vivendi

Financial Report and Unaudited Condensed Financial Statements for the Nine Months Ended September 30, 2011

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €6,858,590,436.50

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Selected key consolidated financial data

	Nine months ended September 30, (unaudited)		Year ended December 31,			
	2011	2010	2010	2009	2008	2007
Consolidated data						
Revenues	21,030	20,869	28,878	27,132	25,392	21,657
EBITA (a)	4,866	4,670	5,726	5,390	4,953	4,721
Earnings attributable to Vivendi SA shareowners	2,799	1,639	2,198	830	2,603	2,625
Adjusted net income (a)	2,519	2,214	2,698	2,585	2,735	2,832
Financial Net Debt (a) (b)	13,342	8,865	8,073	9,566	8,349	5,186
Total equity (c)	21,352	27,838	28,173	25,988	26,626	22,242
of which Vivendi SA shareowners' equity (c)	18,901	23,346	24,058	22,017	22,515	20,342
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	5,372	5,721	8,569	7,799	7,056	6,507
Capital expenditures, net (capex, net) (d)	(2,386)	(2,600)	(3,357)	(2,562)	(2,001)	(1,626)
Cash flow from operations (CFFO) (a)	2,986	3,121	5,212	5,237	5,055	4,881
Financial investments	(514)	(1,266)	(1,397)	(3,050)	(3,947)	(846)
Financial divestments	4,617	1,849	1,982	97	352	456
Dividends paid with respect to previous fiscal year	1,731	1,721	1,721	1,639 (e)	1,515	1,387
Per share amounts						
Weighted average number of shares outstanding	1,238.3	1,230.7	1,232.3	1,203.2	1,167.1	1,160.2
Adjusted net income per share	**2.03**	**1.80**	**2.19**	**2.15**	**2.34**	**2.44**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,244.0	1,236.8	1,237.3	1,228.8	1,170.1	1,164.7
Equity per share, attributable to Vivendi SA shareowners	15.19	18.88	19.44	17.92	19.24	17.47
Dividends per share paid with respect to previous fiscal year	**1.40**	**1.40**	**1.40**	**1.40**	**1.30**	**1.20**

In millions of euros, number of shares in millions, data per share in euros.

a. Vivendi considers that the non-GAAP measures of EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of the Financial Report or in its Appendices. These indicators should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as disclosed in the Condensed Financial Statements and the related notes, or as described in the Financial Report. It should be noted that other companies may define and calculate these indicators differently from Vivendi thereby affecting comparability.

b. As of December 31, 2009, Vivendi revised its definition of Financial Net Debt to include certain cash management financial assets whose features do not strictly comply with the definition of cash equivalents as defined by AMF Recommendations and by IAS 7 (in particular, these financial assets may have a maturity of up to 12 months). Considering that no investment in such assets was made prior to 2009, the retroactive application of this change in presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the 2007 and 2008 fiscal years is therefore consistent.

c. With effect from January 1, 2009, Vivendi voluntarily opted for early application of the revised IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements). As a result, certain reclassifications have been made to the 2008 consolidated statement of changes in equity to conform to the 2009 financial statements presentation, as prescribed by revised IAS 27.

d. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

e. The dividend distribution with respect to fiscal year 2008 totaled €1,639 million, of which €904 million was paid in Vivendi shares (which had no impact on cash) and €735 million was paid in cash.

I – Financial Report for the first nine months of 2011

Preliminary comments:

On November 15, 2011, this Financial Report and the Unaudited Condensed Financial Statements for the nine months ended September 30, 2011 were approved by Vivendi's Management Board.

The Financial Report for the first nine months of 2011 should be read in conjunction with the Financial Report for the year ended December 31, 2010, as published in the 2010 "Rapport annuel - Document de référence" filed on March 21, 2011 with the "Autorité des marchés financiers" (AMF) under number D11-0155 (the "Document de référence 2010") and the Financial Report for the half year ended June 30, 2011. Please also refer to pages 129 through 164 of the English translation[1] of the "Document de référence 2010" (the "2010 Annual Report") and the English translation of the Financial Report for the half year ended June 30, 2011 which are made available on Vivendi's website (www.vivendi.com) for informational purposes.

1 Major events

1.1 Major events for the first nine months of 2011

1.1.1 Acquisition of Vodafone's 44% interest in SFR

In accordance with the agreement entered into on April 3, 2011, Vivendi acquired on June 16, 2011, a 44% interest in SFR from Vodafone for a total amount of €7,950 million, entirely paid in cash. This transaction valued the 44% interest in SFR at €7,750 million as of January 1, 2011 to which was added a lump sum of €200 million related to the amount of cash generated by SFR between January 1 and June 30, 2011, paid as an interim dividend by SFR. Additionally, SFR and Vodafone have agreed to extend their commercial cooperation for a further 3-year period.

In accordance with IAS 27 revised, this transaction was accounted for as a purchase of non-controlling interests and accordingly the consideration paid was fully recognized as a deduction from equity. The difference between the consideration paid and the carrying value of non-controlling interests acquired as of June 16, 2011, i.e., a net amount of €6,049 million, has been recorded as a deduction from equity attributable to Vivendi SA shareowners.

1.1.2 New financings

- On May 16, 2011, Vivendi signed a new bank credit facility with 17 banks for a total amount of €5 billion. This facility, announced on April 18, 2011, enabled Vivendi to optimize the management of its bank debt at the time of the acquisition of the 44% interest in SFR.
- On July 4, 2011, Vivendi raised €1,750 million through a bond issue comprised of two tranches. This transaction is consistent with Vivendi's policy of maintaining a constant balance between its bank credit facilities and its bonds.

For a detailed description of these financings, please refer to Section 5.4 of this Financial Report.

[1] *This translation is qualified in its entirety by reference to the "Document de référence".*

1.1.3 Sale of the remaining 12.34% interest in NBC Universal

Beginning in May 2004, Vivendi held an equity interest in NBC Universal of 20%, and General Electric (GE) owned the remaining 80%. In December 2009, Vivendi agreed that it would sell its 20% interest in NBC Universal to GE under an agreement (as amended, the "2009 Agreement"), entered into in connection with GE's concurrent agreement with Comcast Corporation ("Comcast") to form a new joint venture that would own 100% of NBC Universal and certain Comcast assets (the "Comcast Transaction"). Pursuant to the 2009 Agreement, Vivendi agreed to sell its 20% interest in NBC Universal to GE for $5.8 billion, in two transactions, the second of which was contingent upon the completion of the Comcast Transaction:

- On September 26, 2010, Vivendi sold a 7.66% interest in NBC Universal to GE for $2.0 billion. The remainder of Vivendi's interest, or 12.34% of NBC Universal, was sold to GE on January 25, 2011 for $3.8 billion, in advance of the closing of the Comcast Transaction.
- In addition, Vivendi received its pro rata share of dividends for the period from January 1, 2010 to January 25, 2011 (the date of sale), totaling $408 million, of which $95 million was paid by GE to Vivendi on January 25, 2011.

For a detailed description of the sale of Vivendi's interest in NBC Universal and of its accounting treatment, please refer to Note 2.2 to the Condensed Financial Statements for the nine months ended September 30, 2011.

1.1.4 Agreements to settle litigation over the share ownership of PTC in Poland

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 PTC share capital ownership. Due to the litigation proceedings which opposed Vivendi and its subsidiary Elektrim Telekomunikacja (Telco) against Deutsche Telekom and Elektrim, the legal uncertainty surrounding the ownership of Telco's interest in Polska Telefonia Cyfrowa (PTC), a mobile telecommunication operator, prevented Telco from exercising joint control over PTC, in accordance with PTC's by-laws. As a result, Vivendi did not consolidate its interest in PTC, whose carrying value was decreased to zero as from the year ended December 31, 2006.

On January 14, 2011, upon satisfaction of the conditions precedent set forth in these agreements, Vivendi collected €1,254 million and waived any rights to the shares of PTC, consequently settling all litigation surrounding PTC's share capital ownership.

1.1.5 Other acquisitions/divestitures of financial investments

Canal+ Group

Partnership involving Bolloré Group's free-to-air channels

On September 8, 2011, Canal+ Group and Bolloré announced a strategic partnership project involving Bolloré's free-to-air channels. This project agreement provides for the acquisition of a 60% interest in Bolloré's television business, which includes the Direct 8 and Direct Star channels. The total value of the identifiable assets would amount to a maximum of €465 million. Canal+ Group would take over the operational management of the two channels as well as their advertising sales division. This project received a favorable opinion following consultation with the employee representative bodies of Canal+ Group and Vivendi, and consultation with the employee representative bodies of Bolloré Group is underway. The agreement project will be submitted to the competent authorities for approval.

At the closing of the transaction, Canal+ Group would acquire a 60% interest in the channels, such acquisition being financed with Vivendi shares (issue of 16.2 million Vivendi shares based on the average of the Vivendi share price over the four months preceding the completion of the project agreement (€17.3 per share), or €279 million in aggregate).

Bolloré Group and Canal+ Group would grant put and call options, respectively, on the remaining 40% interest in the channels, exercisable within 3 years, and payable in cash (€186 million).

In addition, Bolloré Group would commit to retain the Vivendi shares for a minimum period of six months after the closing of the transaction.

Acquisition of a non-controlling interest in Orange Cinema Series

On July 15, 2011, Canal+ Group and Orange announced the completion of their strategic partnership project, under which Canal+ Group would acquire a 33.33% non-controlling interest in Orange Cinema Series. This project received a favorable opinion following consultation with the employee representative bodies of Canal+ Group and Orange.

This acquisition should be completed during the first quarter of 2012.

Through this partnership, distribution of the five channels of the Orange Cinema Series package (Orange cinemax, Orange cinehappy, Orange cinenovo, Orange cinechoc, Orange cinegeant) will be expanded. Orange will therefore continue the distribution of its channel package, including the interactive services offered to its customers. At the beginning of the first quarter of 2012, Canal+ will make this offer available to all CanalSat subscribers. The package will also be available to all operators wishing to include it.

Inquiry into the implementation of certain commitments given in connection with the combination of Canal Satellite and TPS

On September 20, 2011, the French Competition Authority issued a decision considering that Canal+ Group did not respect several commitments - some of them are essential - which were compulsory to the decision taken in 2006, authorizing Vivendi and Canal+ Group to realize the combination of TPS and CanalSatellite. As a result, the French Competition Authority has withdrawn its decision to authorize the transaction and has required Vivendi and Canal+ Group to notify again, within one month, the transaction to the French Competition Authority. Moreover, the Authority has imposed a financial sanction of €30 million to Canal+ Group and to all the subsidiaries and sub-subsidiaries that it fully controls.

On October 24, 2011, the operation was re-notified to the Competition Authority, and on November 4, 2011, Vivendi and Group Canal+ filed a motion before the Council of State, requesting the annulment of the decision.

Lagardère's liquidity right regarding its non-controlling interest in Canal+ France

On April 15, 2010, Lagardère decided to exercise its liquidity right regarding its 20% interest in Canal+ France. As Lagardère and Vivendi had not reached an agreement regarding the sale of its interest, Lagardère decided on July 2, 2010, in accordance with the shareholders agreement signed on January 4, 2007, to launch the Initial Public Offering (IPO) process for its 20% interest in Canal+ France. On March 16, 2011, Lagardère decided to postpone the IPO relating to its interest in Canal+ France and on the same date reasserted its intention to sell such interest. On April 14, 2011, Lagardère exercised again its liquidity right relating to its 20% interest in Canal+ France for the 2011 calendar year.
On May 31, 2011, in accordance with the conditions of Article 12.21 of the shareholders agreement, Lagardère confirmed the exercise of its liquidity right. As no agreement was reached on the price within the time limit defined, a new IPO process has been launched, although the schedule has not yet been determined.

SFR - Launch of La Poste Mobile

Following approval of the Competition Authority on January 28, 2011, SFR and La Poste formed a joint venture, La Poste Telecom, held at 49% and 51%, respectively. This joint venture, a new mobile virtual network operator on the mobile retail market, has been offering a full set of mobile telephony services for individuals and professionals, which have been sold since May 23, 2011 under the "La Poste Mobile" brand, benefiting from La Poste's sales point network.

UMG - Disposal of UMG's 51% interest in Beats Electronics, LLC

In August 2011, HTC Corporation committed to acquire for $300 million (approximately €222 million) a 51% interest in Beats Electronics LLC, which is held by Universal Music Group (UMG) at 21.1%. In October 2011, this transaction was approved by the Competition Authority.

Acquisition of See Tickets

On August 23, 2011, Vivendi acquired a 100% interest in See Tickets, a British ticketing company, on the basis of an enterprise value of €78 million, of which a €95 million purchase price (£83 million) and €17 million of net cash acquired.

1.1.6 Other events of the period

Canal+ Group - Call for tender results for the French Professional Soccer League 1 broadcasting rights

On June 23, 2011, after having completed a bidding process, Canal+ Group was awarded the four lots that it bid for out of the nine television lots offered for League 1 broadcasting rights by the French Professional Soccer League (from 2012-2013 to 2015-2016). Canal+ Group will pay €420 million per season for these rights, representing a total commitment of €1,680 million for the four seasons. As a reminder, in 2008, Canal+ Group was awarded nine out of the ten television lots offered for the four seasons 2008-2009 to 2011-2012 at €465 million per season.

Dividend paid by Vivendi SA to its shareholders with respect to fiscal year 2010

At the Annual Shareholders' Meeting held on April 21, 2011, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2010. As a result, the dividend payment was set at €1.40 per share, representing a total distribution of €1,731 million, which was paid in cash on May 10, 2011.

Dividends paid by SFR

At SFR's Shareholders' Meeting, held on March 30, 2011, the shareholders approved the payment of a €1 billion dividend with respect to fiscal year 2010 (of which €440 million was paid to Vodafone), paid as an interim dividend in January 2011. As part of Vivendi's acquisition of Vodafone's non-controlling interest in SFR (please refer to Section 1.1.1 above), SFR paid, on June 16, 2011, an interim dividend of €454 million (of which €200 million was paid to Vodafone). Thus, the total amount of dividends paid by SFR to Vodafone during the first half of 2011 amounted to €640 million.

Activision Blizzard

Repurchase of its common stock

During the first nine months of 2011, Activision Blizzard repurchased shares of its common stock for €377 million ($524 million, of which $502 million under the stock repurchase program of up to an amount of $1.5 billion authorized by Activision Blizzard's Board of Directors on February 3, 2011). As of September 30, 2011, Vivendi's interest in Activision Blizzard amounted to approximately 63% non-diluted (compared to approximately 61% as of December 31, 2010) and reduced to approximately 60% as of November 15, 2011 (please refer to Section 1.2, below).

Dividend with respect to fiscal year 2010

On May 11, 2011, Activision Blizzard paid a cash dividend of $0.165 per common share to shareholders with respect to fiscal year 2010, representing $119 million (€87 million) for Vivendi.

1.2 Major events since September 30, 2011

The major events that have occurred since September 30, 2011 were as follows:

- On October 11, 2011, following a call for bids in the first stage of the tender offer for 4G mobile telephony spectrum (very-high-speed Internet), the Arcep granted SFR a 15 MHz duplex spectrum band for €150 million;
- On October 27, 2011, Canal+ Group announced a strategic partnership project with ITI and TVN Groups in Poland. TVN is Poland's top media company, the country's leader in free television and one of the biggest operators in pay television via its subsidiary 'n'. It also has an Internet presence with the largest and most popular Polish Internet portal, Onet;
- On November 11, 2011, Vivendi and Universal Music Group (UMG) entered into a definitive agreement with Citigroup to purchase EMI's recorded music division for a total consideration of £1.2 billion (approximately €1.4 billion) representing 7x EBITDA prior to synergies. This transaction has been approved both by the Management Board and the Supervisory Board of Vivendi. Closing of the agreement remains subject to a number of conditions, including approvals of regulatory authorities in the countries and continents concerned. Vivendi will finance this transaction from its existing credit lines. Concurrently, Vivendi and UMG will also sell €500 million worth of non-core UMG assets; and
- On November 15, 2011, Vivendi sold into the market 35 million shares of Activision Blizzard, resulting in Vivendi's ownership at approximately 60% interest in the company.

