.2	139	-	139	-
Other financial assets at fair value through profit or loss		13	5	-	8
UCITS	16	4,754	4,754	-	-
Liabilities					
Commitments to purchase non-controlling interests		87	-	-	87
Derivative financial instruments	22.2	33	-	33	-

(a) As of December 31, 2014, available-for-sale securities primarily included securities held by Vivendi, valued on stock market price at that date: an interest in Numericable-SFR for €3,987 million and an interest in Activision Blizzard for €689 million.

		December 31, 2013			
(in millions of euros)	Note	Total	Level 1	Level 2	Level 3
Assets					
Available-for-sale securities	14	360	-	304	56
Derivative financial instruments	22.2	126	-	126	-
Other financial assets at fair value through profit or loss		5	5	-	-
UCITS	16	46	46	-	-
Liabilities					
Commitments to purchase non-controlling interests		22	-	-	22
Derivative financial instruments	22.2	26	-	26	-

In 2014 and 2013, there was no transfer of financial instruments measured at fair value between level 1 and level 2. In addition, as of December 31, 2014 and December 31, 2013, financial instruments measured at level 3 fair value did not include any significant amount.

22.2. Management of financial risks

As part of its business, Vivendi is exposed to several types of financial risks: market risks, credit risks, counterparty risks, as well as liquidity risks. Market risks notably include interest rate risks, foreign currency risks and equity market value risks. Vivendi's Financing and Treasury Department centrally manages financial risks for the group and its subsidiaries, reporting directly to Vivendi's Chief Financial Officer. The Department has the necessary expertise, resources (notably technical resources), and information systems for this purpose. The Treasury Committee monitors, on a bi-monthly basis, the liquidity positions in all business units and the exposure to main financial risks, in particular counterparty risk, equity market value risks as well as foreign currency risks and interest rate risks. Finally, short- and long-term financing activities are performed at the group's headquarters and are subject to the prior approval of the Management Board and Supervisory Board, in accordance with the provisions of their Internal Regulations.

As of December 31, 2014, the financial position of Vivendi may be summed up as follows:

- due to the sale of 88% of Vivendi's interest in Activision Blizzard in October 2013, the sale of Maroc Telecom in May 2014 and mainly the sale of SFR in November 2014, Vivendi has a Net Cash Position of €4.6 billion, of which €6.8 billion in cash and cash equivalents and €2.2 billion in gross financial debt, primarily in bonds for €2.0 billion. Vivendi has a bank credit facility available for €2.0 billion, undrawn as of December 31, 2014;
- Vivendi held a portfolio of quoted and unquoted minority interests, notably Numericable–SFR, Activision Blizzard and TVN in Poland, as well as at UMG (Spotify, Vevo, Deezer), which represented an aggregate market value of approximately €5.1 billion (before taxes) as of December 31, 2014; and
- as part of the current appeals in connection with Liberty Media Corporation and securities class action litigations in the United States, Vivendi put into place cash guarantee deposits for an aggregate amount of approximately €1 billion.

In addition and as a reminder, once the sale of GVT has been completed (expected during the second quarter of 2015), Vivendi's portfolio of securities will increase with the minority interests it will receive in Telefonica Brasil (VIVO/GVT) and Telecom Italia, which represented an aggregate market value of approximately €2.8 billion (before taxes) as of August 28, 2014 (starting date of the exclusive negotiations with Telefonica).

Derivative financial instrument values on the Statement of Financial Position

		December 31, 2014		December 31, 2013	
(in millions of euros)	Note	Assets	Liabilities	Assets	Liabilities
Interest rate risk management	22.2.3	75	(12)	88	(7)
Pay-fixed interest rate swaps		*-*	*(12)*	*-*	*(7)*
Pay-floating interest rate swaps		*75*	*-*	*88*	*-*
Foreign currency risk management	22.2.4	43	(21)	17	(19)
Other		21	-	21	-
Derivative financial instruments		**139**	**(33)**	**126**	**(26)**
Deduction of current derivative financial instruments		(40)	21	(17)	19
Non-current derivative financial instruments		**99**	**(12)**	**109**	**(7)**

22.2.1. Investment risk and counterparty risk management

Vivendi's policy for investments mainly aims to minimize its exposure to counterparty risk. Consequently, Vivendi is mainly committed within highly rated mutual funds and commercial banks, and allocates investments among selected banks and limits the amount of each such investment.

As of December 31, 2014, outstanding cash and cash equivalents of Vivendi amounted to €6,845 million, of which €6,524 million is held by Vivendi SA and invested in the following financial institutions with at least an A2/A rating:

- €4,754 million in ten UCTIS monetary funds, managed by five management companies; and
- €1,770 million in term deposits and interest-bearing current accounts within eight banks. Term deposits with initial maturities greater than three months contain an option to terminate at any time and present an insignificant risk of changing in value.

As of December 31, 2014, the average interest rate on Vivendi's investments was 0.49%.

In addition, Vivendi does not consider there to be a significant risk of non-recovery of trade accounts receivable for its business operations: the large individual customer base, the broad variety of customers and markets, as well as the geographic diversity of its business operations (mainly Canal+ Group and Universal Music Group) enable to minimize the risk of credit concentration related to trade accounts receivable.

22.2.2. Equity market value risk management

Vivendi's cash investment policy prohibits equity investments. However, following divestiture or acquisition, Vivendi may hold non-consolidated interests as part of an opportunist strategy in more or less long term. As of December 31, 2014, Vivendi held shares in the following listed companies, recognized as "Available-for-sale securities" in the Consolidated Statement of Financial Position, for an aggregate amount of €4,676 million:

- 97.4 million Numericable-SFR shares, i.e., a 20% interest held following the sale of SFR to Numericable Group on November 27, 2014, valued at €3,987 million as of December 31, 2014. These shares are notably subject to a lock-up provision: please refer to Note 3.1; and
- 41.5 million Activision Blizzard shares valued at €689 million as of December 31, 2014. These shares were subject to a lock-up provision, which matured on January 7, 2015: please refer to Note 3.4.

Vivendi is thus exposed to the risk of fluctuation in the value of these shares. As of December 31, 2014, the unrealized gain with respect to these shares amounted to €1,015 million, directly recognized in equity. An unfavorable and uniform change of 10% in all of these shares would have a negative impact of €468 million on Vivendi's equity.

In addition, Canal+ Group holds 95 million shares in TVN (free-to-air TV in Poland) indirectly held by N-Vision and consolidated under the equity method by Canal+ Group. On October 16, 2014, Canal+ Group and ITI Group announced they were jointly considering strategic options in respect of their interest in TVN (please refer to Note 13).

Finally, as part of the plan to sell GVT, which is expected to be completed during the second quarter of 2015 (please refer to Note 3.2), Vivendi should receive Telefonica Brasil (VIVO/GVT) and Telecom Italia shares, valued at €1,830 million and €960 million, respectively, based on the stock market price and currency exchange rate on August 28, 2014 (starting date of the exclusive negotiations with Telefonica), representing an aggregate amount of €2.8 billion.

22.2.3. Interest rate risk management

Vivendi’s interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, Vivendi uses pay-floating and pay-fixed interest rate swaps. These instruments enable thus the group to manage and reduce volatility for future cash flows related to interest payments on borrowings.

In December 2014, concomitantly with the redemption of the bonds with make-whole option, Vivendi early settled pay-floating interest rate swaps with a notional amount of €750 million and €400 million.

As of December 31, 2014, the portfolio of Vivendi’s interest rate hedging instruments included the following swaps:

- pay-fixed interest rate swaps with a notional amount of €450 million, maturing in 2017, set up in 2012;
- pay-floating interest rate swaps with a notional amount of €450 million, maturing in 2017, set up in 2010; and
- pay-floating interest rate swaps with a notional amount of €1,000 million, maturing in 2016, set up in 2011.

	December 31, 2014								
	Notional amounts							Fair value	
(in millions of euros)	Total	2015	2016	2017	2018	2019	After 2019	Assets	Liabilities
Pay-fixed interest rate swaps	450			450				-	(12)
Pay-floating interest rate swaps	(1,450)		(1,000)	(450)				75	-
Net position at fixed interest rate	**(1,000)**		**(1,000)**	**(a) -**				**75**	**(12)**
Breakdown by accounting category of rate hedging instruments									
Cash flow hedge	-							-	-
Fair value hedge	(1,000)		(1,000)					35	-
Economic hedging **(b)**	-			(a) -				40	(12)

	December 31, 2013								
	Notional amounts							Fair value	
(in millions of euros)	Total	2014	2015	2016	2017	2018	After 2018	Assets	Liabilities
Pay-fixed interest rate swaps	450				450			-	(7)
Pay-floating interest rate swaps	(2,600)			(1,400)	(450)		(750)	88	-
Net position at fixed interest rate	**(2,150)**			**(1,400)**	**(a) -**		**(750)**	**88**	**(7)**
Breakdown by accounting category of rate hedging instruments									
Cash flow hedge	-							-	-
Fair value hedge	(2,150)			(1,400)			(750)	46	-
Economic hedging **(b)**	-				(a) -			42	(7)

(a) Includes pay-floating interest rate swaps for a notional amount of €450 million as well as pay-fixed interest rate swaps for a notional amount of €450 million, maturing in 2017, qualified as economic hedges.

(b) The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39.

22.2.4. Foreign currency risk management

Excluding GVT, the group's foreign currency risk management is centralized by Vivendi SA's Financing and Treasury Department and primarily seeks to hedge budget exposures (at an 80% level) resulting from monetary flows generated by activities performed in currencies other than the euro as well as from external firm commitments (at a 100% level), primarily relating to the acquisition of editorial content (including sports, audiovisual and film rights) and certain capital expenditures (e.g., set-top boxes), realized in currencies other than the euro. Most of the hedging instruments are foreign currency swaps or forward contracts that have a maturity of less than one year. Considering the foreign currency hedging instruments established, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2014, would have a non-significant cumulative impact on net earnings (below €1 million). In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities. Moreover, due to their non-significant nature, net exposures related to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged. The relevant risks are settled at the end of each month by translating the amounts into the functional currency of the relevant operating entities.

The principal currencies hedged by the group are US dollars (USD) and British pounds (GBP). In 2014 and 2013, to hedge against a possible depreciation of its net investment in certain subsidiaries in the United Kingdom due to an unfavorable change in GBP, Vivendi set up a hedge using forward contracts for a notional amount of £832 million, or €1,046 million. From an accounting perspective, these hedge instruments were considered as net investment hedges.

The following tables present the foreign currency risk management instruments used by the group; the positive amounts relate to currencies to be received, the negative amounts relate to currencies to be delivered:

	December 31, 2014						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1,233)	(52)	(56)	(1,062)	(63)	2	(19)
Purchases against the euro	1,908	717	51	1,020	120	40	(2)
Other	-	59	-	1	(60)	1	-
	675	**724**	**(5)**	**(41)**	**(3)**	**43**	**(21)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash flow hedge							
Sales against the euro	(67)	(9)	(45)	(2)	(11)	2	(1)
Purchases against the euro	33	33	-	-	-	2	-
Other	-	-	-	-	-	-	-
	(34)	**24**	**(45)**	**(2)**	**(11)**	**4**	**(1)**
Fair value hedge							
Sales against the euro	(68)	(43)	(11)	(14)	-	-	(1)
Purchases against the euro	275	275	-	-	-	14	-
Other	-	3	-	1	(4)	-	-
	207	**235**	**(11)**	**(13)**	**(4)**	**14**	**(1)**
Net investment hedge							
Sales against the euro	(1,046)	-	-	(a) (1,046)	-	-	(17)
Purchases against the euro	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	(1,046)	**-**	**-**	**(1,046)**	**-**	**-**	**(17)**
Economic hedging (b)							
Sales against the euro	(52)	-	-	-	(52)	-	-
Purchases against the euro	1,600	409	51	1,020	120	24	(2)
Other	-	56	-	-	(56)	1	-
	1,548	**465**	**51**	**1,020**	**12**	**25**	**(2)**

	December 31, 2013						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1,060)	(49)	(105)	(834)	(72)	2	(10)
Purchases against the euro	2,329	1,330	21	888	90	11	(7)
Other	-	187	(81)	(4)	(102)	4	(2)
	1,269	**1,468**	**(165)**	**50**	**(84)**	**17**	**(19)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash flow hedge							
Sales against the euro	(73)	(11)	(42)	(7)	(13)	-	-
Purchases against the euro	85	85	-	-	-	1	(1)
Other	-	168	(75)	-	(93)	4	(2)
	12	**242**	**(117)**	**(7)**	**(106)**	**5**	**(3)**
Fair value hedge							
Sales against the euro	(93)	(38)	(51)	(4)	-	1	(2)
Purchases against the euro	450	432	-	18	-	-	(6)
Other	-	8	(6)	(4)	2	-	-
	357	**402**	**(57)**	**10**	**2**	**1**	**(8)**
Net investment hedge							
Sales against the euro	(823)	-	-	(a) (823)	-	-	(8)
Purchases against the euro	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	(823)	**-**	**-**	**(823)**	**-**	**-**	**(8)**
Economic hedging (b)							
Sales against the euro	(71)	-	(12)	-	(59)	1	-
Purchases against the euro	1,794	813	21	870	90	10	-
Other	-	11	-	-	(11)	-	-
	1,723	**824**	**9**	**870**	**20**	**11**	**-**

(a) Relates to the hedge of the net investment in certain subsidiaries in the United Kingdom for a notional amount of £832 million as of December 31, 2014 (£692 million as of December 31, 2013).

(b) The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39.

22.2.5. Liquidity risk management

Vivendi SA centralizes daily cash surpluses (cash pooling) of all controlled entities (a) that are not subject to local regulations restricting the transfer of financial assets or (b) that are not subject to other contractual agreements.

As of December 31, 2014, the future undiscontinued cash flows related to borrowings and other financial liabilities amounted to €2,623 million (compared to a carrying value of €2,347 million) and are presented in Note 25.1 within the group's contractual minimum future payments.

As of February 11, 2015, Vivendi considers that the cash flows generated by its operating activities, its cash and cash equivalents, as well as the amounts available through its current bank credit facility will be sufficient to cover its operating expenses and capital expenditures, service its debt, pay its income taxes, dividends and share repurchases, if any, as well as to fund its investment projects, if any, for the next 12 months.

NOTE 23. Consolidated Cash Flow Statement

23.1. Adjustments

(in millions of euros)	Note	Year ended December 31, 2014	2013
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	4	743	666
Change in provision, net		(125)	(72)
Other non-cash items from EBIT		(1)	(2)
Other			
Other income from EBIT	4	(203)	(88)
Other charges from EBIT	4	30	50
Proceeds from sales of property, plant, equipment and intangible assets	2	3	3
Adjustments		**447**	**557**

23.2. Investing and financing activities with no cash impact

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13.166 billion in cash as well as 97,387,845 shares in the new combined entity Numericable-SFR, which represents a 20% interest and voting rights. This 20% interest in Numericable-SFR was valued at the stock market's price on November 27, 2014 (€33.315 per share), or €3,244 million. As of December 31, 2014, the value of this interest in Vivendi's Consolidated Statement of Financial Position amounted to €3,987 million (please refer to Note 3.1).

In 2014, there was no significant financing activity with no cash impact.

In 2013, there was no significant investing or financing activity with no cash impact.

NOTE 24. Transactions with related parties

24.1. Corporate Officers

Situation of Corporate Officers

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members: Ms. Katie Jacobs Stanton, Ms. Virginie Morgon and Mr. Philippe Bénacin.

Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr. Vincent Bolloré as Chairman. The Board also appointed Mr. Pierre Rodocanachi as Vice Chairman and Mr. Jean-René Fourtou, who had chaired the group since 2002, as Honorary Chairman. The Board appointed Mr. Daniel Camus as Chairman of the Audit Committee, and Mr. Philippe Bénacin as Chairman of the Corporate Governance, Nominations, and Remuneration Committee.

On June 24, 2014, the Supervisory Board also appointed the members to the Management Board, which is comprised of Messrs. Arnaud de Puyfontaine, who serves as Chairman, Hervé Philippe, and Stéphane Roussel.

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative.

Compensation of Corporate Officers

- The current members of the Management Board received, in respect of their position as Corporate Officers in 2014, a fixed compensation of €1.6 million and, except for its Chairman, extraordinary compensation of €0.6 million linked to the proper implementation of the divestiture of SFR, previously granted in respect of their position as Corporate Officers and paid in respect of their current position. The variable compensation with respect to 2014 will be paid in 2015 for an aggregate amount of €2.2 million, as approved by the Supervisory Board on February 27, 2015.

  The Chairman of the Management Board, Mr. Arnaud de Puyfontaine, renounced his employment contract. At the General Shareholders' Meeting to be held on April 17, 2015, a proposal will be made to grant him a contractual severance package in the event of forced departure and subject to the satisfaction of performance conditions.

  In addition, with respect to 2014, the members of the Management Board in office until June 24, 2014 received a fixed and variable compensation in 2014 for an aggregate amount of €2.1 million, and the variable compensation of €1.0 million with respect to 2013, as approved by the Supervisory Board on February 21, 2014.

  In 2013, the members of the Management Board in office received a fixed and variable compensation with respect to 2012 for an aggregate amount of €2.3 million. In addition, the members of the Management Board in office until June 28, 2012 received in 2013 the prorated variable compensation component with respect to 2012, as approved by the Supervisory Board on February 22, 2013, for an aggregate amount of €4.6 million (excluding any severance payments).
- The aggregate charge recorded by the group with respect to equity-settled share-based compensation plans (performance shares, stock options, and employee stock purchase plan) granted to the members of the Management Board, in office on the grant date, amounted to €2 million in 2014 (compared to €2 million in 2013).
- The amount of net pension obligations toward the current members of the Management Board amounted to €5.2 million as of December 31, 2014. On June 24, 2014, the former Chairman of the Management Board exercised right pension benefits after 23 years of service within the group and a debit on plan assets was recorded for €9.4 million.
- The amount of the current Chairman of the Supervisory Board's compensation is €400,000 per year, subject to the same performance conditions as the members of the Management Board. On February 27, 2015, the Supervisory Board approved the level of satisfaction of objectives and decided to set the compensation of the current Chairman of the Supervisory Board at €207,778 for the period from June 24 to December 31, 2014.
- The fixed compensation paid to the Chairman of the Supervisory Board in office until June 24, 2014 amounted to €338,333 in *pro-rata temporis* (compared to €700,000 paid in 2013).
- The aggregate amount of Directors' fees paid to the members of the Supervisory Board with respect to 2014 was €1.1 million (€1.2 million with respect to 2013). In addition, at its meeting held on April 4 and 5, 2014, the Supervisory Board decided to award additional compensation of €130,000 to members of the *ad hoc* Committee, owing to the workload due to its mandate and the high quality of the work they had contributed.

Chapter 3 of the Annual Report contains a detailed description of the compensation policy and the compensation and benefits of Corporate Officers of Vivendi SA, in accordance with the recommendations of the AFEP/MEDEF Code, as amended in June 2013.

24.2. Other related parties

Excluding Corporate Officers, Vivendi's main related parties were those companies over which the group exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence (please refer to Note 27 for a list of its main subsidiaries, fully consolidated or accounted for under the equity method), and non-controlling interests that exercise significant influence as of December 31, 2014 on group affiliates i.e., TVN, which owns 32% of nc+ (a subsidiary of Canal+ Group) as well as Corporate Officers of the group and its related subsidiaries, in particular Havas Group and Bolloré Group.

Excluding the following transactions with related parties, there are no transactions between Vivendi, Havas Group and Bolloré Group and their Corporate Officers.

(in millions of euros)	2014	2013
Assets		
Trade accounts receivable and other	32	35
of which Havas	*11*	*15*
Liabilities		
Trade accounts payable and other	12	2
of which Havas	*5*	*1*
Statement of earnings		
Operating income	100	88
of which Havas	*2*	*1*
Operating expenses	(72)	(70)
of which Havas	*(24)*	*(24)*
Bolloré	*(9)*	*(7)*
Contractual obligations, net off-balance sheet	**66**	**63**
Advertising transactions		
of which advertising sales realized via Havas' agencies	*89*	*88*
media costs realized via Havas' agencies	*(62)*	*(62)*

Some subsidiaries of Havas Group render operating services to Vivendi and its subsidiaries under arm's length terms. Regarding Canal+ Group:

- as part of advertising campaigns, customers of Havas Group entered into transactions through media space with Canal+ Group for an aggregate amount of €89 million in 2014 (€88 million in 2013);
- as part of advertising campaigns developed for Canal+, Canalsat, and Canalplay, Canal+ Group entered into transactions with main media companies through Havas Group and its media spaces for €62 million in 2014 (€62 million in 2013);
- transactions excluding media, production, broadcast rights and fees were completed by Havas Group and its subsidiaries for €9 million in 2014; and
- Havas Group and its subsidiaries developed and designed advertising campaigns in favor of Canal+ Group for €13 million in 2014.

