Financial Report and Unaudited Condensed Financial Statements for the First Quarter Ended March 31, 2014

May 15, 2014

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,367,854,620.50

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Selected key consolidated financial data

: Preliminary comments

On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. Consequently, as from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Financial Statements as a discontinued operation.

As a reminder, on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein, and on May 14, 2014 Vivendi will sell its 53% interest in Maroc Telecom group. Consequently, as from the second quarter of 2013 and in compliance with IFRS 5, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Statements as discontinued operations.

For more details on the adjustments made, please refer to Appendix 2 to the Financial Report and to Note 12 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

These adjustments were made to all periods presented in the selected key consolidated financial data table below, for data from Consolidated Statements of Earnings and Cash Flows:

	1st Quarter ended March 31, (unaudited)		Year ended December 31,			
	2014	2013	2013	2012	2011	2010
Consolidated data						
Revenues	2,722	2,826	11,962	11,313	10,510	10,180
EBITA (a)	268	301	1,360	1,562	1,482	1,279
Earnings attributable to Vivendi SA shareowners	431	534	1,967	179	2,681	2,198
Adjusted net income (a)	161	134	728	667	602	710
Financial Net Debt (a)	11,242	13,193	11,097	13,419	12,027	8,073
Total equity	19,623	22,546	19,030	21,291	22,070	28,173
of which Vivendi SA shareowners' equity	17,964	19,360	17,457	18,325	19,447	24,058
Capital expenditures, net (capex, net) (b)	(297)	(354)	(1,014)	(1,240)	(1,012)	(753)
Cash flow from operations (CFFO) (a)	2	135	803	520	751	911
Financial investments	(129)	(24)	(111)	(1,689)	(291)	(687)
Financial divestments	(12)	44	3,471	201	4,205	1,494
Dividends paid with respect to previous fiscal year	na	na	1,325	1,245	1,731	1,721
Per share data						
Weighted average number of shares outstanding	1,340.8	1,322.5	1,330.6	1,298.9	1,281.4	1,273.8
Adjusted net income per share	**0.12**	**0.10**	**0.55**	**0.51**	**0.47**	**0.56**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,342.7	1,322.9	1,339.6	1,322.5	1,287.4	1,278.7
Equity per share, attributable to Vivendi SA shareowners	13.38	14.63	13.03	13.86	15.11	18.81
Dividends per share paid with respect to previous fiscal year	**na**	**na**	**1.00**	**1.00**	**1.40**	**1.40**

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

na: not applicable

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 this Financial Report or in its Appendix. 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 Consolidated Financial Statements and the related notes, or as described in this Financial Report. Moreover, it should be noted that other companies may define and calculate these indicators differently from Vivendi thereby affecting comparability.

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

I – Financial Report for the first quarter of 2014

Preliminary comments:

On May 12, 2014, the Financial Report and Unaudited Condensed Financial Statements for the first quarter ended March 31, 2014 were approved by Vivendi's Management Board. They were examined by the Audit Committee on May 14, 2014.

The Financial Report for the first quarter of 2014 should be read in conjunction with the Financial Report for the year ended December 31, 2013 as published in the 2013 "*Rapport annuel - Document de référence*" filed on April 14, 2014 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2013*"). Please also refer to pages 175 through 324 of the English translation[1] of the "*Document de référence 2013*" (the "2013 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

1 Significant events

1.1 Significant events during the period

1.1.1 Plan to sell SFR

On March 5, 2014, Vivendi received two binding offers for a controlling interest in its SFR subsidiary. These offers were provided by Altice, Numericable's parent company, and by the Bouygues Group and both included financing commitments. On March 14, 2014, Vivendi's Supervisory Board examined the two offers and decided to enter into exclusive negotiations with Altice for a period of three weeks. Altice's initial offer consisted of a €11.75 billion cash payment to Vivendi and a 32% equity interest in the publicly-listed combined entity and the exit of Vivendi according to predetermined terms.

At its meetings held on April 4 and April 5, 2014, Vivendi's Supervisory Board reviewed the results of the negotiations with Altice/Numericable regarding a combination with SFR during the mutually-agreed exclusive period entered into on March 14, and it unanimously decided to choose the revised Altice/Numericable offer, which represents a total enterprise value in excess of €17 billion, or an estimated 2014 EV/EBITDA (Enterprise Value/EBITDA) ratio of 7.0x.

The main details of this offer are the following:

Cash at closing	€13.5 billion
Vivendi's interest in the combined entity	20% (publicly-listed company)
Altice's interest in the combined entity	60% for Altice (free float = 20%)
Liquidity	- One year lock-up period following closing. - Call option for Altice at market value (with floor (*)) on Vivendi's interest in three tranches (7%, 7%, 6%) over 1-month windows respectively starting on the 19th, 31st, and 43rd month following closing. - Possibility to sell or distribute the listed shares, with a pre-emptive right for Altice.
Earn-out	Potential earn-out of €750 million if the combined entity's (EBITDA-Capex) is at least equal to €2 billion during one fiscal year.
Financing	- Total debt of €11.6 billion for combined entity. - Initial bank commitments were refinanced on April 23, 2014, through bonds (€7.8 billion) and bank loans (€3.8 billion).
Corporate Governance	- Minority Board representation for Vivendi. - Veto rights on certain matters subject to Vivendi retaining a 20% interest in the combined entity.

(*) VWAP of Numericable stock price over the 20 business days before closing, grossed-up by an annual rate of 5% during the period ranging from the closing of the transaction until the date of exercise of the call option by Altice.

As part of a new mutually-agreed exclusivity agreement with Altice/Numericable, the completion of this transaction is subject to consultation procedures with the employee representative bodies of Numericable, Vivendi, and SFR on the plan presented by Altice/Numericable and receipt of the authorizations from the relevant administrative authorities. The closing is anticipated by the end of 2014.

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

This decision puts an end to the SFR demerger plan.

In the Condensed Financial Statements for the first quarter ended March 31, 2014, Vivendi considered that the conditions for the application of IFRS 5 were met with respect to the plan to sell SFR, taking into consideration the expected effective closing of this transaction.

The capital gain on sale of SFR will be calculated as the difference between the sale price of 100% of SFR (a €13.5 billion cash payment and value of the remaining ownership interest in the combined entity estimated at €3.0 billion, excluding potential earn-out) and the value of SFR's net assets, as recorded in Vivendi's Consolidated Financial Statements at the date of the loss of control. The capital gain will be recognized upon the completion of the sale and recorded under the line "Earnings from discontinued operations"; based on SFR's Statement of Financial Position as of March 31, 2014 and without taking into consideration the potential earn-out (€750 million), the capital gain on sale is estimated at approximately €3.7 billion (after taxes).

1.1.2 Sale of Maroc Telecom group

On May 14, 2014, in accordance with the agreements entered into in November 2013, Vivendi will sell its 53% interest in Maroc Telecom group to Etisalat and will receive cash proceeds in the amount for €4,138 million, after contractual price adjustment (€49 million). The sale agreements will include representations and warranties customary in this type of transaction and that are described in Note 6 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

Maroc Telecom group has been reported in Vivendi's Condensed Financial Statements for the first quarter of 2014 as an asset held for sale in compliance with IFRS 5.

As from May 14, 2014, Vivendi will lose control of and will deconsolidate Maroc Telecom group. The capital gain on sale will be calculated as the difference between the sale proceeds and the value of Maroc Telecom group's net assets recorded in Vivendi's Consolidated Financial Statements at the date of the loss of control. Moreover, in accordance with IFRS, foreign currency translation and other adjustments attributable to Vivendi SA shareowners in relation to Maroc Telecom group will be reclassified to profit or loss (a loss of approximately €58 million as of March 31, 2014). The capital gain will be recognized in the second quarter of 2014 and recorded under the line "Earnings from discontinued operations"; based on the Statement of Financial Position as of March 31, 2014, the capital gain on sale is estimated at approximately €786 million (after taxes).

