

**vivendi**

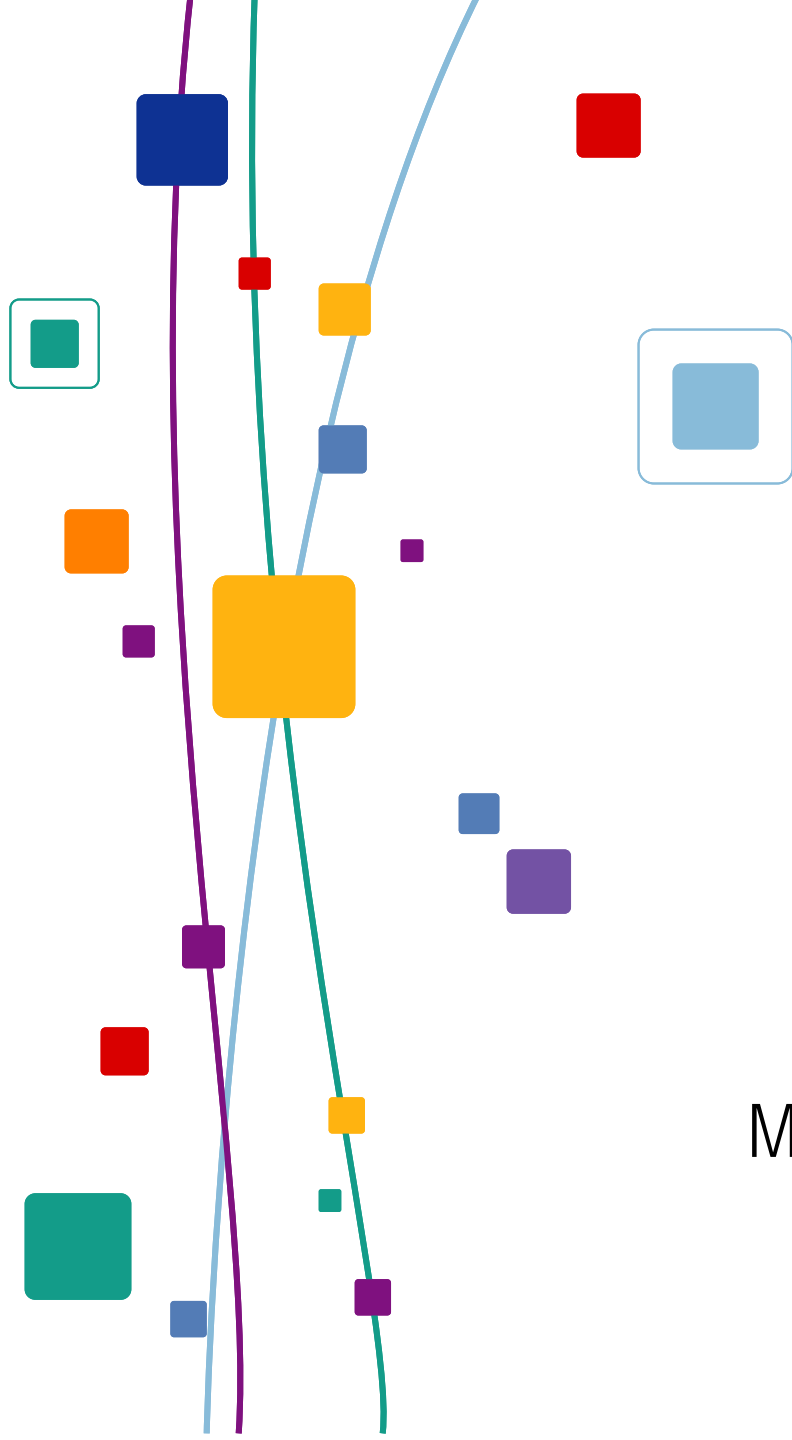
Assemblée générale mixte  
21 avril 2011



## Les plus belles émotions du numérique

VIVENDI, LES MEILLEURS CONTENUS, LES MEILLEURES PLATEFORMES, LES MEILLEURS RÉSEAUX :

- N°1 MONDIAL DES JEUX VIDÉO
- N°1 MONDIAL DE LA MUSIQUE
- N°1 FRANÇAIS DES TÉLÉCOMS ALTERNATIFS
- N°1 MAROCAIN DES TÉLÉCOMS
- N°1 BRÉSILIEN DES TÉLÉCOMS ALTERNATIFS
- N°1 FRANÇAIS DE LA TÉLÉVISION PAYANTE



**vivendi**

General Meeting  
2010 Performance

Philippe Capron  
Member of the Management Board &  
Group Chief Financial Officer



## 2010 Highlights

- Growth in all financial indicators
- Dividend maintained at a high level
- Significant reduction in net debt



## Growing 2010 results in a challenging environment

■ Revenues:	€ 28, 878 M	+ 6,4 %
■ EBITA:	€ 5, 726 M	+ 6,2 %
■ Adjusted Net Income :	€ 2, 698 M	+ 4,4 %
■ Proposed total dividends :	€ 1, 732 M	
<hr/>		
■ CFFO before capex :	€ 8, 569 M	+ 9,9 %
■ CFFO excluding acquisition of 3G spectrum by SFR* :	€ 5, 512 M	+ 5,3 %
■ Net debt :	€ 8, 1 BN	end 2010
■ Adjusted net debt: including cash received in January 2011 for NBCU and PTC	€ 3, 9 BN	end 2010