2 Earnings analysis

2.1 Consolidated statement of earnings and adjusted statement of earnings

THIRD QUARTER

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Three months ended September 30,		Three months ended September 30,		
	2011	2010	2011	2010	
Revenues	**6,777**	**6,887**	**6,777**	**6,887**	**Revenues**
Cost of revenues	(3,247)	(3,410)	(3,247)	(3,410)	Cost of revenues
Margin from operations	**3,530**	**3,477**	**3,530**	**3,477**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,967)	(2,026)	(1,967)	(2,026)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(60)	(24)	(60)	(24)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(117)	(149)			
Impairment losses of intangible assets acquired through business combinations	(5)	-			
Other income	3	13			
Other charges	(174)	(233)			
EBIT	**1,210**	**1,058**	**1,503**	**1,427**	**EBITA**
Income from equity affiliates	(6)	64	(6)	64	Income from equity affiliates
Interest	(144)	(130)	(144)	(130)	Interest
Income from investments	-	1	-	1	Income from investments
Other financial income	6	7			
Other financial charges	(92)	(22)			
Earnings from continuing operations before provision for income taxes	**974**	**978**	**1,353**	**1,362**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(560)	(250)	(492)	(293)	Provision for income taxes
Earnings from continuing operations	**414**	**728**			
Earnings from discontinued operations	-	-			
Earnings	**414**	**728**	**861**	**1,069**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**241**	**372**	**685**	**688**	**Adjusted net income**
Non-controlling interests	173	356	176	381	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.19**	**0.30**	**0.55**	**0.56**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.19**	**0.30**	**0.55**	**0.56**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

FIRST NINE MONTHS

CONSOLIDATED STATEMENT OF EARNINGS	Nine months ended September 30, 2011	Nine months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010	ADJUSTED STATEMENT OF EARNINGS
Revenues	**21,030**	**20,869**	**21,030**	**20,869**	**Revenues**
Cost of revenues	(10,080)	(10,196)	(10,080)	(10,196)	Cost of revenues
Margin from operations	**10,950**	**10,673**	**10,950**	**10,673**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(5,946)	(5,951)	(5,946)	(5,951)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(138)	(52)	(138)	(52)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(358)	(421)			
Impairment losses of intangible assets acquired through business combinations	(5)	(8)			
Other income	1,292	21			
Other charges	(633)	(274)			
EBIT	**5,162**	**3,988**	**4,866**	**4,670**	**EBITA**
Income from equity affiliates	(19)	139	(19)	139	Income from equity affiliates
Interest	(351)	(375)	(351)	(375)	Interest
Income from investments	74	5	74	5	Income from investments
Other financial income	11	12			
Other financial charges	(154)	(107)			
Earnings from continuing operations before provision for income taxes	**4,723**	**3,662**	**4,570**	**4,439**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(997)	(848)	(1,104)	(976)	Provision for income taxes
Earnings from continuing operations	**3,726**	**2,814**			
Earnings from discontinued operations	-	-			
Earnings	**3,726**	**2,814**	**3,466**	**3,463**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**2,799**	**1,639**	**2,519**	**2,214**	**Adjusted net income**
Non-controlling interests	927	1,175	947	1,249	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**2.26**	**1.33**	**2.03**	**1.80**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**2.25**	**1.33**	**2.03**	**1.79**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

Nota: In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made a change in presentation of its consolidated statement of earnings as of January 1, 2011. Please refer to Appendix 1 of the Financial Statements for a detailed description of the change in presentation and for the reconciliation with the previously published elements.

2.2 Earnings review

For the first nine months of 2011, **adjusted net income** was €2,519 million (or €2.03 per share[2]), compared to €2,214 million (or €1.80 per share[2]) for the first nine months of 2010. This €305 million increase (+13.8%) in adjusted net income resulted primarily from:

- a €196 million increase in EBITA to a total of €4,866 million. This increase mainly reflected the operating performance of Activision Blizzard (+€265 million) and GVT (+€130 million), which was partially offset by a decline in the performance of Maroc Telecom Group (-€109 million), SFR (-€97 million), and Canal+ Group (-€28 million); Universal Music Group's EBITA remained stable;
- a €158 million decrease in income from equity affiliates, following the sale to General Electric (GE) of the interest in NBC Universal from which Vivendi's share of income was €145 million for the first nine months of 2010;
- a €70 million increase attributable to the balance of the contractual dividend paid by GE to Vivendi as part of the completion of the sale by Vivendi of its interest in NBC Universal;
- a €24 million decrease in interest expense;
- a €128 million increase in income tax expense, mainly due to the current tax savings realized in 2010 as a result of the utilization by SFR of the balance in Neuf Cegetel's tax losses carried forward from prior years (-€62 million) and to the increase in taxable income of business segments in 2011, particularly Activision Blizzard. In addition, the positive impact (€222 million for the first nine months of 2011) of the acquisition of Vodafone's 44% interest in SFR on current tax savings related to the Consolidated Global Profit Tax System and Vivendi SA's tax group with respect to fiscal year 2011, offset by the consequences of the recent changes in French Tax Law for the year 2011 on such current tax savings: the deduction for tax losses carried forward capped at 60% of taxable income (-€203 million) and the change in the Consolidated Global Profit Tax System (-€64 million); and
- a €302 million decrease in adjusted net income attributable to non-controlling interests, mainly attributable to the acquisition of Vodafone's non-controlling interest in SFR (€192 million).

Breakdown of the main items from the statement of earnings

Revenues were €21,030 million, compared to €20,869 million for the first nine months of 2010, an increase of €161 million (+0.8%, or +1.7% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

Restructuring charges and other operating charges and income amounted to a net charge of €138 million, compared to a net charge of €52 million for the first nine months of 2010, an increase of €86 million. This change notably resulted from the increase in restructuring charges incurred by UMG (€49 million, compared to €31 million for the first nine months of 2010) and Activision Blizzard (€18 million, compared to €3 million for the first nine months of 2010), as well as from the €30 million financial sanction imposed in September 2011 by the French Competition Authority on Canal+ Group as part of the audit relating to the compliance with the commitments undertaken by Canal+ Group and its subsidiaries in connection with the combination of CanalSatellite and TPS in January 2007.

EBITA was €4,866 million, compared to €4,670 million for the first nine months of 2010, an increase of €196 million (+4.2%, or +5.3% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

Amortization of intangible assets acquired through business combinations was €358 million, compared to €421 million for the first nine months of 2010, a decrease of €63 million (-15.0%).

Other income amounted to €1,292 million, compared to €21 million for the first nine months of 2010. For the first nine months of 2011, it primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland.

Other charges amounted to €633 million, compared to €274 million for the first nine months of 2010. They primarily included the capital loss incurred in January 2011 (-€421 million) and September 2010 (-€232 million) following the sale in two steps of Vivendi's interest in NBC Universal, which represented foreign currency translation adjustments attributable to the decline of the US dollar since January 1, 2004 (-€477 million and -€281 million, respectively). For more information, please refer to Note 2.2 to the Condensed Financial Statements for the first nine months ended September 30, 2011.

EBIT amounted to €5,162 million, compared to €3,988 million for the first nine months of 2010, an increase of €1,174 million (+29.4%).

Income from equity affiliates was a €19 million charge, compared to a €139 million income for the first nine months of 2010. This change was due to the sale of the interest in NBC Universal. For the first nine months of 2010, Vivendi's share of income earned by NBC Universal was €145 million.

[2] *For a detailed description of adjusted net income per share, please refer to Appendix 2 of this Financial Report.*

Interest was an expense of €351 million, compared to €375 million for the first nine months of 2010, a decrease of €24 million (-6.4%), notably resulting from the impact on the average outstanding Financial Net Debt of the cash proceeds of $5.8 billion received from the sale of the interest in NBC Universal, which was finalized on January 25, 2011, and €1.25 billion received on January 14, 2011 in order to end the litigation over the share ownership of PTC in Poland. In addition, the acquisition by Vivendi of Vodafone's non-controlling interest in SFR in June 2011 for a total amount of €7.95 billion impacted only one quarter of the average outstanding Financial Net Debt as of September 30, 2011.
For the first nine months of 2011, interest expense on borrowings amounted to €388 million, compared to €396 million for the first nine months of 2010, a €8 million decrease (-2.0%). This change was attributable to the decrease in the average interest rate on borrowings to 3.94% for the first nine months of 2011 (compared to 4.06% for the first nine months of 2010), offset by the increase in average outstanding borrowings to €13.1 billion for the first nine months of 2011 (compared to €13.0 billion for the first nine months of 2010).
Interest income earned on cash and cash equivalents amounted to €37 million for the first nine months of 2011, compared to €21 million for the first nine months of 2010, an increase of €16 million. This change was mainly due to the increase in average cash and cash equivalents to €4.5 billion for the first nine months of 2011 (compared to €3.2 billion for the first nine months of 2010) and to the increase in the average income rate to 1.08% for the first nine months of 2011 (compared to 0.87% for the first nine months of 2010).
For more information, please refer to Section 5 of this Financial Report.

Income from investments amounted to €74 million, compared to €5 million for the first nine months of 2010, and was attributable to the balance of the contractual dividend paid by GE to Vivendi for €70 million on January 25, 2011 following the sale of Vivendi's remaining interest in NBC Universal to GE.

Other financial income and charges were a net charge of €143 million, compared to a net charge of €95 million for the first nine months of 2010.

Provision for income taxes was a net charge of €997 million, compared to a net charge of €848 million for the first nine months of 2010, an increase of €149 million. This change mainly reflected the positive impact (€518 million for the first nine months of 2011) of the acquisition of Vodafone's 44% interest in SFR on current tax savings related to the Consolidated Global Profit Tax System and Vivendi SA's tax group with respect to fiscal year 2011 and deferred tax savings with respect to fiscal year 2012, offset by the consequences of the recent changes in French Tax Law for the year 2011 on such current and deferred tax savings: the deduction for tax losses carried forward capped at 60% of taxable income (-€445 million for the first nine months of 2011, of which -€203 million with respect to fiscal year 2011 and -€242 million with respect to fiscal year 2012) and the change in the Consolidated Global Profit Tax System (-€210 million for the first nine months of 2011). This increase in income taxes reported to earnings also included the impact of the increase in taxable income of business segments for the first nine months of 2011, particularly Activision Blizzard.

In addition, **income taxes reported to adjusted net income** was a net charge of €1,104 million, compared to a net charge of €976 million for the first nine months of 2010, a €128 million increase, mainly due to the current tax savings realized in 2010 as a result of the utilization by SFR of the balance in Neuf Cegetel's tax losses carried forward from prior years (-€62 million) and to the increase in taxable income of business segments in 2011, particularly Activision Blizzard. The effective tax rate reported to adjusted net income was 24.1%, compared to 22.7% for the first nine months of 2010, an increase of 1.4 percentage point. This change mainly reflected the positive impact (€222 million for the first nine months of 2011) of the acquisition of Vodafone's 44% interest in SFR on current tax savings related to the Consolidated Global Profit Tax System and Vivendi SA's tax group with respect to fiscal year 2011, offset by the consequences of the recent changes in French Tax Law for the year 2011 on such current tax savings: the deduction for tax losses carried forward capped at 60% of taxable income (-€203 million for the first nine months of 2011) and the change in the Consolidated Global Profit Tax System (-€64 million for the first nine months of 2011). Excluding these impacts, the effective tax rate reported to adjusted net income was stable at 23.1%.

Earnings attributable to non-controlling interests amounted to €927 million, compared to €1,175 million for the first nine months of 2010, a €248 million decrease. **Adjusted net income attributable to non-controlling interests** amounted to €947 million, compared to €1,249 million for the first nine months of 2010, a decrease of €302 million. This decrease was primarily attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (€192 million), as well as the decline in the performances of SFR and Maroc Telecom Group, partially offset by the improvement in Activision Blizzard's results.

For the first nine months of 2011, **earnings attributable to Vivendi SA shareowners** amounted to €2,799 million (or €2.26 per share), compared to €1,639 million (or €1.33 per share) for the first nine months of 2010, an increase of €1,160 million (+70.8%).

The reconciliation of earnings attributable to Vivendi SA shareowners with adjusted net income is further described in Appendix 2 of this Financial Report. For the first nine months of 2011, this reconciliation primarily included a net gain of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred from the sale of Vivendi's remaining 12.34% interest in NBC Universal completed on January 25, 2011 (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004). The reconciliation also included the amortization of intangible assets acquired through business combinations (-€230 million, after taxes and non-controlling interests). For the first nine months of 2010, this reconciliation primarily included the amortization of intangible assets acquired through business combinations (-€255 million, after taxes and non-controlling interests), the capital loss incurred on the sale of 7.66% of Vivendi's interest in NBC Universal realized on September 26, 2010 (-€232 million, of which -€281 million related to a foreign exchange loss), and the impact of reversing the deferred tax asset (€62 million) related to the utilization by SFR of Neuf Cegetel's prior years' ordinary tax losses carried forward.

2.3 2011 Outlook

Solid earnings at end September 2011, benefits from cost management discipline within the group and no impact of the economic slowdown, lead Vivendi to significantly raise its adjusted net income outlook for full-year 2011 (adapted to reflect the new tax environment in France). At constant tax level, the increase of the 2011 adjusted net income outlook is expected to reach €200 million thanks to group's good performance. The negative impact of the recent changes in French Tax Law is estimated at €350 million for full-year 2011. Consequently, Vivendi announces a new adjusted net income outlook above €2,850 million (compared to adjusted net income above €3 billion announced on August 31, 2011). As a result, Vivendi confirms its intention to propose an increased dividend per share for fiscal year 2011.

In addition, Vivendi's Financial Net Debt is expected to be below €13 billion as of December 31, 2011 (compared to approximately €13.5 billion announced on August 31, 2011) owing to its renewed efforts on cash generation and in line with Vivendi's commitment to maintain quality BBB/Baa2 rating. The EMI's recorded music transaction will be financed from Vivendi's existing credit lines. Concurrently, Vivendi and UMG will also sell €500 million worth of non-core UMG assets.

3 Cash flow from operations analysis

Preliminary comment: *Vivendi considers that the non-GAAP measures of 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) are relevant indicators of the group's operating and financial performance. These indicators should be considered in addition to, and not as substitutes for, other GAAP measures as reported in Vivendi's cash flow statement, contained in the group's Consolidated Financial Statements.*

For the first nine months of 2011, **cash flow from operations (CFFO)** generated by business segments amounted to €2,986 million (compared to €3,121 million for the first nine months of 2010), a €135 million decrease (-4.3%). Cash flow from operations before capital expenditures (CFFO before capex, net) generated by business segments amounted to €5,372 million (compared to €5,721 million for the first nine months of 2010), a €349 million decrease (-6.1%). This change notably reflected the decrease in EBITDA after changes in net working capital of SFR and Maroc Telecom Group and the unfavorable change in Activision Blizzard's net working capital for the first nine months of 2011. It also reflected a decrease in content investments (+€175 million, mainly at Canal+ Group), offset by a lower dividend amount received from NBC Universal (€70 million received on January 25, 2011 with respect to the balance of the contractual dividend paid by GE as part of the completion of the sale of Vivendi's interest in NBC Universal, compared to €188 million received from NBC Universal for the first nine months of 2010).

For the first nine months of 2011, **capital expenditures, net** amounted to €2,386 million (compared to €2,600 million for the first nine months of 2010), a €214 million decrease (-8.2%). As a reminder, in June 2010, SFR acquired an additional band of 3G mobile telephony spectrum for €300 million. Excluding this impact, the increase in GVT's capital expenditures due to acceleration of network rollout (+€198 million) was partially offset by the reduction in Maroc Telecom Group's capital expenditures (-€104 million).

Income taxes paid amounted to €877 million (compared to €526 million for the first nine months of 2010), a €351 million increase. This change mainly reflected the change from one fiscal year to another of the amount of income tax installments for the current fiscal year and final installments for previous fiscal years paid by the group's entities. It also included the €409 million increase in the payment received as part of the Consolidated Global Profit Tax System as a result of the low refund amount received in 2010 due to the utilization by SFR in 2009 of Neuf Cegetel's prior years' ordinary tax losses.

In addition, the net premium paid with respect to borrowings issued and to the early unwinding of interest rate hedging derivative instruments amounted to €76 million (compared to €19 million for the first nine months of 2010), a €57 million increase. Finally, foreign exchange transactions generated a net cash inflow of €7 million (compared to a net cash payment of €24 million for the first nine months of 2010), and interest improved by €24 million.