In addition, Havas and Universal Music Group (UMG) announced the following agreements:

- on September 29, 2014: digital brand integrations in select UMG music videos by using Mirriad's Academy Award-winning video technology; and
- on January 5, 2015: formation of Global Music Data Alliance (GMDA) related to consumer's data.

NOTE 25. Contractual obligations and other commitments

Vivendi's material contractual obligations and contingent assets and liabilities include:

- contracts entered into, which relate to the group's business operations, such as content commitments (please refer to Note 10.2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including finance leases, off-balance sheet operating leases and subleases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments;
- commitments related to the group's consolidation scope contracted through acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments resulting from Shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets;
- commitments related to the group's financing: undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Notes 21 and 22); and
- contingent assets and liabilities related to litigation in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 26).

25.1. Contractual obligations and commercial commitments

(in millions of euros)	Note	Minimum future payments as of December 31, 2014 Total	Due in 2015	2016-2019	After 2019	Total minimum future payments as of December 31, 2013
Borrowings and other financial liabilities		2,623	363	2,229	31	13,967
Content liabilities	10.2	2,433	2,334	97	2	2,335
Consolidated statement of financial position items		**5,056**	**2,697**	**2,326**	**33**	**16,302**
Contractual content commitments	10.2	6,135	1,896	4,180	59	4,298
Commercial commitments	25.1.1	1,160	325	588	247	2,209
Operating leases and subleases	25.1.2	640	81	289	270	2,700
Items not recorded in the consolidated statement of financial position		**7,935**	**2,302**	**5,057**	**576**	**9,207**
Contractual obligations and commercial commitments		**12,991**	**4,999**	**7,383**	**609**	**25,509**

25.1.1. Off-balance sheet commercial commitments

(in millions of euros)	Minimum future payments as of December 31, 2014 Total	Due in 2015	2016-2019	After 2019	Total minimum future payments as of December 31, 2013
Satellite transponders	752	118	399	235	686
Investment commitments	85	55	30	-	1,078
Other	510	235	259	16	732
Given commitments	**1,347**	**408**	**688**	**251**	**2,496**
Satellite transponders	(187)	(83)	(100)	(4)	(159)
Other	-	-	-	-	(128)
Received commitments	**(187)**	**(83)**	**(100)**	**(4)**	**(287)**
Net total (a)	**1,160**	**325**	**588**	**247**	**2,209**

(a) The decrease in off-balance sheet commercial commitments was mainly related to SFR sold on November 27, 2014, and GVT, whose sale by Vivendi is underway (€939 million and €127 million, respectively, as of December 31, 2013).

25.1.2. Off-balance sheet operating leases and subleases

(in millions of euros)	Minimum future leases as of December 31, 2014 Total	Due in 2015	2016-2019	After 2019	Total minimum future leases as of December 31, 2013
Buildings	652	84	298	270	2,695
Other	6	3	3	-	221
Leases	**658**	**87**	**301**	**270**	**2,916**
Buildings	(18)	(6)	(12)	-	(216)
Subleases	**(18)**	**(6)**	**(12)**	**-**	**(216)**
Net total (a)	**640**	**81**	**289**	**270**	**2,700**

(a) The decrease in the amount of off-balance sheet operating leases and subleases was mainly related to SFR sold on November 27, 2014, and GVT, whose sale by Vivendi is underway (€1,790 million and €451 million, respectively, as of December 31, 2013).

25.2. Other commitments given or received relating to operations

Ref.	Context	Characteristics (nature and amount)	Expiry
	Given commitments		
	Individual rights to training for French employees	Approximately 0.4 million hours (1.6 million hours as of December 31, 2013).	-
	Obligations in connection with pension plans and post-retirement benefits	Please refer to Note 19.	-
(a)	Other guarantees given	Cumulated amount of €93 million (compared to €156 million as of December 31, 2013).	-
	Received commitments		
(b)	Agreements on the digital distribution of music rights	Minimum guarantees.	-
	Other guarantees received	No impact as of December 31, 2014 (compared to €1 million as of December 31, 2013).	-

(a) Vivendi grants guarantees in various forms to financial institutions on behalf of its subsidiaries in the course of their operations.

(b) Mainly relates to commitments received by UMG from third parties in connection with agreements subject to minimum guarantees on the digital distribution of music rights.

25.3. Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities:

- On September 18, 2014, pursuant to an agreement entered into with Telefonica, Vivendi committed to sell GVT (please refer to Note 3.2);
- the liquidity rights related to Vivendi's interest in Numericable-SFR are described in Note 3.1; and
- the liquidity rights in respect of the strategic partnership between Canal+ Group, ITI, and TVN are detailed in Note 25.5 below.

Vivendi and its subsidiaries have granted or received purchase or sale options related to shares in equity affiliates and unconsolidated investments.

25.4. Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

Ref.	Context	Characteristics (nature and amount)	Expiry
	Contingent liabilities		
(a)	Acquisition of Bolloré Group's channels (September 2012)	Commitments undertaken, in connection with the authorization of the acquisition, with:	
		■ the French Competition Authority; and	2017
		■ the French Broadcasting Authority.	2015
	Merger of Cyfra+ and "n" platforms (November 2012)	Reciprocal guarantees in favor of TVN:	
		■ PLN 1 billion in the event of a breach of any representation or warranty or covenants; and	2015
		■ PLN 300 million in the event of a breach of specific representation or warranty.	-
(b)	Canal+ Group's pay-TV activities in France (January 2007-July 2017)	New approval of the acquisition of TPS and Canalsatellite subject to compliance with injunctions ordered by the French Competition Authority.	2017
(c)	Divestiture of Canal+ Nordic (October 2003)	Distribution guarantees expired as of December 31, 2014 given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary.	2014
(d)	Divestiture of NC Numericable (March 2005)	Specific guarantees capped at €241 million (including tax and social risks), expired as of December 31, 2014.	2014
	Divestiture of PSG (June 2006)	Unlimited specific guarantees.	2018
	Divestiture of UMG manufacturing and distribution operations (May 2005)	Various commitments for manufacturing and distribution services.	2018
(e)	NBC Universal transaction (May 2004) and subsequent amendments (2005-2010)	■ Breaches of tax representations;	-
		■ Obligation to cover the Most Favored Nation provisions; and	
		■ Claims related to remedial actions: on May 11, 2014 at the latest.	2014
(f)	Divestiture of Sithe (December 2000)	Specific guarantees capped at $480 million.	-
(g)	Sale of real estate assets (June 2002)	Autonomous first demand guarantees capped at €150 million in total (tax and decennial guarantees).	2017
(h)	Divestiture of PTC shares (December 2010)	Commitments undertaken in order to end litigation over the share ownership of PTC in Poland.	-
(i)	Sale of Activision Blizzard (October 2013)	■ Unlimited general guarantees; and	-
		■ Tax guarantees capped at $200 million, under certain circumstances.	-
	Sale of Maroc Telecom group (May 2014)	Commitments undertaken in connection with the sale (please refer to Note 3.3).	-
	Sale of SFR (November 2014)	Commitments undertaken in connection with the sale (please refer to Note 3.1).	-
	Other contingent liabilities	Cumulated amount of €7 million (unchanged compared to December 31, 2013).	-
	Contingent assets		
(a)	Acquisition of Bolloré Group's channels (September 2012)	Guarantees capped at €120 million.	2017
	Acquisition of 40% of N-Vision (November 2012)	Guarantees made by ITI capped at approximately:	
		■ €28 million for general guarantees, expired on May 30, 2014; and	2014
		■ €277 million for specific guarantees (including tax matters, free and full ownership of shares sold, authorizations/approvals for the exercise of the activity).	-
	Merger of Cyfra+ and "n" platform (November 2012)	Reciprocal guarantees in favor of TVN:	
		■ PLN 1 billion in the event of a breach of any representation or warranty or covenants;	2015
		■ PLN 300 million in the event of a breach of specific representation or warranty; and	-
		■ PLN 145 million related to Neovision's unutilized tax losses carriedforward.	-
	Acquisition of Kinowelt (April 2008)	Specific guarantees, notably on film rights were granted by the sellers.	-

Ref.	Context	Characteristics (nature and amount)	Expiry
(d)	Divestiture of NC Numericable (March 2005)	€151 million counter-guaranteed by Orange, expired as of December 31, 2014.	2014
	Acquisition of EMI Recorded Music (September 2012)	■ Commitments relating to full pension obligations in the United Kingdom assumed by Citi; and	-
		■ Guarantees relating to losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom.	-
(j)	Divestiture of Xfera (2003)	Guarantees amount to €71 million.	-
	Other contingent assets	Cumulated amount of €86 million (compared to €70 million as of December 31, 2013).	-

The accompanying notes are an integral part of the contingent assets and liabilities described above.

(a) As part of the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively) on July 23, 2012, Vivendi and Canal+ Group gave certain commitments. These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from Studiocanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a five-year period and are renewable once if the French Competition Authority, after having performed a competition analysis, deems it necessary. In addition, on September 18, 2012, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the D8 shares for a minimum period of two and a half years.

On December 23, 2013, the French Council of State annulled, with a delayed effect as from July 1, 2014, the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), which had been approved on July 23, 2012. On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority. On April 2, 2014, the French Competition Authority reapproved the transaction, subject to compliance with commitments given by Vivendi and Canal+ Group. These commitments are similar to the ones contained in the previous 2012 authorization except for an additional commitment relating to the acquisition of broadcasting rights covering second and third exhibition windows for French films. All commitments are binding for a period of five years starting July 23, 2012. In 2017, the French Competition Authority will have the opportunity to request a renewal of these commitments for the same duration, if deemed necessary, after a new competitive analysis.

(b) On August 30, 2006, the merger between TPS and the Canal+ Group was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six-years, with the exception of those commitments concerning the availability of channels and VOD, which could not exceed five-years.

On October 28, 2009, the French Competition Authority opened an enquiry in respect of the implementation of certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS.

On December 21, 2012, the French Council of State rejected Vivendi and Canal+ Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012. Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million. Under the second motion, the transaction was once again cleared, subject to compliance with 33 injunctions.

Canal+ Group has implemented a number of these injunctions, some since July 23, 2012 and others since October 23, 2012. The injunctions mainly focus on:

- acquisition of movie rights:
  - by limiting the duration of output deals to three years, requiring separate agreements for different types of rights (first pay-TV window, second pay-TV window, series, etc) and prohibiting output deals for French films, and
  - by the Canal+ Group divesting its interest in Orange Cinéma Séries – OCS SNC or by adopting measures limiting its influence over Orange Cinéma Séries – OCS SNC. On February 4, 2013, at the request of Multithématiques and to comply with injunction 2(b) ordered by the French Competition Authority on July 23, 2012, the members of Orange Cinéma Séries–- OCS SNC's Board of Directors resigned from their positions. As a result, Multithématiques appointed by letter with an effective date of February 4, 2013, two independent representatives with no affiliation to Multithématiques to the Board of Directors of Orange Cinéma Séries – OCS SNC;
- distribution of pay-TV channels:
  - by the distribution of a minimum number of independent channels, the distribution of any channel holding premium rights, and by drafting a model distribution deal relating to independent channels included in the Canalsat offer,
  - by the obligation to promote, in a transparent and separate manner, the distribution of exclusive independent channels on each owned platform serving more than 500,000 subscribers, and
  - by making all its own movie channels distributed by Canal+ Group (Ciné+ channels) available to third-party distributors (unbundling);
- video-on-demand (VOD) and subscription video-on-demand (SVOD):
  - by separating contracts entered into for the purchase of VOD and SVOD rights on a non-exclusive basis, and not combining them with rights purchased for linear distribution on pay-TV,
  - by offering Studiocanal's VOD and SVOD rights to any interested operator, and
  - by forbidding exclusive distribution deals for the benefit of Canal+ Group's VOD and SVOD offers on Internet Service Providers platforms.

These injunctions are imposed for a period of five-years and are renewable once. At the end of the five-year period, the French Competition Authority will review the competition situation to determine whether the injunctions should be kept in place. If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be lifted or partially or totally revised. An independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012, will be responsible for monitoring the implementation of the injunctions.

(c) In connection with the divestiture of Canal+ Nordic in October 2003, Canal+ Group had retained distribution guarantees given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary. These guarantees, which were covered by a counter-guarantee given by the buyers, expired on December 31, 2014.

(d) As part of the divestiture of NC Numericable on March 31, 2005, the Canal+ Group granted specific guarantees with a €241 million cap (including tax and social risks). Specific risks relating to cable networks used by NC Numericable were included in this maximum amount and were counter-guaranteed by Orange for up to €151 million. As of December 31, 2014, all of these guarantees were expired.

(e) As part of the NBC Universal transaction which occurred in May 2004, Vivendi and General Electric (GE) gave certain reciprocal commitments customary for this type of transaction, and Vivendi retained certain liabilities relating to taxes and excluded assets. Vivendi and GE undertook to indemnify each other against losses resulting from, among other things, any breach of their respective representations, warranties and covenants.

Neither party will have any indemnification obligations for losses arising as a result of any breach of representations and warranties (i) for any individual item where the loss is less than $10 million and (ii) in respect of each individual item where the loss is equal to or greater than $10 million except where the aggregate amount of all losses exceeds $325 million. In that event, the liable party will be required to pay the amount of losses which exceeds $325 million, but in no event will the aggregate indemnification payable exceed $2,088 million.

In addition, Vivendi will have indemnification obligations for 50% of every US dollar of loss up to $50 million and for all losses in excess of $50 million relating to liabilities arising out of the Most Favored Nation provisions set forth in certain contracts. As part of the unwinding of IACI's interest in VUE on June 7, 2005, Vivendi's commitments with regard to environmental matters were amended and Vivendi's liability is now subject to a *de minimis* exception of $10 million and a payment basket of $325 million.

The representations and warranties given as part of the NBC Universal transaction other than those in respect of authorization, capitalization and tax representations terminated on August 11, 2005. Notices of environmental claims related to remediation had to be brought by May 11, 2014. Other claims, including those related to taxes, will be subject to applicable statutes of limitations.

The sale of Vivendi's interest in NBC Universal to GE completed on January 25, 2011 did not modify these commitments.

(f) In connection with the sale of its 49.9% interest in Sithe to Exelon in December 2000, Vivendi granted customary representations and warranties. Claims, other than those made in relation to foreign subsidiary commitments, are capped at $480 million. In addition, claims must exceed $15 million, except if they relate to foreign subsidiaries or the divestiture of certain electrical stations to Reliant in February 2000. Some of these warranties expired on December 18, 2005. Some environmental commitments still exist and any potential liabilities related to contamination risks will survive for an indefinite period of time.

(g) In connection with the sale of real estate assets in June 2002 to Nexity, Vivendi granted two autonomous first demand guarantees, one for €40 million and one for €110 million, to several subsidiaries of Nexity (Nexim 1 to 6). The guarantees are effective until June 30, 2017.

(h) On December 14, 2010, Vivendi, Deutsche Telekom, Mr. Solorz-Zak (Elektrim's main shareholder) and Elektrim's creditors, including the Polish State and Elektrim's bondholders, entered into various agreements to put an end to the litigation surrounding the share capital ownership of Polska Telefonia Cyfrowa (PTC), a mobile telecommunication operator. With respect to these agreements, Vivendi notably entered into the following commitments:

- Vivendi granted to Deutsche Telekom a guarantee over Carcom that was capped at €600 million, which expired in August 2013,
- Vivendi committed to compensate the Law Debenture Trust Company (LDTC) against any recourse for damages that could be brought against LDTC in connection with the completed transaction, for an amount up to 18.4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter, and
- Vivendi committed to compensate Elektrim's administrator for the consequences of any action for damages that may be taken against it, in connection with the decisions that were taken to end certain procedures.

(i) As part of the sale of 88% of Vivendi's interest in Activision Blizzard, which was completed on October 11, 2013 (the "Closing Date"), Vivendi, ASAC II LP, and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (representations, warranties and covenants). Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments. Such indemnification is unlimited as to time and amount.

In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co. ("Amber"), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date. Such indemnification is unlimited as to time and amount. Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than $700 million, which represent a potential future tax benefit of approximately $245 million. Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of $200 million limited to taxable years ending on or prior to December 31, 2016.

On May 22, 2014, in accordance with the agreements entered into on July 25, 2013, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares, representing 5.8% interest in this company. Following this sale, Vivendi owns a residual interest of 41.5 million Activision Blizzard shares, which is subject to a lock-up restriction that expired on January 7, 2015. Since this date, Vivendi is free to sell its remaining Activision Blizzard shares without restriction.

Activision Blizzard agreed to file a registration statement prior to each sale window to enable Vivendi to sell the Activision Blizzard shares in a public offering.

Prior to any sale of Activision Blizzard shares by Vivendi in a market offering that occurs prior to the second anniversary of the Closing Date (October 11, 2015), Vivendi must notify Activision Blizzard of its intention to sell the shares and Activision Blizzard may, at its election, offer to purchase some or all of the shares that Vivendi intends to sell in such market offering. Vivendi may accept or decline such offer at its sole discretion.

ASAC II LP was also subject to a lock-up provision which expired on April 9, 2014.

(j) Vivendi received guarantees in respect of the repayment of amounts paid in July 2007 (€71 million), in the event of a favourable decision of the Spanish Courts concerning Xfera's tax litigation seeking to cancel the 2001, 2002 and 2003 radio spectrum fees. These guarantees include a first demand bank guarantee relating to 2001 fees for an amount of €57 million.

Several guarantees given in 2014 and during prior years in connection with asset acquisitions or disposals have expired. However, the time periods or statute of limitations of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given in connection with the dissolution or winding-up of certain businesses are still in effect.

To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date.

In addition, Vivendi regularly delivers, at the settlement of disputes and litigations, commitments for damages to third parties, which are typical in such transactions.

25.5. Shareholders' agreements

Under existing shareholders' or investors' agreements (primarily those relating to nc+), Vivendi holds certain rights (such as pre-emptive rights and priority rights) that give it control over the capital structure of consolidated companies that are partially owned by minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

In addition, pursuant to other Shareholders' agreements or the bylaws of consolidated entities, equity affiliates or unconsolidated interests, Vivendi and its subsidiaries have given or received certain rights (pre-emptive and other rights) entitling them to maintain their rights as shareholder.

20% interest in Numericable-SFR

The main terms of the Shareholders' agreement between Altice and Vivendi resulting from Vivendi's interest in Numericable-SFR are described in Note 3.1.

Strategic partnership among Canal+ Group, ITI, and TVN

The key liquidity rights provided under the strategic partnership formed in November 2012 in relation to television services in Poland are as follows:

- at the level of N-Vision:
  - Canal+ Group has a call option to acquire ITI's remaining N-Vision shares, exercisable at any time during the two three-month periods beginning February 29, 2016 and February 28, 2017, at the then-prevailing market value,
  - conversely, in the event that Canal+ Group does not exercise its call option on ITI's interest in N-Vision, ITI has a call option to acquire Canal+ Group's interest in N-Vision, exercisable at any time during the two three-month periods beginning May 30, 2016 and May 29, 2017, and between November 1, 2017 and December 31, 2017 and between May 1, 2018 and June 30, 2018, at the then-prevailing market value, and
  - Canal+ Group and ITI each has the liquidity right, following the above call option periods, to sell its entire interest in N-Vision;
- at the level of nc+:
  - Canal+ Group has a call option to acquire TVN's 32% interest in nc+ at market value, which is exercisable during the two three-month periods beginning November 30, 2015 and November 30, 2016,
  - if Canal+ Group exercises its call option, Canal+ Group will be required to acquire ITI's remaining interest in N-Vision; and
  - in the event that Canal+ Group does not exercise its call option, TVN has liquidity rights in the form of an Initial Public Offering of its interest in nc+.

In addition, in compliance with Article L. 225-100-3 of the French Commercial Code, it is stated that some rights and obligations of Vivendi resulting from Shareholders' agreements (nc+) may be amended or terminated in the event of a change in control of Vivendi or a tender offer for Vivendi being made. These Shareholders' agreements are subject to confidentiality provisions.

25.6. Collaterals and pledges

As of December 31, 2014, no asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

In addition, the amount of assets of GVT, a discontinued operation, which were pledged or mortgaged for the benefit of third parties, amounted to €183 million as of December 31, 2014 (compared to €128 million as of December 31, 2013). This amount related to assets pledged with respect to judicial guarantees for various litigations.

As of December 31, 2013, the amount of assets of SFR, sold on November 27, 2014, which were pledged or mortgaged for the benefit of third parties amounted to €84 million.

NOTE 26. Litigation

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings. As of December 31, 2014, provisions recorded by Vivendi for all claims and litigations amounted to €1,206 million, compared to €1,379 million as of December 31, 2013 (please refer to Note 18).

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature, including, to the company's knowledge, any pending or threatened proceedings in which it is a defendant, which may have or have had in the previous twelve months a significant impact on the company's and on its group's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of February 11, 2015, the date of the Management Board Meeting held to approve Vivendi's Financial Statements for the year ended December 31, 2014.

Vivendi litigation

Securities Class Action in the United States

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

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v. National Australia Bank case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007.

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi will then have the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment.