1.1.3 Accounting implications in the Consolidated Financial Statements

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR, Maroc Telecom group, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations according to the following terms:

- **SFR:** on April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. As from the first quarter of 2014, SFR has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of March 31, 2014 has been grouped under the lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses".
- **Maroc Telecom group:** on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Maroc Telecom group has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of March 31, 2014 and December 31, 2013 has been grouped under the lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses".
- **Activision Blizzard:** on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. Activision Blizzard has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation.

These adjustments have been reported in Appendix 2 to the Financial Report and in Note 12 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

Please refer to Note 6 to the Condensed Financial Statements for the first quarter ended March 31, 2014 for SFR and Maroc Telecom group and to Note 7.1 to the Consolidated Financial Statements for the year ended December 31, 2013, pages 252 to 254 of the 2013 Annual Report for Activision Blizzard.

1.1.4 Canal+ Group

Acquisition of a 51% interest in Mediaserv

Pursuant to the agreement announced on July 12, 2013, following the approval received on February 10, 2014 from the French Competition Authority, on February 13, 2014, Canal+ Overseas completed the acquisition of a 51% interest in Mediaserv, an overseas telecom operator.

Exclusive broadcasting rights of the national French Rugby Championship

On January 14, 2014, Canal+ Group won the exclusive broadcasting rights of the national French Rugby Championship "TOP 14" for five seasons (2014-2015 to 2018-2019). These rights relate to all of the "TOP 14" matches, across all media and all territories.

1.1.5 SFR

Agreement to share a part of SFR's mobile access networks

On January 31, 2014, SFR and Bouygues Telecom entered into a strategic agreement to share a part of their mobile access networks. They will roll out a new shared network in an area covering 57% of the French population. This agreement will enable both operators to improve their mobile coverage and generate significant savings over time.

The agreement is based on two principles:

- the creation of a joint company, to manage the shared base station assets; and
- entry by the operators into a RAN-sharing service agreement covering 2G, 3G, and 4G services in the shared area.

This network-sharing agreement is similar to numerous arrangements already existing in other European countries. Each operator will retain its own innovation capacity as well as complete commercial and pricing independence. The network-sharing agreement took effect upon the signing of the agreement and the shared network is expected to be completed by the end of 2017.

Acquisition of Telindus France Group

On March 28, 2014, Vivendi and Belgacom entered into an agreement following the exclusive negotiations started on February 13, 2014 to acquire 100% of its subsidiary Telindus France Group, a leader on the French markets of telecommunication integration and networks, for €95 million. The transaction was completed on April 30, 2014, following approval by the French Competition Authority.

1.2 Subsequent events

The significant events that have occurred between March 31 and May 12, 2014 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the first quarter ended March 31, 2014) were as follows:

- On April 4, 2014, Canal+ Group was awarded the broadcasting rights for two premium lots of the French professional Soccer League 1, for four seasons (2016-2017 to 2019-2020) for an aggregate amount of €2,160 million (or €540 million per season);
- On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR (please refer to Section 1.1.1);
- On April 8, 2014, UMG acquired the entire issued share capital of Eagle Rock Entertainment Group Limited, an independent producer and distributor of music films and programming for DVD, television and digital media;
- On April 11, 2014, Canal+ Group was awarded broadcasting rights for a premium lot of the Champions League for three seasons (2015-2016 to 2017-2018);
- On April 24, 2014, Vivendi's Supervisory Board decided, after examining the Management Board's recommendations, to propose at the Annual General Shareholders' Meeting, to be held on June 24, 2014, an ordinary distribution of €1 per share from the additional paid in capital, with €0.50 attributed to the 2013 performance and €0.50 constituting a return to shareholders, representing a total amount of €1.34 billion. The payment would occur on June 30, 2014. The Supervisory Board also expects to use a significant part of the available cash for a total amount of €3.5 billion for the payment of dividends and/or share buy-backs in 2014/2015. In total, the amount returned to shareholders would be close to €5 billion.
  Moreover, the group intends to keep its BBB/Baa2 rating, stable outlook, improved in April 2014, as a result of the SFR sale announcement;
- On April 30, 2014, the acquisition of Telindus France Group was completed pursuant to the approval by the French Competition Authority; and
- On May 8, 2014, Vivendi announced that the closing of the sale of its 53% interest in Maroc Telecom group would occur on May 14, 2014 (please refer to Section 1.1.2).

2 Earnings analysis

Preliminary comments:

On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. Consequently, as from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Financial Statements as a discontinued operation.

As a reminder, on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein, and on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Consequently, as from the second quarter of 2013 and in compliance with IFRS 5, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations.

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

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

The adjustments to data published in the 2013 Annual Report are presented in Appendix 2 to the Financial Report and in Note 12 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

2.1 Consolidated Statement of Earnings and Adjusted Statement of Earnings

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	1st Quarter ended March 31,		1st Quarter ended March 31,		
	2014	2013 (a)	2014	2013 (a)	
Revenues	**2,722**	**2,826**	**2,722**	**2,826**	**Revenues**
Cost of revenues	(1,636)	(1,639)	(1,636)	(1,639)	Cost of revenues
Margin from operations	**1,086**	**1,187**	**1,086**	**1,187**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(828)	(844)	(828)	(844)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	10	(42)	10	(42)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(89)	(93)			
Impairment losses on intangible assets acquired through business combinations	-	(20)			
Other income	-	-			
Other charges	(3)	(27)			
EBIT	**176**	**161**	**268**	**301**	**EBITA**
Income from equity affiliates	(6)	(8)	(6)	(8)	Income from equity affiliates
Interest	(19)	(80)	(19)	(80)	Interest
Income from investments	-	14	-	14	Income from investments
Other financial income	40	41			
Other financial charges	(18)	(23)			
Earnings from continuing operations before provision for income taxes	**173**	**105**	**243**	**227**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(101)	10	(63)	(57)	Provision for income taxes
Earnings from continuing operations	**72**	**115**			
Earnings from discontinued operations	516	684			
Earnings	**588**	**799**	**180**	**170**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**431**	**534**	**161**	**134**	**Adjusted net income**
Non-controlling interests	157	265	19	36	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.32**	**0.40**	**0.12**	**0.10**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.32**	**0.40**	**0.12**	**0.10**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

a. Data published with respect to the first quarter of 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comment above).

2.2 Earnings review

For the first quarter of 2014, **adjusted net income** was €161 million (or €0.12 per share[2]), compared to €134 million (or €0.10 per share) in 2013. This €27 million increase (+20.1%) resulted primarily from:

- a €33 million decrease in EBITA to a total of €268 million (compared to €301 million in 2013). This change mainly reflected the decline in the performances of GVT (-€16 million, primarily due to the decline in value of the Brazilian Real) and Canal+ Group (-€8 million, notably due to a shift in the scheduling of the French Ligue 1 football competition with one additional calendar day compared to the first quarter 2013), and Universal Music Group's stable performance (impacted by the sale of Parlophone Label Group in connection with the acquisition of EMI Recorded Music). At constant currency and perimeter[3], EBITA increased by €8 million (+2.8%), reflecting Universal Music Group's good performance (+€26 million) and GVT's stable performance (+€2 million), offset by a decrease at Canal+ Group (-€10 million);
- a €2 million increase attributable to the change in income from equity affiliates;
- a €61 million increase in interest, which primarily reflected the impact of the early redemption of bonds in the fourth quarter of 2013 pursuant to the sale of 88% of Vivendi's interest in Activision Blizzard;
- a €14 million decrease in income from investments;
- a €6 million increase in income tax expense; and
- a €17 million decrease in the share of adjusted net income attributable to non-controlling interests due to the acquisition of a 20% interest in Canal+ France in November 2013.

Breakdown of the main items from the Statement of Earnings

Revenues were €2,722 million, compared to €2,826 million for the first quarter of 2013 (-3.7%, or +2.0% at constant currency and perimeter[3]). 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 income of €10 million, compared to a net charge of €42 million for the first quarter of 2013. For the first quarter of 2014, they notably included restructuring charges at UMG (€6 million, compared to €26 million for the first quarter of 2013).

EBITA was €268 million, compared to €301 million for the first quarter of 2013, a €33 million decrease (-11.2%, or +2.8% at constant currency and perimeter[3]). 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 €89 million, compared to €93 million for the first quarter of 2013, a €4 million decrease.