As a result, for the first nine months of 2011, **cash flow from operations after interest and income taxes paid (CFAIT)** amounted to €1,688 million (compared to €2,155 million for the first nine months of 2010), a €467 million decrease (-21.7%).

(in millions of euros)		Nine months ended September 30, 2011	2010		V€	V%
Revenues		21,030	20,869		+161	+0.8%
Operating expenses excluding depreciation and amortization		(14,279)	(14,273)		-6	-
EBITDA	(a)	*6,751*	*6,596*		*+155*	*+2.3%*
Restructuring charges paid		(94)	(59)		-35	-59.3%
Content investments, net		(162)	(337)		+175	+51.9%
Neutralization of change in provisions included in EBITDA		(68)	(167)		+99	+59.3%
Other operating items		-	(3)		+3	+100.0%
Other changes in net working capital on operating activities		(1,130)	(501)		-629	x 2.3
Net cash provided by operating activities before income tax paid	(b)	***5,297***	***5,529***		***-232***	***-4.2%***
Dividends received from equity affiliates	(c)	74	189		-115	-60.8%
of which NBC Universal		-	*188*		*-188*	*-100.0%*
Balance of the contractual dividend paid by GE		*70*	-		*+70*	*na**
Dividends received from unconsolidated companies	(c)	1	3		-2	-66.7%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**5,372**	**5,721**		**-349**	**-6.1%**
Capital expenditures, net (capex, net)	(d)	(2,386)	(2,600)		+214	+8.2%
of which SFR		*(1,278)*	*(1,581)*	(f)	*+303*	*+19.2%*
Maroc Telecom Group		*(333)*	*(437)*		*+104*	*+23.8%*
GVT		*(519)*	*(321)*		*-198*	*-61.7%*
Cash flow from operations (CFFO)		**2,986**	**3,121**		**-135**	**-4.3%**
Interest paid, net	(e)	(351)	(375)		+24	+6.4%
Other cash items related to financial activities	(e)	(70)	(65)		-5	-7.7%
of which fees and premium on borrowing issued/redeemed and early unwinding of hedging derivative instruments		*(76)*	*(19)*		*-57*	*x 4*
gains/(losses) on currency transactions		*7*	*(24)*		*+31*	*na**
Financial activities cash payments		***(421)***	***(440)***		***+19***	***+4.3%***
Payment received from the French State Treasury as part of the Consolidated Global Profit Tax System		591	182		+409	x 3.2
Other taxes paid		(1,468)	(708)		-760	x 2.1
Income tax (paid)/received, net	(b)	**(877)**	**(526)**		**-351**	**-66.7%**
Cash flow from operations after interest and income tax paid (CFAIT)		**1,688**	**2,155**		**-467**	**-21.7%**

na*: not applicable.

a. EBITDA, a non-GAAP measure, is described in Section 4.2 of this Financial Report.

b. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

c. As presented in investing activities of Vivendi's Statement of Cash Flows (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 (please refer to Section 5.3).

e. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

f. Notably includes the acquisition of 3G spectrum for €300 million in June 2010.

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

THIRD QUARTER

	Three months ended September 30,			
(in millions of euros)	2011	2010	% Change	% Change at constant rate
Revenues				
Activision Blizzard	533	577	-7.6%	+1.2%
Universal Music Group	979	1,027	-4.7%	+0.7%
SFR	3,017	3,131	-3.6%	-3.6%
Maroc Telecom Group	698	744	-6.2%	-4.3%
GVT	395	288	+37.2%	+38.3%
Canal+ Group	1,171	1,137	+3.0%	+3.2%
Non-core operations and others, and elimination of intersegment transactions	(16)	(17)	na*	na*
Total Vivendi	**6,777**	**6,887**	**-1.6%**	**+0.3%**
EBITA				
Activision Blizzard	118	66	+78.8%	+98.8%
Universal Music Group	112	85	+31.8%	+36.3%
SFR	644	614	+4.9%	+4.9%
Maroc Telecom Group	302	346	-12.7%	-11.2%
GVT	112	71	+57.7%	+58.9%
Canal+ Group	237	274	-13.5%	-14.1%
Holding & Corporate	(17)	(22)	+22.7%	+22.7%
Non-core operations and others	(5)	(7)	na*	na*
Total Vivendi	**1,503**	**1,427**	**+5.3%**	**+6.9%**

FIRST NINE MONTHS

	Nine months ended September 30,			
(in millions of euros)	2011	2010	% Change	% Change at constant rate
Revenues				
Activision Blizzard	2,390	2,280	+4.8%	+10.9%
Universal Music Group	2,842	2,927	-2.9%	-1.1%
SFR	9,137	9,379	-2.6%	-2.6%
Maroc Telecom Group	2,059	2,126	-3.2%	-2.0%
GVT	1,077	732	+47.1%	+42.4%
Canal+ Group	3,563	3,464	+2.9%	+2.9%
Non-core operations and others, and elimination of intersegment transactions	(38)	(39)	na*	na*
Total Vivendi	**21,030**	**20,869**	**+0.8%**	**+1.7%**
EBITA				
Activision Blizzard	951	686	+38.6%	+45.7%
Universal Music Group	244	244	-	+1.6%
SFR	1,885	1,982	-4.9%	-4.9%
Maroc Telecom Group	833	942	-11.6%	-10.5%
GVT	299	169	+76.9%	+71.0%
Canal+ Group	732	760	-3.7%	-3.9%
Holding & Corporate	(59)	(87)	+32.2%	+32.2%
Non-core operations and others	(19)	(26)	na*	na*
Total Vivendi	**4,866**	**4,670**	**+4.2%**	**+5.3%**

na*: not applicable.

4.2 Comments on operating performance of business segments

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 non-GAAP measures of EBITA (Adjusted Earnings Before Interest and Income Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):*
  - *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 "other charges" and "other income" as defined in Appendix 1 of this Financial Report, and that are included in EBIT.*
  - *As defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets and other non-recurring items (as presented in the Consolidated Statement of Earnings by each operating segment - Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2010).*

  Moreover, it should be emphasized that other companies may define and calculate EBITA and EBITDA differently from Vivendi, thereby affecting comparability.

- *As a reminder, the Vivendi group operates through six businesses at the heart of the worlds of content, platforms and interactive networks. As of September 30, 2011, Vivendi's ownership interest in each of these businesses was as follows: Activision Blizzard: 63% (reduced to approximately 60% as of November 15, 2011; please refer to Section 1.2), Universal Music Group (UMG): 100%, SFR: 100% (please refer to section 1.1 related to the acquisition of Vodafone's 44% interest in SFR, completed in June 2011), Maroc Telecom Group: 53%, GVT: 100%, and Canal+ Group: 100% (Canal+ Group holds an 80% interest in Canal+ France).*

Activision Blizzard

Activision Blizzard continues to deliver a strong performance. Driven by increased digital sales based on strong consumer engagement and continued strength of the online-enabled franchises, revenues for the first nine months were €2,390 million, a 4.8% increase (+10.9% at constant currency) compared to the same period in 2010, and EBITA stood at €951 million, a 38.6% increase (+45.7% at constant currency) compared to the same period in 2010. These results benefited from the accounting principles requiring that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period. The balance of the deferred operating margin was €323 million as of September 30, 2011, compared to €378 million as of September 30, 2010.

Based on third-quarter performance, strong consumer response to the new entertainment property *Skylanders: Spyro's Adventures™* and an outstanding launch for *Call of Duty®: Modern Warfare 3™* (sales of more than $400 million in North America and United Kingdom in the first 24 hours of its release), Activision Blizzard is raising its outlook for calendar year 2011. The annual EBITA outlook now stands at over €850 million.

Universal Music Group (UMG)

The third quarter 2011 confirmed the rebound observed by Universal Music Group (UMG) in second quarter, with revenues and EBITA increasing by 0.7% and 36.3% at constant currency, respectively.

For the first nine months of 2011, revenues stood at €2,842 million, a 2.9% decrease compared to the same period in 2010 (-1.1% at constant currency). The 11.3% increase in digital recorded music sales (+13.9% at constant currency) and higher license income only partly offset a lower demand for physical products.

UMG's EBITA was €244 million, stable compared to the first nine months of 2010 (+1.6% at constant currency). Operating cost savings offset restructuring charges associated with the company's reorganization plan.

Upcoming releases include new titles from Rihanna, Justin Bieber, Florence & the Machine, Drake, Kara, Louise Attaque, Andrea Bocelli and Mary J Blige, amongst others.

On November 11, Vivendi and UMG announced that they have signed with Citigroup a definitive agreement to purchase EMI's recorded music division.

SFR

This summer, SFR successfully launched its "Formules Carrées" offerings which have attracted more than 1.7 million customers by the end of September 2011. The operator has also pursued its strategy of entering into agreements with Mobile Virtual Network Operators (MVNO), signing an additional contract with NRJ – CIC Mobile in September after the one announced with Virgin Mobile in June 2011.

The new VAT legal standard and termination price cuts imposed by the regulators[3] adversely impacted SFR's economic performance. Its revenues[4] stood at €9,137 million for the first nine months of 2011, a 2.6% decrease compared to the same period of 2010. Excluding the impact from the regulators' decisions, revenues increased by 2.3%.

Mobile revenues[5] decreased by 4.7% to €6,353 million compared to the first nine months of 2010. Mobile service revenues[6] decreased by 5.6% to €5,969 million; excluding the impact from the new VAT standard and regulated price cuts, mobile service revenues increased by 1.2%.

Over the first nine months of 2011, SFR added 381,000 net new mobile postpaid customers. 37% of SFR customers were equipped with a *smartphone* by the end of September 2011 (compared to 24% at the end of September 2010), resulting in a 23% data mobile revenue growth compared to the first nine months of 2010. At the end of September 2011, SFR's postpaid mobile customer base[4] reached 16.202 million, improving the customer mix by 1.4 percentage point year-on-year to 76.6%. SFR's total mobile customer base[4] reached 21.158 million.

The La Poste Mobile (a MVNO owned at 49% by SFR) offer has been very successful and has attracted 200,000 customers between end of May and end of September (258,000 at end of October).

Broadband Internet and fixed revenues[5] were at €2,994 million, a 1.7% increase compared to the first nine months of 2010. Excluding the impact from the new VAT standard and regulated price cuts, broadband Internet and fixed revenues increased by 2.7%, of which 4.8% on the broadband Internet mass market.

At the end of September 2011, the active broadband Internet residential customer base totaled 5.012 million, a 5.0% increase year-on-year. At the end of September 2011, the new NeufBox Evolution offer had attracted 460,000 customers.

The new VAT standard also impacts SFR's EBITDA, which stood at €2,971 million, a 4.4% decrease compared to the first nine months of 2010. Excluding non-recurring items for €53 million in 2010 and €73 million in 2011, the EBITDA decreased by 5.1%.

Excluding €48 million non-recurring items in 2011, SFR's mobile EBITDA decreased by 7.9%.

Excluding non-recurring items for €53 million in 2010 and €25 million in 2011, SFR's broadband Internet and fixed EBITDA increased by 7.8%.

SFR's EBITA was €1,885 million, a 4.9% decrease compared to the first nine months of 2010 and a 6.1% decrease excluding €53 million of 2010 non-recurring items and €73 million in 2011.

On November 15, SFR and France Telecom announced an agreement to deploy optical fiber outside very densely-populated areas of France.

Maroc Telecom Group

The 4.5% growth in revenues from the Maroc Telecom Group's Sub-Saharan subsidiaries (+6.6% at constant currency) during the first nine months of 2011 partly offset the 4.5% revenue decrease in a very competitive Moroccan market. Maroc Telecom Group's revenues stood at € 2,059 million for the first nine months 2011 compared to the same period in 2010, a 3.2% decrease compared to the same period in 2010 (-2.0% at constant currency).

Maroc Telecom Group's customer base reached over 27.8 million by the end of September 2011, up 10.8% year-on-year. This performance was attributable to a slight growth in Morocco (+1.6%) and a very dynamic commercial activity in the Group's subsidiaries whose total customer base increased by close to 36.5%.

Despite a significant decrease in mobile prices in Morocco, revenues from outgoing services were stable thanks to a 24.2% increase in usage. The mobile postpaid and ADSL customer bases, respectively +28% and +15%, continue to deliver strong growth due to attractive offers and increased bandwidth.

In Sub-Saharan Africa, revenues increased by 7.0% during the third quarter, notably due to Sotelma in Mali which continues to show a strong trend dynamism with revenues up 28.8% in the third quarter.

EBITDA stood at €1,132 million for the first nine months of 2011, down 9.7% (-8.6% at constant currency) compared to the same period in 2010 and due to lower revenues in Morocco. However, the EBITDA margin remained high at approximately 55%.

EBITA was at €833 million, down 11.6% compared to the same period in 2010 (-10.5% at constant currency) as a result of a lower EBITDA. The EBITA margin was approximately 41% for the first nine months of 2011 and approximately 43% for the sole third quarter 2011.

[3] *Tariff cuts decided by regulatory decision:*

- *i) 33% decrease in mobile voice termination regulated price on July 1, 2010 and a 33% additional decrease on July 1, 2011;*
- *ii) 33% decrease in SMS termination regulated price on February 1, 2010 and a 25% additional decrease on July 1, 2011;*
- *iii) roaming tariff cuts; and*
- *iv) 28% decrease in fixed voice termination regulated price on October 1, 2010.*

[4] *Following the disposal of 100% of Débitel France SA to La Poste Télécom SAS, Débitel France SA has been excluded from the consolidation perimeter as of March 1, 2011, with a customer base of 290,000.*

[5] *Mobile revenues, broadband Internet and fixed revenues are determined as revenues before elimination of intersegment operations within SFR.*

[6] *Mobile service revenues are determined as mobile revenues excluding revenues from equipment sales.*

GVT

GVT's revenues reached €1,077 million for the first nine months of 2011, a 47.1% increase compared to the same period in 2010 (+42.4% at constant currency). Broadband service revenues increased by 75.4% (+70.4% at constant currency) and voice service revenues grew by 36.7% (+32.4% at constant currency).

During the first nine months of 2011, GVT expanded its coverage with eight additional cities and now operates in 105 cities. As a result of GVT's geographical network expansion and its excellent commercial performance, its customer base reached 5.773 million lines in service (LIS), a 50.1% increase year-on-year. The sale of offers with speed equal to or higher than 15 Mbps reached 55% compared to 7% for the first nine months of 2010.

GVT's EBITDA was at €452 million, a 47.7% increase compared to the first nine months of 2010 (+42.9% at constant currency). EBITDA margin was 42.0%. Excluding the cost related to the launch of the pay-TV service, the margin reached 42.8%, representing a 1% growth year-on-year.

GVT's EBITA stood at €299 million, a 76.9% increase compared to the first nine months of 2010 (+71.0% at constant currency and +53.3% on a like-for-like basis[7]).

In September, GVT soft launched its pay-TV service which will be available in all cities where it operates. GVT's innovative service, based on a hybrid model combining DTH (Direct-To-Home) for linear broadcasting via satellite and IPTV. The company was recognized as the number one fixed telephony telecom operator in the ranking of companies with the best customer relations in Brazil for the second consecutive year according to IBRC (Brazilian Customers Relationship Institute).

GVT's capital expenditures[8] amounted to €519 million for the first nine months of 2011 (out of which €41 million related to the Pay-TV service), compared to €321 million for the first nine months of 2010, a 56.3% increase at constant currency.

Canal+ Group

Canal+ Group's revenues reached €3,563 million for the first nine months of 2011, a 2.9% increase compared to the same period in 2010.

Canal+ France's revenues increased by 1.8% to €3,016 million, notably driven by an increase in subscription portfolio, revenue per subscriber (ARPU) and advertising revenues. Over the past twelve months, Canal+ France's portfolio recorded a net increase of 211,000 subscriptions. Revenues from other Canal+ Group's activities also improved, mainly driven by StudioCanal, Cyfra+ in Poland and i>Télé.