\* €300m investment in Q2 2010

## Strategic decisions in video games and in Brazil are driving group EBITA growth

*In euro millions – IFRS*

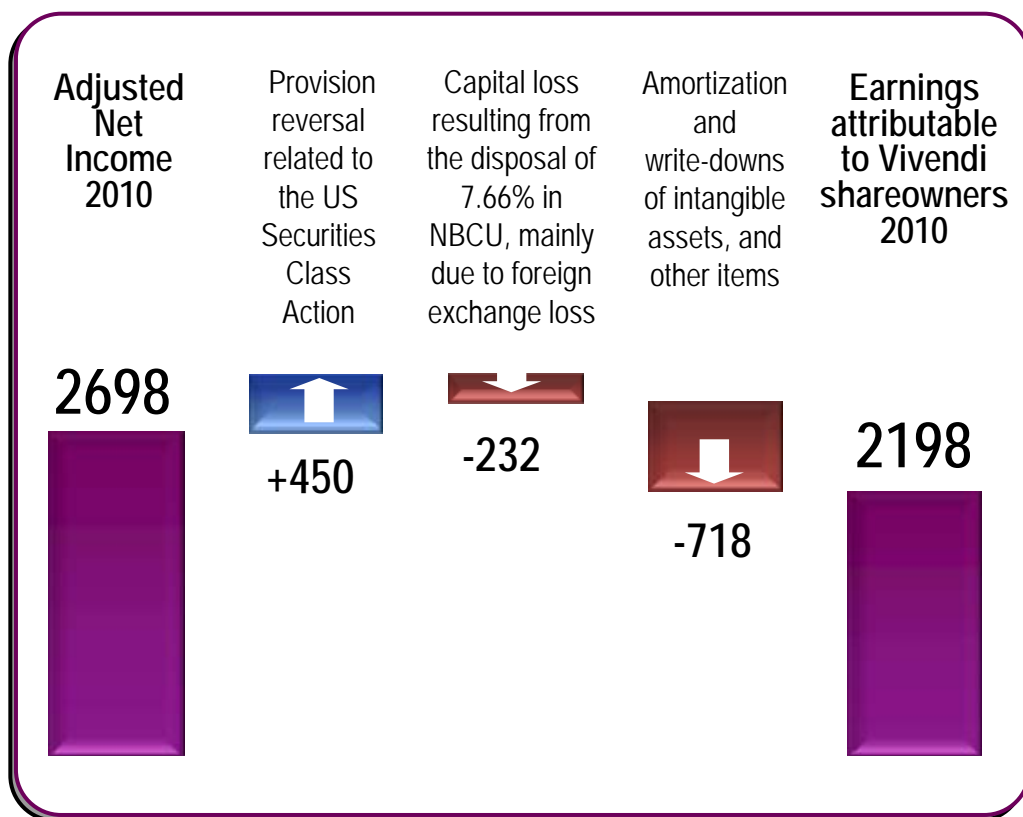
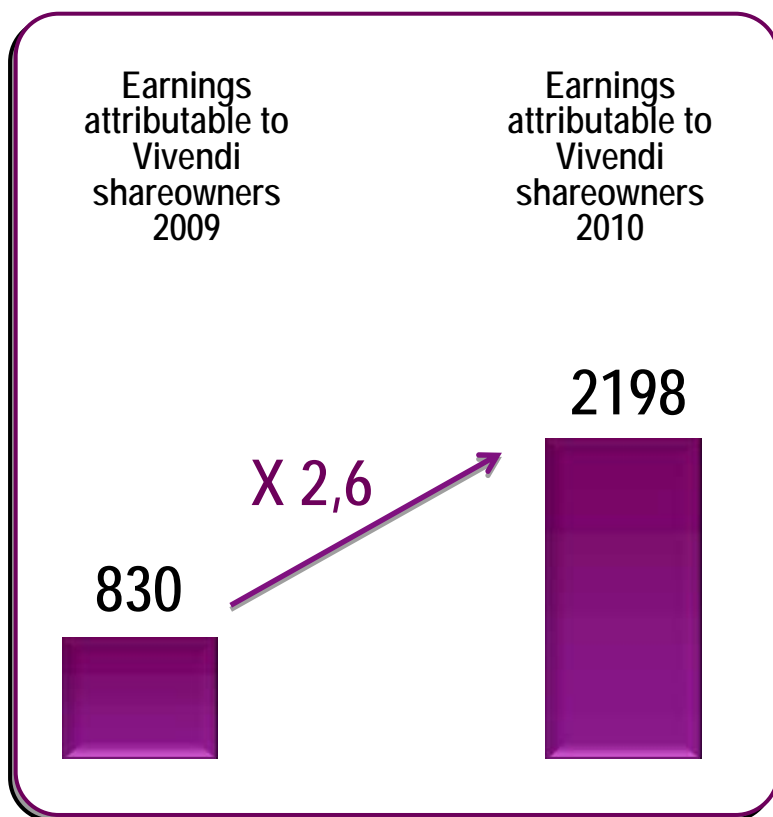
	2009	2010
Activision Blizzard	484	692
Universal Music Group	580	471
SFR	2,530	2,472
Maroc Telecom Group	1,244	1,284
GVT	20	277
Canal+ Group	652	690
Holding & Corporate / Others	(120)*	(160)
<b>Total Adjusted Net Income</b>	<b>5,390</b>	<b>5,726</b>

Including the consolidation of Sotelma (Mali) in Maroc Telecom Group since August 1, 2009 and of GVT since November 13, 2009.