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal will be heard together with Vivendi's appeal in the Liberty Media case.

Vivendi believes that it has solid grounds for an appeal. Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial. Several aspects of the verdict will also be challenged.

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1.3.1 (Use of Estimates) and 1.3.8 (Provisions). Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate. As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Messrs. Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Exchange Act of 1934 and breached certain contractual representations and warranties. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial.

On January 9, 2013, the Court confirmed the jury's verdict. It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills. On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013.

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action. Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015; these two cases will be heard together by the Court of Appeals.

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2014, the provision in the amount of €945 million recorded as of December 31, 2012.

Trial of Vivendi's former officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001. Vivendi joined the proceedings as a civil party.

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*), following which the Public Prosecutor asked the Court to drop the charges against the defendants. On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean-Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi Officers as well as some civil parties appealed the decision. The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal. The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr. Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr. Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr. Edgar Bronfman Jr. for insider trading. On May 19, 2014, the Paris Court of Appeal rendered its judgment. Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense. The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine. The Court also upheld the convictions against Messrs. Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2.5 million is suspended), respectively. Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action"). With regard to Vivendi, the

Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders. An appeal has been filed with the French Supreme Court (Cour de Cassation) by certain of the defendants and some civil parties.

LBBW and al. against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

California State Teachers Retirement System and al. against Vivendi and Jean-Marie Messier

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former CEO, between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

Actions against Activision Blizzard, Inc., its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc. ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi. The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company. The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi.

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia.

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. The case will proceed on the merits.

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled. *In Re Activision Blizzard Inc Securities Litigation*.

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston. This action was consolidated into the *In Re Activision Blizzard Inc. Securities Litigation* proceeding currently underway.

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute. On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced. The Court is expected to approve the settlement agreement at an upcoming hearing.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first ruling. On November 27, 2008, Unibail appealed against this decision. On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing will take place on April 2, 2015.

Vivendi Deutschland against FIG

Further to a claim filed by CGIS BIM (a former subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the annulment of the sale following a judgment of the Berlin Court of Appeal, which overruled a judgment rendered by the Berlin High Court. CGIS BIM was ordered to repurchase the buildings and to pay damages. Vivendi delivered a guarantee so as to pursue settlement negotiations. As no settlement was reached, on September 3, 2008, CGIS BIM challenged the validity of the reasoning of the judgment. On April 23, 2009, the Regional Berlin Court issued a decision setting aside the judgment of the Berlin Court of Appeal dated May 29, 2008. On June 12, 2009, FIG appealed that decision. On December 16, 2010, the Berlin Court of Appeal rejected FIG's appeal and confirmed the decision of the Regional Berlin Court in April 2009, which decided in CGIS BIM's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damages and interest. This decision is now final. In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS BIM on March 3, 2009. On June 19, 2013, the Berlin Regional Court ordered CGIS BIM to pay FIG the sum of €3.9 million together with interest from February 27, 2009. CGIS BIM has appealed this decision.

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo *(3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo)*. The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4.9 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT. At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba. This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal.

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT. The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware. Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica. On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo.

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side. Pending the conclusion of this settlement transaction (which is to be signed on the day of the closing of the sale of GVT), the case has been suspended.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds filed a complaint for damages against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange). According to Dynamo, a former shareholder of GVT that sold the vast majority of its stake in the company before November 13, 2009 (the date on which Vivendi took control of GVT), the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber should be scheduled shortly. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. This was rejected on November 7, 2013 as the Court found that only the arbitral tribunal could make such an application. On December 17, 2014, the Rio de Janeiro Court of Appeal overturned the lower court's decision and authorized the provision of the above-mentioned information solely to the arbitral tribunal, denying Dynamo access to the information.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Arbitration Chamber of the Bovespa (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica.

Litigation involving Vivendi subsidiaries

Parabole Réunion

In July 2007, the Group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion. In the context of this dispute, various jurisdictions have taken the opportunity to apply the fact that in the event of the loss of the TPS Foot channel, Canal+ Group must make available to Parabole Réunion a channel of similar attractiveness. Non-compliance with this order would result in a penalty. On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (*Tribunal de grande instance de Nanterre*) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion. Parabole Réunion filed an appeal against this judgment. On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible. Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision.

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole

Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter. On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance.

beIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons. On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized. Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal.

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015. On October 30, 2014, Canal+ Group appealed against this decision.

Action brought by the French competition authority regarding practices in the pay-TV sector

On January 9, 2009, further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ Group a notification of allegations. It alleges that Canal+ Group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ Group colluded with TF1 and M6, on the one hand, and with Lagardère, on the other. Vivendi and Canal+ Group have each denied these allegations.

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ Group. The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Canal+ Group's exclusive distribution rights on channels broadcast by the Group and independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV. On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case.

Canal+ Group against TF1, M6, and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market. Canal+ Group accused them of inserting pre-emption rights into co-production contracts, in such a way as to discourage competition. The French Competition Authority is examining the case.

Canal+ Group against TF1, and TMC Régie

On June 12, 2013, Canal+ Group and Canal+ Régie filed a complaint with the French Competition Authority against the practices of TF1 and TMC Régie in the television advertising market. Canal+ Group and Canal+ Régie accused them of cross-promotion, having a single advertising division and refusing to promote the D8 channel during its launch. The French Competition Authority is examining the case.

Private copying levy case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre (*Tribunal de grande instance de Nanterre*) by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes. Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top boxes and therefore it should be treated as an integrated hard drive. Copie France believes that the applicable amount of the compensation is €45 per hard drive as opposed to €8.7.

Aston France against Canal+ Group

On September 25, 2014, Aston notified the French Competition Authority about Canal+ Group's decision to stop selling its satellite subscription called "cards only" (enabling the reception of Canal+/Canalsat programs on Canal Ready-labeled satellite decoders, manufactured and distributed by third parties, including Aston). In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ Group before the Commercial Court of Paris, seeking a stay of the decision of the Canal+ Group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called "cards only". On October 17, 2014, the Paris Commercial Court issued an order denying Aston's requests. On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruling in chambers, granted its request and suspended the decision of Canal+ Group to stop selling its "cards only" subscriptions until the French Competition Authority renders its decision on the merits of the case.

Complaints against music industry majors in the United States

Several complaints have been filed before the Federal Courts in New York and California against Universal Music Group and the other music industry majors for alleged anti-competitive practices in the context of sales of CDs and Internet music downloads. These complaints have been consolidated before the Federal Court in New York. The motion to dismiss filed by the defendants was granted by the Federal Court on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010. The defendants filed a motion for rehearing which was denied. They filed a petition with the US Supreme Court which was rejected on January 10, 2011. The discovery process is underway.

Complaints against UMG regarding royalties for digital downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones. UMG contests the merits of these actions.

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Records and EMI Music Publishing filed a joint complaint against MP3Tunes and its founder, Michael Robertson, for copyright infringement on the sideload.com and mp3tunes.com websites. The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records. It found the defendants liable for knowingly allowing the unauthorized content on the websites. On March 26, 2014, the jury awarded damages in the amount of $41 million. On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of $12.2 million. The defendants have appealed against the judgment.

Mireille Porte against Interscope Records, Inc., Stefani Germanotta and Universal Music France

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Inc., Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*) for the alleged copyright infringement of several of Orlan's artistic works.

James Clar against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France

On June 13, 2014, the artist James Clar filed a complaint against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France before the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*) for the alleged infringement of his work.

Litigation involving GVT (discontinued operation)

Actions related to the ICMS tax

GVT, like all other telecommunications operators, is party in several Brazilian States to various proceedings concerning the application of the "ICMS" tax (*Imposto Sober Circulação de Mercadorias e Prestação de Serviços*), which is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services.

GVT is notably a party to litigation in various Brazilian States concerning the application of the ICMS tax on voice telecommunication services. GVT argues that the ICMS tax should not apply to monthly plans. Of the 21 proceedings initiated by GVT, all have resulted in decisions favorable to GVT and 12 are no longer subject to appeal.

Actions related to the FUST and FUNTTEL taxes in Brazil

The Brazilian tax authorities argue that the assessment of the taxes known as "FUST" (*Fundo da Universalização dos Serviços de Telecomunicações*), a federal tax to promote the supply of telecommunications services throughout the whole Brazilian territory, including in areas that are not economically viable, and "FUNTTEL" (*Fundo para Desenvolvimento Tecnológioco das Telecomunicações*), a federal tax to finance technological investments in Brazilian telecommunications services, should be based on the company's gross revenue without deduction for price reductions or interconnection expenses and other taxes, which would lead to part of that sum being subject to double taxation. GVT is challenging this interpretation and has secured a suspension of payment of the sums claimed by the tax authority from the federal judge.

Proceedings brought against telecommunications operators in Brazil regarding the application of the PIS and COFINS taxes

Several proceedings were initiated against all the telecommunications operators in Brazil, including GVT, seeking to prevent invoices from being increased by taxes known as "PIS" (*Programa de Integração Social*) and "COFINS" (*Contribuição para Financiamento da Seguridade Social*), which are federal taxes that apply to revenue from the provision of telecommunications services. GVT believes that the arguments in its defense have a stronger basis than those of the historic operators as GVT operates pursuant to a more flexible license that allows it to set its own tariffs.

NOTE 27. Major consolidated entities or entities accounted under equity method

As of December 31, 2014, approximately 540 entities were consolidated or accounted for using the equity method (compared to approximately 630 entities as of December 31, 2013).

			December 31, 2014			December 31, 2013		
	Note	Country	Accounting Method	Voting Interest	Ownership Interest	Accounting Method	Voting Interest	Ownership Interest
Vivendi S.A.		**France**	**Parent company**			**Parent company**		
Groupe Canal+ S.A.		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société d'Édition de Canal Plus **(a)**		France	C	49%	*49%*	C	49%	*49%*
Multithématiques S.A.S.		France	C	100%	*100%*	C	100%	*100%*
Canal+ Overseas S.A.S.		France	C	100%	*100%*	C	100%	*100%*
D8		France	C	100%	*100%*	C	100%	*100%*
Studiocanal S.A.		France	C	100%	*100%*	C	100%	*100%*
ITI Neovision		Poland	C	51%	*51%*	C	51%	*51%*
TVN	13	Poland	E	49%	*26%*	E	49%	*26%*
VSTV **(b)**		Vietnam	C	49%	*49%*	C	49%	*49%*
Universal Music Group, Inc.		**United States**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Universal Music Group Holdings, Inc.		United States	C	100%	*100%*	C	100%	*100%*
UMG Recordings, Inc.		United States	C	100%	*100%*	C	100%	*100%*
Vevo	13	United States	E	48%	*48%*	E	47%	*47%*
SIG 104		France	C	100%	*100%*	C	100%	*100%*
Universal International Music B.V.		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal Music Entertainment GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Universal Music LLC		Japan	C	100%	*100%*	C	100%	*100%*
Universal Music France S.A.S.		France	C	100%	*100%*	C	100%	*100%*
Universal Music Holdings Limited		United Kingdom	C	100%	*100%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd.		United Kingdom	C	100%	*100%*	C	100%	*100%*
Vivendi Village								
See Tickets		United Kingdom	C	100%	*100%*	C	100%	*100%*
Digitick		France	C	100%	*100%*	C	100%	*100%*
Wengo		France	C	100%	*90%*	C	100%	*95%*
Watchever Group S.A.		France	C	100%	*100%*	C	100%	*100%*
Watchever GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Elektrim Telekomunikacja		Poland	C	100%	*100%*	C	100%	*100%*
Discontinued businesses	3							
Global Village Telecom S.A. **(c)**	3	Brazil	C	100%	*100%*	C	100%	*100%*
SFR **(d)**	3	France	na	-	-	C	100%	*100%*
Maroc Telecom S.A. **(e)**	3	Morocco	na	-	-	C	53%	*53%*

C: Consolidated; E: Equity.

na: not applicable.

(a) Vivendi consolidated Société d'Édition de Canal Plus since (i) Vivendi has majority control over the Board of Directors, (ii) no other shareholder or shareholder group is in a position to exercise substantive participating rights that would allow them to veto or block decisions taken by Vivendi and (iii) Vivendi assumes the majority of risks and benefits pursuant to an agreement with this company through Canal+ Distribution S.A.S. Canal+ Distribution S.A.S., wholly-owned by Vivendi, guarantees this company's results in return for exclusive commercial rights to its subscriber base.

(b) VSTV (Vietnam Satellite Digital Television Company Limited) is held 49% by Canal+ Group and 51% by VCTV, a subsidiary of VTV (the Vietnamese public television company). This company has been consolidated by Vivendi given that Canal+ Group has both operational and financial control over it pursuant to a general delegation that was granted by the majority shareholder and pursuant to the company's bylaws.

(c) On September 18, 2014, Vivendi entered into a definitive agreement with Telefonica for the sale of GVT.

(d) On November 27, 2014, Vivendi completed the sale of SFR to Numericable Group.

(e) On May 14, 2014, Vivendi completed the sale of its 53% interest in Maroc Telecom group.

NOTE 28. Statutory Auditors fees

Fees paid by Vivendi SA in 2014 and 2013 to its Statutory Auditors and members of the statutory auditor firms (including fees related to discontinued operations in 2014 and 2013 at *prorata temporis*, if any) were as follows:

	KPMG S.A.				Ernst & Young et Autres					
	Amount		Percentage		Amount		Percentage		Total	
(in millions of euros)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Statutory audit, certification, consolidated and individual financial statements audit										
Issuer	0.6	0.7	*10%*	*10%*	0.7	0.9	*10%*	*13%*	1.3	1.6
Fully consolidated subsidiaries	4.1	4.2	*73%*	*60%*	5.5	5.6	*75%*	*80%*	9.6	9.8
Other work and services directly related to the statutory audit										
Issuer	0.5	0.4	*9%*	*6%*	0.3	-	*4%*	-	0.8	0.4
Fully consolidated subsidiaries	0.1	0.7	*2%*	*10%*	0.5	0.1	*7%*	*1%*	0.6	0.8
Subtotal	**5.3**	**6.0**	***94%***	***86%***	**7.0**	**6.6**	***96%***	***94%***	**12.3**	**12.6**
Other services provided by the network to fully consolidated subsidiaries										
Legal, tax and social matters	0.2	0.7	*3%*	*10%*	0.2	0.3	*3%*	*5%*	0.4	1.0
Other	0.2	0.3	*3%*	*4%*	0.1	0.1	*1%*	*1%*	0.3	0.4
Subtotal	**0.4**	**1.0**	***6%***	***14%***	**0.3**	**0.4**	***4%***	***6%***	**0.7**	**1.4**
Total	**5.7**	**7.0**	***100%***	***100%***	**7.3**	**7.0**	***100%***	***100%***	**13.0**	**14.0**

NOTE 29. Audit exemptions for UMG subsidiaries in the United Kingdom

Vivendi S.A. has provided guarantees to the following UMG subsidiaries, incorporated in England and Wales, under the registered number indicated, in order for them to claim exemptions from audit, with respect to fiscal year 2014, under Section 479A of the UK Companies Act 2006.

Name	Company Number
BACKCITE LIMITED	2358972
CENTENARY UK LIMITED	03478918
DALMATIAN SONGS LIMITED	03506757
DECCA MUSIC GROUP LIMITED	718329
DUB DUB PRODUCTIONS LIMITED	3034298
EGW USD	8107589
EMI OVERSEAS HOLDINGS LIMITED	403200
EMI (IP) LIMITED	3984464
EMI CATALOGUE INVESTMENTS HOLLAND LIMITED	3038313
EMI GROUP AMERICA FINANCE LIMITED	2415597
EMI GROUP DANISH INVESTMENTS LIMITED	2421891
EMI GROUP ELECTRONICS LIMITED	461611
EMI GROUP FINANCE DENMARK LIMITED	2422007
EMI GROUP HOLDINGS (UK)	3158108
EMI GROUP INTERNATIONAL HOLDINGS LIMITED	1407770
EMI GROUP WORLDWIDE	3158106
EMI INVESTMENTS HOLLAND LIMITED	3038307
EMI LIMITED	53317
EMI RECORDED MUSIC (CHILE) LIMITED	07934340
EMI RECORDED MUSIC HOLDINGS (ITALY) LIMITED	6420969
EMI RECORDED MUSIC HOLDINGS (UK) LIMITED	6407212
EMI RECORDS GERMANY HOLDCO LIMITED	6420927
EMI RECORDS ITALY HOLDCO LIMITED	6420934
EMI RECORDS UK HOLDCO LIMITED	6388809
EMIG 4 LIMITED	3038275
F.L.U.M MANAGEMENT LIMITED	07908238
G RICORDI & CO (LONDON) LIMITED	228233
GLOBE PRODUCTIONS LIMITED	05489649
JAYDONE LIMITED	4631083
LOUDCLOTHING.COM LIMITED	06854812

Name	Company Number
MAWLAW 388 LIMITED	3590255
RELENTLESS 2006 LIMITED	3967906
UMGI (ATW) LIMITED	05103127
UNIVERSAL MUSIC (UK) HOLDINGS LIMITED	3383881
UNIVERSAL MUSIC ARTS & ENTERTAINMENT LIMITED	859087
UNIVERSAL MUSIC HOLDINGS (UK) LIMITED	337803
UNIVERSAL MUSIC LEISURE LIMITED	3384487
UNIVERSAL MUSIC PUBLISHING BL LIMITED	02037678
UNIVERSAL MUSIC PUBLISHING INTERNATIONAL MGB LIMITED	02200287
UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED	05092413
UNIVERSAL MUSIC PUBLISHING PGM LIMITED	3771282
UNIVERSAL SRG (UB40) LIMITED	05158521
UNIVERSAL SRG (W.A.R.) LIMITED	05221402
UNIVERSAL SRG ARTIST SERVICES LIMITED	01890289
UNIVERSAL SRG GROUP LIMITED	00284340
UNIVERSAL SRG MUSIC PUBLISHING COPYRIGHTS LIMITED	2873472
UNIVERSAL SRG MUSIC PUBLISHING LIMITED	02898402
UNIVERSAL SRG STUDIOS LIMITED	03050388
UNIVERSAL/ANXIOUS MUSIC LIMITED	01862328
UNIVERSAL/DICK JAMES MUSIC LIMITED	698804
UNIVERSAL/ISLAND MUSIC LIMITED	761597
UNIVERSAL/MCA MUSIC LIMITED	410065
UNIVERSAL/MOMENTUM MUSIC 2 LIMITED	2850484
UNIVERSAL/MOMENTUM MUSIC LIMITED	1946456
V2 MUSIC GROUP LIMITED	03205625
VIRGIN MUSIC GROUP	2259349
VIRGIN RECORDS OVERSEAS LIMITED	335444
VRL 1 LIMITED	3967882

NOTE 30. Subsequent events

The significant events that occurred between December 31, 2014 and February 11, 2015 (the date of the Management Board Meeting that approved Vivendi's Financial Statements for the year ended December 31, 2014) were as follows:

- on January 19, 2015, following a call for tenders process carried out by the National Rugby League, Canal+ Group secured exclusive rights related to all of the National French Rugby Championship's "TOP 14" matches. These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover the seasons 2015-2016 to 2018-2019; and
- in February 2015, Vivendi announced the creation of Vivendi Contents, managed by Mr. Rodolphe Belmer, Chief Executive Officer of Canal+ Group. Vivendi Contents will be in charge of the design, leadership and development of new content support for music and visual image, and will manage related investments.

NOTE 31. Adjustment of comparative information

In compliance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, GVT, SFR, Maroc Telecom, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations in accordance with the following terms:

- **ongoing sales as of December 31, 2014:** on September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT. As a result, GVT has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation, as from the third quarter of 2014. Its contribution to each line of Vivendi's Consolidated Statement of Financial Position, as of December 31, 2014, has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses";
- **completed sales as of December 31, 2014:** Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively. All three businesses have been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations.

As a result, the previously published Financial Statements were adjusted.

31.1. Adjustments made to the main aggregates of the Consolidated Statement of Earnings

The adjustments to data published for the first quarter and the first half of 2014 are reported below and only relate to GVT.

	2014		
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,
Earnings before interest and income taxes (EBIT) (as previously published)	**176**	**260**	**436**
Reclassifications related to the application of IFRS 5 for GVT	-76	-81	-157
Earnings before interest and income taxes (EBIT) (restated)	**100**	**179**	**279**

The adjustments to data published in the 2013 Annual Report are reported below and only relate to GVT and SFR.

	2013		
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,
Earnings before interest and income taxes (EBIT) (as published (a))	**472**	**668**	**1,140**
Reclassifications related to the application of IFRS 5 for GVT	-85	-84	-169
Reclassifications related to the application of IFRS 5 for SFR	-311	-360	-671
Earnings before interest and income taxes (EBIT) (restated)	**76**	**224**	**300**

	2013			
(in millions of euros)	Three months ended Sept. 30,	Nine months ended Sept. 30,	Three months ended Dec. 31,	Year ended Dec. 31,
Earnings before interest and income taxes (EBIT) (as published (a))	**610**	**1,750**	**(2,185)**	**(435)**
Reclassifications related to the application of IFRS 5 for GVT	-90	-259	-96	-355
Reclassifications related to the application of IFRS 5 for SFR	-317	-988	+2,415	+1,427
Earnings before interest and income taxes (EBIT) (restated)	**203**	**503**	**134**	**637**

(a) As published in the 2013 Annual Report.