Canal+ Group's EBITA stood at €732 million for the first nine months of 2011, compared to €760 million year-on-year. This change was mainly due to an unfavorable shift in the French football Ligue 1 broadcasting schedule, with one additional match day compared to the same period in 2010, as well as to the impact of the €30 million financial sanction decided in September 2011 by the French Competition Authority against Canal+ Group. After neutralization of these temporary and/or exceptional items, EBITA grew by 1.8% over the period.

On November 10, Canalplay Infinity, the Canal+' unlimited subscription video on demand service, was launched on the SFR's Neufbox TV, touchpads, and smartphones.

Bolloré and Canal+ Groups announced in September a strategic partnership project involving Bolloré's free-to-air channels, Direct 8 and Direct Star.

Canal+ Group entered into exclusive talks with ITI and TVN in order in particular to combine their Polish pay-TV businesses.

Holding & Corporate

Holding & Corporate EBITA was -€59 million (compared to -€87 million in the first nine months of 2010), notably due to lower charges related to litigations, timing effects and several one-time items.

[7] Excluding the impact related to extended useful lives of certain assets recognized in the fourth quarter of 2010 (+€26 million for the first nine months of 2010).
[8] Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

5 Treasury and capital resources

Preliminary comment: *Vivendi considers Financial Net Debt, a non-GAAP measure, to be a relevant indicator in measuring Vivendi's indebtedness. Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain debt covenants of Vivendi. Please refer to Section "Treasury and capital resources" of the 2010 Financial Report (pages 154 to 159 of the 2010 Annual Report).*

5.1 Summary of Vivendi's exposure to credit and liquidity risks

The main factors to be considered in assessing Vivendi's financial position are as follows:

- As of September 30, 2011, the group's Financial Net Debt amounted to €13.3 billion (compared to €8.1 billion as of December 31, 2010), a €5.2 billion increase. This change notably reflected the acquisition by Vivendi of Vodafone's non-controlling interest in SFR for a total amount of €7.75 billion on June 16 2011, funded under favorable terms since Vivendi assured stable and inexpensive funding, enabling the group's funding to be secured from the current troubles in the markets.
    - Borrowings and other financial liabilities amounted to €16.1 billion (compared to €12.0 billion as of December 31, 2010). This amount included bonds for €8.9 billion and bank credit facilities drawn for €4.1 billion (compared to €7.2 billion and €1.8 billion as of December 31, 2010, respectively). The bonds notably included the €1.75 billion issued on July 4, 2011 (please refer to Section 5.4, below).
    - Vivendi SA's available bank credit facilities amounted to €9.0 billion and included the €5.0 billion line finalized in May 2011 to finance the acquisition by Vivendi of interest in SFR. This new line also resulted in the cancellation of SFR lines for €1.3 billion (please refer to Section 5.4, below).
    - The increase to a 100% ownership interest in SFR has enabled Vivendi SA to centralize all of SFR's cash surpluses on a daily basis from July 1, 2011 through a cash pooling account. The three intercompany loans granted by Vivendi SA to SFR for up to €3.5 billion were drawn for €3.3 billion as of September 30, 2011 (please refer to Section 5.6, below).
    - Vivendi's credit rating is BBB Stable (Standard & Poor's and Fitch) and Baa2 Stable (Moody's) and the "economic" average term[9] of the group's debt is 3.9 years (compared to 4.0 years as of December 31, 2010).
- As of November 15, 2011, the date of Vivendi's Management Board meeting that approved the Financial Statements for the nine months ended September 30, 2011, the bank credit facilities were available in an aggregate amount of €5 billion, considering the amount of commercial paper issued at this date (please refer to Section 5.5, below).

[9] Considers that all undrawn amounts on available medium-term credit lines may be used to repay group borrowings with the shortest term.

5.2 Financial Net Debt changes

As of September 30, 2011, Vivendi's Financial Net Debt amounted to €13,342 million, compared to €8,073 million as of December 31, 2010, a €5,269 million increase. This change notably reflected the following transactions:

- the impact of the acquisition by Vivendi of the interest in SFR (€7,750 million on June 16, 2011), partially offset by the cash inflows from the sale of the remaining interest in NBC Universal ($3,800 million or €2,883 million, on January 25, 2011), and by the amounts received to end the litigation over the share ownership of PTC in Poland (€1,254 million on January 14, 2011);
- the dividends paid (€2,878 million) notably to the shareowners of Vivendi SA (€1,731 million), SFR SA (€640 million, of which €200 million paid to Vodafone on June 16, 2011 pursuant to the completion of the acquisition of Vodafone's 44% interest in SFR), Maroc Telecom SA (€384 million), and Activision Blizzard (€55 million); and
- the impact of Activision Blizzard's stock repurchase program (€377 million), partially offset by the capital increase subscribed by employees in connection with Vivendi SA's stock purchase plan (€143 million).

As of September 30, 2011, Vivendi's Financial Net Debt included Activision Blizzard's net cash position for €2,114 million (compared to €2,632 million as of December 31, 2010). This amount notably included US treasuries and government agency securities with a maturity exceeding three months for $391 million (compared to $672 million as of December 31, 2010) included in the current short-term Financial Assets items of the Consolidated Statement of Financial Position.

(in millions of euros)	September 30, 2011	December 31, 2010
Borrowings and other financial liabilities	16,133	12,003
of which long-term (a)	*10,381*	*8,573*
short-term (a)	*5,752*	*3,430*
Derivative financial instruments in assets (b)	(72)	(91)
Cash deposits backing borrowings (b)	(10)	(21)
Cash management financial assets (b) (c)	(289)	(508)
	15,762	**11,383**
Cash and cash equivalents (a)	(2,420)	(3,310)
of which Activision Blizzard	*(1,825)*	*(2,124)*
Financial Net Debt	**13,342**	**8,073**

a. As presented in the Consolidated Statement of Financial Position.

b. Included in the Financial Assets items of the Consolidated Statement of Financial Position.

c. Relates to Activision Blizzard's US treasuries and government agency securities, with a maturity exceeding three months.

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2010	**(3,310)**	**11,383**	**8,073**
Outflows/(inflows) generated by:			
Operating activities	(4,420)	-	(4,420)
Investing activities	(1,792)	199	(1,593)
Financing activities	7,022	4,211	11,233
Foreign currency translation adjustments	80	(31)	49
Change in Financial Net Debt over the period	890	4,379	5,269
Financial Net Debt as of September 30, 2011	**(2,420)**	**15,762**	**13,342**

a. "Other financial items" mainly include derivative financial instruments (assets and liabilities), cash deposits backing borrowings as well as cash management financial assets.

5.3 Analysis of Financial Net Debt changes

			Nine months ended September 30, 2011		
(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	**(5,162)**	**-**	**(5,162)**
Adjustments			(1,427)	-	(1,427)
Content investments, net			162	-	162
Gross cash provided by operating activities before income tax paid			***(6,427)***	***-***	***(6,427)***
Other changes in net working capital			1,130	-	1,130
Net cash provided by operating activities before income tax paid		3	***(5,297)***	***-***	***(5,297)***
Income tax paid, net		3	877	-	877
Operating activities	**A**		**(4,420)**	**-**	**(4,420)**
Financial investments					
Purchases of consolidated companies, after acquired cash			227	(10)	217
of which acquisition of See Tickets		1.1.5	*78*	-	*78*
Investments in equity affiliates			41	-	41
Increase in financial assets			246	(213)	33
Total financial investments			***514***	***(223)***	***291***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			(36)	(1)	(37)
Disposal of equity affiliates			(2,879)	-	(2,879)
of which sale of the remaining 12.34% interest in NBC Universal for $3.8 billion		1.1.3	*(2,883)*	-	*(2,883)*
Decrease in financial assets			(1,702)	423	(1,279)
of which cash consideration received related to the final settlement of the litigation over the share ownership of PTC in Poland		1.1.4	*(1,254)*	-	*(1,254)*
Total financial divestments			***(4,617)***	***422***	***(4,195)***
Financial investment activities			**(4,103)**	**199**	**(3,904)**
Dividends received from equity affiliates		3	(74)	-	(74)
Dividends received from unconsolidated companies			(1)	-	(1)
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**(4,178)**	**199**	**(3,979)**
Capital expenditures			2,400	-	2,400
Proceeds from sales of property, plant, equipment and intangible assets			(14)	-	(14)
Capital expenditures, net		3	***2,386***	***-***	***2,386***
Investing activities	**B**		**(1,792)**	**199**	**(1,593)**
Transactions with shareowners					
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans			(151)	-	(151)
of which capital increase subscribed by employees in connection with the stock purchase plan			*(143)*	-	*(143)*
Other transactions with shareowners			7,732	(3)	7,729
of which acquisition of Vodafone's non-controlling interest in SFR		1.1.1	*7,750*	-	*7,750*
(Sales)/purchases of treasury shares			447	-	447
of which stock repurchase program of Activision Blizzard		1.1.6	*377*	-	*377*
stock repurchase program of Vivendi SA			*70*	-	*70*
Dividends paid by Vivendi SA (€1.40 per share)		1.1.6	1,731	-	1,731
Dividends paid by consolidated companies to their non-controlling interests			1,147	-	1,147
of which SFR SA (a)		1.1.1	*640*	-	*640*
Maroc Telecom SA			*384*	-	*384*
Activision Blizzard			*55*	-	*55*
Total transactions with shareowners			***10,906***	***(3)***	***10,903***
Transactions on borrowings and other financial liabilities					
Setting up of long-term borrowings and increase in other long-term financial liabilities			(5,079)	5,079	-
of which bond		5.4	*(1,750)*	*1,750*	-
bank credit facilities		5.4	*(3,276)*	*3,276*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities			1,199	(1,199)	-
of which bank credit facilities		5.4	*1,180*	*(1,180)*	-
Principal payments on short-term borrowings			1,064	(1,064)	-
Other changes in short-term borrowings and other financial liabilities			(1,489)	1,489	-
Non-cash transactions			-	(91)	(91)
Interest paid, net		3	351	-	351
Other cash items related to financial activities		3	70	-	70
of which fees and premium on borrowing issued/redeemed and early unwinding of hedging derivative instruments		3	*76*	-	*76*
Total transactions on borrowings and other financial liabilities			***(3,884)***	***4,214***	***330***
Financing activities	**C**		**7,022**	**4,211**	**11,233**
Foreign currency translation adjustments	D		80	(31)	49
Change in Financial Net Debt	**A+B+C+D**		**890**	**4,379**	**5,269**

a. Includes €200 million paid as an interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR.

5.4 New financings

Bank credit facility

On May 16, 2011, Vivendi finalized a new syndicated bank credit facility of €5 billion, negotiated in April 2011. This new facility consists of the following three tranches:

- tranche A: €1.5 billion, maturing in December 2012, available upon satisfaction of the conditions precedent to the acquisition by Vivendi of Vodafone's 44% interest in SFR;
- tranche B: €1.5 billion, maturing in May 2014, available upon satisfaction of the conditions precedent to the acquisition by Vivendi of Vodafone's 44% interest in SFR and the cancellation of SFR's revolving facilities for €450 million with an initial scheduled maturity of November 2012 and for €850 million with an initial scheduled maturity of May 2013; and
- tranche C: €2.0 billion, maturing in May 2016, available upon cancellation of Vivendi SA's revolving facility for €2.0 billion with an initial scheduled maturity of April 2012.

The other main terms (excluding tariffs) are similar to those of the €1 billion credit facility that was put into place in September 2010.

Bond

On July 4, 2011, Vivendi issued a €1,750 million bond comprised of two tranches:

- the first tranche, in the amount of €1,000 million, with a 4 year maturity, a 3.5% coupon, and a 3.68% effective rate.
- the second tranche, in the amount of €750 million, with a 10 year maturity, a 4.75% coupon, and a 4.90% effective rate.

Following the acquisition of the 44% interest in SFR, this transaction is consistent with Vivendi's policy of maintaining a constant balance between Vivendi's bank credit facilities and its bonds.

Other financings

In October 2011, GVT entered into a new revolving facility with the BNDES (*National Bank for Economic and Social Development*) for BRL 1,184 million (approximately €480 million), that will mature in 2019 at the latest.

5.5 Available bank credit facilities and maturity date for bonds

The following table shows both Vivendi SA's and SFR's bonds and bank credit facilities, cumulated and due within the next five years. Amounts relating to bank credit facilities correspond to their maximum amount, i.e., available and drawn amount, excluding the amount backing commercial paper.

(in millions of euros)	September 30, 2011	Maturing before September 30,					Maturing after
		2012	2013	2014	2015	2016	September 30, 2016
Bonds							
Vivendi SA	7,629	1,300	518	1,594	1,000	-	3,217
SFR	1,300	1,000	-	300	-	-	-
Sub-total	***8,929***	***2,300***	***518***	***1,894***	***1,000***	***-***	***3,217***
Bank credit facilities							
Vivendi SA	9,000	271	4,229	1,500	1,000	2,000	-
SFR	2,242	542	-	-	1,200	500	-
Sub-total	***11,242***	***813***	***4,229***	***1,500***	***2,200***	***2,500***	***-***
Vivendi SA	16,629	1,571	4,747	3,094	2,000	2,000	3,217
SFR	3,542	1,542	-	300	1,200	500	-
Total	**20,171**	**3,113**	**4,747**	**3,394**	**3,200**	**2,500**	**3,217**

As of September 30, 2011 and December 31, 2010, Vivendi SA and SFR notably had the following available bank credit facilities[10]:

(in millions of euros)	Maturity	As of September 30, 2011 Maximum amount	Drawn amount	Available amount	As of December 31, 2010 Maximum amount	Drawn amount	Available amount
Vivendi SA							
€2.0 billion revolving facility (April 2005) (a)	-	-	-	-	2,000	-	2,000
€2.0 billion revolving facility (August 2006)							
of which initial credit line	August 2012	271	271	-	271	-	271
extended credit line	August 2013	1,729	1,729	-	1,729	750	979
€2.0 billion revolving facility (February 2008) - tranche 2	February 2013	1,000	50	950	1,000	-	1,000
€1.0 billion revolving facility (September 2010)	September 2015	1,000	-	1,000	1,000	-	1,000
€5.0 billion revolving facility (May 2011) (a)							
of which tranche A	December 2012	1,500	725	775	-	-	-
tranche B	May 2014	1,500	-	1,500	-	-	-
tranche C	May 2016	2,000	-	2,000	-	-	-
Sub-total		***9,000***	***2,775***	***6,225***	***6,000***	***750***	***5,250***
Commercial paper issued (b)				*(1,058)*			*(851)*
Total of Vivendi SA's available bank credit facilities, net of commercial paper				**5,167**			**4,399**
SFR							
€450 million revolving facility (November 2005) (a)	-	-	-	-	450	430	20
€850 million revolving facility (May 2008) (a)	-	-	-	-	850	-	850
€1.2 billion revolving facility (June 2010)	June 2015	1,200	350	850	1,200	-	1,200
€100 million revolving facility (November 2008)	June 2012	50	-	50	100	-	100
Syndicated loan "Club Deal" (July 2005) - tranche B	March 2012	492	492	-	492	-	492
Securitization program (March 2011)	March 2016	500	461	39	310	310	-
Securitization program (March 2006)	March 2011	-	-	-	300	283	17
Sub-total		***2,242***	***1,303***	***939***	***3,702***	***1,023***	***2,679***
Commercial paper issued (b)				*(325)*			*(854)*
Total of SFR's available bank credit facilities, net of commercial paper				**614**			**1,825**
Total Vivendi SA and SFR		**11,242**		**5,781**	**9,702**		**6,224**

a. On May 16, 2011, Vivendi completed a new syndicated bank credit facility for €5 billion comprised of 3 tranches, of which (i) tranche B replaced SFR's revolving facilities of €450 million initially maturing in November 2012 and €850 million initially maturing in May 2013; and (ii) tranche C refinanced Vivendi SA's revolving facility of €2 billion, initially maturing in April 2012.

b. The short term commercial papers are backed to confirmed bank credit facilities, which can no longer be drawn for these amounts. They are recognized under short-term borrowing in the Consolidated Statement of Financial Position. Vivendi SA's commercial paper program amounted to €3 billion.