\* Including €40m real estate capital gain

# Earnings attributable to Vivendi shareowners include non cash items 2010 earnings are almost 3 times as high as 2009

*In million euros - IFRS*





## Each business generates growing cash flows...

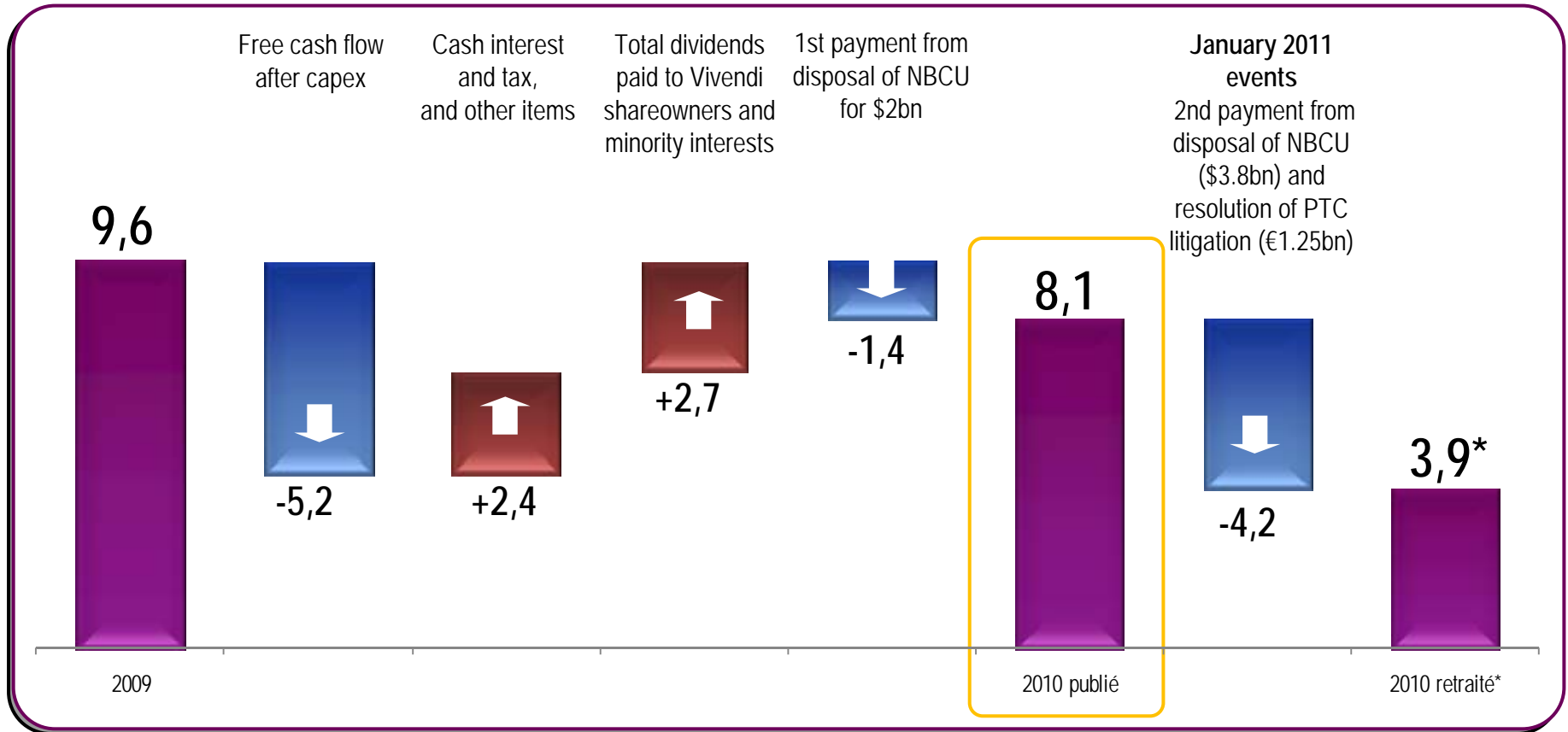
*In euro millions – IFRS*

	2009	2010
Activision Blizzard	1,043	1,248
Universal Music Group	329	508
SFR	3,966	3,952
Maroc Telecom Group	1,659	1,706
GVT	65	413
Canal+ Group	559	639
Dividends from NBC Universal	306	233
Holding & Corporate / Others	(128)	(130)
<b>Total CFFO before capex</b>	<b>7,799</b>	<b>8,569</b>



## ... And leads to a reduction in group's net debt

Net debt, in billion euros (IFRS)



\* Adjusted net debt at the end of December 31, 2010, including cash received in January 2011 with respect to NBC Universal (€2.9bn) and PTC (€1.25bn)

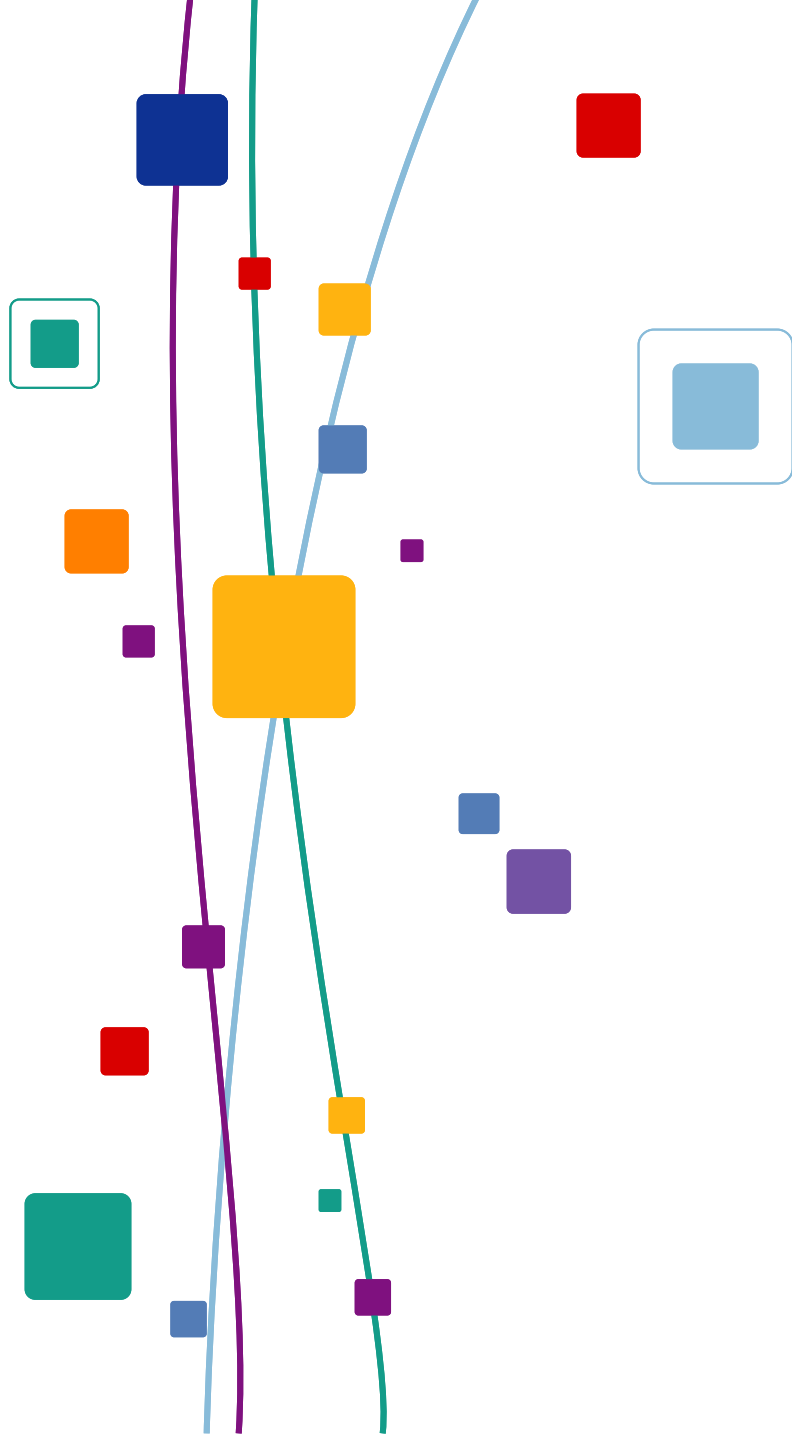


## Vivendi's financial situation remains very solid

- Our favorable financial situation allows us to fund the acquisition of Vodafone's 44% stake in SFR in good conditions :
  - €3.4 billion cash at hand at Vivendi SA\*
  - €5.7 billion of available credit lines at Vivendi SA\*
  - BBB credit rating maintained after the announcement of the acquisition\*\*
  - Strong support from banks and bond market
  
- This acquisition will have a very positive impact on Adjusted Net Income in 2011 and beyond, and opens the way to an increase in dividends