Impairment losses on intangible assets acquired through business combinations amounted to €20 million for the first quarter of 2013 and were related to goodwill attributable to certain Universal Music Group assets available for sale.

Other charges and income amounted to a net charge of €3 million, compared to a net charge of €27 million for the first quarter of 2013, notably including costs related to the acquisition of EMI Recorded Music.

EBIT was €176 million, compared to €161 million for the first quarter of 2013, a €15 million increase (+9.2%).

Income from equity affiliates was a €6 million charge, compared to a €8 million charge for the first quarter of 2013.

Interest was an expense of €19 million, compared to €80 million for the first quarter of 2013, a €61 million decrease (-76.3%), primarily related to the early redemption of bonds in the fourth quarter of 2013.

For the first quarter of 2014, interest expense on borrowings amounted to €86 million, compared to €135 million for the first quarter of 2013. This decrease was attributable to the decrease in the average interest rate on borrowings to 2.83% for the first quarter of 2014 (compared to 3.27% for the first quarter of 2013) and to the decrease in the average outstanding borrowings of €12.2 billion (compared to €16.4 billion for the first quarter of 2013), which reflected the impact of the early redemption of euro and US dollar denominated bonds for an aggregate amount of €3 billion carried out in October and November 2013, pursuant to the sale of 88% of Vivendi's interest in Activision Blizzard on October 11, 2013. In addition, Vivendi used the balance to redeem drawn bank credit facilities, and redeemed, in January 2014, the bond issued in January 2009 (€894 million).

Moreover, as a result of the classification of SFR as a discontinued operation (in accordance with IFRS 5) from the first quarter of 2014, interest expense was presented net of the interest received by Vivendi SA on the financings granted to SFR, at market conditions, for €62 million (compared to €51 million for the first quarter of 2013).

[2] For the details of adjusted net income per share, please refer to Appendix 1 to this Financial Report.

[3] Constant perimeter reflects the following changes in the scope of consolidation:

- *at Canal+ Group: it excludes the impacts in 2014 of the acquisitions of Red Production Company (December 5, 2013) and of Mediaserv (February 13, 2014); and*
- *at UMG: it excludes the 2013 impacts of operating the Parlophone Label Group repertoire.*

Interest income earned on cash and cash equivalents amounted to €5 million for the first quarter of 2014, compared to €4 million for the first quarter of 2013.

Income from investments amounted to €14 million for the first quarter of 2013 and included the dividend paid by Beats to UMG for €8 million.

Other financial charges and income amounted to a net income of €22 million, compared to a net income of €18 million for the first quarter of 2013. They mainly included a foreign exchange gain on GVT's intercompany euro loan from Vivendi, due to the appreciation of the Brazilian Real (€37 million, compared to €38 million for the first quarter of 2013).

Earnings from continuing operations before provision for income taxes amounted to €173 million, compared to €105 million for the first quarter of 2013, a €68 million increase (+64.0%).

Income taxes reported to adjusted net income was a net charge of €63 million, compared to a net charge of €57 million for the first quarter of 2013, a €6 million increase. The effective tax rate reported to adjusted net income was 25.4%, compared to 24.6% for the same period in 2013, and primarily reflected the positive impact of Vivendi SA's Tax Group System. The change in the income taxes reported to adjusted net income notably reflected the impact of the increase in the French corporate tax rate (38.00% compared to 36.10% for the first quarter of 2013) and the increase in the group's business segments' taxable income, offset by the increase in the current tax savings expected related to Vivendi SA's Tax Group System, mainly attributable to Canal+ Group.

In addition, **provision for income taxes** was a net charge of €101 million, compared to a net gain of €10 million for the first quarter of 2013. In addition to the factors explaining the increase in income taxes reported to adjusted net income, this €111 million decrease reflected the change in deferred tax savings related to Vivendi SA's Tax Group System, which was a €49 million charge for the first quarter of 2014 (compared to a €52 million income for the first quarter of 2013, of which a €50 million current and deferred savings related to SFR as part of Vivendi's Tax Group System). Indeed, SFR was assumed not to be part of Vivendi SA's Tax Group System in 2014, under the assumption that its sale to Altice/Numericable Group would be completed by the end of the year.

Earnings from discontinued operations (before non-controlling interests) amounted to €516 million, compared to €684 million for the first quarter of 2013. They included:

- SFR's earnings (€94 million for the first quarter of 2014, compared to €153 million for the first quarter of 2013). Moreover, in compliance with IFRS 5, Vivendi will discontinue the amortization of SFR's tangible and intangible assets as from the second quarter of 2014;
- the increase in value of the 83 million Activision Blizzard shares still owned by Vivendi as of March 31, 2014 (gain of €152 million) related to the increase in Activision Blizzard's stock market price. For the first quarter of 2013, earnings from discontinued operations included Activision Blizzard's earnings (€364 million, before non-controlling interests); and
- Maroc Telecom group's earnings (€270 million, before non-controlling interests) took into account the discontinuation of the amortization of tangible and intangible assets since July 1, 2013, in compliance with IFRS 5 (+€120 million impact for the first quarter of 2014). For the first quarter of 2013, Maroc Telecom group's earnings were €167 million before non-controlling interests.

Please refer to Note 6 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

Earnings attributable to non-controlling interests amounted to €157 million, compared to €265 million for the first quarter of 2013, a €108 million decrease (-40.7%). This change was primarily related to the impact of the sale of 88% of Vivendi's interest in Activision Blizzard on October 11, 2013 (-€141 million) and to the acquisition of Canal+ Group's non-controlling interests on November 5, 2013 (-€18 million), offset by the increase in Maroc Telecom group's non-controlling interests (+€51 million) primarily related to the discontinuation of the amortization of tangible and intangible assets since July 1, 2013 (impact of +€63 million for the first quarter of 2014).

Adjusted net income attributable to non-controlling interests amounted to €19 million, compared to €36 million for the first quarter of 2013, a €17 million decrease resulting from the acquisition of the non-controlling interest in Canal+ Group.

For the first quarter of 2014, **earnings attributable to Vivendi SA shareowners** amounted to €431 million (or €0.32 per share), compared to €534 million (or €0.40 per share) for the first quarter of 2013, a €103 million decrease (-19.3%).

The reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income is further described in Appendix 1 to this Financial Report. For the first quarter of 2014, this reconciliation primarily included SFR's earnings (+€92 million, after non-controlling interests), the change in value of the 83 million shares in Activision Blizzard still owned by Vivendi as of March 31, 2014 (+€152 million), Maroc Telecom group's earnings (+€130 million, after non-controlling interests), partially offset by the amortization of intangible assets acquired through business combinations (-€61 million, after taxes). For the first quarter of 2013, this reconciliation primarily included earnings from Activision Blizzard (+€223 million, after non-controlling interests), from SFR (+€152 million, after non-controlling interests), and from Maroc Telecom group (+€77 million, after non-controlling interests) as well as the income from deferred tax savings related to Vivendi SA's Tax Group System (+€52 million, of which a €50 million current and deferred savings related to SFR as part of Vivendi's Tax Group System), partially offset by the amortization and impairment losses on intangible assets acquired through business combinations (-€84 million, after taxes).

3 Cash flow from operations analysis

Preliminary comments:

- *Vivendi considers that the non-GAAP measures cash flow from operations (CFFO) 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.*
- *On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. Consequently, as from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Financial Statements as a discontinued operation.*

  As a reminder, on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein, and on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Consequently, as from the second quarter of 2013 and in compliance with IFRS 5, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations.

  In practice, income and charges from these three businesses have been reported as follows:
  - *their contribution until the effective sale, if any, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations";*
  - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
  - *their cash flow from operations (CFFO) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO and CFAIT.*

For the first quarter of 2014, cash flow from operations (CFFO) generated by business segments was €2 million (compared to €135 million for the first quarter of 2013), a €133 million decrease, primarily related to an unfavorable change in net working capital. Indeed, despite a stable EBITDA - Capex at €132 million for the first quarter of 2014 (compared to €138 million for same period in 2013), CFFO was impacted by the change in net working capital (-€104 million) and by content investments (-€70 million).