31.2. Adjustments made to the Statements of Cash Flows

	Year ended December 31, 2013		
(in millions of euros)	Published	Reclassifications related to IFRS 5 (a)	Restated
Operating activities			
EBIT	(435)	+1,072	637
Adjustments	4,911	-4,354	557
Content investments, net	(148)	-	(148)
Gross cash provided by operating activities before income tax paid	***4,328***	***-3,282***	***1,046***
Other changes in net working capital	(308)	+344	36
Net cash provided by operating activities before income tax paid	***4,020***	***-2,938***	***1,082***
Income tax paid, net	(197)	+402	205
Net cash provided by operating activities of continuing operations	**3,823**	**-2,536**	**1,287**
Net cash provided by operating activities of discontinued operations	**1,417**	**+2,536**	**3,953**
Net cash provided by operating activities	**5,240**	**-**	**5,240**
Investing activities			
Capital expenditures	(2,674)	+2,396	(278)
Purchases of consolidated companies, after acquired cash	(43)	+1	(42)
Investments in equity affiliates	(2)	+2	-
Increase in financial assets	(106)	+41	(65)
Investments	***(2,825)***	***+2,440***	***(385)***
Proceeds from sales of property, plant, equipment and intangible assets	50	-17	33
Proceeds from sales of consolidated companies, after divested cash	2,748	-9	2,739
Disposal of equity affiliates	8	-	8
Decrease in financial assets	727	-3	724
Divestitures	***3,533***	***-29***	***3,504***
Dividends received from equity affiliates	3	-	3
Dividends received from unconsolidated companies	54	-	54
Net cash provided by/(used for) investing activities of continuing operations	**765**	**+2,411**	**3,176**
Net cash provided by/(used for) investing activities of discontinued operations	**(1,952)**	**-2,411**	**(4,363)**
Net cash provided by/(used for) investing activities	**(1,187)**	**-**	**(1,187)**

Please refer to the next page for the end of this table.

Continued from previous page.

	Year ended December 31, 2013		
(in millions of euros)	Published	Reclassifications related to IFRS 5 (a)	Restated
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	195	-	195
Sales/(purchases) of Vivendi SA's treasury shares	-	-	-
Dividends paid by Vivendi SA to its shareowners	(1,325)	-	(1,325)
Other transactions with shareowners	(1,046)	-	(1,046)
Dividends paid by consolidated companies to their non-controlling interests	(37)	+4	(33)
Transactions with shareowners	***(2,213)***	***+4***	***(2,209)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	2,491	-86	2,405
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1,923)	+13	(1,910)
Principal payment on short-term borrowings	(5,211)	+50	(5,161)
Other changes in short-term borrowings and other financial liabilities	31	+5	36
Interest paid, net	(528)	+262	(266)
Other cash items related to financial activities	(349)	+19	(330)
Transactions on borrowings and other financial liabilities	***(5,489)***	***+263***	***(5,226)***
Net cash provided by/(used for) financing activities of continuing operations	**(7,702)**	**+267**	**(7,435)**
Net cash provided by/(used for) financing activities of discontinued operations	**1,284**	**-267**	**1,017**
Net cash provided by/(used for) financing activities	**(6,418)**	**-**	**(6,418)**
Foreign currency translation adjustments of continuing operations	(48)	+28	(20)
Foreign currency translation adjustments of discontinued operations	(44)	-28	(72)
Change in cash and cash equivalents	**(2,457)**	**-**	**(2,457)**
Reclassification of cash and cash equivalents from discontinued operations	(396)	-	(396)
Cash and cash equivalents			
At beginning of the period	3,894	-	3,894
At end of the period	1,041	-	1,041

(a) Relates to GVT and SFR (please refer to Note 3).

IV - Vivendi SA - 2014 Statutory Financial Statements

1. Statutory Auditor's Report on the Financial Statements

This is a free translation into English of the Statutory Auditors' Report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The Statutory Auditors' Report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Vivendi;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by your Management Board. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling methods or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Interests in Equity Affiliates

Note 1.3 to the financial statements states that your company recognizes impairment losses when the carrying amount of its interests in subsidiaries and affiliates exceeds their recoverable value. Based on the information available at the date of this report, we assessed the approach adopted by your company to determine the recoverable value of its interests in subsidiaries and affiliates. We also verified that the information related to the impairment of the interests in subsidiaries and affiliates presented in Note 3 "Net Financial Income" to the financial statements is appropriate.

Tax

Note 5 to the financial statements describes the accounting policies used by your company to estimate and recognize tax assets and liabilities, and tax position adopted by your company. We verified the assumptions underlying the positions as at December 31, 2014 and ensured that Note 5 to the financial statements gives appropriate information.

Provisions for Litigation

Notes 1.7 and 25 to the financial statements describe the methods used to evaluate and recognize provisions for litigation. We assessed the methods used by your company to list, calculate and account for such provisions. We also assessed the data and assumptions underlying the estimates made by the company. As stated in Note 1.1 to the financial statements, some facts and circumstances may lead to changes in estimates and assumptions which could have an impact upon the reported amount of the provisions. We also ensured that Note 16 "Provisions" to the financial statements gives appropriate information.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report Section of the "2014 Annual Report – Registration Statement" and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the "2014 Annual Report – Registration Statement".

Paris-La Défense, February 27, 2015

The Statutory Auditors

French original signed by

KPMG AUDIT *KPMG SA Department*	ERNST & YOUNG et Autres
Baudouin Griton	Jean-Yves Jégourel

2. 2014 Statutory Financial Statements

I. Statement of Earnings

(in millions of euros)	Note	2014	2013
Operating income			
Total revenues		58.3	94.6
Reversal of provisions and expense reclassifications		18.3	8.6
Other income		0.1	0.1
Total I		**76.7**	**103.3**
Operating expenses			
Other purchases and external charges		144.7	125.5
Duties and taxes other than income tax		7.6	6.5
Wages and salaries and social security contributions		87.7	63.0
Depreciation, amortization and charges to provisions		41.7	25.1
Other expenses		2.0	3.3
Total II		**283.7**	**223.4**
Loss from operations (I-II)	2	**(207.0)**	**(120.1)**
Financial income			
From subsidiaries and affiliates		12.4	3,545.5
From other securities and long-term receivables		68.1	121.6
Other interest and similar income		224.4	257.8
Reversal of provisions and expense reclassifications		0.8	15.5
Foreign exchange gains		670.8	904.8
Net proceeds from the sale of marketable securities		2.7	0.4
Total III		**979.2**	**4,845.6**
Financial expenses			
Amortization and charges to financial provisions		316.2	5,766.3
Interest and similar charges		305.6	516.1
Foreign exchange losses		728.2	924.0
Net expenses on marketable securities sales			14.6
Total IV		**1,350.0**	**7,221.0**
Net financial income/(loss) (III-IV)	3	**(370.8)**	**(2,375.4)**
Earnings/(losses) from ordinary operations before tax (I-II + III-IV)		**(577.8)**	**(2,495.5)**
Exceptional income			
From non-capital transactions		2.2	78.1
From capital transactions		16,905.9	11,743.7
Reversals of provisions and expense reclassifications		11,289.4	1,017.4
Total V		**28,197.5**	**12,839.2**
Exceptional expenses			
Related to non-capital transactions		752.7	229.1
Related to capital transactions		23,968.8	14,360.3
Exceptional depreciation, amortization and charges to provisions		185.3	999.0
Total VI		**24,906.8**	**15,588.4**
Net exceptional items (V-VI)	4	**3,290.7**	**(2,749.2)**
Income tax credit (VII)	5	**202.0**	**387.1**
Total income (I + III + V + VII)		**29,455.4**	**18,175.2**
Total expenses (II + IV + VI)		**26,540.5**	**23,032.8**
EARNINGS/(LOSSES) FOR THE YEAR		**2,914.9**	**(4,857.6)**

II. Statement of Financial Position

ASSETS (in millions of euros)	Note	Gross	Depreciation, amortization and provisions	Net 12/31/2014	Net 12/31/2013
Non-current assets					
Intangible assets	6	**8.5**	**7.9**	**0.6**	**0.6**
Property, plant and equipment	6	**56.8**	**54.7**	**2.1**	**2.5**
Long-term investments (a)	7	**24,682.5**	**2,787.7**	**21,894.8**	**26,977.0**
Investments in affiliates and Long-term portfolio securities		22,283.0	1,417.0	20,866.0	25,768.4
Loans to subsidiaries and affiliates		1,370.4	1,370.4	0.0	1,200.0
Other long-term investment securities		0.7	0.3	0.4	0.6
Loans				0.0	0.0
Other		1,028.4		1,028.4	8.0
Total I		**24,747.8**	**2,850.3**	**21,897.5**	**26,980.1**
Current assets	8				
Receivables (b)		**2,259.5**	**245.3**	**2,014.2**	**9,763.8**
Trade accounts receivable and related accounts		5.4	0.5	4.9	36.8
Other receivables		2,254.1	244.8	2,009.3	9,727.0
Marketable securities		**5,426.0**	**0.0**	**5,426.0**	**101.0**
Treasury shares	9	1.0		1.0	0.8
Other securities	10	5,425.0		5,425.0	100.2
Cash at bank and in hand	10	**1,425.7**		**1,425.7**	**210.1**
Prepayments (b)		**6.8**		**6.8**	**64.4**
Total II		**9,118.0**	**245.3**	**8,872.7**	**10,139.3**
Deferred charges (III)	12	**10.4**		**10.4**	**30.8**
Unrealized foreign exchange losses (IV)	13			**0.0**	**21.6**
Total assets (I + II + III + IV)		**33,876.2**	**3,095.6**	**30,780.6**	**37,171.8**
(a) *Portion due in less than one year*				*5.0*	*58.1*
(b) *Portion due in more than one year*				*12.7*	*54.5*

EQUITY AND LIABILITIES (in millions of euros)	Note	12/31/2014	12/31/2013
Equity	14		
Share capital		7,433.8	7,367.9
Additional paid-in capital		9,973.9	13,194.2
Reserves			
Legal reserve		686.0	686.0
Other reserves		0.0	2,854.0
Retained earnings		0.0	0.0
Earnings/(Losses) for the year		2,914.9	(4,857.6)
Total I		**21,008.6**	**19,244.5**
Provisions	16	1,864.9	1,745.6
Total II		**1,864.9**	**1,745.6**
Liabilities (a)			
Convertible and other bond issues	17	1,965.3	7,679.6
Bank borrowings **(b)**	17	334.6	3,683.7
Other borrowings	17	5,469.3	4,663.6
Trade accounts payable and related accounts		29.5	39.2
Tax and employee-related liabilities		28.4	26.0
Amounts payable in respect of PP&E and related accounts		0.1	0.2
Other liabilities		71.3	43.1
Deferred income		8.4	38.6
Total III		**7,906.9**	**16,174.0**
Unrealized foreign exchange gains (IV)	13	**0.2**	**7.7**
Total equity and liabilities (I + II + III + IV)		**30,780.6**	**37,171.8**
(a) *Portion due in more than one year*		*1,966.4*	*8,323.7*
Portion due in less than one year		*5,940.6*	*7,850.3*
(b) *Includes current bank facilities and overdrafts*		*325.8*	*112.3*

III. Statement of Cash Flows

(in millions of euros)	2014	2013
Earnings/(losses) for the year	2,914.9	(4,857.6)
Elimination of non-cash income and expenses		
Charges to depreciation and amortization	25.1	19.1
Charges to provisions net of (reversals)		
Operating	2.3	5.9
Financial	315.4	5,750.8
Exceptional	(11,079.1)	(18.4)
Capital gains	7,094.3	2,640.6
Dividends received in assets		(2,562.5)
Other income and charges without cash impact	11.8	37.2
Operating cash flows before changes in working capital	**(715.3)**	**1,015.1**
Changes in working capital (a)	399.9	97.3
Net cash provided by operating activities	**(315.4)**	**1,112.4**
Capital expenditure	(0.3)	(0.7)
Purchases of investments in affiliates and securities		(188.6)
Increase in loans to subsidiaries and affiliates	(57.6)	(32.3)
Cash deposits for litigations in the United States (escrow accounts)	(1,020.1)	
Receivables related to the sale of non-current assets and other financial receivables	1.2	336.6
Proceeds from sales of intangible assets and PP&E		
Proceeds from sales of investments in affiliates and securities	8,913.7	6,043.3
Decrease in loans to subsidiaries and affiliates	1,200.0	449.5
Increase in deferred charges relating to financial instruments	(4.0)	(8.6)
Net cash provided by/(used in) investing activities	**9,032.9**	**6,599.2**
Net proceeds from issuance of shares	196.9	193.3
Return of capital distribution	(1,347.7)	
Dividends paid		(1,324.9)
New long-term borrowings secured	4,547.0	7,570.5
Principal payments on long-term borrowings (b)	(11,765.6)	(10,799.0)
Increase (decrease) in short-term borrowings	(1,829.8)	(1,326.9)
Change in net current accounts	8,053.6	(1,770.9)
Treasury shares	(31.5)	0.6
Net cash provided by/(used in) financing activities	**(2,177.1)**	**(7,457.3)**
Change in cash	6,540.4	254.3
Opening net cash (c)	310.3	56.0
Closing net cash (c)	**6,850.7**	**310.3**

(a) See Note 5, Income Taxes.
(b) See Note 17, Borrowings.
(c) Cash and marketable securities net of impairment (excluding treasury shares).

3. Notes to the 2014 Statutory Financial Statements

Preliminary Note: dollar amounts are expressed in US dollars.

Significant Events in 2014

Sale of SFR

On November 27, 2014, pursuant to the agreement entered into on June 20, 2014 and following approval by the French Competition Authority on October 27, 2014 subject to conditions (see below), Vivendi announced the closing of the combination between SFR and Numericable. The main terms of this transaction are as follows:

Cash proceeds	€13.5 billion, subject to the sale price adjustment: on November 27, 2014, Vivendi received €13.366 billion in cash and, on December 3, 2014, Vivendi made a contribution of €200 million to the financing of the acquisition of Virgin Mobile by Numericable Group. Under the terms of the agreement, the price adjustment to be calculated is based, among other things, on any exceptional changes in the net working capital, SFR's net debt, as well as certain restatements as contractually defined by the parties and is subject to a contradictory accounting analysis in accordance with the contract.
Vivendi's interest in the combined entity	20% of Numericable-SFR (publicly-listed).
Altice's interest in the combined entity	Approximately 60% of Numericable-SFR (approximately 20% free float).
Earn-out	Earn-out of €750 million if the EBITDA-Capex aggregate of the combined entity is equal to or higher than €2 billion during any fiscal year, ending not later than December 31, 2024.
Commitments given	Limited representations and warranties.
Governance	■ Minority representation for Vivendi on the Board of Directors, or 2 out of 10 Directors, subject to Vivendi retaining a 20% interest in Numericable-SFR (1 Director if Vivendi holds an interest between 10% and 20%). ■ Veto rights on certain exceptional matters subject to Vivendi retaining a 20% interest in Numericable-SFR. ■ Numericable-SFR has notably given the French Competition Authority an undertaking not to disclose any strategic information on the pay-TV market, the distribution of pay-TV services, or ultramarine telecommunications markets to Vivendi.
Liquidity - Lock-up period	■ Standard 180-day lock-up period, including restrictions on any disposal or transfer of shares or equivalent transactions, following the date of settlement-delivery of the rights issue of Numericable Group (on November 20, 2014), at the request of the underwriting banks. ■ Lock-up period until the end of November 2015, after which Vivendi may sell or distribute its Numericable-SFR shares, without restrictions, with a right of priority granted to Altice (pre-emption right or right of first offer). ■ Vivendi has agreed not to acquire any Numericable-SFR shares, directly or indirectly, until June 30, 2018. ■ Subject to Vivendi retaining its shares, Altice will have a call option at market value (subject to a floor (a)) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over one-month window periods starting on June 1, 2016, June 1, 2017 and Ju[ne] 1, 2018. ■ Tag-along rights for Vivendi if Altice sells its shares.

(a) Volume Weighted Average Price (VWAP) of Numericable Group's share price over the 20 business days before the closing date (which occurred on November 27, 2014), €29.46, grossed-up at an annual rate of 5% during the period ranging from the closing date until the date of exercise of the call option.

The disposal of SFR resulted in the recognition of an overall positive income of €4,029.5 million, realized on the sale and the contribution of the SFR shares to Numericable. It is divided among: (i) a capital loss of €6,963.5 million on the sale and contribution of SFR shares; (ii) a reversal of impairment of €11,193.0 million; and (iii) an exceptional charge of €200 million related to Vivendi's participation in the financing of the acquisition of Virgin Mobile (see Note 4, Net Exceptional Items, and Note 7, Long-term Investments).

Plan to sell GVT

On August 28, 2014, Vivendi's Supervisory Board decided to enter into exclusive negotiations with Telefonica to sell GVT (which it held mainly through SIG 108, a 100% subsidiary of Vivendi). After receiving a positive opinion from employee representatives, on September 18, 2014 it authorized the execution of an agreement with Telefonica for the sale of GVT. This agreement, the key terms of which are described below, represents a total enterprise value of €7.45 billion (based on the stock market value and foreign exchange rates on the date the exclusive negotiations were entered into with Telefonica), corresponding to a 2014 estimated EBITDA multiple of 10x. The closing of the transaction is subject to certain conditions, including the approval by the relevant regulatory authorities, and is expected to occur during the second quarter of 2015.

Cash proceeds at the completion date	€4.66 billion subject to the sale price adjustment, based, among other things, on exceptional changes in net working capital, GVT's bank debt (approximately €480 million), as well as certain restatements as defined contractually by the parties, at the completion date of the sale. Depending on these adjustments and the actual numbers as of the completion date, the amount of cash consideration paid, may be increased or decreased. Moreover, the cash proceeds, net of adjustments, will also be decreased by any applicable taxes related to the sale, currently estimated at approximately €500 million.
Consideration shares	7.4% interest in Telefonica Brasil (VIVO/GVT) and 5.7% interest (8.3% voting rights) in Telecom Italia.
Financing	Capital increase at Vivo to fund cash proceeds, guaranteed by Telefonica.
Conditions precedent	Completion of the transaction is subject to obtaining approvals from ANATEL (*Agência Nacional de Telecomunicações*) and CADE (*Conselho Administrativo de Defesa Econômica*) in Brazil, and other conditions customary in this type of transaction.
Commitments given	Limited representations and warranties.
Liquidity	With respect to Vivendi's interest in the combined VIVO/GVT entity: ▪ maximum 180 day lock-up period starting as from the completion date of the transaction; and ▪ tag-along rights.
Governance	No specific governance rights in VIVO/GVT and Telecom Italia.

Sale of interest in Maroc Telecom group

On May 14, 2014, pursuant to the agreements entered into with Etisalat on November 4, 2013, Vivendi sold, concomitantly with SFR, its 2% stake in the capital of the Moroccan company, SPT, which held 53% of Maroc Telecom. Vivendi received cash proceeds of €82.3 million (see Note 4, Net Exceptional Items and Note 8, Current Assets).

The Maroc Telecom shares held by Vivendi (0.09%) were sold on the market for €6.4 million.

Sale of Activision Blizzard shares

In accordance with the agreements entered into on October 11, 2013, the 83 million Activision Blizzard shares retained by Vivendi were subject to a two-tiered lock-up provision:

- from October 11, 2013 until April 9, 2014, Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly; from April 10, until July 9, 2014, Vivendi can sell Activision Blizzard shares provided they constitute no more than the lesser of (i) 50% of Vivendi's 83 million remaining shares and (ii) 9% of the outstanding shares of Activision Blizzard; and
- from July 10, 2014 until January 7, 2015, Vivendi was subject to another lock-up provision; as from January 7, 2015, Vivendi may sell its remaining Activision Blizzard shares without restriction.

On May 22, 2014, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares for $852 million (€623 million). The capital gain generated on the sale amounted to €206.2 million (see Note 4, Net Exceptional Items).

As of December 31, 2014, the book value of the remaining interest of 41.5 million Activision Blizzard shares is €417 million.

New borrowings and credit facilities put in place/ reimbursed by Vivendi SA

On November 27, 2014, to further enhance its balance sheet, Vivendi allocated a portion of the SFR sale proceeds to the early redemption of all eight tranches of its euro and U.S. dollar denominated bonds with a make-whole option, representing an aggregate principal amount of €4.25 billion and $0.6 billion. This transaction, completed in December 2014, resulted in a premium payment of €642 million, net of gains on interest rate risk hedging (see Note 4, Net Exceptional Items and Note 17, Borrowings).

In addition, on November 27, 2014, following receipt of cash proceeds from the sale of SFR, Vivendi renegotiated its €1.5 billion bank credit facility to increase the amount to €2.0 billion, maturing in five years (2019) with two one-year renewal options, and canceled all other existing credit facilities for €5.6 billion (see Note 17, Bank borrowings).