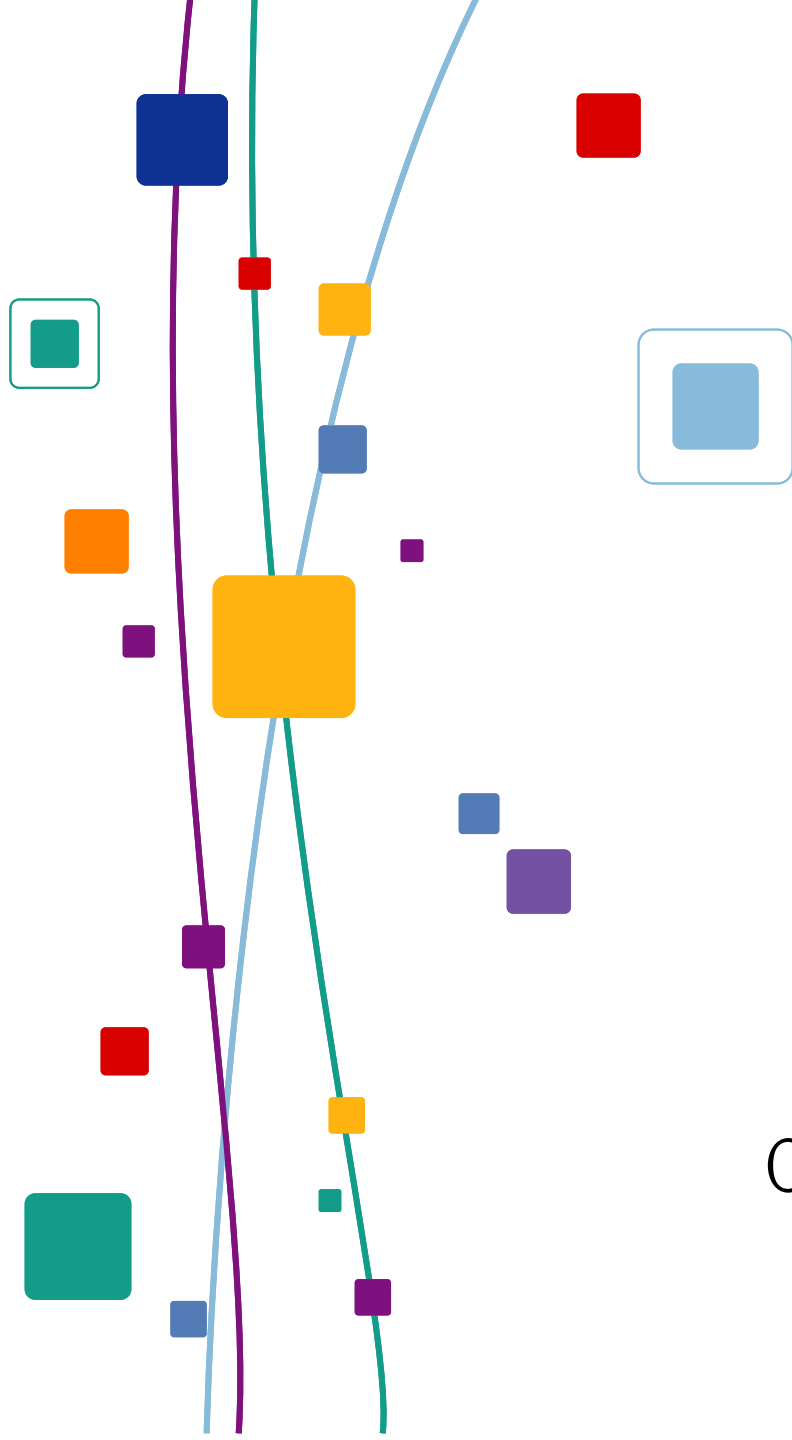
\* As of April 15, 2011

\*\* Standard & Poor's and Fitch : BBB stable. Moody's : Baa2 stable



**vivendi**

Assemblée générale mixte  
21 avril 2011



**vivendi**

Annual Shareholders' Meeting  
April 21, 2011

Jean-Bernard Lévy  
Chairman of the Management Board  
Chief Executive Officer





# vivendi

- Vivendi is at the heart of the worlds of content, platforms and interactive networks
- Vivendi is a major player in the new digital era:
  - creating content
  - producing products and channels
  - developing service platforms
  - distributing products and services to tens of millions of subscribers

- Our Strategy
- SFR: A highly accretive acquisition
- 2010 Achievements
- Innovation
- Business key points
- Sustainable development strategy
- Vivendi share performance
- Events for Vivendi Shareholders



## Our Strategy

- Vivendi has full control of its subsidiaries. It is poised for **more profitable growth**, investing in content, platforms and interactive networks
- By acquiring 44% stake in SFR to own 100%, **Vivendi has simplified its organizational structure and revalued its assets**
- Vivendi's long term strategy is to succeed through development in **fast-growing economies**, particularly Brazil
- Internal **innovation** will maximize our performance
- Vivendi is determined to build future growth to increase **shareholder dividend**





## SFR: A highly accretive acquisition

- The transaction\* values 44% of SFR at €7,950 million
  - €7,750 million, corresponding to a 6.2 multiple of SFR's 2010 EBITDA
  - a lump sum of €200 million, reflecting the cash generated between January 1st 2011 and July 1st 2011
- The price paid represents a modest premium compared to sector trading multiples...
- ... and a discount compared to recent transaction multiples in the sector
- The acquisition will be funded by debt: no rights issue
- SFR and Vodafone will extend commercial co-operation for a further three years

\* the agreement was signed on April 3, 2011. The completion is expected by end June, 2011