Moreover, for the first quarter of 2014, capital expenditures, net amounted to €297 million (compared to €354 million for the same period in 2013), a €57 million decrease. Capital expenditures, net primarily included GVT capital expenditures (€244 million, compared to €282 million during the first quarter of 2013), which continues to deploy its services in Brazil.

During the first quarter of 2014, cash flow from operations after interest and income taxes paid (CFAIT) were a €21 million net cash outflow (compared to a €102 million net cash inflow for the first quarter of 2013), a €123 million decrease. In addition to the decrease in CFFO (-€133 million), this change reflected the decrease in interests paid, net (+€61 million), primarily resulting from the early redemption of bonds in October and November 2013, pursuant to the sale of 88% of Vivendi’s interest in Activision Blizzard, partially offset by the unfavorable change in cash flows related to income tax (-€56 million).

		1st Quarter ended March 31,			
(in millions of euros)		2014	2013 (a)	€ Change	% Change
Revenues		2,722	2,826	-104	-3.7%
Operating expenses excluding depreciation and amortization		(2,293)	(2,334)	+41	+1.8%
EBITDA	(b)	*429*	*492*	*-63*	*-12.8%*
Capital expenditures, net (capex, net)	(c)	(297)	(354)	+57	+16.1%
of which GVT		*(244)*	*(282)*	*+38*	*+13.5%*
EBITDA net of Capital expenditures, net		**132**	**138**	**-6**	**-4.3%**
Restructuring charges paid		(37)	(30)	-7	-23.3%
Content investments, net		30	27	+3	+11.1%
of which content investments paid		*(577)*	*(507)*	*-70*	*-13.8%*
recoupments of advances/consumption of rights included in EBITDA		*607*	*534*	*+73*	*+13.7%*
Neutralization of change in provisions included in EBITDA		(37)	(9)	-28	x 4.1
Other cash operating items excluded from EBITDA		(3)	(19)	+16	+84.2%
Other changes in net working capital		(83)	21	-104	na
Dividends received from unconsolidated companies		-	7	-7	-100.0%
Cash flow from operations (CFFO)		**2**	**135**	**-133**	**-98.5%**
Interest paid, net	(d)	(19)	(80)	+61	+76.3%
Other cash items related to financial activities	(d)	(11)	(16)	+5	+31.3%
Financial activities cash payments		*(30)*	*(96)*	*+66*	*+68.8%*
Income tax (paid)/received, net	(e)	7	63	-56	-88.9%
Cash flow from operations after interest and income tax paid (CFAIT)		**(21)**	**102**	**-123**	**na**

na: not applicable.

a. Data published with respect to the first quarter of 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comments above).

b. EBITDA, a non-GAAP measure, is described in Section 4 of this Financial Report.

c. Relates to cash used for capital expenditures, net of proceeds from property, plant and equipment, and intangible assets as presented in the investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

d. As presented in net cash provided by/(used for) financing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

e. As presented in net cash provided by operating activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

4 Business segment performance analysis

Preliminary comments:

- *Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably the non-GAAP measures EBITA (Adjusted Earnings Before Interest and Income Taxes) and 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 EBIT's "other charges" and "other income" as defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2013; and*
  - *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 operating segment - Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2013).*

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

- *On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. Consequently, as from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Financial Statements as a discontinued operation.*

  As a reminder, on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein, and on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Consequently, as from the second quarter of 2013 and in compliance with IFRS 5, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations.

  In practice, income and charges from these three businesses have been reported as follows:
  - *their contribution until the effective sale, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations";*
  - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
  - *their share of net income has been excluded from Vivendi's adjusted net income.*

  Regarding SFR, the business segment performance analysis is presented in Appendix 3 to the Financial Report and the main aggregates of the its Statement of Earnings are presented in Note 6 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

4.1 Revenues and EBITA by business segment

	1st Quarter ended March 31,				
(in millions of euros)	2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Revenues					
Canal+ Group	1,317	1,286	+2.4%	+2.5%	+1.2%
Universal Music Group	984	1,091	-9.8%	-5.4%	-2.0%
GVT	405	438	-7.6%	+12.6%	+12.6%
Other	21	16	+38.2%	+36.8%	+36.8%
Elimination of intersegment transactions	(5)	(5)	+10.6%	+10.6%	+10.6%
Total Vivendi	**2,722**	**2,826**	**-3.7%**	**+1.2%**	**+2.0%**
EBITA					
Canal+ Group	175	183	-4.7%	-4.7%	-5.5%
Universal Music Group	56	55	+2.0%	+12.7%	+72.5%
GVT	83	99	-16.5%	+1.7%	+1.7%
Other	(20)	(14)	-44.9%	-45.7%	-45.7%
Holding & Corporate	(26)	(22)	-16.2%	-16.2%	-16.2%
Total Vivendi	**268**	**301**	**-11.2%**	**-3.3%**	**+2.8%**

a. Constant perimeter reflects the following changes in the scope of consolidation:
- at Canal+ Group: it excludes the impacts in 2014 of the acquisitions of Red Production Company (on December 5, 2013) and of Mediaserv (on February 13, 2014); and
- at UMG: it excludes the impacts in 2013 of operating the Parlophone Label Group repertoire.

4.2 Comments on the operating performance of business segments

Canal+ Group

Canal+ Group's revenues were €1,317 million, a 2.4% increase (+1.2% at constant currency and perimeter) compared to the end of March 2013. Canal+ Group had a total of 14.6 million subscriptions, up 250,000 year-on-year. This increase results from the strong performance of Canal+ in Africa and Vietnam, and of Canalplay in mainland France. Revenues from Canal+ and Canalsat in mainland France remained relatively stable excluding the VAT increase from 7% to 10% on January 1, 2014. Free-to-Air channels advertising revenues grew thanks to an increase in D8's audience. Studiocanal also reported a significant increase in its revenues notably due to the success of the movies *Non-Stop* and *RoboCop*, as well as to the integration of the British production company Red.

EBITA was €175 million, compared to €183 million at the end of March 2013. This change was mainly due to a shift in scheduling of the French Ligue 1 football competition, which had one additional calendar day compared to first quarter 2013.

On January 14, 2014, the French National Rugby League chose Canal+ as the exclusive broadcaster of the French "TOP 14" rugby for the next five seasons (2014-2015 to 2018-2019).

Canal+ also strengthened its football offerings. For the French Ligue 1, it won the right to broadcast the top three choices for each championship day during the 2016-2017 to 2019-2020 seasons. It already offers the two best games on weekends which will continue until 2016. For the Champions' League, Canal+ will broadcast live, in France, one first pick game on each match day for the 2015-2016 to 2017-2018 seasons. In addition, Canal+ Afrique obtained the broadcast rights for the FIFA World Cup 2014 in Brazil.

Moreover, in addition to having its own successful channels on YouTube, Canal+ Group acquired a majority stake in Studio Bagel, the leading network of comedy channels on the platform in France.

Universal Music Group

Universal Music Group (UMG) revenues were €984 million, down 2.0% at constant currency and perimeter. This change is due to lower recorded music and merchandising sales. Revenues were down 9.8% at current currency and taking into account the impact of the Parlophone Label Group disposal in 2013.

Recorded music revenues benefited from significant growth in subscription and streaming, although with lower download revenues across the industry this quarter, that growth was not enough to fully offset the decline in physical and digital download sales.

Recorded music best sellers this quarter included the Disney 'Frozen' soundtrack supported by strong carryover sales from Lorde, Katy Perry and Avicii and a new release from Masaharu Fukuyama.

UMG's EBITA was €56 million, up 72.5% at constant perimeter and currency (+2.0% at actual currency) compared to the first quarter of 2013. The favorable performance reflected the benefit of overhead savings and lower restructuring costs, partially offset by lower revenues and loss of margins from the divested Parlophone Label Group repertoire.

In February, Universal Music Group signed a multi-year distribution agreement with the independent music company Glassnote Entertainment Group. UMG will be the exclusive distributor of Glassnote's recordings, which include such artists as Childish Gambino, CHVRCHES, Mumford & Sons, and Phoenix. UMG will also distribute Glassnote's newly launched label, Resolved, a multi-faceted company designed to offer individualized support and services to entertainment entrepreneurs, emerging producers and independent labels.