5.6 Intercompany loans

(in millions of euros, except where noted)	Maturity	As of September 30, 2011 Maximum amount	Drawn amount	Available amount	As of December 31, 2010 Maximum amount	Drawn amount	Available amount
Loan facility granted by Vivendi SA to SFR							
€3 billion revolving facility (April 2008)							
of which tranche C	December 2012	1,000	1,000	-	1,000	1,000	-
€1.5 billion revolving facility (June 2009)	June 2013	1,500	1,500	-	1,500	1,450	50
€1 billion current account facility (January 2011)	January 2012	1,000	800	200	-	-	-
Total		**3,500**	**3,300**	**200**	**2,500**	**2,450**	**50**
Loan facility granted by Vivendi to GVT (March 2010)	March 2015	720	365	355	540	156	384
Loan facility granted by SPT to Maroc Telecom							
MAD 3,450 million short-term loan facility (June 2010)	March 2011	-	-	-	1,150	1,150	-
MAD 3,600 million short-term loan facility (May 2011) (a)	March 2012	2,400	2,400	-	-	-	-

a. This loan facility consists of three tranches of MAD 1,200 million each maturing in September 2011, December 2011, and March 2012, respectively; it has replaced the MAD 3,450 million loan facility granted in June 2010.

[10] Vivendi SA's and SFR's bank credit facilities are subject to compliance with certain financial covenants calculated on June 30 and December 31 of each year. Non-compliance with these covenants could constitute an event of default that could among others result in the cancellation or the early repayment of the different loans. As of December 31, 2010 and June 30, 2011, Vivendi SA and SFR were in compliance with their financial covenants.

5.7 Credit ratings

As of November 15, 2011, the date of the Management Board meeting which approved the Financial Statements for the nine months ended September 30, 2011, the credit ratings of Vivendi were as follows:

Rating agency	Rating date	Type of debt	Ratings	Outlook
Standard & Poor's	July 27, 2005	Long-term *corporate*	BBB	Stable
		Short-term *corporate*	A-2	Stable
		Senior unsecured debt	BBB	Stable
Moody's	September 13, 2005	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	December 10, 2004	Long-term senior unsecured debt	BBB	Stable

In addition, SFR's credit rating was aligned to that of Vivendi, following the announcement of the acquisition of Vodafone's 44% interest in SFR.

5.8 Available bank credit facilities as of November 15, 2011

As of November 15, 2011, the date of Vivendi's Management Board meeting that approved the Financial Statements for the nine months ended September 30, 2011, the group had available committed bank credit facilities in the amount of €11.2 billion, of which €4.5 billion were drawn. Considering the amount of commercial paper issued at this date, and backed on bank credit facilities for €1.7 billion, these facilities were available for an aggregate amount of €5.0 billion.

6 Forward looking statements

Forward looking statements

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including expectations regarding the payment of dividends as well as the impact of certain transactions. 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 regarding antitrust and regulatory approvals in connection with certain transactions as well as the risks described in the 2010 "Rapport annuel - Document de référence" filed with the Autorité des Marchés Financiers (AMF) (the French securities regulator) and which are also available in English on Vivendi's website (www.vivendi.com). 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.

7 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 such facility.

Translation

This Financial Report is an English translation of the French version of such 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. Change in presentation of the consolidated statement of earnings

In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its consolidated statement of earnings as of January 1, 2011:

- the impacts related to financial investing transactions, which were previously reported in "other financial charges and income" are reclassified to other charges and income in "Earnings Before Interest and Income Taxes" (EBIT). They include losses and gains recognized through business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as consolidation gains or losses incurred from the gain or loss of control in a business. The reclassified amounts represented a net charge of €220 million, €253 million, and €305 million for the third quarter of 2010, the first nine months of 2010, and the 2010 fiscal year, respectively;
- the impacts related to transactions with shareowners (except if directly recognized in equity), which were previously reported in "other financial charges and income" are similarly reclassified to "EBIT", in particular the €450 million reversal of reserve recognized as of December 31, 2010 as part of the Securities Class Action in the United States; and
- moreover, both charges and income related to financial investing transactions as well as other financial charges and income are no longer offset on the face of the consolidated statement of earnings.

In accordance with IAS 1, Vivendi has applied this change in presentation for all periods previously published:

	2011	2010		
(in millions of euros)	Three months ended March 31,	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)	**1,582**	**1,456**	**1,507**	**2,963**
Reclassification				
Reversal of reserve regarding the Securities Class Action in the United States	-	-	-	-
Other income	1,289	2	6	8
Other charges	(449)	(18)	(23)	(41)
Earnings before interest and income taxes (EBIT) (new definition)	**2,422**	**1,440**	**1,490**	**2,930**

	2010			
(in millions of euros)	Three months ended September 30,	Nine months ended September 30,	Three months ended December 31,	Year ended December 31,
Earnings before interest and income taxes (EBIT) (as previously published)	**1,278**	**4,241**	**630**	**4,871**
Reclassification				
Reversal of reserve regarding the Securities Class Action in the United States	-	-	450	450
Other income	13	21	32	53
Other charges	(233)	(274)	(84)	(358)
Earnings before interest and income taxes (EBIT) (new definition)	**1,058**	**3,988**	**1,028**	**5,016**

2. Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi Management uses adjusted net income because it illustrates the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. Adjusted net income is defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2010.

Reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income

	Three months ended September 30,		Nine months ended September 30,	
(in millions of euros)	2011	2010	2011	2010
Earnings attributable to Vivendi SA shareowners (a)	**241**	**372**	**2,799**	**1,639**
Adjustments				
Amortization of intangible assets acquired through business combinations	117	149	358	421
Impairment losses of intangible assets acquired through business combinations (a)	5	-	5	8
Other income (a)	(3)	(13)	(1,292)	(21)
Other charges (a)	174	233	633	274
Other financial income (a)	(6)	(7)	(11)	(12)
Other financial charges (a)	92	22	154	107
Change in deferred tax asset related to the Consolidated Global Profit Tax System and to Vivendi SA's tax group	140	(20)	28	(60)
Non-recurring items related to provision for income taxes	(5)	27	14	85
Provision for income taxes on adjustments	(67)	(50)	(149)	(153)
Non-controlling interests on adjustments	(3)	(25)	(20)	(74)
Adjusted net income	**685**	**688**	**2,519**	**2,214**

a. As presented in the consolidated statement of earnings.

Adjusted net income per share

	Three months ended September 30,				Nine months ended September 30,			
	2011		2010		2011		2010	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	685	685 (a)	688	688 (a)	2,519	2,516 (a)	2,214	2,210 (a)
Number of shares (in millions)								
Weighted average number of shares outstanding restated (b)	1,242.4	1,242.4	1,234.2	1,234.2	1,238.3	1,238.3	1,230.7	1,230.7
Potential dilutive effects related to share-based compensation	-	1.8	-	2.1	-	2.3	-	2.2
Adjusted weighted average number of shares	**1,242.4**	**1,244.2**	**1,234.2**	**1,236.3**	**1,238.3**	**1,240.6**	**1,230.7**	**1,232.9**
Adjusted net income per share (in euros)	0.55	0.55	0.56	0.56	2.03	2.03	1.80	1.79

a. Includes only the potential dilutive effect related to employee stock option and restricted stock plans for Activision Blizzard in a non-significant amount.

b. Net of treasury shares (3.2 million shares as of September 30, 2011).

3. Reconciliations of Activision Blizzard's revenues and EBITA[1]

As reported below, the reconciliation of Activision Blizzard's revenues and EBITA to IFRS as of September 30, 2011, September 30, 2010 and December 31, 2010 is based on:

- Activision Blizzard's data prepared in compliance with U.S. GAAP standards, in US dollars, contained in its Form 10-Q for the nine months ended September 30, 2011 and non-GAAP measures, published by Activision Blizzard on November 8, 2011; and
- data relating to Activision Blizzard established in accordance with IFRS standards, in euros, as published by Vivendi in its Unaudited Condensed Financial Statements for the nine months ended September 30, 2011.

Non-GAAP measures of Activision Blizzard

Activision Blizzard provides net revenues, net income, earnings per share, operating margin data and guidance both including (in accordance with "U.S. GAAP") and excluding ("non-GAAP") the impact of:

i. the change in deferred income and related costs of sales, resulting from the deferral of net revenues associated with the company's significant online-enabled games;
ii. expenses related to equity-based compensation;
iii. restructuring charges;
iv. impairment of intangibles acquired through business combinations;
v. the amortization of intangibles and the associated changes in cost of sales resulting from purchase price accounting adjustments; and
vi. the associated tax benefits.

[1] *Note: For a definition of EBITA, please refer to Section 4.2 of this Financial Report.*

Revenues reconciliation:

	Three months ended September 30, (unaudited) 2011	2010	Nine months ended September 30, (unaudited) 2011	2010	Year ended December 31, 2010
Non-GAAP Measurement (U.S. GAAP basis):					
Non-GAAP Net Revenues (in millions of dollars)	**627**	**857**	**2,080**	**2,254**	**4,803**
Eliminate non-GAAP adjustments:					
Changes in deferred net revenues (a)	127	(112)	1,268	765	(356)
U.S. GAAP Measurement:					
Net Revenues in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**754**	**745**	**3,348**	**3,019**	**4,447**
Eliminate U.S. GAAP vs. IFRS differences:	*na**	*na**	*na**	*na**	*na**
IFRS Measurement:					
Net Revenues in IFRS (in millions of dollars)	**754**	**745**	**3,348**	**3,019**	**4,447**
Translate from dollars to euros:					
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**533**	**577**	**2,390**	**2,280**	**3,330**
of which					
Activision	222	264	1,376	1,415	2,002
Blizzard	257	265	861	725	1,046
Distribution	54	48	153	140	282

EBITA reconciliation:

	Three months ended September 30, (unaudited) 2011	2010	Nine months ended September 30, (unaudited) 2011	2010	Year ended December 31, 2010
Non-GAAP Measurement (U.S. GAAP basis):					
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**85**	**204**	**468**	**470**	**1,371**
Eliminate non-GAAP adjustments:					
Changes in deferred net revenues and related cost of sales (a)	105	(97)	943	539	(319)
Equity-based compensation expense	(18)	(34)	(61)	(94)	(131)
Restructuring charges	(3)	-	(24)	(3)	(3)
Impairment of intangibles acquired through business combinations	-	-	-	-	(326)
Amortization of intangibles acquired through business combinations and purchase price accounting related adjustments	(7)	(18)	(22)	(47)	(123)
U.S. GAAP Measurement:					
Operating Income/(Loss) in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**162**	**55**	**1,304**	**865**	**469**
Eliminate U.S. GAAP vs. IFRS differences:					
Equity-based compensation expense	-	3	1	6	7
Impairment of intangibles acquired through business combinations	-	-	-	-	31
Amortization of intangibles acquired through business combinations	-	-	-	-	6
Other	(1)	7	4	(2)	(6)
IFRS Measurement:					
Operating Income/(Loss) in IFRS (in millions of dollars)	**161**	**65**	**1,309**	**869**	**507**
Eliminate items excluded from EBITA:					
Impairment of intangible assets acquired through business combinations	-	-	-	-	295
Amortization of intangible assets acquired through business combinations	7	19	22	47	123
Other	-	-	(1)	-	-
EBITA in IFRS (in millions of dollars)	**168**	**84**	**1,330**	**916**	**925**
Translate from dollars to euros:					
EBITA in IFRS (in millions of euros), as published by Vivendi	**118**	**66**	**951**	**686**	**692**
of which					
Activision	(8)	(37)	544	352	187
Blizzard	126	103	407	335	498
Distribution	-	-	-	(1)	7

na*: not applicable.

a. Relates to the impact of the change in deferred net revenues and related costs of sales associated with the company's online-enabled games:

For the first nine months of 2011, in both U.S. GAAP and IFRS, the net revenue recognition amounted to $1,268 million (€908 million) and, after taking into account related costs of sales, the net margin recognition from operations amounted to $943 million (€675 million).

As of September 30, 2011, in both U.S. GAAP and IFRS, the deferred net revenues balance in the Statement of Financial Position amounted to $487 million (€360 million), compared to $1,726 million (€1,303 million) as of December 31, 2010. After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $437 million (€323 million) as of September 30, 2011, compared to $1,356 million (€1,024 million) as of December 31, 2010 and $510 million (€378 million) as of September 30, 2010.

4. Revenues and EBITA by business segment - 2011 and 2010 quarterly data

	2011		
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept. 30
Revenues			
Activision Blizzard	1,061	796	533
Universal Music Group	881	982	979
SFR	3,056	3,064	3,017
Maroc Telecom Group	672	689	698
GVT	329	353	395
Canal+ Group	1,192	1,200	1,171
Non-core operations and others, and elimination of intersegment transactions	(7)	(15)	(16)
Total Vivendi	**7,184**	**7,069**	**6,777**
EBITA			
Activision Blizzard	502	331	118
Universal Music Group	46	86	112
SFR	566	675	644
Maroc Telecom Group	266	265	302
GVT	90	97	112
Canal+ Group	265	230	237
Holding & Corporate	(20)	(22)	(17)
Non-core operations and others	(10)	(4)	(5)
Total Vivendi	**1,705**	**1,658**	**1,503**

	2010			
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept. 30	4th Quarter ended Dec. 31
Revenues				
Activision Blizzard	945	758	577	1,050
Universal Music Group	889	1,011	1,027	1,522
SFR	3,085	3,163	3,131	3,198
Maroc Telecom Group	660	722	744	709
GVT	214	230	288	297
Canal+ Group	1,145	1,182	1,137	1,248
Non-core operations and others, and elimination of intersegment transactions	(14)	(8)	(17)	(15)
Total Vivendi	**6,924**	**7,058**	**6,887**	**8,009**
EBITA				
Activision Blizzard	377	243	66	6
Universal Music Group	68	91	85	227
SFR	634	734	614	490
Maroc Telecom Group	284	312	346	342
GVT	43	55	71	108
Canal+ Group	230	256	274	(70)
Holding & Corporate	(38)	(27)	(22)	(40)
Non-core operations and others	(8)	(11)	(7)	(7)
Total Vivendi	**1,590**	**1,653**	**1,427**	**1,056**

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III - Condensed Financial Statements for the first nine months of 2011

Condensed Statement of Earnings

	Note	Three months ended September 30, (unaudited)		Nine months ended September 30, (unaudited)		Year ended December 31,
		2011	2010	2011	2010	2010
Revenues	3	**6,777**	**6,887**	**21,030**	**20,869**	**28,878**
Cost of revenues		(3,247)	(3,410)	(10,080)	(10,196)	(14,561)
Selling, general and administrative expenses		(2,084)	(2,175)	(6,304)	(6,372)	(9,059)
Restructuring charges and other operating charges and income		(60)	(24)	(138)	(52)	(135)
Impairment losses of intangible assets acquired through business combinations		(5)	-	(5)	(8)	(252)
Reversal of reserve regarding the Securities Class Action in the United States		-	-	-	-	450
Other income	4	3	13	1,292	21	53
Other charges	4	(174)	(233)	(633)	(274)	(358)
Earnings before interest and income taxes (EBIT)		**1,210**	**1,058**	**5,162**	**3,988**	**5,016**
Income from equity affiliates	8	(6)	64	(19)	139	195
Interest	5	(144)	(130)	(351)	(375)	(492)
Income from investments		-	1	74	5	7
Other financial income		6	7	11	12	16
Other financial charges		(92)	(22)	(154)	(107)	(178)
Earnings from continuing operations before provision for income taxes		**974**	**978**	**4,723**	**3,662**	**4,564**
Provision for income taxes	6	(560)	(250)	(997)	(848)	(1,042)
Earnings from continuing operations		**414**	**728**	**3,726**	**2,814**	**3,522**
Earnings from discontinued operations		-	-	-	-	-
Earnings		**414**	**728**	**3,726**	**2,814**	**3,522**
Of which						
Earnings attributable to Vivendi SA shareowners		**241**	**372**	**2,799**	**1,639**	**2,198**
Non-controlling interests		173	356	927	1,175	1,324
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.19	0.30	2.26	1.33	1.78
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.19	0.30	2.25	1.33	1.78
Earnings attributable to Vivendi SA shareowners per share - basic	7	**0.19**	**0.30**	**2.26**	**1.33**	**1.78**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	0.19	0.30	2.25	1.33	1.78

In millions of euros, except per share amounts, in euros.

Nota: In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its Consolidated Statement of Earnings as of January 1, 2011: please refer to Note 1.2.