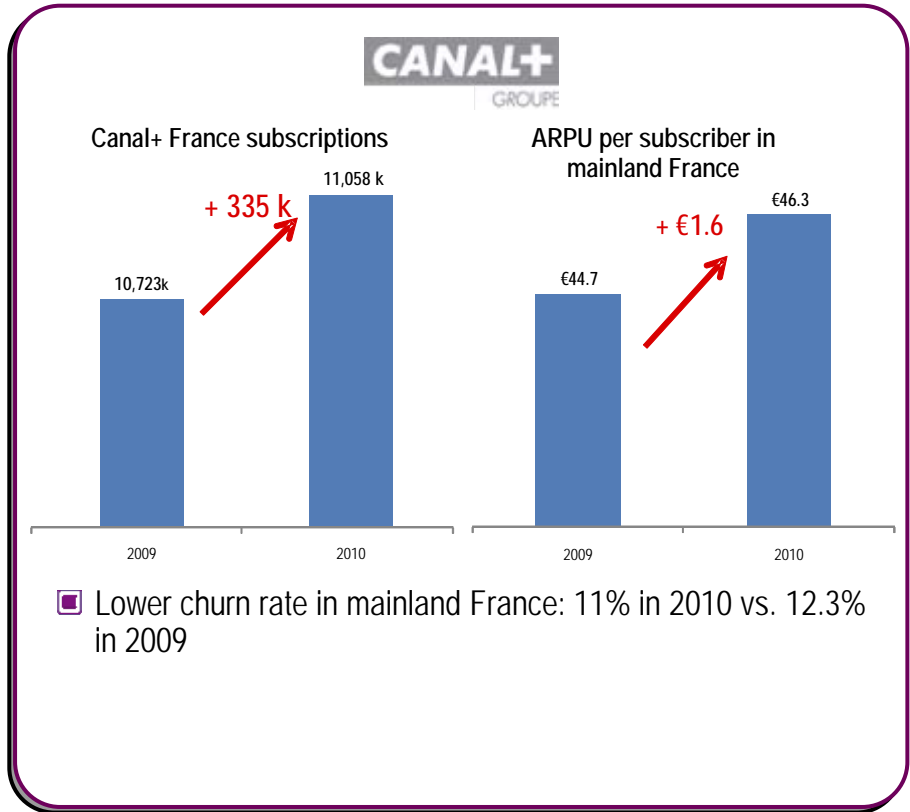
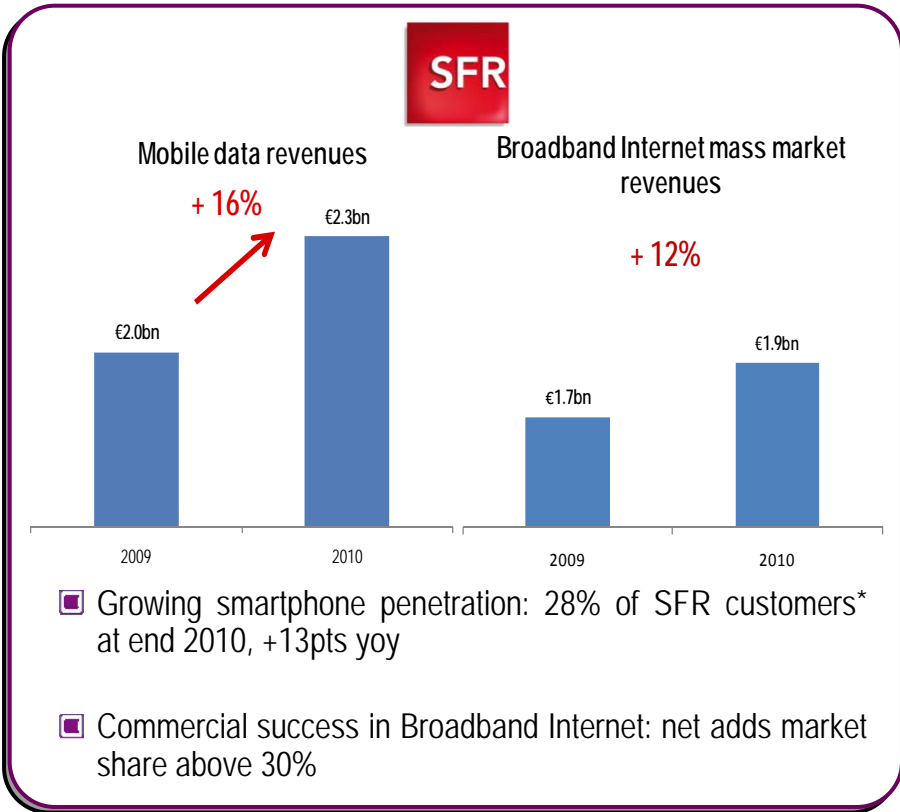


## SFR: A highly accretive acquisition

- Highly accretive on earnings: +15% to +18% impact on Adjusted Net Income in 2011, and an incremental contribution to Adjusted Net Income in excess of €600 million per annum in 2012 and 2013
- Enabling a dividend increase as early as 2012
- Reduction in conglomerate discount
- Better financial flexibility within BBB rating
- New opportunities in running Vivendi and SFR operations
- Confidence in the long term outlook of SFR driven by fast-growing mobile and broadband Internet data usage

# 2010 achievements: Commercial success in France

Despite flat revenue due to prices decrease, excellent market share for businesses in France



\* In mainland France, excl. MtoM and dongles

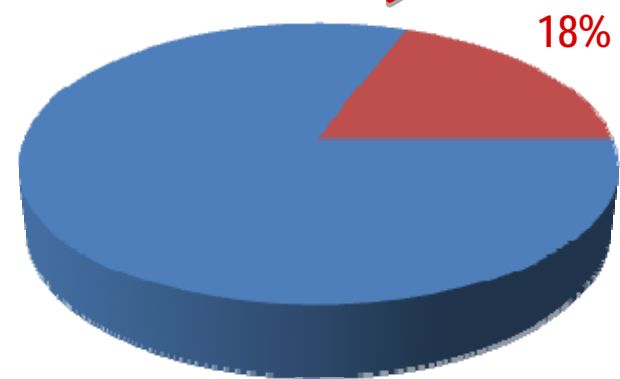
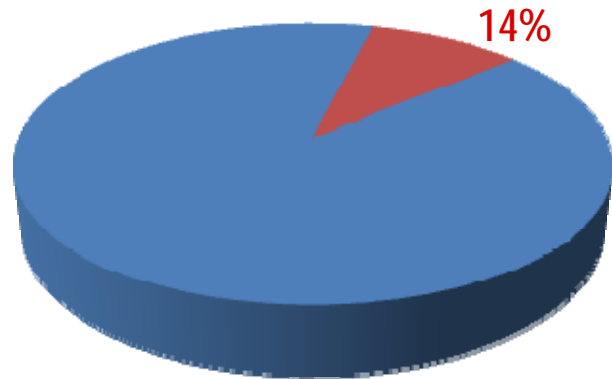
## 2010 achievements: More emerging markets

Vivendi has increased its exposure to fast-growing economies

2009 Group Revenues in emerging markets

+ 35%

2010 Group Revenues in emerging markets



- Accelerated growth of GVT in Brazil: Revenues up 71% in euros\*
- Development continuation in Morocco and African Subsidiaries
- Activision Blizzard, UMG and Canal+ Group have increased their investments in fast-growing economies

\* IFRS Pro Forma as acquisition of GVT by Vivendi occurred on January 1st, 2009; + 43% in Brazilian GAAP and local currency