In April, UMG acquired UK-based Eagle Rock Entertainment, an independent producer and distributor of music programming. This acquisition enhances UMG's presence in top quality audio-visual content such as live concert footage, documentaries and films. Eagle Rock's library includes nearly 2,000 hours of programming and more than 800 titles, enhancing the value of UMG's catalog.

GVT

GVT's revenues were €405 million, a 12.6% increase at constant currency and perimeter (-7.6% at actual currency) compared to the first quarter 2013. This performance was driven by continuous growth of the core segment (retail and SME), which increased 14.2% at constant currency, including a 61.1% increase in GVT's pay-TV service year-on-year. This service now represents 13% of GVT's total revenues, with 715,000 pay-TV subscribers, reflecting a 55.4% growth compared to the same period last year.

GVT pursued its expansion in Brazil in a controlled and targeted manner and launched its services in two additional cities. It now operates in 152 cities.

At the same time, GVT launched a new innovative service "Freedom" that turns the fixed line available in smartphones and tablets connected to the Internet. Via this application available on iOS and Android, GVT clients are able to call and receive calls from their fixed lines on their devices using their contractual monthly service fee for fixed telephony service.

GVT's EBITDA was €158 million, a 9.5% increase at constant currency and perimeter (-10.2% at actual currency) compared to first quarter 2013. EBITDA margin reached 39.0%.

GVT's EBITA was €83 million, a 1.7% increase at constant currency and perimeter (-16.5% at actual currency) compared to first quarter 2013, due to the increase in amortization expenses.

Holding & Corporate

Holding & Corporate EBITA was -€26 million (compared to -€22 million for the first quarter of 2013).

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.

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

On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. The completion of this transaction is subject to consultation procedures with the employee representative bodies of Numericable, Vivendi, and SFR on the plan presented by Altice/Numericable and receipt of the authorizations from the relevant administrative authorities. The closing is anticipated by the end of 2014. The consequences of this sale on the financial structure of the group will become effective when it is completed.

Moreover, on April 24, 2014, Vivendi's Supervisory Board decided, after examining the Management Board's recommendations, to propose at the Annual General Shareholders' Meeting, to be held on June 24, an ordinary distribution of €1 per share from the additional paid in capital, with €0.50 attributed to the 2013 performance and €0.50 constituting a return to shareholders, representing an aggregate amount of €1.34 billion. The payment would occur on June 30, 2014.
The Supervisory Board also expects to utilize a significant part of the available cash for a total amount of €3.5 billion for the payment of dividends and/or share buy-backs in 2014/2015. In total, the amount returned to shareholders would be close to €5 billion.
The group intends to keep its BBB/Baa2 rating, stable outlook, improved in April 2014, as a result of the SFR sale announcement.

As of May 12, 2014, the date of the Management Board meeting that approved Vivendi's Financial Statements for the first quarter ended March 31, 2014, Vivendi SA had available confirmed credit facilities in the aggregate amount of €7,140 million, of which €775 million was drawn. Given the amount of commercial paper issued at that date, and backed to bank credit facilities for €3,915 million, these facilities were available for an aggregate amount of €2,450 million.

On May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group for €4,138 million (please refer to Section 1.1.2). After taking into account the proceeds from the sale of the 53% interest in Maroc Telecom group, Vivendi's "adjusted" Financial Net Debt amounts to approximately €7.1 billion (compared to a Financial Net Debt of €11.2 billion as of March 31, 2014 and of €11.1 billion as of December 31, 2013).

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2013	**(1,041)**	**12,138**	**11,097**
Outflows/(inflows) related to continuing operations:			
Operating activities	(306)	-	(306)
Investing activities	438	77	515
Financing activities	(303)	296	(7)
Foreign currency translation adjustments of continuing operations	(1)	19	18
Outflows/(inflows) related to continuing operations	**(172)**	**392**	**220**
Outflows/(inflows) related to discontinued operations	184	(71)	113
Reclassification of Financial Net Debt from discontinued operations as of March 31, 2014	161	(349)	(188)
Change related to discontinued operations	**345**	**(420)**	**(75)**
Financial Net Debt as of March 31, 2014	**(868)**	**12,110**	**11,242**
Expected proceeds from the sale of the 53% interest in Maroc Telecom group (b)			(4,138)
Financial Net Debt as of March 31, 2014 adjusted for the expected proceeds from the sale of Maroc Telecom group			**7,104**

a. "Other financial items" include commitments to purchase non-controlling interests, derivative financial instruments (assets and liabilities), and cash deposits backed to borrowings.

b. The sale of the 53% interest in Maroc Telecom group will be completed on May 14, 2014 for €4,138 million, in cash, after a contractual price adjustment of -€49 million (please refer to Section 1.1.2).

Financial Net Debt change during the first quarter of 2014

As from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Statement of Financial Position as a discontinued operation. In practice, as of March 31, 2014, SFR's assets and liabilities have been grouped under the specific lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses". These two lines also include the assets and liabilities of Maroc Telecom group, reported as a discontinued operation as from the second quarter of 2013.

As of March 31, 2014, this accounting reclassification resulted in a €75 million decrease in Vivendi's Financial Net Debt. This amount included SFR's external Financial Net Debt as of March 31, 2014 (-€313 million), the decrease in Maroc Telecom group's Financial Net Debt (+€125 million) for the first quarter of 2014, as well as the cash flows related to these two businesses during the first quarter of 2014 (+€113 million).

Therefore, Vivendi's Financial Net Debt amounted to €11,242 million as of March 31, 2014 (compared to €11,097 million as of December 31, 2013), a €145 million increase. This change notably reflected the impact on Vivendi's Financial Net Debt of Canal+ Group's financial investments for an aggregate amount of +€206 million (primarily consisting of the acquisition of Mediaserv, and of an additional 9% interest in N-Vision), as well as GVT's capital expenditures (+€244 million), offset by the cash provided by operating activities of continuing operations[4] (-€306 million) and the decrease in Financial Net Debt related to discontinued operations (-€75 million).

5.2 Financial Net Debt as of March 31, 2014

As of March 31, 2014, Vivendi's Financial Net Debt, in IFRS, amounted to €11,242 million. Borrowings and other financial liabilities amounted to €12,110 million (compared to €12,138 million as of December 31, 2013), a €28 million decrease.

The group's bonds amounted to €6,631 million (compared to €7,827 million as of December 31, 2013), a €1,196 million decrease, following the redemption in January 2014 of the bond issued in January 2009 for €894 million and to the reclassification made in compliance with IFRS 5, of SFR's €300 million bond, maturing in July 2014. The bond debt represented 54.6% of the borrowings in the group's Statement of Financial Position (compared to 64.1% as of December 31, 2013).

The total amount of the group's confirmed credit facilities amounted to €7,641 million (compared to €7,629 million as of December 31, 2013). The group's aggregate amount of credit facilities neither drawn nor backed by commercial paper amounted to €2,506 million (compared to €3,648 million as of December 31, 2013).

Vivendi SA's total confirmed credit facilities amounted to €7,140 million as of March 31, 2014 (unchanged compared to December 31, 2013). These credit facilities were drawn for €1,175 million as of March 31, 2014. Considering the €3,480 million commercial paper issued as of that date and backed to bank credit facilities, these facilities were available up to a maximum amount of €2,485 million.

The "economic" average term of the group's debt was 4.0 years as of March 31, 2014 (compared to 4.2 years as of December 31, 2013).

Moreover, a letter of credit for €975 million was issued on March 4, 2013 (maturing in March 2016), in connection with Vivendi's appeal against the Liberty Media judgment. This off-balance sheet financial commitment has no impact on Vivendi's net debt.