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Comprehensive Income

(in millions of euros)	Note	Three months ended September 30, (unaudited) 2011	2010	Nine months ended September 30, (unaudited) 2011	2010	Year ended December 31, 2010
Earnings		**414**	**728**	**3,726**	**2,814**	**3,522**
Foreign currency translation adjustments		**(124)**	**(1,085)**	**(304)**	**1,474**	**1,794**
of which transferred to profit or loss as part of the sale of NBC Universal interest	2.2	-	*281*	*477*	*281*	*281*
Assets available for sale		16	1	18	1	2
Cash flow hedge instruments		80	5	96	18	41
Net investment hedge instruments		-	255 (a)	21	59 (a)	(20)
of which transferred to profit or loss of the period		-	-	*21*	-	-
Tax		(18)	(2)	(28)	(3)	(9)
Unrealized gains/(losses)		**78**	**259**	**107**	**75**	**14**
Other impacts, net		**-**	**2**	**13**	**(5)**	**(6)**
Charges and income directly recognized in equity		**(46)**	**(824)**	**(184)**	**1,544**	**1,802**
Total comprehensive income		**368**	**(96)**	**3,542**	**4,358**	**5,324**
of which						
Total comprehensive income attributable to Vivendi SA shareowners		**169**	**(351)**	**2,636**	**3,085**	**3,880**
Total comprehensive income attributable to non-controlling interests		199	255	906	1,273	1,444

a. Related to the change in fair value of the derivative instruments hedging Vivendi's net investment in NBC Universal. Please refer to Note 2.2.

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Financial Position

(in millions of euros)	Note	September 30, 2011 (unaudited)	December 31, 2010
ASSETS			
Goodwill		25,045	25,345
Non-current content assets		2,538	2,784
Other intangible assets		4,137	4,408
Property, plant and equipment		8,538	8,217
Investments in equity affiliates	8	134	2,906
Non-current financial assets		320	496
Deferred tax assets		1,790	1,836
Non-current assets		**42,502**	**45,992**
Inventories		652	750
Current tax receivables		147	576
Current content assets		1,262	1,032
Trade accounts receivable and other		6,158	6,711
Current financial assets		387	622
Cash and cash equivalents		2,420	3,310
Current assets		**11,026**	**13,001**
TOTAL ASSETS		**53,528**	**58,993**
EQUITY AND LIABILITIES			
Share capital		6,859	6,805
Additional paid-in capital		8,222	8,128
Treasury shares		(61)	(2)
Retained earnings and other		3,881	9,127
Vivendi SA shareowners' equity		**18,901**	**24,058**
Non-controlling interests		2,451	4,115
Total equity		**21,352**	**28,173**
Non-current provisions		1,276	1,477
Long-term borrowings and other financial liabilities		10,381	8,573
Deferred tax liabilities		598	956
Other non-current liabilities		896	1,074
Non-current liabilities		**13,151**	**12,080**
Current provisions		796	552
Short-term borrowings and other financial liabilities		5,752	3,430
Trade accounts payable and other		12,130	14,451
Current tax payables		347	307
Current liabilities		**19,025**	**18,740**
Total liabilities		**32,176**	**30,820**
TOTAL EQUITY AND LIABILITIES		**53,528**	**58,993**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Cash Flows

(in millions of euros)	Note	Nine months ended September 30, (unaudited) 2011	2010	Year ended December 31, 2010
Operating activities				
EBIT		5,162	3,988	5,016
Adjustments		1,427	2,379	3,065
Including amortization and depreciation of tangible and intangible assets		*2,173*	*2,294*	*3,338*
reversal of reserve regarding the Securities Class Action in the United States		-	-	*(450)*
other income		*(1,292)*	*(21)*	*(53)*
other charges		*633*	*274*	*358*
Content investments, net		(162)	(337)	(137)
Gross cash provided by operating activities before income tax paid		***6,427***	***6,030***	***7,944***
Other changes in net working capital		(1,130)	(501)	387
Net cash provided by operating activities before income tax paid		***5,297***	***5,529***	***8,331***
Income tax paid, net		(877)	(526)	(1,365)
Net cash provided by operating activities		**4,420**	**5,003**	**6,966**
Investing activities				
Capital expenditures		(2,400)	(2,666)	(3,437)
Purchases of consolidated companies, after acquired cash		(227)	(677)	(742)
Investments in equity affiliates	8	(41)	(10)	(15)
Increase in financial assets		(246)	(579)	(640)
Investments		***(2,914)***	***(3,932)***	***(4,834)***
Proceeds from sales of property, plant, equipment and intangible assets		14	66	80
Proceeds from sales of consolidated companies, after divested cash		36	(59)	(43)
Disposal of equity affiliates	8	2,879	1,425	1,458
Decrease in financial assets	4	1,702	483	567
Divestitures		***4,631***	***1,915***	***2,062***
Dividends received from equity affiliates	2	74	189	235
Dividends received from unconsolidated companies		1	3	3
Net cash provided by/(used for) investing activities		**1,792**	**(1,825)**	**(2,534)**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		151	104	112
Other transactions with shareowners		(7,732)	(367)	(356)
Sales/(purchases) of treasury shares		(447)	(472)	(726)
Dividends paid by Vivendi SA to its shareowners		(1,731)	(1,721)	(1,721)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their non-controlling interests		(1,147)	(947)	(953)
Transactions with shareowners		***(10,906)***	***(3,403)***	***(3,644)***
Setting up of long-term borrowings and increase in other long-term financial liabilities		5,079	1,216	2,102
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		(1,199)	(230)	(879)
Principal payment on short-term borrowings		(1,064)	(1,606)	(1,911)
Other changes in short-term borrowings and other financial liabilities		1,489	202	310
Interest paid, net	5	(351)	(375)	(492)
Other cash items related to financial activities		(70)	(65)	(247)
Transactions on borrowings and other financial liabilities		***3,884***	***(858)***	***(1,117)***
Net cash provided by/(used for) financing activities		**(7,022)**	**(4,261)**	**(4,761)**
Foreign currency translation adjustments		(80)	172	293
Change in cash and cash equivalents		**(890)**	**(911)**	**(36)**
Cash and cash equivalents				
At beginning of the period		**3,310**	**3,346**	**3,346**
At end of the period		**2,420**	**2,435**	**3,310**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statements of Changes in Equity

First nine months of 2011

(in millions of euros, except number of shares)	Note	Capital: Common shares: *Number of shares* (in thousands)	Capital: Common shares: Amount	Capital: Additional paid-in capital	Capital: Treasury Shares	Capital: Sub-total	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Sub-total	Total equity
BALANCE AS OF DECEMBER 31, 2010		***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners		***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests		-	-	-	-	-	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners		***9,679***	***54***	***94***	***(59)***	***89***	***(1,698)***	-	-	***(1,698)***	***(1,609)***
Vivendi SA's stock repurchase program		-	-	-	(70)	(70)	-	-	-	-	(70)
Dividends paid by Vivendi SA (€1.4 per share)		-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA share-based compensation plans		*9,679*	54	94	11	159	33	-	-	33	192
of which Vivendi Employee Stock Purchase Plans (July 21, 2011)		*9,372*	*52*	*91*	-	*143*	-	-	-	-	*143*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		-	-	-	-	-	***(6,173)***	***(11)***	-	***(6,184)***	***(6,184)***
of which acquisition of Vodafone's non-controlling interest in SFR	2.1	-	-	-	-	-	(6,038)	(11)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program		-	-	-	-	-	(175)	-	-	(175)	(175)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		***9,679***	**54**	**94**	**(59)**	**89**	**(7,871)**	**(11)**	**-**	**(7,882)**	**(7,793)**
Contributions by/distributions to non-controlling interests		-	-	-	-	-	***(713)***	-	-	***(713)***	***(713)***
of which dividends paid by subsidiaries to non-controlling interests		-	-	-	-	-	(513)	-	-	(513)	(513)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	2.1	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	***14***	-	-	***14***	***14***
Changes in non-controlling interests that do not result in a gain/(loss) of control		-	-	-	-	-	***(1,882)***	***11***	-	***(1,871)***	***(1,871)***
of which acquisition of Vodafone's non-controlling interest in SFR	2.1	-	-	-	-	-	(1,712)	11	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program		-	-	-	-	-	(202)	-	-	(202)	(202)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		-	-	-	-	-	**(2,581)**	**11**	-	**(2,570)**	**(2,570)**
Earnings		-	-	-	-	-	***3,726***	-	-	***3,726***	***3,726***
Charges and income directly recognized in equity		-	-	-	-	-	***13***	***107***	***(304)***	***(184)***	***(184)***
TOTAL COMPREHENSIVE INCOME (C)		-	-	-	-	-	**3,739**	**107**	**(304)**	**3,542**	**3,542**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***9,679***	***54***	***94***	***(59)***	***89***	***(6,713)***	***107***	***(304)***	***(6,910)***	***(6,821)***
Attributable to Vivendi SA shareowners		*9,679*	*54*	*94*	*(59)*	*89*	*(5,059)*	*86*	*(273)*	*(5,246)*	*(5,157)*
Attributable to non-controlling interests		-	-	-	-	-	*(1,654)*	*21*	*(31)*	*(1,664)*	*(1,664)*
BALANCE AS OF SEPTEMBER 30, 2011		***1,247,016***	**6,859**	**8,222**	**(61)**	**15,020**	**6,882**	**40**	**(590)**	**6,332**	**21,352**
Attributable to Vivendi SA shareowners		***1,247,016***	***6,859***	***8,222***	***(61)***	***15,020***	***4,561***	***39***	***(719)***	***3,881***	***18,901***
Attributable to non-controlling interests		-	-	-	-	-	***2,321***	***1***	***129***	***2,451***	***2,451***

The accompanying notes are an integral part of the Condensed Financial Statements.

First nine months of 2010

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares		Additional paid-in capital	Treasury Shares	Sub-total	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Sub-total	
	Number of shares (in thousands)	Amount								
BALANCE AS OF DECEMBER 31, 2009	***1,228,859***	**6,759**	**8,059**	**(2)**	**14,816**	**13,333**	**(81)**	**(2,080)**	**11,172**	**25,988**
Attributable to Vivendi SA shareowners	***1,228,859***	***6,759***	***8,059***	***(2)***	***14,816***	***9,379***	***(55)***	***(2,123)***	***7,201***	***22,017***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***3,954***	***(26)***	***43***	***3,971***	***3,971***
Contributions by/distributions to Vivendi SA shareowners	***7,629***	***42***	***61***	**-**	***103***	***(1,689)***	**-**	**-**	***(1,689)***	***(1,586)***
Dividends paid by Vivendi SA (€1.4 per share)	-	-	-	-	-	(1,721)	-	-	(1,721)	(1,721)
Capital increase related to Vivendi SA share-based compensation plans	*7,629*	42	61	-	103	32	-	-	32	135
of which Vivendi Employee Stock Purchase Plans (July 29, 2010)	*7,141*	*39*	*59*	-	*98*	-	-	-	-	*98*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	***(170)***	**-**	**-**	***(170)***	***(170)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(199)	-	-	(199)	(199)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***7,629***	**42**	**61**	**-**	**103**	**(1,859)**	**-**	**-**	**(1,859)**	**(1,756)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***(512)***	**-**	**-**	***(512)***	***(512)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(512)	-	-	(512)	(512)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***(240)***	**-**	**-**	***(240)***	***(240)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(273)	-	-	(273)	(273)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(752)**	**-**	**-**	**(752)**	**(752)**
Earnings	**-**	**-**	**-**	**-**	**-**	***2,814***	**-**	**-**	***2,814***	***2,814***
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	***(5)***	***75***	***1,474***	***1,544***	***1,544***
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**2,809**	**75**	**1,474**	**4,358**	**4,358**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***7,629***	***42***	***61***	**-**	***103***	***198***	***75***	***1,474***	***1,747***	***1,850***
Attributable to Vivendi SA shareowners	*7,629*	*42*	*61*	-	*103*	*(224)*	*74*	*1,376*	*1,226*	*1,329*
Attributable to non-controlling interests	-	-	-	-	-	*422*	*1*	*98*	*521*	*521*
BALANCE AS OF SEPTEMBER 30, 2010	***1,236,488***	**6,801**	**8,120**	**(2)**	**14,919**	**13,531**	**(6)**	**(606)**	**12,919**	**27,838**
Attributable to Vivendi SA shareowners	***1,236,488***	***6,801***	***8,120***	***(2)***	***14,919***	***9,155***	***19***	***(747)***	***8,427***	***23,346***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***4,376***	***(25)***	***141***	***4,492***	***4,492***

The accompanying notes are an integral part of the Condensed Financial Statements.

Year ended December 31, 2010

(in millions of euros, except number of shares)	Capital: Common shares: *Number of shares* (in thousands)	Capital: Common shares: Amount	Capital: Additional paid-in capital	Capital: Treasury Shares	Capital: Sub-total	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Sub-total	**Total equity**
BALANCE AS OF DECEMBER 31, 2009	***1,228,859***	**6,759**	**8,059**	**(2)**	**14,816**	**13,333**	**(81)**	**(2,080)**	**11,172**	**25,988**
Attributable to Vivendi SA shareowners	***1,228,859***	***6,759***	***8,059***	***(2)***	***14,816***	***9,379***	***(55)***	***(2,123)***	***7,201***	***22,017***
Attributable to non-controlling interests	-	-	-	-	-	***3,954***	***(26)***	***43***	***3,971***	***3,971***
Contributions by/distributions to Vivendi SA shareowners	***8,478***	***46***	***69***	-	***115***	***(1,682)***	-	-	***(1,682)***	***(1,567)***
Dividends paid by Vivendi SA (€1.4 per share)	-	-	-	-	-	(1,721)	-	-	(1,721)	(1,721)
Capital increase related to Vivendi SA share-based compensation plans	8,478	46	69	-	115	39	-	-	39	154
of which Vivendi Employee Stock Purchase Plans (July 29, 2010)	*7,141*	*39*	*59*	-	*98*	-	-	-	-	*98*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(272)***	-	-	***(272)***	***(272)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(318)	-	-	(318)	(318)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***8,478***	**46**	**69**	**-**	**115**	**(1,954)**	**-**	**-**	**(1,954)**	**(1,839)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(952)***	-	-	***(952)***	***(952)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(952)	-	-	(952)	(952)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	***3***	-	-	***3***	***3***
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(351)***	-	-	***(351)***	***(351)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(409)	-	-	(409)	(409)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(1,300)**	-	-	**(1,300)**	**(1,300)**
Earnings	-	-	-	-	-	***3,522***	-	-	***3,522***	***3,522***
Charges and income directly recognized in equity	-	-	-	-	-	***(6)***	***14***	***1,794***	***1,802***	***1,802***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**3,516**	**14**	**1,794**	**5,324**	**5,324**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***8,478***	***46***	***69***	-	***115***	***262***	***14***	***1,794***	***2,070***	***2,185***
Attributable to Vivendi SA shareowners	*8,478*	*46*	*69*	-	*115*	*241*	*8*	*1,677*	*1,926*	*2,041*
Attributable to non-controlling interests	-	-	-	-	-	*21*	*6*	*117*	*144*	*144*
BALANCE AS OF DECEMBER 31, 2010	***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595** (a)	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	-	-	-	-	-	***3,975***	***(20)***	***160***	***4,115***	***4,115***

a. Mainly includes previous years' earnings which were not distributed and 2010 comprehensive income.

The accompanying notes are an integral part of the Condensed Financial Statements.

Notes to the Condensed Financial Statements

On November 15, 2011, during a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the unaudited Condensed Financial Statements for the nine months ended September 30, 2011.

The unaudited Condensed Financial Statements for the nine months ended September 30, 2011 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2010, as published in the 2010 "Rapport annuel - Document de référence" filed on March 21, 2011 with the "Autorité des marchés financiers" (AMF) under number D.11-0155 (the "Document de référence 2010") and the unaudited Condensed Financial Statements for the first half of 2011. Please also refer to pages 166 to 270 of the English translation[1] of the "Document de référence 2010" (the "2010 Annual Report") and the English translation of the Financial Report for the half year ended June 30, 2011 which are made available on Vivendi's website (www.vivendi.com) for informational purposes.