# 2010 achievements: More digital

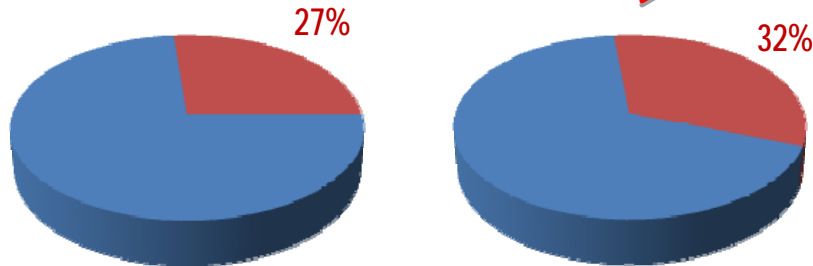
Digital technology improved and enriched the services available to consumers

ACTIVISION | BLIZZARD™

2009 digital revenues\*

2010 digital revenues\*

+ 22%



- Digital revenues show significantly higher operating margin

UNIVERSAL

UNIVERSAL MUSIC GROUP

- Digital recorded music revenues up 14%
- ➔ Digital sales in excess of €1bn in 2010, totaling 29% of recorded music revenues

CANAL+  
GROUP

- Increased penetration of next generation DTH set top box ("connected"), offering better services and upselling opportunities
- Successful completion of migration from analog to digital

\* In US non GAAP and US dollars



# Innovation is at the heart of our development strategy

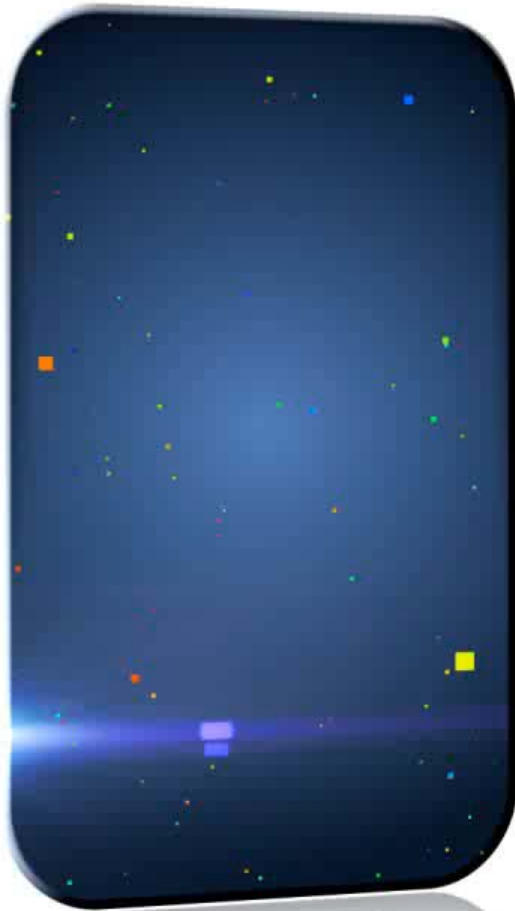
To accelerate our drive for innovation, we aim to:

- Launch new, ambitious growth projects
- Foster cooperation between the group's businesses and increase the number of inter-business unit projects
- Increase visibility and accelerate the success of innovative in-house projects in each of the business units
- Increase exposure to external innovation
- Strengthen our relationships with the start-up community
- Capitalize on existing outside partnerships and initiate new ones

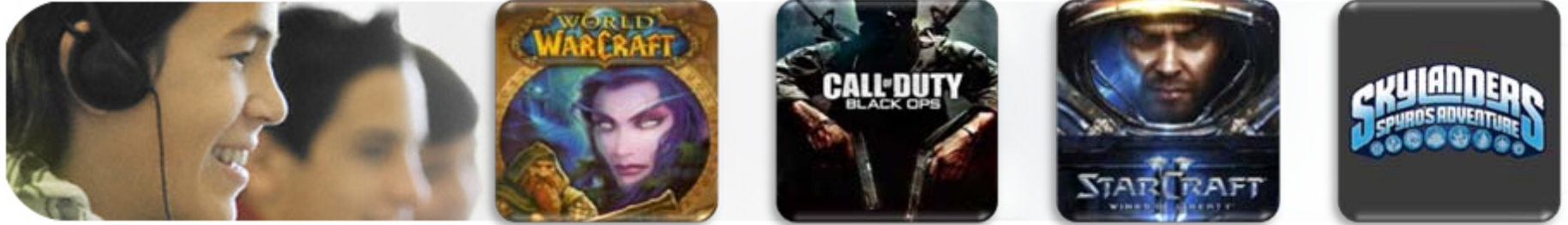
Creation of a Department to stimulate Group and subsidiary efforts



# Les plateformes, au centre de nos innovations



# Activision Blizzard: #1 worldwide in video games



ACTIVISION | BLIZZARD™

- A leader in North America and Europe \*
- Top-rated video games: *World of Warcraft*, *Call of Duty*, *StarCraft*, *Diablo*
- The phenomenal success of *Call of Duty: Black Ops* (sales of over \$650 million in its first five days of release) and *World of Warcraft: Cataclysm* (sales of 4.7 million copies in the first month). More than 12 million gamers worldwide have subscribed to *World of Warcraft*
- In 2011, new forthcoming *Call of Duty* titles, the development of a digital community surrounding the *Call of Duty* franchise and an innovative new universe, *Skylanders Spyro's Adventure*

\* According to The NDP Group, Charttrack and Gfk



# Universal Music Group: #1 worldwide in music



UNIVERSAL MUSIC GROUP

- #1 worldwide in music production: a quarter of all albums sold or downloaded in the world
- #1 worldwide in music publishing: more than two million titles in catalog, reflecting the diversity of the different types of music in the world
- A very active strategy developing new methods of music consumption. Digital sales increased 13.8% in 2010
- VEVO, launched in the US in December 2009, was immediately ranked the #1 site for online music videos, with nearly 60 million unique visitors in December 2010. Forthcoming launches in Europe, Middle East and North Africa

## SFR: #1 alternative telecoms in France



SFR

- Commercial success in 2010
  - 1,288k net new postpaid customers
  - 443k new broadband Internet residential customers (+30% market share), success of SFR Neufbox Evolution: more than 250k customers at end March 2011
- A company focused on its customers
  - 21.3 million mobile customers and 4.9 million broadband Internet customers
  - 820 shops ensure proximity to the customer
  - Partnership with La Poste to launch a mobile offer in Q2 2011

# Maroc Telecom: #1 in Morocco in telecoms



- A leader in Morocco
  - The Moroccan leader in telecoms, #1 in all segments
  - 16.9 million mobile customers and 1.2 million fixed lines in Morocco
  - First supplier of access to the Internet in Morocco, first domestic Internet portal: Menara
- New sources of growth through international expansion
  - into Mauritania, Gabon, Burkina Faso and Mali