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	March 31, 2014 (a)	December 31, 2013 (a)
Borrowings and other financial liabilities		12,243	12,266
of which long-term (b)	8	*8,309*	*8,737*
short-term (b)	8	*3,934*	*3,529*
Derivative financial instruments in assets (c)		(133)	(126)
Cash deposits backing borrowings (c)		-	(2)
		12,110	**12,138**
Cash and cash equivalents (b)		(868)	(1,041)
Financial Net Debt		**11,242**	**11,097**

a. In compliance with IFRS 5, Vivendi's Financial Net Debt no longer includes the external Financial Net Debt of SFR as of March 31, 2014 (€313 million) and of Maroc Telecom group as of March 31, 2014 (€189 million) and as of December 31, 2013 (€314 million).

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

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

[4] *Continuing operations relate to Canal+ Group, Universal Music Group, GVT, other operations, and Holding and Corporate.*

5.3 Analysis of Financial Net Debt changes

(in millions of euros)	Refer to section	1st Quarter 2014 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT	2	**(176)**	**-**	**(176)**
Adjustments		(176)	-	(176)
Content investments, net		(30)	-	(30)
Gross cash provided by operating activities before income tax paid		***(382)***	***-***	***(382)***
Other changes in net working capital		83	-	83
Net cash provided by operating activities before income tax paid		***(299)***	***-***	***(299)***
Income tax paid, net	3	(7)	-	(7)
Net cash provided by operating activities of continuing operations		**(306)**	**-**	**(306)**
Net cash provided by operating activities of discontinued operations		**(579)**	**-**	**(579)**
Operating activities		**(885)**	**-**	**(885)**
Financial investments				
Purchases of consolidated companies, after acquired cash		46	75	121
Investments in equity affiliates		62	-	62
Increase in financial assets		21	2	23
Total financial investments		***129***	***77***	***206***
Financial divestments				
Proceeds from sales of consolidated companies, after divested cash		16	-	16
Decrease in financial assets		(4)	-	(4)
Total financial divestments		***12***	***-***	***12***
Net investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets		**141**	**77**	**218**
Capital expenditures		298	-	298
Proceeds from sales of property, plant, equipment and intangible assets		(1)	-	(1)
Capital expenditures, net	3	***297***	***-***	***297***
Net cash provided by/(used for) investing activities of continuing operations		**438**	**77**	**515**
Net cash provided by/(used for) investing activities of discontinued operations		**594**	**-**	**594**
Investing activities		**1,032**	**77**	**1,109**
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		(67)	-	(67)
of which exercise of stock options by executive management and employees		*(67)*	-	*(67)*
(Sales)/purchases of Vivendi SA's treasury shares		21	-	21
Other transactions with shareowners		2	-	2
Dividends paid by consolidated companies to their non-controlling interests		1	-	1
Total transactions with shareowners		***(43)***	***-***	***(43)***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long-term financial liabilities		(1,217)	1,217	-
of which bank credit facilities		*(1,175)*	*1,175*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities		1,657	(1,657)	-
of which bank credit facilities		*1,655*	*(1,655)*	-
Principal payments on short-term borrowings		989	(989)	-
of which bonds		*894*	*(894)*	-
Other changes in short-term borrowings and other financial liabilities		(1,719)	1,719	-
of which commercial paper		*(1,574)*	*1,574*	-
Non-cash transactions		-	6	6
Interest paid, net	3	19	-	19
Other cash items related to financial activities	3	11	-	11
Total transactions on borrowings and other financial liabilities		***(260)***	***296***	***36***
Net cash provided by/(used for) financing activities of continuing operations		**(303)**	**296**	**(7)**
Net cash provided by/(used for) financing activities of discontinued operations		**167**	**(69)**	**98**
Financing activities		**(136)**	**227**	**91**
Foreign currency translation adjustments of continuing operations		(1)	19	18
Foreign currency translation adjustments of discontinued operations		2	(2)	-
Reclassification of Financial Net Debt from discontinued operations		161	(349)	(188)
Change in Financial Net Debt		**173**	**(28)**	**145**

5.4 Changes in financings

In January 2014, Vivendi redeemed the 7.75% bond issued in January 2009, for €894 million, upon its contractual maturity.

For a detailed analysis of the bonds and bank credit facilities as of March 31, 2014, please refer to the tables of Note 8 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

6 Forward looking statements

Cautionary note

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 projections regarding the payment of dividends and distributions, and 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 related to antitrust and other regulatory approvals as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents of the group filed with the Autorité des Marchés Financiers (AMF) (the French securities regulator), which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, we caution you against relying on forward looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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 any such facility.

Translation

This Financial Report is an English translation of the French version of the report and is provided for informational purposes only. This translation is qualified in its entirety by the French version, which is available on the company's website (www.vivendi.com). In the event of any inconsistencies between the French version of this Financial Report and the English translation, the French version will prevail.

II - Appendices to the Financial Report: Unaudited supplementary financial data

1. EBITA (Adjusted Earnings Before Interest and Income Taxes) and adjusted net income

Vivendi considers EBITA (Adjusted Earnings Before Interest and Income Taxes) and adjusted net income, non-GAAP measures, to be relevant indicators of the group's operating and financial performance. Vivendi Management uses EBITA and adjusted net income because they illustrate the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. EBITA and adjusted net income are defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2013.

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

	1st Quarter ended March 31,	
(in millions of euros)	2014	2013
Earnings attributable to Vivendi SA shareowners (a)	**431**	**534**
Adjustments		
Amortization of intangible assets acquired through business combinations	89	93
Impairment losses on intangible assets acquired through business combinations (a)	-	20
Other income (a)	-	-
Other charges (a)	3	27
Other financial income (a)	(40)	(41)
Other financial charges (a)	18	23
Earnings from discontinued operations (a)	(516)	(684)
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	49	(52)
Non-recurring items related to provision for income taxes	2	7
Provision for income taxes on adjustments	(13)	(22)
Non-controlling interests on adjustments	138	229
Adjusted net income	**161**	**134**

a. As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	1st Quarter ended March 31,			
	2014		2013	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	161	161	134	134
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,340.8	1,340.8	1,322.5	1,322.5
Potential dilutive effects related to share-based compensation	-	7.9	-	4.2
Adjusted weighted average number of shares	**1,340.8**	**1,348.7**	**1,322.5**	**1,326.7**
Adjusted net income per share (in euros)	0.12	0.12	0.10	0.10

a. Net of treasury shares (138,506 shares for the first quarter of 2014).

2. Adjustment of comparative information

Preliminary comments:

On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. Consequently, as from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Financial Statements as a discontinued operation.

As a reminder, on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein, and on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Consequently, as from the second quarter of 2013 and in compliance with IFRS 5, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations.

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

- *their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations";*
- *their share of net income has been excluded from Vivendi's adjusted net income; and*
- *in accordance with IFRS 5, these adjustments have been applied to all periods presented (2014 and 2013) to ensure consistency of information.*

Consequently, the 2013 Financial Statements, as published in the 2013 Annual Report have been adjusted as presented below:

	2013			
(in millions of euros, except per share amounts)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,	Three months ended September 30,
Adjusted earnings before interest and income taxes (EBITA) (as published (a))	**629**	**762**	**1,391**	**730**
Reclassifications related to the application of IFRS 5 for SFR	- 328	- 377	- 705	- 334
Adjusted earnings before interest and income taxes (EBITA) (restated)	**301**	**385**	**686**	**396**
Adjusted net income (as published (a))	**366**	**479**	**845**	**403**
Reclassifications related to the application of IFRS 5 for SFR	- 232	- 168	- 400	- 249
Adjusted net income (restated)	**134**	**311**	**445**	**154**
Adjusted net income per share (as published (a))	**0.28**	**0.36**	**0.64**	**0.30**
Adjusted net income per share (restated)	**0.10**	**0.23**	**0.34**	**0.12**

	2013		
(in millions of euros, except per share amounts)	Nine months ended September 30,	Three months ended December 31,	Year ended December 31,
Adjusted earnings before interest and income taxes (EBITA) (as published (a))	**2,121**	**312**	**2,433**
Reclassifications related to the application of IFRS 5 for SFR	- 1,039	- 34	- 1,073
Adjusted earnings before interest and income taxes (EBITA) (restated)	**1,082**	**278**	**1,360**
Adjusted net income (as published (a))	**1,248**	**292**	**1,540**
Reclassifications related to the application of IFRS 5 for SFR	- 649	- 163	- 812
Adjusted net income (restated)	**599**	**129**	**728**
Adjusted net income per share (as published (a))	**0.94**	**0.22**	**1.16**
Adjusted net income per share (restated)	**0.45**	**0.10**	**0.55**

a. As reported in the 2013 Annual Report.