Note 1 Accounting policies and valuation methods

1.1 Interim financial statements

The Condensed Financial Statements of Vivendi for the first nine months of 2011 are presented and have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2010 (please refer to Note 1 "Accounting policies and valuation methods" presented in the financial statements from pages 174 to 189 of the 2010 Annual Report) and the following provisions were applied:

- provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to the pre-tax earnings. The assessment of the annual effective tax rate takes into consideration notably the recognition of anticipated deferred tax assets for the full year which were not previously recognized; and
- compensation costs recorded for stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for any non-recurring events which occurred over the period, if necessary.

1.2 Change in presentation of the consolidated statement of earnings

In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its Consolidated Statement of Earnings as of January 1, 2011:

- the impacts related to financial investing transactions, which were previously reported in "other financial charges and income" are reclassified to other charges and income in "Earnings Before Interest and Income Taxes" (EBIT). They include losses and gains recognized through business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as consolidation gains or losses incurred from the gain or loss of control in a business. The reclassified amounts represented a net charge of €220 million, €253 million, and €305 million for the third quarter of 2010, the first nine months of 2010, and the 2010 fiscal year, respectively;
- the impacts related to transactions with shareowners (except if directly recognized in equity), which were previously reported in "other financial charges and income" are similarly reclassified to EBIT, in particular the €450 million reversal of reserve recognized as of December 31, 2010 as part of the Securities Class Action in the United States; and
- moreover, both charges and income related to financial investing transactions as well as other financial charges and income are no longer offset on the face of the Consolidated Statement of Earnings.

In accordance with IAS 1, Vivendi has applied this change in presentation for all periods previously published. Given these reclassifications, EBIT for the third quarter of 2010, the first nine months of 2010, and the 2010 fiscal year amounted to €1,058 million (compared to €1,278 million as published in 2010), €3,988 million (compared to €4,241 million as published in 2010) and €5,016 million (compared to €4,871 million as published in 2010), respectively.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2010".*

1.3 New IFRS standards and interpretations applicable as of January 1, 2011

The new IFRS effective from January 1, 2011, as described in Note 1.5 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" of the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2010 (page 189 of the 2010 Annual Report), which were applicable to the first nine months of 2011, had no material impact on Vivendi's Financial Statements.

Note 2 Major transactions related to financial investments

2.1 Acquisition of Vodafone's 44% interest in SFR

In accordance with the agreement entered into on April 3, 2011, Vivendi acquired on June 16, 2011, a 44% interest in SFR from Vodafone for a total amount of €7,950 million, paid entirely in cash. This transaction valued the 44% interest in SFR at €7,750 million as of January 1, 2011 to which was added a lump sum of €200 million related to the amount of cash generated by SFR between January 1 and June 30, 2011, paid as an interim dividend by SFR. In addition, SFR and Vodafone have agreed to extend their commercial cooperation for a further 3-year period.

In accordance with IAS 27 revised, this transaction was accounted for as a purchase of non-controlling interests and accordingly the consideration paid was fully recognized as a deduction from equity. The difference between the consideration paid and the carrying value of non-controlling interests acquired on June 16, 2011, i.e., a net amount of €6,049 million, has been recorded as a deduction from equity attributable to Vivendi SA shareowners.

2.2 Sale of the remaining 12.34% interest in NBC Universal

At the conclusion of the NBC Universal transaction completed in May 2004, Vivendi held an equity interest in NBC Universal of 20%, and General Electric (GE) owned the remaining 80%. Pursuant to the agreements entered into between Vivendi and GE, Vivendi and GE shared governance rights and each had a right to receive any dividends paid by NBC Universal pro rata to its then-current interest. In December 2009, Vivendi agreed that it would sell its 20% interest in NBC Universal to GE under an agreement (as amended, the "2009 Agreement"), entered into in connection with GE's concurrent agreement with Comcast Corporation ("Comcast") to form a new joint venture that would own 100% of NBC Universal and certain Comcast assets (the "Comcast Transaction"). Pursuant to the 2009 Agreement, Vivendi agreed to sell its 20% interest in NBC Universal to GE for $5.8 billion, in two transactions, the second of which was contingent upon the completion of the Comcast Transaction and the accounting treatment was as follows:

- On September 26, 2010, Vivendi sold a 7.66% interest in NBC Universal to GE for $2.0 billion (with an additional $222 million amount remaining to be paid upon the sale of the remaining interest). This sale resulted in a capital loss of €232 million, mostly comprised of foreign currency translation adjustments reclassified to earnings for €281 million, representing the foreign exchange loss attributable to the decline of the US dollar since January 1, 2004.
- The remainder of Vivendi's interest, or 12.34% of NBC Universal, was sold to GE on January 25, 2011 for $3.8 billion (which includes an additional $222 million received in relation to the previously sold 7.66% interest). This sale resulted in a capital loss of €421 million, mostly comprised of foreign currency translation adjustment reclassified to earnings for €477 million.
- In parallel, starting in December 2009, Vivendi gradually hedged its investment in NBC Universal using currency forward sales contracts denominated in US dollars, at an average exchange rate of 1.33 US dollar/euro. From an accounting perspective, these forward contracts were qualified as net investment hedges in NBC Universal. On September 26, 2010, forward sales contracts for a nominal value of $2,000 million were unwound for €1,425 million. On January 25, 2011, forward sales contracts for a nominal value of $3,800 million were unwound for €2,921 million, of which €2,883 million was received at this date and €38 million was received during 2010.

In total, Vivendi sold its 20% interest in NBC Universal for $5,800 million, which was exchanged for €4,346 million according to hedging transactions, and recognized a capital loss of €653 million, mostly comprised of foreign currency translation adjustments reclassified to earnings for €758 million, representing a foreign exchange loss primarily attributable to the decline of the US dollar since January 1, 2004.

In addition, Vivendi received its pro rata share of dividends for the period from January 1, 2010 to January 25, 2011 (the date of sale), totaling $408 million. This amount included the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal for $95 million, recognized as income from financial investments.

2.3 Other transactions related to financial investments

Acquisition of See Tickets

On August 23, 2011, Vivendi acquired a 100% interest in See Tickets, a British ticketing company, on the basis of an enterprise value of €78 million, of which a €95 million purchase price (£83 million) and €17 million of net cash acquired. See Tickets has been fully consolidated since that date.

Note 3 Segment data

The Vivendi group comprises six different businesses operating at the heart of the worlds of content, platforms, and interactive networks: Activision Blizzard, Universal Music Group, SFR, Maroc Telecom Group, GVT, and Canal+ Group.

Statement of Earnings

Three months ended September 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	532	976	3,011	687	395	1,168	-	8	-	6,777
Intersegment revenues	1	3	6	11	-	3	-	1	(25)	-
Revenues	**533**	**979**	**3,017**	**698**	**395**	**1,171**	**-**	**9**	**(25)**	**6,777**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(382)	(841)	(1,990)	(294)	(226)	(883)	(20)	(13)	25	(4,624)
Charges related to stock options and other share-based compensation plans	(11)	(2)	(1)	(1)	(2)	(1)	-	-	-	(18)
EBITDA	**140**	**136**	**1,026**	**403**	**167**	**287**	**(20)**	**(4)**	**-**	**2,135**
Restructuring charges	(2)	(12)	(5)	-	-	-	1	-	-	(18)
Gains/(losses) on sales of tangible and intangible assets	(1)	(1)	1	-	-	-	-	1	-	-
Other non-recurring items	-	1	-	(1)	-	(1)	3	-	-	2
Depreciation of tangible assets	(12)	(12)	(234)	(78)	(48)	(37)	-	(1)	-	(422)
Amortization of intangible assets excluding those acquired through business combinations	(7)	-	(144)	(22)	(7)	(12)	(1)	(1)	-	(194)
Adjusted earnings before interest and income taxes (EBITA)	**118**	**112**	**644**	**302**	**112**	**237**	**(17)**	**(5)**	**-**	**1,503**
Amortization of intangible assets acquired through business combinations	(5)	(66)	(16)	(7)	(15)	(8)	-	-	-	(117)
Impairment losses of intangible assets acquired through business combinations	-	(5)	-	-	-	-	-	-	-	(5)
Other income										3
Other charges										(174)
Earnings before interest and income taxes (EBIT)										**1,210**
Income from equity affiliates										(6)
Interest										(144)
Income from investments										-
Other financial income										6
Other financial charges										(92)
Provision for income taxes										(560)
Earnings from discontinued operations										-
Earnings										**414**
Of which										
Earnings attributable to Vivendi SA shareowners										**241**
Non-controlling interests										173

Three months ended September 30, 2010

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	577	1,024	3,128	734	288	1,131	-	5	-	6,887
Intersegment revenues	-	3	3	10	-	6	-	1	(23)	-
Revenues	**577**	**1,027**	**3,131**	**744**	**288**	**1,137**	**-**	**6**	**(23)**	**6,887**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(439)	(917)	(2,135)	(293)	(166)	(815)	(19)	(14)	23	(4,775)
Charges related to stock options and other share-based compensation plans	(24)	(5)	(3)	(1)	-	(2)	(4)	-	-	(39)
EBITDA	**114**	**105**	**993**	**450**	**122**	**320**	**(23)**	**(8)**	**-**	**2,073**
Restructuring charges	-	(9)	(10)	-	-	-	(1)	-	-	(20)
Gains/(losses) on sales of tangible and intangible assets	1	-	3	-	-	-	-	-	-	4
Other non-recurring items	-	-	-	-	(1)	-	2	2	-	3
Depreciation of tangible assets	(14)	(11)	(222)	(82)	(40)	(33)	-	-	-	(402)
Amortization of intangible assets excluding those acquired through business combinations	(35)	-	(150)	(22)	(10)	(13)	-	(1)	-	(231)
Adjusted earnings before interest and income taxes (EBITA)	**66**	**85**	**614**	**346**	**71**	**274**	**(22)**	**(7)**	**-**	**1,427**
Amortization of intangible assets acquired through business combinations	(16)	(76)	(24)	(10)	(15)	(8)	-	-	-	(149)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										13
Other charges										(233)
Earnings before interest and income taxes (EBIT)										**1,058**
Income from equity affiliates										64
Interest										(130)
Income from investments										1
Other financial income										7
Other financial charges										(22)
Provision for income taxes										(250)
Earnings from discontinued operations										-
Earnings										**728**
Of which										
Earnings attributable to Vivendi SA shareowners										**372**
Non-controlling interests										356

Nine months ended September 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	2,389	2,835	9,128	2,028	1,077	3,553	-	20	-	21,030
Intersegment revenues	1	7	9	31	-	10	-	3	(61)	-
Revenues	**2,390**	**2,842**	**9,137**	**2,059**	**1,077**	**3,563**	**-**	**23**	**(61)**	**21,030**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,282)	(2,504)	(6,145)	(925)	(622)	(2,675)	(58)	(39)	61	(14,189)
Charges related to stock options and other share-based compensation plans	(42)	(9)	(21)	(2)	(3)	(8)	(4)	(1)	-	(90)
EBITDA	**1,066**	**329**	**2,971**	**1,132**	**452**	**880**	**(62)**	**(17)**	**-**	**6,751**
Restructuring charges	(18)	(49)	(14)	-	-	-	(1)	-	-	(82)
Gains/(losses) on sales of tangible and intangible assets	(1)	-	3	-	(1)	(2)	-	1	-	-
Other non-recurring items	-	-	-	2	-	-	5	-	-	7
Depreciation of tangible assets	(38)	(36)	(648)	(232)	(137)	(103)	-	(1)	-	(1,195)
Amortization of intangible assets excluding those acquired through business combinations	(58)	-	(427)	(69)	(15)	(43)	(1)	(2)	-	(615)
Adjusted earnings before interest and income taxes (EBITA)	**951**	**244**	**1,885**	**833**	**299**	**732**	**(59)**	**(19)**	**-**	**4,866**
Amortization of intangible assets acquired through business combinations	(16)	(203)	(50)	(20)	(45)	(24)	-	-	-	(358)
Impairment losses of intangible assets acquired through business combinations	-	(5)	-	-	-	-	-	-	-	(5)
Other income										1,292
Other charges										(633)
Earnings before interest and income taxes (EBIT)										**5,162**
Income from equity affiliates										(19)
Interest										(351)
Income from investments										74
Other financial income										11
Other financial charges										(154)
Provision for income taxes										(997)
Earnings from discontinued operations										-
Earnings										**3,726**
Of which										
Earnings attributable to Vivendi SA shareowners										**2,799**
Non-controlling interests										927

Nine months ended September 30, 2010

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	2,280	2,919	9,374	2,096	732	3,453	-	15	-	20,869
Intersegment revenues	-	8	5	30	-	11	-	3	(57)	-
Revenues	**2,280**	**2,927**	**9,379**	**2,126**	**732**	**3,464**	**-**	**18**	**(57)**	**20,869**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,381)	(2,615)	(6,257)	(870)	(425)	(2,551)	(85)	(41)	57	(14,168)
Charges related to stock options and other share-based compensation plans	(67)	(7)	(15)	(2)	(1)	(7)	(5)	(1)	-	(105)
EBITDA	**832**	**305**	**3,107**	**1,254**	**306**	**906**	**(90)**	**(24)**	**-**	**6,596**
Restructuring charges	(3)	(31)	(20)	-	-	-	(2)	-	-	(56)
Gains/(losses) on sales of tangible and intangible assets	-	-	(7)	(3)	-	-	-	-	-	(10)
Other non-recurring items	-	-	-	(1)	-	-	5	1	-	5
Depreciation of tangible assets	(36)	(30)	(676)	(239)	(123)	(102)	-	(1)	-	(1,207)
Amortization of intangible assets excluding those acquired through business combinations	(107)	-	(422)	(69)	(14)	(44)	-	(2)	-	(658)
Adjusted earnings before interest and income taxes (EBITA)	**686**	**244**	**1,982**	**942**	**169**	**760**	**(87)**	**(26)**	**-**	**4,670**
Amortization of intangible assets acquired through business combinations	(36)	(223)	(73)	(22)	(43)	(24)	-	-	-	(421)
Impairment losses of intangible assets acquired through business combinations	-	(8)	-	-	-	-	-	-	-	(8)
Other income										21
Other charges										(274)
Earnings before interest and income taxes (EBIT)										**3,988**
Income from equity affiliates										139
Interest										(375)
Income from investments										5
Other financial income										12
Other financial charges										(107)
Provision for income taxes										(848)
Earnings from discontinued operations										-
Earnings										**2,814**
Of which										
Earnings attributable to Vivendi SA shareowners										**1,639**
Non-controlling interests										1,175

As of September 30, 2010, income from equity affiliates was mainly comprised of the group's share in NBC Universal's earnings for €67 million in the third quarter of 2010 and €145 million for the first nine months of 2010. This investment, whose sale was finalized in January 2011, was allocated to the Holding & Corporate business segment (please refer to Note 2.2).

Note 4 EBIT

Other charges and income

For the first nine months of 2011, the EBIT's other charges and income were a net income of €659 million and primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred from the sale of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million) completed on January 25, 2011. For the first nine months of 2010, the EBIT's other charges and income were a net charge of €253 million and primarily included the capital loss incurred from the sale of 7.66% interest in NBC Universal (-€232 million) completed on September 26, 2010.