Other significant events of the year

Distribution to shareholders

On June 30, 2014, Vivendi SA paid an ordinary distribution of €1 per share to its shareholders, from additional paid-in capital for an aggregate amount of €1,347.7 million, considered as a return of capital distribution to shareholders.

Corporate Governance

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members: Ms. Katie Jacobs Stanton, Ms. Virginie Morgon and Mr. Philippe Bénacin.

Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr. Vincent Bolloré as Chairman. The Board also appointed Mr. Pierre Rodocanachi as Vice-Chairman and Mr. Jean-René Fourtou, who had chaired the group since 2002, as Honorary Chairman. The Board appointed Mr. Daniel Camus as Chairman of the Audit Committee, and Mr. Philippe Bénacin as Chairman of the Corporate Governance, Nominations and Remuneration Committee.

On June 24, 2014, the Supervisory Board also appointed the members to the Management Board, which is comprised of Messrs. Arnaud de Puyfontaine, who serves as Chairman, Hervé Philippe, and Stéphane Roussel.

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative.

NOTE 1. Accounting Rules and Methods

1.1. General principles and change in accounting methods

The statutory financial statements for year-end December 31, 2014 have been prepared and presented in accordance with applicable French laws and regulations.

The accounting rules and methods applied in the preparation of these financial statements are identical to those applied in the preparation of the 2013 statutory financial statements.

The Company makes certain estimates and assumptions that it considers reasonable and realistic. Such estimates and assumptions are based on past or anticipated achievements, and relate in particular to the measuring of asset impairment (see Note 7, Long-term Investments) and provisions (see Note 16, Provisions) as well as to employee benefits (see Note 1.9, Employee benefit plans). Despite regular review, facts and circumstances may lead to changes in such estimates and assumptions, which may impact the amount of assets, liabilities, equity or earnings recognized by the Company.

1.2. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are valued at acquisition cost.

Depreciation and amortization are calculated using the straight-line method and, where appropriate, the declining balance method over the useful lives of the relevant assets.

1.3. Long-term investments

Investments in affiliates and long-term securities portfolios

Shares of companies, the long-term ownership of which is deemed to be beneficial to Vivendi's business, are classified as equity investments.

Equity portfolio securities include securities of companies which the Company expects to realize satisfactory returns over the medium to long term without interfering with the management.

Investments in affiliates and long-term securities portfolios are valued at acquisition cost, including any potential impact resulting from related hedging transactions. If this value exceeds the value in use, an impairment loss is recorded for the difference between the two.

Value in use is defined as the value of the future economic benefits expected to derive from the use of an asset. This is generally calculated by discounting the future cash flows. A more suitable method may be used where appropriate, such as market comparables, transaction valuations, trading comparables for listed entities or proportionate share of equity. The value in use of securities in foreign currencies is calculated using the exchange rate applicable on the closing date for both listed securities (French GAAP (*Plan Comptable Général* or "PCG") 2014, Art. 420-3) and unlisted securities.

Vivendi expenses investment and security acquisition costs in the period during which they are incurred.

Loans to subsidiaries and affiliates

Loans to subsidiaries and affiliates consist of medium- and long-term loans to Group companies. They do not include current account agreements with Group subsidiaries that are used for day-to-day management of cash surpluses and shortfalls. A provision is, as appropriate, recorded based on the risk of non-recovery.

Treasury shares

All treasury shares held by Vivendi that are either (i) in the process of cancellation or (ii) acquired pursuant to the liquidity contract, are recorded as Long-term Investments. Impairment losses are recorded on the latter shares if their net book value is less than their stock market value, based on the average share price during the month of Closing.

All remaining treasury shares held by Vivendi are recorded as Marketable securities (see "Marketable securities" below).

1.4. Operating receivables

Operating receivables are recorded at nominal value. A provision is, as appropriate, recorded based on the risk of non-recovery.

1.5. Marketable securities

Treasury shares

Treasury shares purchased either for sale to Group employees upon exercise of stock purchase options, or for grant to employees as performance shares, are recorded as Marketable securities.

At year-end, the shares allocated to specific plans are not depreciated but are subject to a provision (see "Provisions" below). For those shares not allocated to specific plans, an impairment loss is recognized, as appropriate, to reduce their net value down to their stock market value based on the average share price during the month of closing.

Other marketable securities

All other marketable securities are recorded at acquisition cost. A provision is recorded if the estimated trading value at the end of the period is less than the acquisition cost. The value in use of securities in foreign currencies is calculated using the exchange rates applicable on the closing date.

1.6. Deferred charges relating to financial instruments

Issue costs in relation to bonds and lines of credit are amortized equally over the term of such instruments.

1.7. Provisions

A provision is recorded if Vivendi has an obligation to a third party and it is probable or certain that an outflow of resources will be necessary to settle this obligation, without receipt of an equivalent consideration from the third party.

The provision is equal to the best estimate, taken at period-end, of the outflow of resources necessary to settle the obligation, where the risk exists at the end of the period.

The assumptions underlying the provisions are regularly reviewed and any necessary adjustments are recorded.

Where it is not possible to provide a reliable estimate for the amount of the obligation, a provision is not recorded and disclosure is made in the notes to the financial statements (see Note 25, Litigation).

1.8. Stock option plans and performance share plans

When the Company grants performance shares or establishes a stock purchase option plan that is settled by the delivery of treasury shares, a provision is recognized. This provision is calculated based on the market price of Vivendi shares at grant date or the estimated share purchase price at year-end. In the case of stock purchase option plans, the entry cost or estimated share purchase price is reduced by the exercise price that is likely to be paid by employees.

Pursuant to the PCG, expenses, charges and reversals in relation to the grant of stock options and performance shares to company employees, are recorded as personnel costs.

1.9. Employee benefit plans

Vivendi applied method 1 of Recommendation No. 2013-02 of the National Accounting Council (*Conseil National de la Comptabilité*, CNC) dated November 7, 2013, regarding the valuation and accounting methods for pension commitments and similar benefits.

The provision recorded for obligations in relation to employee benefit plans includes all Vivendi employee benefit plans, i.e., retirement/termination payments, pensions and supplemental pensions. It is calculated as the difference between the value of the actuarial obligations and plan assets, net of actuarial gains and losses and unrecognized past service costs.

The actuarial obligation is calculated using the projected unit credit method (each activity period generates additional entitlement). Actuarial gains and losses are recognized using the "corridor method". This consists of recording, in the profit or loss account for the relevant period, the amortization calculated by dividing the portion of actuarial gains and losses which exceeds the greater of 10% of (i) the obligation and (ii) the fair value of the plans' assets as of the beginning of the fiscal year, by the average remaining working life expectancy of the beneficiaries.

1.10. Foreign currency-denominated transactions

Foreign currency-denominated income and expense items are translated using average monthly rates or, as applicable, using the exchange rate negotiated during specific transactions.

Foreign currency-denominated receivables, payables, marketable securities and cash balances are translated at the exchange rates applicable on the accounting closing date (PCG 2014 Art. 420-5).

Unrealized gains and losses recognized on translation of foreign currency borrowings, loans, receivables and payables, using exchange rates prevailing on the accounting closing date, are recorded in the Statement of Financial Position in unrealized foreign exchange gains and losses, except where currency hedging instruments that set the currency rate at maturity have been implemented (see Note 1.11, Derivative financial instruments).

Vivendi seeks to secure the exchange rate of assets and long-term liabilities denominated in foreign currencies, particularly through the implementation of derivative financial instruments. Foreign exchange gains and losses realized on these hedging instruments are reclassified as applicable in the Statement of Financial Position as deferred revenue or expenses until the gain or loss on the hedged item is recognized (see Note 1.11, Derivative financial instruments).

A provision for foreign exchange losses is recorded in respect of unhedged and unrealized exchange losses (PCG 2014, Art. 420-5).

Transactions in foreign currency that are covered by currency hedging instruments that do not set the currency rate at maturity, are provisioned up to the amount of the uncovered risk.

Unrealized foreign exchange gains and/or losses on cash balances and foreign currency current accounts (similar to cash balances under PCG 2014 Art. 420-7) on the accounting closing date are recorded immediately as foreign exchange gains and/or losses.

1.11. Derivative financial instruments

Vivendi uses derivative financial instruments to (i) reduce its exposure to market risks associated with interest and foreign exchange rate fluctuations; and (ii) secure the value of certain financial assets. These instruments are traded over-the-counter with highly-rated counterparties.

Pursuant to Article 224 of the PCG 2014, income and expenses generated by interest rate and currency hedging instruments are recorded with the income and expenses of the hedged items.

Loans, borrowings, receivables and payables covered by currency hedging instruments that set the currency at maturity are recorded at hedge rates and no foreign exchange difference is recognized.

Unrealized gains on derivative instruments that do not qualify for hedge accounting are not recognized. Conversely, unrealized losses on these instruments are recorded directly in earnings.

1.12. Individual training entitlement

Law No. 2014-288, dated March 5, 2014, relating to vocational training, employment and social democracy repeals the statutory training entitlement system (DIF) and replaces it with the personal training account regime (CPF) as of January 1, 2015. DIF training hours not consumed are available for 5 years under the CPF regime. Under the new regime, an employee may accumulate up to 150 hours of training.

The company-wide agreement entered into in May 2006 provided for the allocation of 20 DIF training hours to each employee each year (up to a maximum of 120 hours). As of year-end 2014, a total of 18,774 training hours remained unused.

Pursuant to Statement 2004-F of the Emergency Committee of the *Conseil National de la Comptabilité* (French national accounting council), Vivendi did not record a provision for individual training entitlement as of year-end 2014.

1.13. Tax credit to aid competitiveness and promote employment (CICE)

The CICE, which took effect on January 1, 2013, resulted in the recognition by Vivendi of an income, recorded in operating income under the line item "social security contributions". The base consists of gross compensation paid, subject to social security contributions and not exceeding 2.5 times the minimum wage. The tax credit rate for 2014 was 6%.

NOTE 2. Operating Earnings/(Losses)

2.1. Revenues

Revenues consisting of revenues generated from services provided by Vivendi and rebilling of costs to its subsidiaries amounted to €58.3 million.

2.2. Operating expenses and expense reclassifications

In 2014, operating expenses amounted to €283.7 million, compared to €223.4 million in 2013.

Within this total, "other purchases and external charges" represented €144.7 million in 2014, compared to €125.5 million in 2013.

Other purchases and external charges, including amounts rebilled to subsidiaries (recorded in revenues) and expense reclassifications (recorded in reversal of provisions and expense reclassifications), are broken-down as follows:

(in millions of euros)	2014	2013
Purchases consumed	0.6	0.7
Rent	8.4	8.4
Insurance	6.1	6.6
Service providers, temporary staff and sub-contracting	14.1	6.5
Commissions and professional fees	84.7	61.7
Bank services	18.2	26.9
Other external services	12.6	14.7
Sub-total other purchases and external charges	**144.7**	**125.5**
Amounts rebilled to subsidiaries (other income)	(6.3)	(8.8)
Expense reclassifications	(4.0)	(8.6)
Total net of rebilled expenses, insurance repayments and expense reclassifications	**134.4**	**108.1**

NOTE 3. Net Financial Income/(Loss)

Net financial income/(loss) is broken-down as follows:

(in millions of euros)	2014	2013
Net financing costs	(53.8)	(172.2)
Dividends received	12.4	3,545.5
Foreign exchange gains & losses	(57.4)	(19.2)
Other financial income and expenses	(16.9)	(36.9)
Movements in financial provisions	(255.2)	(5,692.6)
Total	**(370.9)**	**(2,375.4)**

3.1. Financing costs

The decrease in the net financing costs from -€172.2 million in 2013 to -€53.8 million in 2014 is due to:

- the decrease in external financing net costs from -€454.6 million in 2013 to -€249.3 million in 2014, primarily as a result of the shift of external net debt of €10.9 billion as of December 31, 2013 to a net cash position of €4.6 billion as of December 31, 2014, i.e. a €15.5 billion increase, mainly reflecting the impact of the sales of SFR and of the Group's stake in Maroc Telecom group (see "Significant Events", the Statement of Cash-Flow, Note 7, Financial Investments, and Note 17, Borrowings). The average external net debt was €7.8 billion in 2014 compared to €14.6 billion in 2013; and conversely;
- the decrease in internal net financing income (see Note 8, Current Assets) from €282.4 million in 2013 to €195.6 million in 2014, as a result of (i) the partial reimbursement from SFR, on May 14, 2014, of its current account in the amount of €4 billion following the sale of Maroc Telecom (directly held at 51% by SFR), and (ii) the disposal of the balances of SFR's loan and current account to Numericable, on November 27, 2014.

3.2. Dividends received

Income from affiliates includes dividends from the interest in Activision Blizzard of €11.4 million compared to €3,545.5 million in 2013 (including a dividend of €2,562.5 million received from Vivendi Holding I LLC in the form of Activision Blizzard shares and from SFR of €981.9 million).

3.3. Financial provisions and impairments

The changes to financial provisions and impairments resulted in a net charge of €255.2 million including €136.8 million provision on current accounts with affiliates, and a €121.8 million impairment on long-term investments in affiliates.

During the fourth quarter of 2014, Vivendi, with the assistance of independent appraisers, examined the value in use of its equity holdings, including Groupe Canal+ and two holding companies from the music sector held by Vivendi, being (i) Universal Music Group Inc. (UMG Inc.) in relation to its activities in North America and Mexico and (ii) SIG 104 in relation to activities in other countries. The value in use of Studiocanal and nc+ in Poland was examined internally.

As a result, Vivendi's Management determined that the value in use of Groupe Canal+ SA, as of December 31, 2014, was equal to its net carrying value. It also determined that the value in use of the two holding companies from the music sector held by Vivendi, UMG Inc and SIG 104, was determined to be higher than their respective book values.

The impairment of €121.8 million recorded as of December 31, 2014, relates to Vivendi's Snege shares and Wengo shares.

NOTE 4. Net Exceptional Items

In 2014, a net exceptional gain of €3,290.7 million was recorded, compared to a net exceptional loss of -€2,749.2 million in 2013. It is primarily comprised of the following items:

- a global income of €4,029.5 million realized on the sale and contribution of the shares of SFR to Numericable (see "Significant Events") comprising (i) a loss of €6,963.5 million on the sale and share contribution, (ii) a reversal of impairment of €11,193.0 million taken on the SFR shares, and (iii) an exceptional charge of €200 million relating to Vivendi's participation in the financing of the acquisition of Virgin Mobile pursuant to the agreement entered into on June 20, 2014;
- a net capital gain of €206.2 million related to the sale of 41.5 million shares of Activision Blizzard, following the expiration of the first lock-up period as agreed at the time of the sale of more than 85% of the Activision Blizzard interest in October 2013;
- a net charge of €103.0 million, after reversal of impairment, related to the sale of SPT and Maroc Telecom shares directly held by Vivendi (see, "Significant Events"); and
- a net charge of €624.4 million related to (i) the premium paid in connection with the early redemption in December 2014 of bonds issued in euros and USD with a make-whole option for €4,250 million and $594.8 million, respectively, and (ii) the balancing payment received on hedging swaps (see Note 17, Borrowings).

NOTE 5. Income Taxes

Vivendi SA benefits from the French Tax Group System and considers that it benefited, until December 31, 2011 inclusive, from the Consolidated Global Profit Tax System, as authorized under Article 209 *quinquies* of the French Tax Code. Since January 1, 2012, Vivendi only benefits from the French Tax Group System:

- under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% owned directly or indirectly by it, and that are located in France: for 2014, this mainly applied to Universal Music in France and Canal+ Group. In 2014, SFR is no longer part of Vivendi's tax group following its sale to Numericable Group at the end of November 2014;
- until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned directly or indirectly by it, and located in France or abroad, i.e., other than the French companies that were at least 95% owned directly or indirectly by Vivendi: Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Édition de Canal Plus (SECP). As a reminder, on May 19, 2008, Vivendi lodged an appeal with the French Ministry of Finance in relation to the renewal of its authorization to use the Consolidated Global Profit Tax System and an authorization was granted by an order dated March 13, 2009, for a three-year period beginning with the taxable year 2009 and ending with the taxable year 2011;
- as a reminder, on July 6, 2011, Vivendi lodged an appeal with the French Ministry of Finance in relation to the renewal of its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014;
- the changes in French Tax Law in 2011 terminated the Consolidated Global Profit Tax System as of September 6, 2011 and capped the deduction for tax losses carried forward at 60% of taxable income. Since 2012, the deduction for tax losses carried forward is capped at 50% of taxable income and the deductibility of interest is limited to 85% of financial charges, net (75% as from January 1, 2014).

Taking these elements into account, at year-end 2014, Vivendi recorded a consolidated income tax credit of €148.4 million, equal to the tax savings of the year.

The impact of the French Tax Group and Consolidated Global Profit Tax Systems on the valuation of Vivendi's tax attributes (tax losses and tax credits carried forward) are as follows:

- as Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, including fiscal year ending December 31, 2011, on November 30, 2012, Vivendi filed for a refund of €366 million with respect to the tax saving for the fiscal year ended December 31, 2011.As this request was denied by the tax authorities, in its Financial Statements for the year ended December 31, 2012, Vivendi accrued a €366 million provision for the associated risk, unchanged as of December 31, 2013. On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi. On December 23, 2014, Vivendi received a €366 million refund and moratorium interest of €43 million which was received on January 16, 2015. On December 2, 2014, the tax authorities appealed this decision. As a result, in its Financial Statements for the year ended December 31, 2014, Vivendi recognized moratorium interest in income tax and maintained the provision related to the €366 million principal refund, increased by €43 million with respect to moratorium interest (see Note 16, provisions);
- moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due under the French Tax Group System for the year ended December 31, 2012, or €208 million, brought to €220 million, in 2013 when filing the tax return with respect to fiscal year ended December 31, 2012. This position was challenged by the tax authorities as part of an in-process control procedure and Vivendi accrued the associated risk for a principal amount of €208 million in provision in its Financial Statements for the year ended December 31, 2012, brought to €220 million as of December 31, 2013. In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €220 million principal refund, increased by €11 million with respect to default interest (see Note 16, Provisions); and
- in the Financial Statements for the year ended December 31, 2014, the 2014 tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were estimated, and as a result, the amount of tax attributes as of December 31, 2014 could not be determined with certainty. Taking into account the impact of the estimated 2014 tax results and before the effects of the ongoing tax audits (see below) on the amount of tax attributes, Vivendi SA would be able to achieve €1,400 million in tax savings from tax attributes (undiscounted value based on the current income tax rate of 38.00%).

Audit by the French tax authorities

In respect of the Consolidated Global Profit Tax System, the consolidated income reported by Vivendi SA for fiscal years 2006, 2007, and 2008 are under audit by the French tax authorities. This tax audit began in January 2010. In addition, in January 2011, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2009 and in February 2013, the French tax authorities expanded the audit to include the consolidated income reported for fiscal year 2010. Finally, the audit of Vivendi SA's tax group System for the years 2011 and 2012 group began in July 2013. As of December 31, 2014, all of these audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit. In any event, a provision for the impact of the Consolidated Global Profit Tax System in 2011 has been accrued (€409 million), notwithstanding the decision of the Administrative Court of Montreuil on October 6, 2014, and subject to the appeal filed by the Tax Authorities (see above), as well as a provision for the impact in relation to the use of tax credits in 2012 (€231 million).

NOTE 6. Intangible Assets and Property, Plant and Equipment

6.1. Gross values

(in millions of euros)	Opening gross value	Additions	Disposals	Closing gross value
Intangible assets	15.4	0.1	(7.0)	8.5
Property, plant and equipment	60.1	0.1	(3.4)	56.8
Total	**75.5**	**0.2**	**(10.4)**	**65.3**

6.2. Depreciation and amortization

(in millions of euros)	Opening accumulated depreciation/amortization	Charge	Reversal	Closing accumulated depreciation/ amortization
Intangible assets	14.7	0.2	(7.0)	7.9
Property, plant and equipment	57.5	0.5	(3.4)	54.6
Total	**72.2**	**0.7**	**(10.4)**	**62.5**

NOTE 7. Long-term Investments

7.1. Long-term investments

(in millions of euros)	Opening gross value	Additions	Disposals	Foreign currency translation adjustments	Closing gross value
Investments in affiliates and Long-term portfolio securities	38,259.4	3,244.5	(19,220.9)		22,283.0
Loans to subsidiaries and affiliates	2,512.9	67.5	(1,210.1)		1,370.3
Other long-term investment securities	0.8		(0.1)		0.7
Loans and other long-term investments	8.0	1,020.2		0.2	1,028.4
Total	**40,781.1**	**4,332.2**	**(20,431.1)**	**0.2**	**24,682.4**

7.2. Investments in affiliates and long-term securities portfolio

The disposals completed during the year included, in particular, SFR shares on November 27, 2014 for €18,747.9 million and one-half of the remaining Activision Blizzard shares held by Vivendi (41.5 million shares), which had a book value of €417.1 million.