The Consolidated Statements of Earnings and Adjusted Statement of earnings for all periods in 2013 are presented below:

Year ended December 31, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Year ended December 31, 2013	Year ended December 31, 2013	
Revenues	**11,962**	**11,962**	**Revenues**
Cost of revenues	(6,878)	(6,878)	Cost of revenues
Margin from operations	**5,084**	**5,084**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,543)	(3,543)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(181)	(181)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(396)		
Impairment losses on intangible assets acquired through business combinations	(6)		
Other income	88		
Other charges	(54)		
EBIT	**992**	**1,360**	**EBITA**
Income from equity affiliates	(21)	(21)	Income from equity affiliates
Interest	(300)	(300)	Interest
Income from investments	66	66	Income from investments
Other financial income	51		
Other financial charges	(538)		
Earnings from continuing operations before provision for income taxes	**250**	**1,105**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(15)	(266)	Provision for income taxes
Earnings from continuing operations	**235**		
Earnings from discontinued operations	2,544		
Earnings	**2,779**	**839**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**1,967**	**728**	**Adjusted net income**
Non-controlling interests	812	111	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.48**	**0.55**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.47**	**0.55**	**Adjusted net income per share - diluted (in euros)**

Three months ended December 31, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Three months ended December 31, 2013	Three months ended December 31, 2013	
Revenues	**3,372**	**3,372**	**Revenues**
Cost of revenues	(2,016)	(2,016)	Cost of revenues
Margin from operations	**1,356**	**1,356**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(994)	(994)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(84)	(84)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(94)		
Impairment losses on intangible assets acquired through business combinations	(1)		
Other income	53		
Other charges	(6)		
EBIT	**230**	**278**	**EBITA**
Income from equity affiliates	(17)	(17)	Income from equity affiliates
Interest	(73)	(73)	Interest
Income from investments	46	46	Income from investments
Other financial income	4		
Other financial charges	(314)		
Earnings from continuing operations before provision for income taxes	**(124)**	**234**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(84)	(107)	Provision for income taxes
Earnings from continuing operations	**(208)**		
Earnings from discontinued operations	860		
Earnings	**652**	**127**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**556**	**129**	**Adjusted net income**
Non-controlling interests	96	(2)	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.42**	**0.10**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.41**	**0.10**	**Adjusted net income per share - diluted (in euros)**

Nine months ended September 30, 2013:

CONSOLIDATED STATEMENT OF EARNINGS	Nine months ended September 30, 2013	Nine months ended September 30, 2013	ADJUSTED STATEMENT OF EARNINGS
Revenues	**8,590**	**8,590**	**Revenues**
Cost of revenues	(4,862)	(4,862)	Cost of revenues
Margin from operations	**3,728**	**3,728**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,549)	(2,549)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(97)	(97)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(302)		
Impairment losses on intangible assets acquired through business combinations	(5)		
Other income	35		
Other charges	(48)		
EBIT	**762**	**1,082**	**EBITA**
Income from equity affiliates	(4)	(4)	Income from equity affiliates
Interest	(227)	(227)	Interest
Income from investments	20	20	Income from investments
Other financial income	47		
Other financial charges	(224)		
Earnings from continuing operations before provision for income taxes	**374**	**871**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	69	(159)	Provision for income taxes
Earnings from continuing operations	**443**		
Earnings from discontinued operations	1,684		
Earnings	**2,127**	**712**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**1,411**	**599**	**Adjusted net income**
Non-controlling interests	716	113	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.06**	**0.45**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.06**	**0.45**	**Adjusted net income per share - diluted (in euros)**

Three months ended September 30, 2013:

CONSOLIDATED STATEMENT OF EARNINGS	Three months ended September 30, 2013	Three months ended September 30, 2013	ADJUSTED STATEMENT OF EARNINGS
Revenues	**2,845**	**2,845**	**Revenues**
Cost of revenues	(1,590)	(1,590)	Cost of revenues
Margin from operations	**1,255**	**1,255**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(822)	(822)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(37)	(37)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(100)		
Impairment losses on intangible assets acquired through business combinations	-		
Other income	7		
Other charges	(10)		
EBIT	**293**	**396**	**EBITA**
Income from equity affiliates	3	3	Income from equity affiliates
Interest	(71)	(71)	Interest
Income from investments	(5)	(5)	Income from investments
Other financial income	3		
Other financial charges	(73)		
Earnings from continuing operations before provision for income taxes	**150**	**323**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(58)	(132)	Provision for income taxes
Earnings from continuing operations	**92**		
Earnings from discontinued operations	504		
Earnings	**596**	**191**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**376**	**154**	**Adjusted net income**
Non-controlling interests	220	37	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.28**	**0.12**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.28**	**0.12**	**Adjusted net income per share - diluted (in euros)**

Six months ended June 30, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Six months ended June 30, 2013	Six months ended June 30, 2013	
Revenues	**5,745**	**5,745**	**Revenues**
Cost of revenues	(3,272)	(3,272)	Cost of revenues
Margin from operations	**2,473**	**2,473**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,727)	(1,727)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(60)	(60)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(202)		
Impairment losses on intangible assets acquired through business combinations	(5)		
Other income	28		
Other charges	(38)		
EBIT	**469**	**686**	**EBITA**
Income from equity affiliates	(7)	(7)	Income from equity affiliates
Interest	(156)	(156)	Interest
Income from investments	25	25	Income from investments
Other financial income	44		
Other financial charges	(151)		
Earnings from continuing operations before provision for income taxes	**224**	**548**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	127	(27)	Provision for income taxes
Earnings from continuing operations	**351**		
Earnings from discontinued operations	1,180		
Earnings	**1,531**	**521**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**1,035**	**445**	**Adjusted net income**
Non-controlling interests	496	76	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.78**	**0.34**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.78**	**0.33**	**Adjusted net income per share - diluted (in euros)**

Three months ended June 30, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Three months ended June 30, 2013	Three months ended June 30, 2013	
Revenues	**2,919**	**2,919**	**Revenues**
Cost of revenues	(1,633)	(1,633)	Cost of revenues
Margin from operations	**1,286**	**1,286**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(883)	(883)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(18)	(18)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(109)		
Impairment losses on intangible assets acquired through business combinations	15		
Other income	28		
Other charges	(11)		
EBIT	**308**	**385**	**EBITA**
Income from equity affiliates	1	1	Income from equity affiliates
Interest	(76)	(76)	Interest
Income from investments	11	11	Income from investments
Other financial income	3		
Other financial charges	(128)		
Earnings from continuing operations before provision for income taxes	**119**	**321**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	117	30	Provision for income taxes
Earnings from continuing operations	**236**		
Earnings from discontinued operations	496		
Earnings	**732**	**351**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**501**	**311**	**Adjusted net income**
Non-controlling interests	231	40	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.38**	**0.23**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.38**	**0.23**	**Adjusted net income per share - diluted (in euros)**

3. Comments on the operating performance of SFR

SFR's revenues amounted to €2,443 million. The pace of the decrease in revenues slowed down with a 5.8% decrease during first quarter 2014, compared to a 7.1% decrease during last quarter 2013.

At the end of March 2014, SFR's total mobile customer base increased by 3.2%[1] compared to the end of March 2013, and reached 21.293 million. The total postpaid mobile customer base reached 18.020 million, or 84.6% of the total mobile customer base. The broadband Internet residential customer base increased by 45,000 in first quarter 2014, to 5.302 million.

Retail[2] revenues amounted to €1,611 million, down 8.9% compared to first quarter 2013.

Within the Mobile Retail market[2], the postpaid customer base decreased slightly by 21,000 in first quarter 2014. At the end of the quarter, the postpaid mobile retail customer base reached 11.360 million, a 2.9%[1,2] increase compared to the end of March 2013. SFR's total (postpaid and prepaid) mobile retail customer base reached 14.387 million. In 4G, SFR covered more than 40% of the population in 1,300 cities with over 1.4 million customers as of March 31, 2014.