# GVT: #1 alternative telecoms provider in Brazil



- GVT is a high growth fixed and broadband Internet telecom provider. GVT develops and leverages high quality networks within its control, end-to-end
- Acceleration of geographical expansion: 13 new cities in 2010. Capital expenditures will reach about €750million in 2011, compared to €535 million in 2010 and €238 million in 2009
- Strategic development providing high growth (40% each year) and high profitability 2011 (EBITA margin >20%)
- Synergies with Vivendi: launch of Power Music Club powered by UMG in 2010 and launch of pay-TV in second half of 2011
- Sustainable growth in Brazil: population growth, the soccer World Cup in 2014, the 2016 Olympic Games, the 7th largest economy in the world today... 5th before the year 2020

## Canal+ Group: #1 in France in pay-TV



**CANAL+**  
GROUPE

- A strategy based on premium content
  - Canal+ Groupe: 12.7 million subscriptions,
  - Canal+ France #1 in pay-TV in France; Canal Overseas: the leading French television operator abroad; Launches in Vietnam
  - StudioCanal: the European leader in the production, distribution and purchase of films. Catalog has more than 5,000 titles
- ...and innovative digital services
  - 100% of the Canal+ subscribers converted to digital by the end of 2010
  - Proliferation of new services: video on demand, TV catch-up service, Foot+ on the Xbox 360 console, Canal+ on iPhone, Canal + on Windows Media Center, The Cube, etc.



## Vivendi is strongly committed to sustainable development

- Vivendi is rated #1 in the European media sector by Vigeo, #1 ex aequo worldwide by the FTSE4Good ESG Ratings (best companies rated according sustainable development criteria) and is included in the other main sustainable development indices
- Partnerships to analyze the impact of our offers and content on society :
  - The European Commission, Unesco, ONU, NGOs, Universities
- A rigorous and proactive initiative:
  - Procedures for reporting societal, social and environmental indicators
  - Meetings with financial institutions (United States, Canada, France)
  - An international industry network : Global Reporting Initiative / UN Global Compact
- Group and subsidiary senior executives are actively involved: societal criteria have been included in determining their variable remuneration

# Vivendi's corporate social responsibility program

## THE VIVENDI FUND

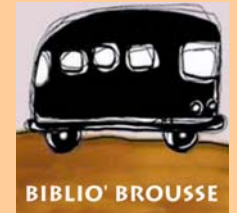
- Objectives
  - To foster happiness through communications and entertainment (Vivendi's core businesses – video games, music, telecom, Internet, TV and film)
  - To introduce young adults to Vivendi's areas of business and to support young talent
- Bénéficiaires
  - Dedicated to disadvantaged young people (age 12-25)
- Countries:
  - USA, UK, France, Morocco, Burkina Faso, Mali and Brazil
- RFP sessions twice a year (January & July)