Note 5 Interest

	Three months ended September 30,		Nine months ended September 30,		Year ended
(in millions of euros)	2011	2010	2011	2010	December 31, 2010
Interest expense on borrowings	154	135	388	396	521
Interest income from cash and cash equivalents	(10)	(5)	(37)	(21)	(29)
Interest	**144**	**130**	**351**	**375**	**492**
Premium related to early redemption of borrowings and fees related to issuance or cancellation of credit lines	*3*	*2*	*7*	*8*	*43*
	147	***132***	***358***	***383***	***535***

Note 6 Income taxes

	Three months ended September 30,		Nine months ended September 30,		Year ended
(in millions of euros)	2011	2010	2011	2010	December 31, 2010
(Charge)/Income					
Impact of the Consolidated Global Profit Tax System and Vivendi SA's tax group	(203) (a)	147 (b)	333 (a)	442 (b)	583
Other components of the provision for income taxes	(357)	(397)	(1,330)	(1,290)	(1,625) (c)
Provision for income taxes	**(560)**	**(250)**	**(997)**	**(848)**	**(1,042)**

a. On July 6, 2011, Vivendi applied to the French Ministry of Finance for the renewal of its authorization to use the Consolidated Global Profit Tax System for a three year period from 2012 to 2014. However, the recent changes in French Tax Law for the year 2011 terminated the Consolidated Global Profit Tax System as from September 6, 2011. In addition, it decided to cap the deduction for tax losses carried forward at 60% of taxable income. The €203 million charge recognized in the third quarter of 2011 was primarily related to the impact of this cap (-€445 million, of which -€203 million for the 2011 fiscal year and -€242 million for the 2012 fiscal year), which was partially offset by the positive impact of the acquisition of Vodafone's 44% interest in SFR for the 2011 and 2012 fiscal years (+€248 million). As of September 30, 2011, the impact of the Consolidated Global Profit Tax System and Vivendi SA's tax group for the first nine months of 2011 primarily related to 75% of the expected tax savings for the 2012 fiscal year, after the cap.

b. Related to 25% and 75% of the expected tax savings from the Consolidated Global Profit Tax System for the 2011 fiscal year, respectively.

c. Includes -€76 million related to the utilization of Neuf Cegetel's ordinary tax losses carried forward.

Note 7 Earnings per share

	Three months ended September 30,				Nine months ended September 30,				Year ended December 31, 2010	
	2011		2010		2011		2010			
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings attributable to Vivendi SA shareowners (in millions of euros)	241	241 (a)	372	372 (a)	2,799	2,796 (a)	1,639	1,636 (a)	2,198	2,196 (a)
Number of shares (in millions)										
Weighted average number of shares outstanding restated (b)	1,242.4	1,242.4	1,234.2	1,234.2	1,238.3	1,238.3	1,230.7	1,230.7	1,232.3	1,232.3
Potential dilutive effects related to share-based compensation	-	1.8	-	2.1	-	2.3	-	2.2	-	2.2
Adjusted weighted average number of shares	**1,242.4**	**1,244.2**	**1,234.2**	**1,236.3**	**1,238.3**	**1,240.6**	**1,230.7**	**1,232.9**	**1,232.3**	**1,234.5**
Earnings attributable to Vivendi SA shareowners per share (in euros)	0.19	0.19	0.30	0.30	2.26	2.25	1.33	1.33	1.78	1.78

Earnings from discontinued operations are not applicable over the presented periods. The caption "earnings from continuing operations attributable to Vivendi SA shareowners" therefore relates to earnings attributable to Vivendi SA shareowners.

a. Only includes the potential dilutive effect related to employee stock option and restricted stock plans of Activision Blizzard for a non-material amount.

b. Net of treasury shares (3.2 million shares as of September 30, 2011).

Note 8 Investments in equity affiliates

	Voting interest		Value of equity affiliates	
(in millions of euros)	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
NBC Universal (a)	-	12.34%	-	2,779
Other	na*	na*	134	127
			134	**2,906**

na*: not applicable.

Changes in value of equity affiliates

(in millions of euros)	December 31, 2010	Changes in scope of consolidation	Impairment losses	Income from equity affiliates	Changes in foreign currency translation adjustments and other	September 30, 2011
NBC Universal (a)	2,779	(2,771)	-	-	(8)	-
Other	127	35	(2)	(19)	(7)	134
	2,906	**(2,736)**	**(2)**	**(19)**	**(15)**	**134**

a. A detailed description of the sale of Vivendi's interest in NBC Universal and its accounting treatment is described in Note 2.2.

Note 9 Commitments

The following note should be read in conjunction with Note 26 to the Consolidated Financial Statements for the year ended December 31, 2010 (pages 256 to 262 of the 2010 Annual Report). The main contractual commitments undertaken/revised during the first nine months ended September 30, 2011 are described below.

9.1 Commitments given or received relating to operations

On October 11, 2011, following a call for bids in the first stage of the tender offer for 4G mobile telephony spectrum (very-high-speed Internet), the French Telecommunications Regulatory Body (Arcep) granted SFR a 15 MHz duplex spectrum band for €150 million. As part of this authorization, SFR has to comply with a network coverage rate for the French metropolitan population as follows: 25% as of October 11, 2015, 60% as of October 11, 2019 and 75% as of October 11, 2023.

9.2 Share purchase and sale commitments

The main share purchase and sale transactions in progress as of September 30, 2011 are described in Section 1.1.5 of the Financial Report. They mainly relate to Lagardère's liquidity right regarding its non-controlling interest in Canal+ France, the partnership between Canal+ Group and Bolloré Group involving free-to-air channels, and the acquisition by Canal+ Group of a non-controlling interest in Orange Cinema Series.

9.3 Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

- With respect to the agreements implemented on January 14, 2011 to end litigation over telecommunication assets in Poland (please refer to Section 1.1.4 of the Financial Report), Vivendi notably undertook the following commitments:
  - Vivendi granted to Deutsche Telekom a guarantee over Carcom for a capped amount of €600 million maturing in August 2013;
  - Vivendi committed to compensate Elektrim SA (Elektrim) for the tax consequences of the transaction, within the limit of €20 million. This commitment expired in July 2011 but the claims have not yet been settled;
  - Vivendi committed to compensate 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 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 agreed in order to end certain procedures.
- As part of the combination of the pay-TV activities in France of Canal+ Group and TPS in January 2007, Vivendi and Canal+ Group undertook certain commitments, which are described in Note 26 to the Consolidated Financial Statements for the year ended December 31, 2010. The French Competition Authority opened an inquiry on October 28, 2009, regarding possible breaches of these commitments. The Authority rendered its decision on September 20, 2011 by withdrawing its authorization and by imposing a €30 million financial sanction on Canal+ Group (please refer to Note 10).
- As a reminder, 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 (representations and warranties). The sale of Vivendi's interest in NBC Universal to GE completed on January 25, 2011, did not modify these commitments which are described in Note 26 to the Consolidated Financial Statements for the year ended December 31, 2010.

Note 10 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 27 to the Consolidated Financial Statements for the year ended December 31, 2010 and in Section 3, Chapter 2 contained in the 2010 Annual Report (pages 262 to 267 and pages 56 to 61 respectively). The following paragraphs update such disclosure through November 15, 2011, the date of the Management Board meeting held to approve Vivendi's financial statements for the quarter ended September 30, 2011.

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 recent past a significant effect on the company and on its group's financial position, profit, business and property, other than those described herein.

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi, Messrs. Jean-Marie Messier and Guillaume 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 in a single action under its jurisdiction 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.

On April 9, 2007, Vivendi filed an appeal against this decision. On May 8, 2007, the United States Court of Appeals for the Second Circuit denied Vivendi's petition seeking review of the District Court's decision with respect to class certification. On August 6, 2007, Vivendi filed a petition with the Supreme Court of the United States for a Writ of Certiori seeking to appeal the Second Circuit's decision on class certification. On October 9, 2007, the Supreme Court denied the petition.

On March 12, 2008, Vivendi filed a motion for reconsideration of the Court's class certification decision dated March 22, 2007, that included French shareholders in the plaintiff class. On March 31, 2009, the Court denied that motion.

Following the March 22, 2007 certification decision, 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. The Liberty Media and individual plaintiffs' actions remain pending against the company.

The trial of the class action lawsuit commenced on October 5, 2009, in New York.

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 March 26, 2010, Vivendi filed certain post-trial motions with the Court, challenging the jury's verdict.

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."

At a hearing that took place in New York on July 26, 2010, Vivendi petitioned the Court to apply the "Morrison" decision and therefore to exclude from the class shareholders who did not purchase or sell their shares on a U.S. exchange.

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 first take place. On March 8, 2011, plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. The Court of Appeals denied the petition, on July 20, 2011, and dismissed the purchasers who acquired their shares on the Paris stock exchange.

Vivendi still believes that it has solid grounds for an appeal, at the appropriate times. Vivendi intends to challenge, among other issues, plaintiffs' theories of causation and damages, 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 an assessment of the matters set forth above supported by 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 District Court for the Southern District of New York decision 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 its provision and the assumptions on which it is based may have to be further amended as the proceedings progress, and consequently, the present amount of damages that Vivendi might have to pay the plaintiffs could differ. 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, Messrs. Messier and Hannezo in the District Court for the Southern District of New York for claims arising out of a merger 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 Securities Act of 1933 and US Exchange Act of 1934. Liberty Media seeks rescission damages. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. On April 28, 2011, the Court set a trial date of January 23, 2012.

Tenor against Groupe SFR Cegetel, Groupe France Telecom and Bouygues Télécom

On March 3, 2009, the Supreme Court reversed the Court of Appeal's decision dated April 2, 2008, considering that "price scissoring" practices may not, as such, constitute anti-competitive practices. On January 27, 2011, The Paris Court of Appeal overruled the decision of the Competition Council stating that the grievances against SFR and France Telecom have not been proven. The Court ordered the amount of the fine imposed by the Competition Council to be reimbursed. On February 24, 2011, the Competition Authority appealed the decision to the French Supreme Court.

Complaint lodged with the Competition Authority by Orange Réunion, Orange Mayotte and Outre Mer Telecom against Société Réunionnaise du Radiotéléphone (SRR)

Orange Réunion and Orange Mayotte filed a complaint against SRR (an SFR subsidiary) for alleged discriminatory practices. On September 15, 2009, the French Competition Authority imposed temporary protective measures on SRR, requiring it to propose to its subscribers offers which do not discriminate based on the network used, except to reflect the cost differences among the network operators. On August 18, 2011, the Competition Authority provided SRR with a report stating that SRR had not complied with the order. The investigation is ongoing.

Complaint of Bouygues Telecom against SFR and Orange in connection with the call termination and mobile markets

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices in the call termination and mobile markets ("price scissoring"). On May 15, 2009, the French Competition Authority ("the Authority") resolved to postpone its decision on the issue and remanded the case for further investigation. On December 13, 2010, SFR was heard on these allegations by the instructing magistrate. On August 18, 2011, SFR received a notification of grievances in which the Authority noted the existence of abusive tariff differentiation practices.

SFR against France Télécom

On August 10, 2011, France Télécom filed a claim against SFR before the Paris Commercial Court. France Telecom asked the Court to compel SFR to stop the overflow traffic at the point of interconnection of their respective networks.

Metro Goldwyn Mayer against Groupe Canal+ and others

In 1996, the TPS Group (TPS) entered into an output agreement with Metro Goldwyn Mayer Inc. (MGM), relating to the broadcasting rights of MGM's catalog. This agreement had an initial term of five years and was thereafter renewed for an additional five-year period before being terminated on December 31, 2006. The agreement provided MGM with the right to renew the contract for a new five-year period if TPS merged with another satellite operator before the termination of the agreement. Following the announcement of the merger between TPS and Canal+ France, MGM notified TPS that it would exercise its renewal option and extend the agreement through December 31, 2011. TPS challenged this renewal based on the fact that the merger effectively occurred in January 2007, after the termination of the agreement. In April 2007, MGM filed a complaint against Canal + France, Canal+ Distribution SAS, as successor to TPS, and Groupe Canal+, with the District Court of New York seeking, among other things, damages for breach of contract. On July 21, 2011, the parties entered into a settlement agreement.

Inquiry into the implementation of certain undertakings given in connection with the combination of Canal Satellite and TPS

The French Competition Authority opened an inquiry regarding the implementation of certain undertakings given by Vivendi and Group Canal+ in connection with the combination of TPS and Canal Satellite.

On September 20, 2011, the Competition Authority rendered a decision in which it established that Group Canal+ did not comply with certain undertakings – some considered as essential – on which depended the decision authorizing in 2006 the acquisition of TPS and Canal Satellite by Vivendi and Group Canal+. As a consequence, the Competition Authority withdrew the merger authorization, requiring Vivendi and Group Canal+ to re-notify the transaction to the Competition Authority within one month. Furthermore, the Authority ordered Group Canal+ to pay a €30 million fine.

On October 24, 2011, the operation was re-notified to the Competition Authority.

On November 4, 2011, Vivendi and Group Canal+ filed a motion before the Council of State, requesting the annulment of the decision.

Studio Infinity Ward, subsidiary of Activision Blizzard

After concluding an internal human resources inquiry into breaches of contract and insubordination by two senior employees at Infinity Ward, Activision Blizzard terminated the employment of Jason West and Vince Zampella on March 1, 2010. On March 3, 2010, West and Zampella filed a complaint against Activision Blizzard in Los Angeles Superior Court for breach of contract and wrongful termination. On April 9, 2010, Activision Blizzard filed a cross complaint against West and Zampella, asserting claims for breach of contract and fiduciary duty. In addition, 38 current and former employees of Infinity Ward filed a complaint against Activision Blizzard in Los Angeles Superior Court on April 27, 2010 for breach of contract and violation of the Labor Code of the State of California. On July 8, 2010, an amended complaint was filed which added seven additional plaintiffs. They claim that the company failed to pay bonuses and other compensation allegedly owed to them.

On December 21, 2010, Activision Blizzard filed a consolidated cross complaint in order to add Electronic Arts as a party, the discovery having shown the complicity of Electronic Arts in the case. The Los Angeles Court, following Activision Blizzard's request, agreed to transfer the case to the Complex division. The trial is scheduled to take place on May 7, 2012.

Activision Blizzard does not expect these two lawsuits to have a material impact on the company.

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP, Telefonica's Brazilian subsidiary, 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 reais (approximately 6.7 million Euros) corresponding to the expenses incurred by TELESP in connection with its offer for GVT. Vivendi will contest each of TELESP's claims in the response it will file with the Court.

Inquiries in Brazil

On July 19, 2011, the Public Prosecutor of the State of Paraná decided to close its inquiry into the acquisition of GVT by Vivendi in November 2009. In the decision, the Public Prosecutor particularly underlined that there was no element proving any loss for GVT's shareholders who obtained, on the contrary, a profit with the transaction. This decision was confirmed by the Federal Prosecutor on September 30, 2011.

Actions related to the ICMS tax

GVT is party in various Brazilian States to several proceedings concerning the recovery of the "ICMS" tax on its Internet and Broadband services. ICMS (Impostos Sobre Circulaçãos de Mercadorias e Prestaçãos de Serviços), is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services.

As of today, court decisions favorable to GVT have been rendered in several States, but the Superior Tribunal de Justiça, the Brazilian Federal Supreme Court, has not yet ruled on this issue.

On August 5, 2011, Confaz, the national council in charge of coordinating the tax policies of the Brazilian States, published a draft proposal that, if accepted by each State concerned, would allow companies (like GVT) that dispute the recovery of ICMS on Internet and Broadband services to enter into negotiations with the objective of settling the past disputes and clarifying the rules applicable to future operations.

As of today, the States of Paraná, Mato Grosso, Rio Grande do Sul, Pernambuco, Santa Catarina and Mato Grosso do Sul accepted the proposal of Confaz.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds filed a complaint for damages against Vivendi before the Bovespa Arbitration Chamber (Sao 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 notices that this poison pill provision was waived by a GVT Shareholders' general meeting in the event of an acquisition by Vivendi or Telefonica.

Note 11 Subsequent events

The major events that have occurred since September 30, 2011 were as follows:

- On October 11, 2011, following a call for bids in the first stage of the tender offer for 4G mobile telephony spectrum (very-high-speed Internet), the Arcep granted SFR a 15 MHz duplex spectrum band for €150 million;
- On October 27, 2011, Canal+ Group announced a strategic partnership project with ITI and TVN Groups in Poland. TVN is Poland's top media company, the country's leader in free television and one of the biggest operators in pay television via its subsidiary 'n'. It also has an Internet presence with the largest and most popular Polish Internet portal, Onet;
- On November 11, 2011, Vivendi and Universal Music Group (UMG) entered into a definitive agreement with Citigroup to purchase EMI's recorded music division for a total consideration of £1.2 billion (approximately €1.4 billion) representing 7x EBITDA prior to synergies. This transaction has been approved both by the Management Board and the Supervisory Board of Vivendi. Closing of the agreement remains subject to a number of conditions, including approvals of regulatory authorities in the countries and continents concerned. Vivendi will finance this transaction from its existing credit lines. Concurrently, Vivendi and UMG will also sell €500 million worth of non-core UMG assets; and
- On November 15, 2011, Vivendi sold into the market 35 million shares of Activision Blizzard, resulting in Vivendi's ownership at approximately 60% interest in the company.