The investments acquired during the year include the Numericable-SFR shares, received in consideration for the contribution of 25.4% of Vivendi's SFR shares, and recognized at their stock market value on November 27, 2014 (see, "Significant Events").

7.3. Loans to subsidiaries and affiliates

At year-end 2014, the net value of loans to subsidiaries and affiliates, including accrued interest, was 0 (compared to €1,200.0 million at year-end 2013).

The full balance due under the €1,200 million credit facility granted to SFR in December 2011, with a maturity date of June 17, 2015, was sold on November 27, 2014, as part of the sale of SFR to Numericable (see "Significant Events").

7.4. Loans and other long-term investments

Cash deposit placed in escrow account

On March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (see Note 25, Litigation). This letter of credit is guaranteed by a syndicate of 15 international banks with which Vivendi signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit.

On July 16, 2014, Vivendi strengthened the undertaking given under the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit. This deposit significantly reduces the letter of credit's financing cost.

Cash deposit paid under liquidity agreement

As of December 31, 2014, the amount paid out by Vivendi during 2014 under the liquidity agreement totaled €5.0 million (out of an available balance of €50 million) and was recorded in other financial assets. This amount remains unchanged compared to December 31, 2013.

In addition, purchases and sales of shares were settled immediately. As of December 31, 2014, Vivendi did not hold any shares under this liquidity agreement nor did it hold any shares for this purpose as of December 31, 2013 (see Note 9, Treasury Shares).

7.5. Impairment

(in millions of euros)	Opening accumulated depreciation/ amortization	Charge	Reversal recorded in financial income	Reversal recorded in exceptional income (a)	Closing accumulated depreciation/ amortization
Investments in affiliates and Long-term portfolio securities	12,491.0	121.7		(11,195.7)	1,417.0
Loans to subsidiaries and affiliates	1,312.8	67.7	(10.1)		1,370.4
Other long-term investment securities	0.2	0.2		(0.1)	0.3
Loans and other long-term investments	0.0				0.0
Total	**13,804.0**	**189.6**	**(10.1)**	**(11,195.8)**	**2,787.7**

(a) Including reversal of impairment on the SFR shares amounting to €11,193 million (see Note 4, Exceptional Items).

NOTE 8. Current Assets

8.1. Receivables

As of December 31, 2014, receivables, net of impairment, amounted to €2,025.6 million (compared to €9,763.8 million as of December 31, 2013) and included:

- current account advances by Vivendi to its subsidiaries for a net amount of €1,843.2 million (including €1,432.7 million for Groupe Canal+ SA), compared to €9,244.9 million as of December 31, 2013, which included (i) €7,472.5 million for SFR, approximately €4 billion of which were reimbursed during 2014 following the sale of Maroc Telecom in May, with the remaining balance of approximately €3.5 billion being sold to Numericable and (ii) €1,464.6 million for Groupe Canal+ SA;
- receivables of €53.8 million in relation to the termination of the French Consolidated Tax System, which included €37.6 million from consolidated affiliates; and
- moratorium interest of €43 million on the €366 million tax claim in respect of tax savings for the fiscal year ended December 31, 2011, was recorded as accrued income (collection in January 2015); the tax refund of €366 million was received pursuant to the decision of the Administrative Court of Montreuil dated October 6, 2014 (see Note 5, Income taxes). However, the provision to cover this tax refund was maintained (see Note 16, Provisions) and increased in 2014 with respect to moratorium interest.

8.2. Prepaid expenses

(in millions of euros)	2014	2013
Expenses relating to the following period	2.4	2.5
Discount paid to subscribers of bonds **(a)**	3.2	23.8
Amount paid as settlement of swaps **(b)**	1.2	38.1
Total	**6.8**	**64.4**

(a) In 2014, this includes other exceptional amortization for €15.9 million due to the anticipated repayment of bonds (see Note 17, Borrowings); and
(b) In 2014, this includes other exceptional amortization for €25.6 million due to the anticipated repayment of bonds (see Note 17, Borrowings).

NOTE 9. Treasury Shares

Change in Treasury Shares

	As of Dec. 31, 2013		Purchases		Sales		As of Dec. 31, 2014	
	No. Shares	Gross value (in millions of euros)	No. Shares	Value (in millions of euros)	No. Shares	Value (in millions of euros)	No. Shares	Gross value (in millions of euros)
Long-term investment securities								
Liquidity contract			8,135,058	156.6	8,135,058	156.6		
Marketable securities								
Shares backing performance shares	50,639	0.8	1,602,149	32.1	1,603,220	31.9	49,568	1.0
Total Treasury shares	**50,639**	**0.8**	**9,737,207**	**188.7**	**9,738,278**	**188.5**	**49,568**	**1.0**

In 2014, the Company granted 1,603,220 shares to beneficiaries, officers and employees of Vivendi SA and its subsidiaries primarily under the 2010 and 2012 performance share plans.

NOTE 10. Other Marketable Securities and Cash

(in millions of euros)	2014	2013
Monetary funds	4,755.0	
Medium-term negotiable notes	100.0	
Other similar accounts	570.0	100.2
Subtotal-marketable securities	**5,425.0**	**100.2**
Cash	1,425.7	210.1
Total	**6,850.7**	**310.3**

Marketable securities, excluding treasury shares (see Note 9, Treasury Shares) amounted to €5,425 million, of which there was €2.1 million in accrued interest, compared to €100.2 million as of December 31, 2013, of which there was €0.2 million in accrued interest.

The money market funds benefit from the AMF's monetary and short-term monetary classifications. Other similar accounts (deposits and term deposits) contain an option to terminate at any time.

NOTE 11. Receivables Maturity Schedule

(in millions of euros)	Gross value	Maturing in less than one year	Maturing in more than one year
Non-current assets			
Loans to subsidiaries and affiliates	1,370.4	10.6	1,359.8
Other long-term investments	1,028.5	5.0	1,023.5
Current assets			
Trade accounts receivable and related accounts	5.4	4.9	0.5
Other receivables	2,254.1	2,244.2	9.9
Total	**4,658.4**	**2,264.7**	**2,393.7**

NOTE 12. Deferred Charges

Deferred charges relating to financial instruments

(in millions of euros)	Opening balance	Increase	Amortization	Closing balance
Deferred charges relating to credit lines	17.6	4.0	(13.3)	8.3
Issue costs of bonds	13.2		(11.1)	2.1
Total	**30.8**	**4.0**	**(24.4)**	**10.4**

NOTE 13. Unrealized Foreign Exchange Gains and Losses

At year-end 2014, the decrease in unrealized foreign exchange losses to €0.0 million from €21.6 million at year-end 2013 resulted from the €21.3 million decrease in unrealized losses in relation to the $700 million bond issue dated April 2008 and maturing in April 2018, its remaining balance of $241 million being early redeemed in December 2014 (see Note 17, Borrowings).

The decrease in unrealized foreign exchange gains to €0.2 million from €7.7 million at year-end 2013 resulted primarily from the reversal of unrealized gains of €7.7 million recorded at year-end 2013, in relation to the revaluation of remaining debt obligations of $353.9 million from two bonds; these bonds were early redeemed in December 2014 (see Note 17, Borrowings).

NOTE 14. Equity

14.1. Changes in equity

(in millions of euros)	(a) Number of shares	Share capital	Additional paid-in capital	Reserves and retained earnings	(Loss)/ Earnings	Total
As of 12/31/13	1,339,609,931	7,367.9	13,194.1	3,540.0	(4,857.6)	19,244.5
Allocation of earnings/(loss) and return of capital distribution			(3,351.3)	(2,854.0)	4,857.6	(1,347.7)
50 bonus share plan	727,118	4.0	(4.0)			0.0
Stock options	11,263,589	61.9	135.0			196.9
Earnings for the year					2,914.9	2,914.9
As of 12/31/14	**1,351,600,638**	**7,433.8**	**9,973.9**	**686.0**	**2,914.9**	**21,008.6**

(a) Par value of €5.50 per share

The potential number of shares that may be issued upon the exercise of stock subscription options granted before 2013 is 42,722,348.

14.2. Allocation of earnings

The allocation of earnings to be proposed at the Annual General Shareholders' Meeting to be held on April 17, 2015, is as follows:

Distributable earnings (in euros)	
Retained Earnings	0.00
2014 Net Income	2,914,931,700.25
Total	**2,914,931,700.25**
Allocation (in euros)	
Amount allocated to legal reserve (a)	57,385,667.90
Amount allocated to other reserves	0.00
Total amount allocated to shareholders as a dividend (b)	1,351,600,638.00
Amount allocated to Retained Earnings	1,505,945,394.35
Total	**2,914,931,700.25**

(a) Estimated amount based on the share capital as of December 31, 2014.

(b) This amount corresponds to the €1 euro per share dividend that will be proposed at the General Shareholders' Meeting on April 17, 2015. It is calculated based on the number of shares outstanding as of December 31, 2014, and will be adjusted to reflect the actual number shares entitled to the dividend on the ex-dividend date.

In respect of the last three fiscal years, dividends per share were distributed as follows:

Year	(b) 2013	2012	2011
Number of shares (a)	1,347,704,088	1,324,905,694	1,245,297,184
Dividend per share (in euros)	-	1.00	1.00
Total distribution (in millions of euros)	**-**	**1,324.9**	**1,245.3**

(a) Number of shares entitled to dividend as of January 1, after elimination of treasury shares held at the dividend payment date.

(b) On June 30, 2014, Vivendi SA paid an ordinary distribution of €1 per share, from additional paid-in capital for an aggregate amount of €1,347.7 million considered as a return of capital distribution to shareholders.

NOTE 15. Stock Option Plans and Performance Share Plans

The main features of the plans granted during the current and prior fiscal years are as follows (please refer to CRC Regulation no. 2008-15 on stock purchase and subscription option plans and performance share plans granted to employees):

15.1. Stock subscription option plans

No stock option plans were awarded during 2013 or 2014.

In 2013, the Supervisory Board, upon the proposal of the Management Board and the advice of the Human Resources Committee, decided to stop granting stock option plans.

15.2. Performance share plans

	Number of performance share rights granted							Number of performance share rights		
	Total number of		of which granted to members of governing bodies							
Grant date	beneficiaries	performance share rights	Number of beneficiaries	Number of performance share rights	(1) Vesting date	Availability date	Value of shares for the calculation of the social contribution	Number of performance share rights cancelled in 2014	Number of shares created at the end of the vesting period	Number of performance share rights outstanding at Dec. 31, 2014 after adjustments
02/22/13	775	2,573,444	8	360,000	02/23/15	02/24/17	11.79	165,344		(a) 2,609,788
05/13/13	9	8,190	0	0	05/14/15	05/15/17	13.58			9,202
06/18/13	2	26,390	0	0	06/19/15	06/20/17	11.87			27,830
07/22/13	5	47,816	0	0	07/23/15	07/24/17	12.35	2,704		(b) 47,577
10/21/13	3	56,000	1	20,000	10/22/15	10/23/17	15.64			59,069
12/11/13	1	70,000	1	70,000	12/14/15	12/15/17	14.33			73,827
01/29/14	1	100,000	0	0	01/01/17	01/31/18	15.59			(c) 105,462
01/29/14	1	50,000	0	0	01/02/19	01/03/19	14.91			(d) 52,731
01/29/14	1	100,000	0	0	01/30/16	01/31/18	15.81			(e) 105,462
02/19/14	1	30,000	0	0	02/22/16	02/23/18	16.92			31,644
02/21/14	1	100,000	1	100,000	02/22/16	02/23/18	17.13			105,497
						Total		168,048	0	3,228,089

(1) First trading day of quotation at the end of a two-year acquisition period.
(a) Includes 473,848 rights to performance shares, after adjustments, granted to US, British and Brazilian resident beneficiaries to be recorded in an account in 2017.
(b) Includes 15,938 rights to performance shares, after adjustments, granted to British and Brazilian resident beneficiaries to be recorded in an account in 2017.
(c) Includes 105,462 rights to performance shares, after adjustments, granted to a Brazilian resident beneficiary to be recorded in an account in 2018.
(d) Includes 52,731 rights to performance shares, after adjustments, granted to a Brazilian resident beneficiary to be recorded in an account in 2019.
(e) Includes 105,462 rights to performance shares, after adjustments, granted to a US resident beneficiary to be recorded in an account in 2018.

The definitive grant of performance shares for plans granted in 2013 will be effective upon the satisfaction of the following performance conditions: (i) an internal indicator (70%) determined by the applicable EBITA margin rate, measured as of December 31, 2014 on a cumulative basis including the 2013 and 2014 fiscal years; and (ii) an external indicator (30%) determined by the performance of Vivendi shares between January 1, 2013 and December 31, 2014, as compared to: the STOXX® Europe 600 Telecommunications Index (70%) and the value of a portfolio of Media stock (30%).

The definitive grant of performance shares for plans granted in 2014 will be effective upon the satisfaction of the following performance conditions: (i) an internal indicator (70%) determined by the applicable EBITA margin rate, which will be measured as of December 31, 2015 on a cumulative basis including the 2014 and 2015 fiscal years; and (ii) an external indicator (30%) determined by Vivendi's stock price performance between January 1, 2014 and December 31, 2105, as compared to two indices: the STOXX® Europe 600 Media and the STOXX® Europe 600 Telecommunications.

The definitive grant of performance shares will be effective upon the satisfaction of the performance conditions, as assessed at the end of a two-year acquisition period. 100% of the performance shares granted will vest if the weighted total of the three indicators reaches or exceeds 100%, 50% of the performance shares granted will vest if the weighted total of the indicators reaches the applicable value thresholds, and no shares will vest if the weighted total of the three indicators is lower than the applicable value thresholds. Performance shares must be retained by their holders for an additional two-year period following the vesting date.

15.3. 50 bonus share plan

On July 16, 2012, Vivendi implemented a plan to allocate 50 bonus shares to each employee of all of the Group's French entities. On July 17, 2014, 727,118 shares were issued to the beneficiaries of this plan who were still employed by the Group on that date.

NOTE 16. Provisions

Summary table

Nature of provisions (in millions of euros)	Opening balance	Charge	Reversal	Utilization	Closing balance
Foreign exchange losses	0.3			(0.3)	0.0
Employee benefits	20.3	12.8	(13.8)	(0.5)	18.8
Other provisions	1,725.0	190.2	(44.7)	(24.4)	1,846.1
Total - Provisions	**1,745.6**	**203.0**	**(58.5)**	**(25.2)**	**1,864.9**
Charges and reversals:					
■ *operating*		*17.8*	*(13.8)*	*(0.5)*	
■ *financial*				*(0.7)*	
■ *exceptional*		*185.2*	*(44.7)*	*(24.0)*	

As of December 31, 2014, "other provisions" amounted to €1,846.1 million and included:

- a provision in relation to the Liberty Media Corporation litigation for €944.8 million (see Note 25, Litigation);
- a provision in relation to the securities class action in the United States for €100 million (see Note 25, Litigation);
- an aggregate provision for €641 million to cover two tax refund requests (see Note 5, Income Taxes and Note 9, Current Assets):
  - €409 million related to the tax savings of the Consolidated Global Profit Tax System for the fiscal year ended December 31, 2011, including moratorium interest, and
  - €231 million related to using effects of the taxes due, under the French Tax Group System for the year ended December 31, 2012, including interest.

As of December 31, 2014, the provision for employee benefits amounted to €18.8 million, compared to €20.3 million in 2013 (see Note 1.9, Accounting Rules and Methods; Employee benefit plans), taking into account the departure of several executives.

Related obligations are valued using the following assumptions: (i) a 3.0% to 4.0% wage increase rate; (ii) a 2.0% discount rate for the general statutory scheme and "Article 39" schemes; (iii) and an assumed retirement age of between 60 and 65 years.

Supplemental pension obligations, other than retirement termination payments, are partially funded by external insurance policies, the updated value of which is deducted from the actuarial obligation. The expected rate of return on plan assets is 2.7%.

As of December 31, 2014, plan assets (comprised of bonds (up to 78%) and shares (up to 15%)) and unrecognized actuarial losses amounted to €30.5 million and € 51.3 million, respectively.

NOTE 17. Borrowings

As of December 31, 2014, the aggregate amount of borrowings totaled €7,769.1 million, compared to €16,026.9 million as of December 31, 2013.

17.1. Bond issues

As of 31 December 2014, bond issues were €1,950.0 million (as presented in the table below) with additional accrued interest of €15.3 million, compared to €7,527.2 million with additional accrued interest of €152.4 million, as of December 31, 2013.

Amounts in millions of euros	Issue date	Maturity date	Nominal rate
500.0	12/2009	12/01/16	4.25%
700.0	12/2009	12/02/19	4.88%
750.0	03/2010	03/31/17	4.00%
1,950.0			

During fiscal year 2014, Vivendi redeemed, at maturity, a bond of €894.0 million issued in January 2009.

In December 2014, to further enhance its balance sheet, following the sale of SFR on November 27, 2014 (see "Significant Events"), Vivendi early redeemed its euro and US dollar denominated bonds that contained a make whole option.

- The following euro-denominated bonds were early redeemed for a total amount of €4,250.0 million:
  - €1,250.0 million with a maturity date of July 2017;
  - €500.0 million with a maturity date of November 2018;
  - €750.0 million with a maturity date of January 2019;
  - €700.0 million with a maturity date of January 2020; and
  - €1,050.0 million with a maturity date of July 2021.
- The following US dollar-denominated bonds were early redeemed for a total amount of $594.8 million:
  - $650 million with a maturity date of January 2018 (balance of $94.8 million);
  - $700 million with a maturity date of April 2018 (balance of $241.0 million); and
  - $800 million with a maturity date of April 2022 (balance of $259.1 million).

17.2. Bank borrowings

As of December 31, 2014, the aggregate amount of loans and borrowings from credit institutions was €334.5 million, compared to €3,683.7 million as of December 31, 2013. The majority of loans and borrowings comprised accounting overdrafts for €325.8 million and short-term commercial papers for €8.1 million.

As of February 11, 2015, the date on which the Vivendi's Management Board approved the 2014 Financial Statements, Vivendi SA had available a credit facility in the amount of €2.0 billion (compared to €7.1 billion as of December 31, 2013) undrawn at year-end 2014:

- in November 2014, concomitantly with the sale of SFR, Vivendi renegotiated its €1.5 billion bank credit facility, which was due to mature in March 2018, to increase the amount to €2.0 billion and extend its maturity to October 2019 (plus two one-year renewal options, and thus a possible maturity of 7 years);
- the renegotiation of the €1.5 billion credit facility resulted in the anticipated early cancellation of the following credit facilities for a total amount of €5,640 million:
  - a €1 billion credit facility, with a maturity date of September 2015, set up in September 2010,
  - a €2.0 billion credit facility, with a maturity date of May 2016, set up in May 2011,
  - a €1.1 billion credit facility, with a maturity date of January 2017, set up in January 2012,
  - a €40 million revolving facility with a maturity date of January 2015, set up on January 2012, and
  - a €1.5 billion credit facility, with a maturity date of May 2017, set up in May 2012.

17.3. Other borrowings

As of December 31, 2014, other borrowings amounted to €5.5 billion and comprised current account deposits made by subsidiaries, including from UMGT, the financing subsidiary of the music business for €3.5 billion and from SIG 104, Vivendi's subsidiary that holds UMG's entities outside the United States, Canada and Mexico, for €1.3 billion, compared to €4.7 billion as of December 31, 2013.

17.4 Borrowings maturity

As of December 31, 2014, the Group has a positive cash position. As a reminder, the average "economic" term of the Group's financial debt, pursuant to which all undrawn amounts available on medium-term credit lines may be used to reimburse the Group borrowings with the shortest terms, was 4.2 years as of December 31, 2013.

NOTE 18. Debt Maturity Schedule

Liabilities (including accrued interest) (in millions of euros)	Gross value	Due in less than one year	Due in one to five years	Due within more than five years
Bond issues	1,965.3	15.3	1,950.0	
Bank borrowings	334.5	334.5		
Other borrowings	5,469.3	5,469.3		
Trade accounts payable and related accounts	29.5	29.5		
Tax and employee-related liabilities	28.4	26.5	1.9	
Amounts payable in respect of PP&E and related accounts	0.1	0.1		
Other liabilities	71.4	61.5	9.9	
Total	**7,898.5**	**5,936.7**	**1,961.8**	**0.0**

NOTE 19. Items Impacting Several Items of the Statement of Financial Position

In the table below, the "Related parties" column shows amounts comprising various items included in the Statement of Financial Position in relation to transactions entered into with subsidiaries fully consolidated in the Group's Consolidated Statement of Financial Position. The assets in the table below are presented at gross value.