# 2011 Create Joy Partners

## France



## Africa



## USA



## Brazil

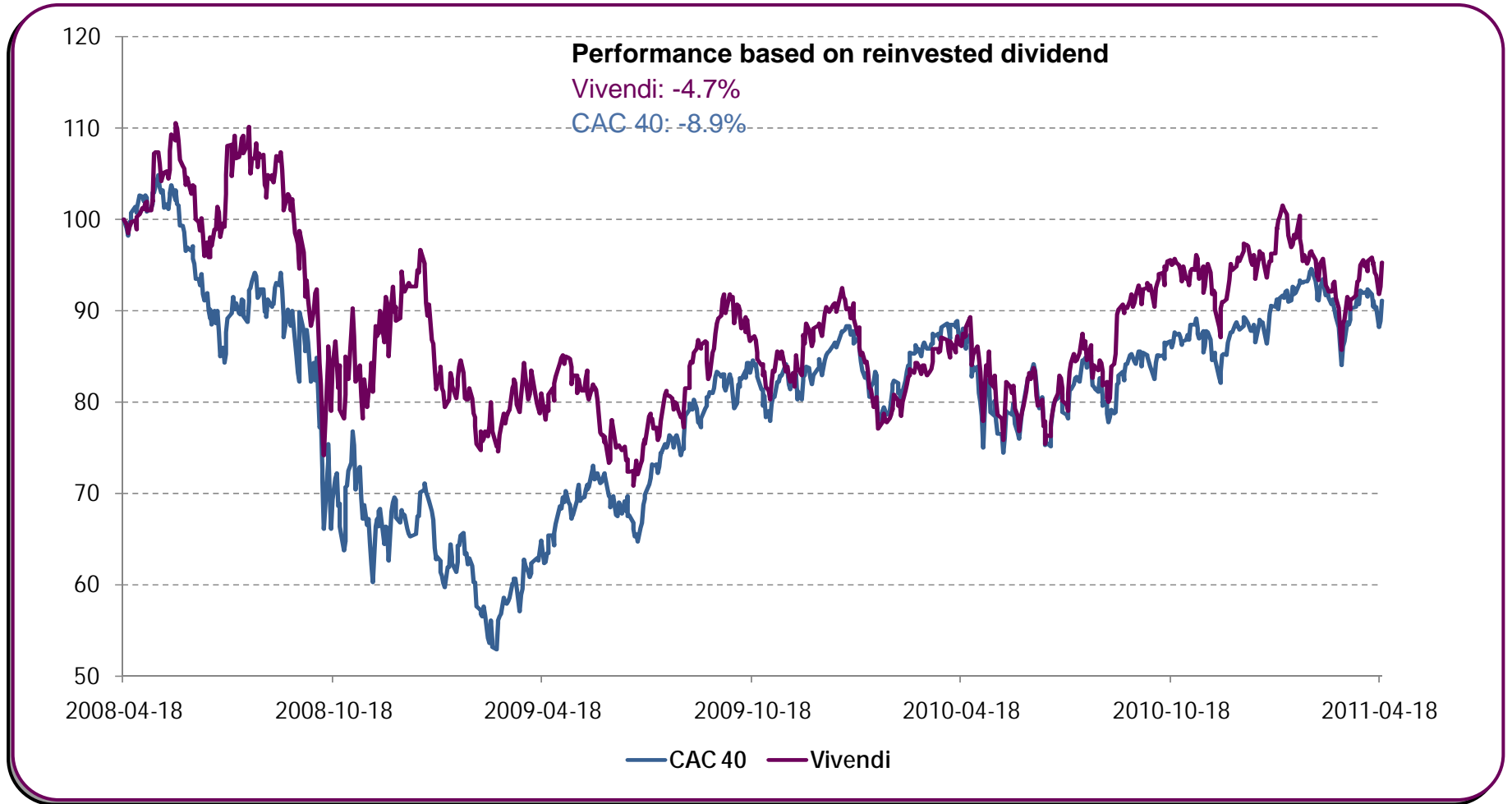


## Great-Britain





# Vivendi share and CAC 40 performance over 3 years



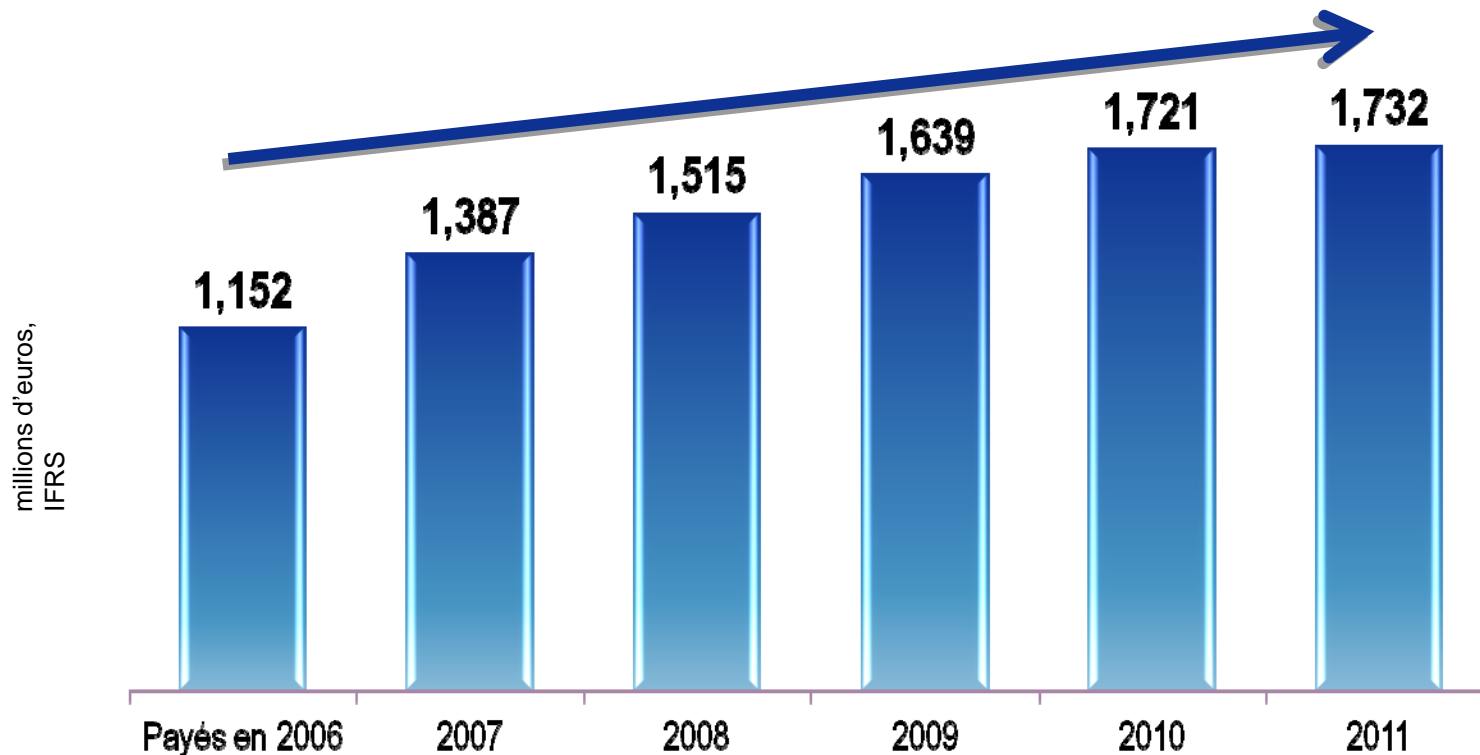


## Vivendi share price evolution

- Vivendi's share price fell by less than the indices in a crisis period, and rose less than the indices after the peak of the crisis: this contra-cyclical behavior reflects the "defensive" nature of Vivendi, which is classified among "utilities"
- Vivendi's share price has had an average yield of 7% since 2008, as compared to the average yield of 4% on the CAC 40
- The financial markets expect the share price to perform better: analysts have either Buy (16) or Neutral (13) recommendations, and none currently recommend selling
- The average financial analysts' target is €26.4 (without the holding discount) and €24.1 (with the holding discount)

# Annual average growth of 8 %\* in dividends paid over 5 years

At the AGM, we will propose a €1.40 dividend per share payable in cash on May 10, 2011  
Vivendi share price has a yield of 7%



\* CAGR



## 2011 Events for Vivendi shareholders

- The “*Thursday, it’s Vivendi*” meetings on specific themes
- Regional shareholder meetings: Annecy (March 21), Grenoble (June 1), Nice (June 27), Cannes (September 6), Montpellier (September 29), Strasbourg (November 28) and Reims (November 29)
- The shareholder trade show Salon Actionaria: booth and shareholders meeting
- Training, in partnership with the Ecole de la Bourse: Paris (April 13), Tours (14 June) and Marseille (May 25): “How to decipher an article” and “Shareholders Meeting”
- Film premieres: Paris, Lille, Lyon (*Le Code a Changé, Les Herbes Folles, Bus Palladium, La Princesse de Montpensier, Sans Identité, La Proie...*)
- Site visits: The Olympia music hall
- Canal+ studios (*Canal Football Club*), Invitations for the video games trade show, *Paris Game week*
- A live Canal+ program (Canal Football Club)
- The European golf tour: the *Vivendi Trophy* and the *Vivendi Cup*



## Vivendi is focused on organic growth and return to shareholders

- We promote internal innovation initiatives and we invest in new business models
  - We maintain significant investments in premium content and networks (€5.7bn in 2010)
- 
- The acquisition of 44% stake in SFR is a highly accretive operation for Vivendi
  - We still pay attention to opportunities in fast-growing businesses / areas
- 
- We confirm our commitment to a high cash dividend with a distribution rate of at least 50% of Adjusted Net Income



## Important legal disclaimer

### *Forward Looking Statements*

- *This presentation contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy and plans. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to the risks regarding antitrust and regulatory approvals as well as the risks described in the documents Vivendi has filed with the Autorité des Marchés Financiers (French securities regulator) and which are also available in English on our web site ([www.vivendi.com](http://www.vivendi.com)). Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des Marchés Financiers at [www.amf-france.org](http://www.amf-france.org), or directly from Vivendi. The present forward-looking statements are made as of the date of this presentation and Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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