ASSETS (in millions of euros)	Accrued income	Related parties
Investments in affiliates		18,592.8
Loans to subsidiaries and affiliates	10.6	1,370.4
Other long-term investment securities		
Loans		
Other long-term investments		
Trade accounts receivable and related accounts	0.2	0.5
Other receivables	67.9	2,038.6
Deferred charges		
Prepaid expenses		
Unrealized foreign exchange losses		
Total	**78.7**	**22,002.3**

LIABILITIES (in millions of euros)	Accrued expenses	Related parties
Other bond issues	15.3	
Bank borrowings	0.7	
Other borrowings		5,442.7
Trade accounts payable and related accounts	26.6	2.9
Tax and employee-related liabilities	21.0	
Amounts payable in respect of PP&E and related accounts		
Other liabilities		9.9
Deferred income		
Unrealized foreign exchange gains		
Total	**63.6**	**5,455.5**

NOTE 20. Financial Income and Expenses in Relation to Related Parties

In 2014, financial expenses and income in relation to related parties amounted to €16.6 million (of which €14.5 million in interest expense associated with the current account with UMG) and €53.1 million (including €37.1 million in interest income associated with the current accounts made available by Vivendi to Groupe Canal+), respectively.

NOTE 21. Compensation of Directors and Officers

Total gross compensation (including benefits in kind) paid by Vivendi SA in 2014 to members of the Management Board in respect of their corporate office amounted to €4.8 million (compared to €2.3 million in 2013), of which €0.8 million has been recharged to a subsidiary of the Group (compared to no recharge in 2013).

The members of the Management Board paid by Vivendi SA and in office as of December 31, 2014 also benefit from a supplemental pension plan, the cost of which amounted to €1.9 million in 2014 (compared to €0.2 million in 2013).

The aggregate amount of attendance fees paid to members of the Supervisory Board in respect of fiscal year 2014 amounted to €1.1 million. In addition, at its meeting held on April 4 and 5, 2014, the Supervisory Board decided to award additional compensation of €130,000 to members of the *ad hoc* Committee, owing to the workload due to its mandate and the high quality of work they had contributed. The compensation paid to the Chairman of the Supervisory Board in office until June 24, 2014, and the amount paid to a non-voting Director in respect of fiscal year 2014, amounted to €0.3 million and €0.1 million, respectively.

NOTE 22. Management Share Ownership

As of December 31, 2014, members of the Management Board, the Supervisory Board and executive management held directly an aggregate of 0.03% of the share capital of the Company.

NOTE 23. Number of Employees

In 2014, the annual average number of employees, weighted by effective presence, including temporary workers and employees under fixed-term contracts, was 194, compared to 214 in 2013.

The breakdown of employees by category, i.e., 184 employees as of December 31, 2014, compared to 200 employees as of December 31, 2013, is as follows:

	12/31/2014	12/31/2013
Engineers and executives	139	154
Supervisors	22	23
Other employees	23	23
Total	**184**	**200**

NOTE 24. Financial Commitments and Contingent Liabilities

Vivendi SA has entered into various commitments for its own account or the account of its subsidiaries, the main terms of which are set out below.

Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell the following securities:

- on September 18, 2014, pursuant to an agreement entered into with Telefonica, Vivendi committed to sell GVT (see "Significant Events"); and
- the liquidity rights related to Vivendi's interest in Numericable-SFR (see "Significant Events").

Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

- As part of the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively) on July 23, 2012, Vivendi and Canal+ Group gave certain commitments. These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from Studiocanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a five-year period and are renewable once if the French Competition Authority, after having performed a competition analysis, deems it necessary. In addition, on September 18, 2012, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the D8 shares for a minimum period of two and a half years.

  On December 23, 2013, the French Council of State annulled, with a delayed effect as from July 1, 2014, the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), which had been approved on July 23, 2012. On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority. On April 2, 2014, the French Competition Authority reapproved the transaction, subject to compliance with commitments given by Vivendi and Canal+ Group. These commitments are similar to the ones contained in the previous 2012 authorization except for an additional commitment relating to the acquisition of broadcasting rights covering second and third exhibition windows for French films. All commitments are binding for a period of five years starting July 23, 2012. In 2017, the French Competition Authority will have the opportunity to request a renewal of these commitments for the same duration, if deemed necessary, after a new competitive analysis.

- On August 30, 2006, the merger between TPS and the Canal+ Group was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six-years, with the exception of those commitments concerning the availability of channels and VOD, which could not exceed five-years.

  On October 28, 2009, the French Competition Authority opened an enquiry in respect of the implementation of certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS.

  On December 21, 2012, the French Council of State rejected Vivendi and Canal+ Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012. Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million. Under the second motion, the transaction was once again cleared, subject to compliance with 33 injunctions.

  These injunctions are imposed for a period of five-years and are renewable once. At the end of the five-year period, the French Competition Authority will review the competition situation to determine whether the injunctions should be kept in place. If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be lifted or partially or totally revised. An independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012, will be responsible for monitoring the implementation of the injunctions.

- As part of the transaction which occurred in May 2004 resulting in the formation of NBC Universal, Vivendi and General Electric (GE) gave certain reciprocal commitments customary for this type of transaction, and Vivendi retained certain liabilities relating to taxes and excluded assets. Vivendi and GE undertook to indemnify each other against losses resulting from, among other things, any breach of their respective representations, warranties and covenants.

  Neither party will have any indemnification obligations for losses arising as a result of any breach of representations and warranties (i) for any individual item where the loss is less than $10 million and (ii) in respect of each individual item where the loss is equal to or greater than $10 million except where the aggregate amount of all losses exceeds $325 million. In that event, the liable party will be required to pay the amount of losses which exceeds $325 million, but in no event will the aggregate indemnification payable exceed $2,088 million.

In addition, Vivendi will have indemnification obligations for 50% of every US dollar of loss up to $50 million and for all losses in excess of $50 million relating to liabilities arising out of the Most Favored Nation provisions set forth in certain contracts. As part of the unwinding of IACI's interest in VUE on June 7, 2005, Vivendi's commitments with regard to environmental matters were amended and Vivendi's liability is now subject to a *de minimis* exception of $10 million and a payment basket of $325 million.

The representations and warranties given as part of the NBC Universal transaction other than those in respect of authorization, capitalization and tax representations terminated on August 11, 2005. Notices of environmental claims related to remediation had to be brought by May 11, 2014. Other claims, including those related to taxes, will be subject to applicable statutes of limitations.

The sale of Vivendi's interest in NBC Universal to GE completed on January 25, 2011 did not modify these commitments.

- On December 14, 2010, Vivendi, Deutsche Telekom, Mr. Solorz-Zak (Elektrim's main shareholder) and Elektrim's creditors, including the Polish State and Elektrim's bondholders, entered into various agreements to put an end to the litigation surrounding the share capital ownership of Polska Telefonia Cyfrowa (PTC), a mobile telecommunication operator. With respect to these agreements, Vivendi notably entered into the following commitments:
  - Vivendi granted to Deutsche Telekom a guarantee over Carcom that was capped at €600 million, which expired in August 2013,
  - Vivendi committed to compensate the Law Debenture Trust Company (LDTC) against any recourse for damages that could be brought against LDTC in connection with the completed transaction, for an amount up to 18.4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter, and
  - Vivendi committed to compensate Elektrim's administrator for the consequences of any action for damages that may be taken against it, in connection with the decisions that were taken to end certain procedures.
- As part of the sale of 88% of Vivendi's interest in Activision Blizzard, which was completed on October 11, 2013 (the "Closing Date"), Vivendi, ASAC II LP, and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (representations, warranties and covenants). Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments. Such indemnification is unlimited as to time and amount.

  In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co. ("Amber"), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date. Such indemnification is unlimited as to time and amount. Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than $700 million, which represent a potential future tax benefit of approximately $245 million. Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of $200 million limited to taxable years ending on or prior to December 31, 2016.

  On May 22, 2014, in accordance with the agreements entered into on July 25, 2013, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares, representing 5.8% interest in this company. Following this sale, Vivendi owns a residual interest of 41.5 million Activision Blizzard shares, which is subject to a lock-up restriction that expired on January 7, 2015. Since this date, Vivendi is free to sell its remaining Activision Blizzard shares without restriction.

  Activision Blizzard agreed to file a registration statement prior to each sale window to enable Vivendi to sell the Activision Blizzard shares in a public offering.

  Prior to any sale of Activision Blizzard shares by Vivendi in a market offering that occurs prior to the second anniversary of the Closing Date (October 11, 2015), Vivendi must notify Activision Blizzard of its intention to sell the shares and Activision Blizzard may, at its election, offer to purchase some or all of the shares that Vivendi intends to sell in such market offering. Vivendi may accept or decline such offer at its sole discretion.

  ASAC II LP was also subject to a lock-up provision which expired on April 9, 2014.
- Vivendi has agreed to counter-guarantee SFR for any amount that could be claimed by Etisalat or any third party other than Etisalat in relation to the sale of its interest in Maroc Telecom:
  - with respect to the sale agreement entered into with Etisalat, this commitment will expire on the expiry of Etisalat's right to make a claim against Vivendi and SFR, i.e., May 14, 2018, and
  - this commitment, which also covers any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable Group within the applicable statutes of limitations.

  The main terms of the sale were as follows:
  - Vivendi provided certain customary representations and warranties to Etisalat relating to SPT (the holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries. Vivendi also granted a number of specific guarantees,
  - the amount of compensation payable by Vivendi in respect of indemnifiable losses incurred by Maroc Telecom or one of its subsidiaries was determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i.e., 53% for Maroc Telecom),
  - Vivendi's overall obligation to indemnify was capped at 50% of the initial sale price, with such threshold increased to 100% in respect of claims related to SPT,
  - the commitments to indemnify provided by Vivendi, other than those in respect of taxes and SPT, will remain in effect for a 24-month time period following completion of the transaction (May 2016). Claims for tax-related indemnities must be made by January 15, 2018. The indemnity in respect of SPT remains in effect until the end of a four-year period following the closing (May 14, 2018), and
  - to guarantee the payment of any specific indemnity amounts referenced above, Vivendi delivered a bank guarantee with an expiration date of February 15, 2018, to Etisalat in the amount of €247 million. On July 8, 2014, Vivendi received a discharge of this guarantee for the amount of €229 million.
- Sale of SFR: See the key terms of the transaction in "Significant Events".
- In connection with the sale of its 49.9% interest in Sithe to Exelon in December 2000, Vivendi granted certain customary representations and guarantees. Claims, other than those made in relation to foreign subsidiary commitments, are capped at $480 million. In addition, all claims must exceed $15 million, with the exception of

those in relation to foreign subsidiaries or the divestiture of certain electrical stations to Reliant in February 2000. Some environmental commitments remain outstanding and any potential liabilities related to contamination risks will survive for an indefinite period of time.

- Several guarantees given in connection with asset acquisitions or disposals in 2014 and during prior years have expired. However, the time periods or statutes of limitations of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given in connection with the dissolution or winding-up of certain businesses, are still in effect. To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date.

  In addition, Vivendi regularly delivers, at the settlement of disputes and litigations, commitments for damages to third parties, which are typical in such transactions.

Universal Music Group

- As of December 31, 2014, in addition to standard comfort letters, Vivendi provided guarantees of an aggregate value of approximately €5 million to several banks, which granted credit facilities to certain UMG subsidiaries to cover working capital requirements.
- Vivendi provided certain UMG companies with guarantees to cover their third party commitments.

GVT

- Vivendi gave a financial guarantee for an amount of $31 million, which expires on November 18, 2020, in connection with the liquidation of Brazil Holdings, LLC in November 2010.

Vivendi and others

- As of December 31, 2014, Vivendi continued to guarantee commitments given by certain subsidiaries of Veolia Environnement in an aggregate amount of approximately €7 million, the majority in relation to a performance bond given to a local US authority. These guarantees have been counter-guaranteed by Veolia Environnement.
- Vivendi provided counter-guarantees to US financial institutions that issued a certain number of surety bonds in favor of certain US operating subsidiaries for an aggregate amount of €8 million.
- Vivendi has given a certain number of real estate lease commitments for a total net amount of €31 million as of December 31, 2014.
- In connection with the sale, in June 2002, of real estate assets to Nexity, Vivendi granted two autonomous first demand guarantees, one in an amount of €40 million and one in an amount of €110 million, to several subsidiaries of Nexity (SAS Nexim 1 to 6). These guarantees expire on June 30, 2017. As of December 31, 2014, €1.8 million had been called under these guarantees.
- In January 2013, Vivendi gave a financial guarantee in favor of Mediacom for an amount of €3 million, on behalf of Watchever GmbH. This guarantee expires on January, 19, 2018.
- In December 2014, Vivendi gave a financial guarantee in favor of CBS International for an amount of €3 million, on behalf of Watchever GmbH. This guarantee expires on March, 17, 2016.
- In connection with the reorganization of the USH English pension plan for certain current and former employees based in the United Kingdom, and the transfer of pension commitments under this plan to Metlife, Vivendi SA guaranteed on behalf of Centenary Holding Limited, its subsidiary, the liabilities under the plan for an estimated amount of £7 million as of December 31, 2014, which does not represent an additional financial commitment for the Group.

Shareholders' agreements

- Under existing shareholders' or investors' agreements, Vivendi holds certain rights (such as pre-emptive rights and priority rights) that give it control over the capital structure of consolidated companies that are partially owned by minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

  In addition, in compliance with Article L.225-100-3 of the French Commercial Code, it is stated that some rights and obligations of Vivendi resulting from Shareholders' agreements (nc+) may be amended or terminated in the event of a change in control of Vivendi or a tender offer for Vivendi being made. These Shareholders' agreements are subject to confidentiality provisions.

  The main terms of the Shareholders' agreement between Altice and Vivendi resulting from Vivendi's 20% interest in Numericable-SFR are described in "Significant Events".

Financial covenants

- Vivendi is subject to certain financial covenants:
  - the €2.0 billion bank credit facility set up on November 27, 2014 contains customary provisions relating to events of default and covenants in relation to negative pledge, divestiture and merger transactions. In addition, at the end of each half-year, Vivendi SA is required to comply with a specific ratio, based on consolidated data, for the duration of the facilities. Non-compliance with this ratio could result in the early repayment or cancellation of such facilities. On December 31, 2014, Vivendi SA was in compliance with this ratio,
  - the renewal of the credit facility when drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its covenants under the loan agreement,
  - bonds issued by Vivendi SA (totaling €1,950 million as of December 31, 2014) contain customary provisions related to events of default, negative pledge and rights of payment (*pari-passu* ranking) as well as a change in control trigger if the corporate long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-) as a result of such an event.

NOTE 25. Litigation

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

The costs which may result from these proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings.

To the Company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature, including, to the Company's knowledge, any pending or threatened proceedings in which it is a defendant, which may have or have had in the previous twelve months a significant impact on the Company's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of February 11, 2015, the date of the Management Board Meeting held to approve Vivendi's financial statements for the year ended December 31, 2014.

Securities class action in the United States

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

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v. National Australia Bank case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007.

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi will then have the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment.

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal will be heard together with Vivendi's appeal in the Liberty Media case.

Vivendi believes that it has solid grounds for an appeal. Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial. Several aspects of the verdict will also be challenged.

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in described in Note 1.7, Accounting Rules and Methods, Provisions, Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate. As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Exchange Act of 1934 and breached certain contractual representations and warranties. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial.

On January 9, 2013, the Court confirmed the jury's verdict. It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills. On January 17, 2013, the Court entered a final judgment in the total amount of €944.8 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013.

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action. Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015; these two cases will be heard together by the Court of Appeals.

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2014, the provision in the amount of €944.8 million recorded as of December 31, 2012.

Trial of Vivendi's former officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the Company of its own shares between September 1, 2001 and December 31, 2001. Vivendi joined the proceedings as a civil party.

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris), following which the Public Prosecutor asked the Court to drop the charges against the defendants. On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi Officers as well as some civil parties appealed the decision. The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal. The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr. Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr. Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr. Edgar Bronfman Jr. for insider trading. On May 19, 2014, the Paris Court of Appeal rendered its judgment. Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense. The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine. The Court also upheld the convictions against Messrs. Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2.5 million is suspended), respectively. Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action"). With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders. An appeal has been filed with the French Supreme Court (Cour de Cassation) by certain of the defendants and some civil parties.

LBBW et al. against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Subsequently on April 5 and on April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

California State Teachers Retirement System et al. against Vivendi and Jean-Marie Messier

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former Chief Executive Officer, between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities.

Actions against Activision Blizzard, Inc., its Board of Directors and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc. ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi. The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company. The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi.

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia.

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. The case will proceed on the merits.

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled. *In Re Activision Blizzard Inc Securities Litigation*.

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston. This action was consolidated into the *In Re Activision Blizzard Inc. Securities Litigation* proceeding currently underway.

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute. On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced. The Court is expected to approve the settlement agreement at an upcoming hearing.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first ruling. On November 27, 2008, Unibail appealed against this decision. On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing will take place on April 2, 2015.

Action brought by the French Competition Authority regarding Practices in the Pay-TV Sector

On January 9, 2009, further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ Group a notification of allegations. It alleges that Canal+ Group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ Group colluded with TF1 and M6, on the one hand, and with Lagardère, on the other. Vivendi and Canal+ Group have each denied these allegations.

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ Group. The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Canal+ Group's exclusive distribution rights on channels broadcast by the Group and by independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV. On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case.

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*). The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4.7 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT. At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba. This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal.

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT. The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware. Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica. On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo.

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side. Pending the conclusion of this settlement transaction (which is to be signed on the day of the closing of the sale of GVT), the case has been suspended.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds filed a complaint for damages against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange). According to Dynamo, a former shareholder of GVT that sold the vast majority of its stake in the company before November 13, 2009 (the date on which Vivendi took control of GVT), the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber should be scheduled shortly. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. This was rejected on November 7, 2013 as the Court found that only the arbitral tribunal could make such an application. On December 17, 2014, the Rio de Janeiro Court of Appeal overturned the lower court's decision and authorized the provision of the abovementioned information solely to the arbitral tribunal, denying Dynamo access to the information.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Arbitration Chamber of the Bovespa (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica.

NOTE 26. Instruments Used to Manage Borrowings

Vivendi manages its financial liquidity, interest rate and foreign currency exchange rate risks centrally. Vivendi's Financing and Treasury Department conducts these operations, reporting directly to the Chief Financial Officer of Vivendi, who is also a member of the Management Board. The Financing and Treasury Department has the necessary expertise, resources (in particular, technical resources) and information systems for this purpose.

Vivendi uses various derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates and foreign currency exchange rates. All instruments are traded over-the-counter with highly-rated counterparties.

The majority of Group financing is secured directly by Vivendi SA, which provides financing to its subsidiaries as and when necessary.

As of December 31, 2014, Vivendi SA's open swaps, which qualify for hedge accounting, totaled €3.1 billion and can be summarized as follows:

- €450 million of fixed-rate payer swaps, issued in 2012 with a maturity date of 2017;
- €450 million of fixed-rate receiver swaps, issued in 2010 with a maturity date of 2017; and
- €1,000 million of fixed-rate receiver swaps, issued in 2011 with a maturity date of 2016.

Instruments held by Vivendi SA to hedge borrowings are broken-down as follows:

Vivendi SA External Hedging Arrangements (in millions of euros)	12/31/14	Maturing within < 1 year	Maturing within 1 to 5 years	Maturing within > 5 years	Counterparty
Fixed-rate receiver swaps	1,450		1,450		Banks
Fixed-rate payer swaps	450		450		Banks
Total	**1,000**	**0**	**1,000**	**0**	

As of December 31, 2014, there was no interest rate internal hedging between Vivendi SA and its subsidiaries.

NOTE 27. Foreign Currency Risk Management

Vivendi's foreign currency risk management seeks to hedge highly probable budget exposures, resulting primarily from monetary flows generated by operations performed in currencies other than the euro, and from firm commitment contracts, essentially in relation to the acquisition by subsidiaries of editorial content including sports, audiovisual and film rights, realized in foreign currencies. It should be noted that:

- Vivendi SA is the sole counterparty for foreign currency transactions within the Group, unless specific regulatory or operational restrictions require otherwise; and
- all identified exposures are hedged at a minimum of 80% for exposures related to forecasted transactions, and 100% for firm commitment contracts.

In addition, Vivendi may also hedge foreign currency exposure resulting from foreign currency-denominated financial assets and liabilities by entering into currency swaps and forward contracts, enabling the refinancing or investment of cash balances in euros or other local currencies, and use monetary or derivative instruments, if applicable, to manage its foreign currency exposure to inter-company current accounts denominated in foreign currencies (which qualify for hedge accounting pursuant to the French PCG).

The table below shows the notional amount of currency to be delivered or received under currency instruments (currency swaps and forward contracts). Positive amounts indicate currency receivable and negative amounts currency deliverable.

	December 31, 2014				
(in millions of euros)	EUR	GBP	PLN	USD	Other currencies
Sales against the euro	1,176	(1,061)		(52)	(63)
Sales against other currencies		3		56	(59)
Purchases against the euro	(1,908)	1,020	51	717	120
Purchases against other currencies	57	(3)	(56)	3	(1)
	(675)	**(41)**	**(5)**	**724**	**(3)**

NOTE 28. Fair Value of Derivative Instruments

As of December 31, 2014, the market values of derivative instrument portfolios classified as interest rate and currency hedges, pursuant to Article 224 of the 2014-03 French General Accounting Code, were €63.0 million and €39.1 million, respectively (theoretical cost of unwinding). As of December 31, 2013, the fair values of these hedging portfolios were €81.1 million and €5.7 million, respectively.

As of December 31, 2014, aggregate derivative financial instruments, which did not qualify for hedge accounting, totaled -€16.7 million (theoretical cost of unwinding) compared to -€7.6 million as of December 31, 2013.

	As of December 31, 2014		As of December 31, 2013	
	Derivative financial instruments		Derivative financial instruments	
(in millions of euros)	qualifying for hedge accounting	not qualifying for hedge accounting	qualifying for hedge accounting	not qualifying for hedge accounting
Interest rate risk management	**63.0**	**0.0**	**81.1**	**0.0**
fixed-rate payer swaps	(12.0)	-	(7.4)	-
floating-rate payer swaps	75.0	-	88.5	-
Foreign currency risk management	**39.1**	**(16.7)**	**5.7**	**(7.6)**

NOTE 29. Subsequent Events

Between December 31, 2014 and February 11, 2015, the date on which the 2014 statutory financial statements were approved by the Management Board, no significant events occurred.

4. Subsidiaries and Affiliates

(in millions of euros, unless otherwise stated)	Share capital	Equity excl. share capital (a)	% share capital held	Book value of investments		Outstanding loans and advances (b) granted by Vivendi	Guarantees and endorsements granted by Vivendi	2013 Revenues	2014 Revenues	2013 Earnings	2014 Earnings	Dividends received by Vivendi during 2014	Comments
				Gross	Net								
Universal Music Group Inc. (c) 2220 Colorado Avenue Santa Monica California 90404 U.S.A.	0.0 million dollars	(107.0) million dollars	100.00	2,735.1	2,735.1	-	-	- million dollars	- million dollars	(34.0) million dollars	(67.1) million dollars	-	
SIG 104 (d) 59 bis, avenue Hoche 75008 Paris	6,146.0	na	100.00	6,146.0	6,146.0	-	-	-	-	12.8	na	-	
Groupe Canal+ SA (e) 1, place du Spectacle 92130 Issy les Moulineaux	100.0	2,129.2	99.99	5,198.1	4,158.1	1,432.7	1.7	1,973.7	1,808.9	911.3	454.3	-	-
SIG 108 (f) 59 bis, avenue Hoche 75008 Paris	2,984.6	0.0	100.00	2,984.6	2,984.6	-	-	-	-	-	-	-	
SIG 109 59 bis, avenue Hoche 75008 Paris	1,005.2	14.7	100.00	1,005.2	1,005.2	91.5	-	-	-	6.6	7.4	-	-
Société Nouvelle d'Études et de Gestion (SNEGE) 59 bis, avenue Hoche 75008 Paris	210.0	(114.0)	100.00	205.6	119.6	31.0	-	-	-	(0.9)	(115.9)	-	-
Elektrim Telekomunikacja Rynkowa 22 08-110 Siedlce Poland	10,008.1 million zlotys	(g) (15,527.0) million zlotys	100.00	207.1	0.0	1,370.4	-	-	-	(294.6) million zlotys	na million zlotys	-	Impairment of advances 1,370.4
NUMERICABLE-SFR Tour Ariane 5, place de la Pyramide 92088 Paris-La Défense	486.9	na	20.00	3,244.5	3,244.5	-	-	na	na	na	na		
Activision Blizzard 53100 Ocean Park Bld Santa Monica California 90405 U.S.A.	0.0 million dollars	7,233.0 million dollars	5.75	417.1	417.1	-	-	4,583.0 million dollars	4,408 million dollars	1,010.0 million dollars	835.0 million dollars	11.4	-
Other subsidiaries and Affiliates (Global Information)	-	-	-	139.7	55.8	531.9	-	-	-	-	-	0.7	Impairment of advances 243.9
TOTAL	**-**	**-**	**-**	**22,283.0**	**20,866.0**	**3,457.5**	**1.7**	**-**	**-**	**-**	**-**	**12.1**	

(a) Includes earnings of the year.
(b) Includes current accounts advances, excluding accrued interest.
(c) UMG Inc. holding UMG's entities in the United States, Canada and Mexico.
(d) Company holding UMG's entities apart from United States, Canada and Mexico (entities held by UMG Inc.).
(e) The entity holding of the Canal+ Group.
(f) Company holding Group's Brazilian assets.
(g) For information as of December 31, 2013.

5. Maturity of Trade Accounts Payable

As of December 31, 2014, pursuant to Article L.441-6-1 of the French Commercial Code, the trade accounts payable balance of €2.9 million (compared to €0.1 million at year-end 2012) by maturity, is broken down as follows:

- payment within 30 days: €2.9 million (compared to €0.1 million at year-end 2013); and
- payment between 30 to 60 days: €0.0 million (compared to €0.0 million at year-end 2013).

6. Financial Results of the Last Five Years

(in millions of euros)	2014	2013	2012	2011	2010
Share capital at the end of the year					
Share capital	7,433.8	7,367.8	7,281.8	6,859.9	6,805.4
Number of shares outstanding	(a) 1,351,600,638	1,339,609,931	1,323,962,416	1,247,263,060	1,237,337,108
Potential number of shares created by					
Exercise of stock subscription options	42,722,348	52,835,330	53,405,701	49,907,071	48,921,919
Grant of bonus shares or performance shares	(b) 0	(b) 663,050	(b) 696,700	2,960,562	1,826,639
Results of operations					
Revenues	58.3	94.6	116.0	100.3	92.0
Earnings/(loss) before tax, depreciation, amortization and provisions	(8,023.4)	512.7	734.4	(1,030.0)	(506.7)
Income tax expense/(credit)	(c) (202.0)	(c) (387.1)	(c) (955.7)	(c) (418.5)	(c) (658.9)
Earnings/(loss) after tax, depreciation, amortization and provisions	2,914.9	(4,857.6)	(6,045.0)	1,488.4	2,276.7
Earnings distributed	(g) 1,351.6	- (f)	(d) 1,324.9	(d) 1,245.3	(d) 1,730.7
Per share data (in euros)					
Earnings/(loss) after tax but before depreciation, amortization and provisions	(e) (5.79)	0.67	1.28	(0.49)	0.12
Earnings/(loss) after tax, depreciation, amortization and provisions	(e) 2.16	(3.63)	(4.57)	1.19	1.84
Dividend per share	(g) 1.00	- (f)	(d) 1.00	(d) 1.00	(d) 1.40
Employees					
Number of employees (annual average)	194	214	222	219	214
Payroll	58.1	36.8	41.3	35.7	36.4
Employee benefits (social security contributions, social works, etc.)	20.4	18.6	18.4	16.0	16.2

(a) Includes account movements up to December 31, 2014: issuance of (i) 727,118 shares in respect of Group Savings Plans (see (b) below); and (ii) 11,263,589 shares following the exercise of stock subscription options by beneficiaries.

(b) Grant of 50 bonus shares to each employee of the Group's French entities on July 16, 2014.

(c) This negative amount represents the income generated pursuant to the Consolidated Global Profit Tax System under Article 209 *quinquies* of the General Tax Code plus the tax saving recorded by the tax group headed by Vivendi.

(d) Based on the number of shares entitled to dividends as of January 1, after deduction of treasury shares at the dividend payment date.

(e) Based on the number of shares at year-end (see (a) above).

(f) On June 30, 2014, Vivendi SA paid an ordinary distribution of €1 per share, from additional paid-in capital for an aggregate amount of €1,347.7 million considered as a return of capital.

(g) This dividend corresponds to the €1 euro per share that will be proposed at the General Shareholders' Meeting to be held on April 17, 2015. It is calculated based on the number of shares outstanding on December 31, 2014 and will be adjusted to reflect the actual number shares entitled to the dividend on the ex-dividend date.

7. Statutory Auditors' Report on Related Party Agreements and Commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R.225-58 of the French commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R.225-58 of the French commercial code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the Annual Shareholders' Meeting

Agreements and commitments authorized during the year

In accordance with article L.225-88 of the French commercial Code (*Code de commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board.

Counter-guarantee related to Maroc Telecom between Vivendi and SFR

Members of the Management concerned: Hervé Philippe, Pierre Rodocanachi and Stéphane Roussel

At its meeting of November 14, 2014, your Supervisory Board authorized your Management Board to enable Vivendi to counter-guarantee SFR for guarantees granted jointly by SFR and Vivendi to Etisalat as part of the disposal of Maroc Telecom. This commitment is capped at the selling price of Maroc Telecom (€4,187 million) and will expire on May 14, 2018.

Agreements and commitments authorized subsequently to the closing of the financial statements

We have been advised of the following related party agreements and commitments, implemented subsequently to the closing of the financial statements, which received prior authorization from your Supervisory Board.

Offers of Altice and Numericable-SFR to purchase the 20% stake in Numericable-SFR

Persons concerned: Vivendi, Compagnie Financière du 42 avenue de Friedland represented by Stéphane Roussel

At its meeting of February 27, 2015, your Supervisory Board, after having examined offers terms from Altice and from Numericable-SFR to purchase 20% stake in Numericable-SFR held by Vivendi, authorized the Management Board to accept them with the following conditions:

- share repurchase agreement by Numericable-SFR of 10% of its own shares at a price of 40 euros per share, or €1,948 million in the aggregate. The cash payment would occur five working days after the Numericable-SFR Shareholders' Meeting subject to the approval of (i) the Share Repurchase Program and (ii) the authorization given to the Board to ratify the Share repurchase agreement;
- share purchase agreement with Altice France SA of 10% stake in Numericable-SFR at a price of 40 euros per share or €1,948 million in the aggregate. The payment would occur no later than April 7, 2016 with a possibility of advance payment of the full amount and a first demand bank guarantee has been issued.

The Share repurchase agreement and the Share purchase agreement have been signed on February 27, 2015, respectively with Numericable-SFR and with Altice France SA.

Conditional severance payment to the Chairman of the Management Board upon termination of employment at the initiative of the Company

Member of the Management concerned: Arnaud de Puyfontaine

At its meeting of February 27, 2015, your Supervisory Board, after noting that Mr. Arnaud de Puyfontaine no longer benefited from his employment contract which was waived following his appointment as Chairman of the Management Board on June 24, 2014, or any possibility of compensation in the event of its termination at the initiative of the Company decided, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee and in accordance with the provisions of Article L.225-90-1 of the French Commercial Code (*Code de Commerce*), that in the event of the termination of his employment at the initiative of the Company, he would be entitled, except in the case of gross negligence, to compensation, subject to performance conditions.

This severance compensation would be capped at a gross amount equal to eighteen months of target compensation (based on the amount of his last fixed compensation and his latest annual bonus earned over a full year).

If the bonus paid during the reference period (the twelve-month period preceding notification of departure) was higher than the target bonus, the calculation of compensation will only take into account the amount of the target bonus. If the bonus paid was lower than the target bonus, the amount of compensation will in any event be capped at two years' of net take-home pay, and may not result in the payment of more than eighteen months of target income.

This compensation would not be payable if the Group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget over the two years prior to departure and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX® Media (50%)) over the last twenty-four months.

The Supervisory Board also decided that in the event of Mr. de Puyfontaine's departure under the conditions set forth above (entitling him to compensation), all rights to performance shares not yet acquired by him on the date of his departure would be maintained, subject to the satisfaction of the related performance conditions.

This severance payment would not be payable in the event of resignation or retirement.

Agreements and commitments already approved by the Annual Shareholders' Meeting

Agreements and commitments approved in prior years

In accordance with article R.225-57 of the French commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the annual shareholders' meeting in prior years continued during the year.

Agreement on the additional retirement benefits

Members of the Management concerned: Jean-François Dubos (Chairman of the Management Board until June 24, 2014), Jean-Yves Charlier (Member of the Management Board until June 24, 2014), Arnaud de Puyfontaine (Chairman of the Management Board since June 24, 2014) Hervé Philippe (Member of the Management Board since June 24, 2014) and Stéphane Roussel (Member of the Management Board since June 24, 2014)

Your Supervisory Board authorized the implementation of an additional pension plan for senior executives, including the actual members of the Management Board holding an employment contract with your company, governed by French law.

The main terms and conditions of the additional pension plan are as follows: a minimum of three years in office, progressive acquisition of rights according to seniority (over a period of twenty years); a reference salary for the calculation of the pension equal to the average of the last three years; dual upper limit; reference salary capped at 60 times the social security limit, acquisition of rights limited to 30% of the reference salary; application of the Fillon Act: rights maintained in the event of retirement at the initiative of the employer after the age of 55; and payment of 60% in the event of the beneficiary's death. The benefits are lost in the event of a departure from the company, for any reason, before the age of 55.

Mr. Jean-François Dubos exercised his rights to retirement on June 30, 2014. The annual retirement pension related to the supplemental pension plan amounts to 411,611 euros. This amount represents 20.79% of Jean-François Dubos last target compensation and 30% of its reference salary. This amount, paid by the life insurance company appointed by Vivendi SA for the management of the supplemental pension plan, is deducted from associated plan assets managed by the life insurance company.

Mr. Jean-Yves Charlier lost the benefit of the additional pension plan.

Mr. Arnaud de Puyfontaine, Chairman of the Management Board, who waived his employment contract, is eligible to the additional pension plan.

The provision recorded in the 2014 financial statements for the additional retirement benefits of the members of the Management Board in office as at December 31, 2014, amounts to 1,876 thousand euros.

Agreements and commitments approved over the past year

In addition, we have been advised of the implementation of the following agreements and commitments which were already approved by the annual shareholders' meeting on June 24, 2014, based upon Statutory Auditors' Report on related party Agreements and Commitments dated April 11, 2014.

Assistance agreement between Vivendi SA and SFR

Members of the Management concerned: Jean-René Fourtou (Chairman of the Supervisory Board until June 24, 2014), Jean-François Dubos (Chairman of the Management Board until June 24, 2014), Jean-Yves Charlier (Member of the Management Board until June 24, 2014), Hervé Philippe, and Pierre Rodocanachi

At its meeting of February 21, 2014, your Supervisory Board authorized, subsequently to its implementation, an amendment to the assistance agreement dated from 2003 between Vivendi SA and SFR.

This amendment, effective from January 1, 2013, consisted of changing the amount charged based on 0.1% of the consolidated revenue of SFR (excluding Maroc Telecom and revenue derived from equipment sales) against 0.2% formerly, to determine the amount of services provided by Vivendi.

This agreement terminated on November 27, 2014, at the date of the disposal of SFR to Numericable Group.

The revenue recorded in the financial statements at 31 December 2014 by your company for such services amounted to €8.4 million.

Paris-La Défense, March 12, 2015

The Statutory Auditors

French original signed by

KPMG Audit	ERNST & YOUNG et Autres
KPMG SA Department	
Baudouin Griton *Partner*	Jean-Yves Jégourel *Partner*

Recent events | Outlook

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SECTION 1 Recent events

Significant events that occurred between December 31, 2014 and the date of filing of the *Document de référence* (the French version of this Annual Report) with the AMF (the French stock exchange regulatory authority) are described in the following chapters of this report:

- Chapter 1: "Group's profile", "Activities", and "Litigations"; and
- Chapter 4: "Annual Financial Report" and "Consolidated Financial Statements for the year ended December 31, 2014", as approved by the Management Board of Vivendi on February 11, 2015.

Since February 11, 2015, the main events are as follows:

- on February 27, 2015, Canal+ Group has confirmed that it received offers for the sale of its TVN interest in Poland and that it could quickly enter into exclusive negotiations with one of the companies that submitted an offer;
- on February 27, 2015, after review by its Management Board, Vivendi's Supervisory Board unanimously decided to accept the offer of Numericable-SFR and Altice France received on February 17, 2015, to purchase the Numericable-SFR shares held by Vivendi, which represent 20% of the share capital of Numericable-SFR.

  This transaction enables to complete the divestment of SFR under financial conditions that result in it receiving, with respect to these shares, a premium of 20% over the closing price for the shares on November 27, 2014, the date of the completed SFR' sale. The low level of liquidity in the Numericable-SFR shares would make a future exit under optimal conditions uncertain.

  In total, Vivendi will have received €17 billion in line with the valuation projected by Vivendi in April.

The main elements of the share repurchase agreement and the share purchase agreement are described below:

	Share Repurchase Agreement	Share Purchase Agreement
Party	Numericable-SFR	Altice France SA
Transaction	Purchase by Numericable-SFR of 10% of its own shares (48,693,922 shares)	Purchase by Altice France SA of a 10% stake in Numericable-SFR (48,693,923 shares)
Price	€40 per share, or €1,947,756,880 in the aggregate	€40 per share, or €1,947,756,920 in the aggregate
Payment terms	Cash on closing date	▪ No later than April 7, 2016 with the possibility of advance payment of the full amount ▪ Amount owed to Vivendi bears interest at 3.80% per year ▪ First demand bank guarantee issued by two leading banks
Closing Date	5 working days after the Numericable-SFR Shareholders' Meeting which must approve, no later than April 30, 2015, the Share Repurchase Program	Date of closing of the Share Repurchase transaction
Conditions	Approval by the Numericable-SFR Shareholders of resolutions (i) authorizing the Share Repurchase Program, and (ii) ratifying the authorization given to the Board to ratify the Share Repurchase Program. Altice France committed to ensure that these conditions are met.	Completion of the Share Repurchase transaction

The completion of these transactions will terminate: (i) previous agreements, including Vivendi's right to a potential earn-out of €750 million if Numericable-SFR EBITDA less Capex is at least €2 billion in any given fiscal year through December 31, 2024, as well as the Shareholders Agreement which notably included a non-compete clause relating to Canal+ Group in certain sectors and territories, and (ii) the discussions on the adjustment to the sale price for SFR based on its level of debt as of the date of its sale, which would result in the payment by Vivendi of €116 million.

In addition, Vivendi has been informed that the tax authorities are challenging the merger of SFR and Vivendi Telecom International (VTI) which occurred in December 2011 and, consequently, they intend to contest the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011. The tax authorities plan to require the separation of SFR from Vivendi's tax group for that fiscal year and will make a claim against SFR for a total of €1,374 million, representing a principal tax amount of €711 million plus interest and penalties of €663 million.

As part of the agreements entered into on February 27, 2015 among Vivendi, Altice France and Numericable-SFR, Vivendi agreed to return to SFR, if appropriate, taxes and contributions that could be borne by SFR for fiscal year 2011 and that SFR would have already paid at that time to Vivendi up to €711 million (including €154 million corresponding to the use by SFR of VTI tax losses in 2011 or 2012) covering the entire period of inclusion of SFR within the Vivendi tax group, if the merger of SFR and VTI in 2011 were to be ultimately invalidated for tax purposes. Vivendi and Altice France/ Numericable-SFR agreed to cooperate in order to challenge the position of the tax authorities.

Vivendi Management believes that it has solid legal grounds on which to defend the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011 or, failing that, its consolidation as part of application of the Consolidated Global Profit Tax System in respect of that fiscal year. Therefore Vivendi believes that the agreement entered into on February 27, 2015 between Vivendi and Altice France/Numericable-SFR should not have a materially adverse impact on the financial position or liquidity of the company.

In the event that the two transactions (the share repurchase and the share purchase) are not consummated for reasons other than administrative or judicial or for reasons attributable to Vivendi, Altice SA has agreed to pay to Vivendi €120 million if Vivendi decides not to pursue further execution of the agreements.

SECTION 2 Outlook

2015 outlook of the group, as published on February 27, 2015, are described in Chapter 4, of the 2014 Financial Report, under Section 2.3.

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Responsibility for Auditing the Financial Statements

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SECTION 1 Responsibility for Auditing the Financial Statements

1.1. Statutory Auditors

Ernst & Young et Autres

Tour First – TS14444
1/2, place des Saisons
92037 Paris-La Défense Cedex.

Appointed at the Shareholders' Meeting held on June 15, 2000.

Represented by Mr. Jean-Yves Jégourel.

Most recent reappointment: Ordinary General Shareholders' Meeting held on April 19, 2012, for a term of six fiscal years, which expires at the close of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2017.

KPMG Audit

1, cours Valmy
92923 Paris-La Défense Cedex.

Appointed at the Shareholders' Meeting held on June 15, 1993.

Represented by Mr. Baudouin Griton.

Most recent reappointment: Combined Shareholders' Meeting held on April 21, 2011, for a term of six fiscal years, which expires at the end of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2016.

1.2. Alternate Statutory Auditors

Société Auditex

Tour First – TS14444
1/2, place des Saisons
92037 Paris-La Défense Cedex.

Appointed at the Shareholders' Meeting held on April 20, 2006.

Most recent reappointment: Ordinary General Shareholders' Meeting held on April 19, 2012, for a term of six fiscal years, which expires at the close of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2017.

KPMG Audit IS SAS

Immeuble Le Palatin
3, cours du Triangle
92939 Paris-La Défense Cedex.

Appointed at the Shareholders' Meeting held on April 21, 2011, for a term of six fiscal years, which expires at the end of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2016.

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Design & published
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