Within the Fixed Retail market[2], the broadband Internet residential customer base in mainland France reached 5.252 million at the end of March 2014, with 43,000 net additions compared to year-end 2013. Within the broadband Internet customer base[2], the Fiber-to-the-home (FTTH) customer base reached 221,000. The "Multi-Packs de SFR" offer increased by 528,000 customers compared to the end of March 2013 and had 2.482 million subscribers, representing 47.3% of the broadband Internet customer base.

B2B[3] revenues amounted to €427 million, down 8.0% compared to the first quarter of 2013, due to a challenging macro-economic environment.

Wholesale and others[4] revenues amounted to €405 million, a 12.2% increase year-on-year, mainly due to growth in the Wholesale business.

SFR's EBITDA amounted to €625 million, an 11.0% decrease compared to end March 2013, a decrease softened by its transformation plan.

On May 7, 2014, SFR announced the renewal of its global strategic alliance with Vodafone (non-equity) for a period of four additional years. Both companies will continue to provide services to fixed and mobile telecommunications multinationals in France, as well as roaming services to customers.

Please refer to Note 6 to the Condensed Financial Statements for the first quarter ended March 31, 2014.

[1] *Q1 2013 portfolio excludes 92k inactive lines which were cancelled in Q4 2013.*
[2] *Metropolitan market, all brands combined.*
[3] *Metropolitan market, SFR Business Team brand.*
[4] *Mainly Wholesale revenues, SRR (SFR's subsidiary in La Réunion) revenues and elimination of intersegment operations.*

4. Revenues and EBITA by business segment - 2014 and 2013 quarterly data

Preliminary comments:

On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. Consequently, as from the first quarter of 2014, in compliance with IFRS 5, SFR has been reported in Vivendi's Consolidated Financial Statements as a discontinued operation.

As a reminder, on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein, and on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Consequently, as from the second quarter of 2013 and in compliance with IFRS 5, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations.

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

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

For a presentation of the adjustments made on data previously published, please refer to Appendix 2 of the Financial Report contained in the 2013 Annual Report.

	2014
(in millions of euros)	1st Quarter ended March 31
Revenues	
Canal+ Group	1,317
Universal Music Group	984
GVT	405
Other	21
Elimination of intersegment transactions	(5)
Total Vivendi	**2,722**
EBITA	
Canal+ Group	175
Universal Music Group	56
GVT	83
Other	(20)
Holding & Corporate	(26)
Total Vivendi	**268**

	2013			
(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				
Canal+ Group	1,286	1,314	1,257	1,454
Universal Music Group	1,091	1,145	1,162	1,488
GVT	438	446	413	412
Other	16	17	18	21
Elimination of intersegment transactions	(5)	(3)	(5)	(3)
Total Vivendi	**2,826**	**2,919**	**2,845**	**3,372**
EBITA				
Canal+ Group	183	247	217	(36)
Universal Music Group	55	88	112	256
GVT	99	97	102	107
Other	(14)	(22)	(21)	(23)
Holding & Corporate	(22)	(25)	(14)	(26)
Total Vivendi	**301**	**385**	**396**	**278**

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III - Condensed Financial Statements for the first quarter ended March 31, 2014

Condensed Statement of Earnings

	Note	1st Quarter ended March 31, (unaudited) 2014	2013 (a)	Year ended December 31, 2013
Revenues	3	**2,722**	**2,826**	**11,962**
Cost of revenues		(1,636)	(1,639)	(6,878)
Selling, general and administrative expenses		(917)	(937)	(3,939)
Restructuring charges and other operating charges and income		10	(42)	(181)
Impairment losses on intangible assets acquired through business combinations		-	(20)	(6)
Other income		-	-	88
Other charges		(3)	(27)	(54)
Earnings before interest and income taxes (EBIT)		**176**	**161**	**992**
Income from equity affiliates		(6)	(8)	(21)
Interest	4	(19)	(80)	(300)
Income from investments		-	14	66
Other financial income		40	41	51
Other financial charges		(18)	(23)	(538)
Earnings from continuing operations before provision for income taxes		**173**	**105**	**250**
Provision for income taxes	5	(101)	10	(15)
Earnings from continuing operations		**72**	**115**	**235**
Earnings from discontinued operations	6	516	684	2,544
Earnings		**588**	**799**	**2,779**
Of which				
Earnings attributable to Vivendi SA shareowners		**431**	**534**	**1,967**
of which earnings from continuing operations attributable to Vivendi SA shareowners		57	82	133
earnings from discontinued operations attributable to Vivendi SA shareowners		374	452	1,834
Non-controlling interests		157	265	812
of which earnings from continuing operations		15	33	102
earnings from discontinued operations		142	232	710
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.04	0.06	0.10
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.04	0.06	0.10
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	7	0.28	0.34	1.38
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	7	0.28	0.34	1.37
Earnings attributable to Vivendi SA shareowners per share - basic	7	**0.32**	**0.40**	**1.48**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	0.32	0.40	1.47

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

a. In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Earnings as discontinued operations (please refer to Note 6). On October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. The adjustments to data as published in the 2013 Annual Report are presented in Note 12.

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

Condensed Statement of Comprehensive Income

(in millions of euros)	1st Quarter ended March 31, (unaudited) 2014	2013	Year ended December 31, 2013
Earnings	**588**	**799**	**2,779**
Actuarial gains/(losses) related to employee defined benefit plans, net	-	(2)	(23)
Items not reclassified to profit or loss	**-**	**(2)**	**(23)**
Foreign currency translation adjustments	62	475	(1,429)
Unrealized gains/(losses), net	4	20	58
of which hedging instruments	*(9)*	*18*	*(21)*
assets available for sale	*13*	*2*	*79*
Other impacts, net	17	1	15
Items to be subsequently reclassified to profit or loss	**83**	**496**	**(1,356)**
Charges and income directly recognized in equity	**83**	**494**	**(1,379)**
Total comprehensive income	**671**	**1,293**	**1,400**
of which			
Total comprehensive income attributable to Vivendi SA shareowners	**520**	**1,003**	**789**
Total comprehensive income attributable to non-controlling interests	151	290	611

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

Condensed Statement of Financial Position

(in millions of euros)	Note	March 31, 2014 (unaudited)	December 31, 2013
ASSETS			
Goodwill		10,519	17,147
Non-current content assets		2,528	2,623
Other intangible assets		395	4,306
Property, plant and equipment		3,209	7,541
Investments in equity affiliates		290	446
Non-current financial assets		638	654
Deferred tax assets		667	733
Non-current assets		**18,246**	**33,450**
Inventories		99	330
Current tax receivables		636	627
Current content assets		981	1,149
Trade accounts receivable and other		2,227	4,898
Current financial assets		21	45
Cash and cash equivalents		868	1,041
		4,832	**8,090**
Assets held for sale		1,230	1,078
Assets of discontinued businesses	6	25,025	6,562
Current assets		**31,087**	**15,730**
TOTAL ASSETS		**49,333**	**49,180**
EQUITY AND LIABILITIES			
Share capital		7,368	7,368
Additional paid-in capital		8,381	8,381
Treasury shares		(22)	(1)
Retained earnings and other		2,237	1,709
Vivendi SA shareowners' equity		**17,964**	**17,457**
Non-controlling interests		1,659	1,573
Total equity		**19,623**	**19,030**
Non-current provisions		2,715	2,904
Long-term borrowings and other financial liabilities	8	8,309	8,737
Deferred tax liabilities		685	680
Other non-current liabilities		205	757
Non-current liabilities		**11,914**	**13,078**
Current provisions		272	619
Short-term borrowings and other financial liabilities	8	3,934	3,529
Trade accounts payable and other		5,213	10,416
Current tax payables		105	79
		9,524	**14,643**
Liabilities associated with assets held for sale		-	-
Liabilities associated with assets of discontinued businesses	6	8,272	2,429
Current liabilities		**17,796**	**17,072**
Total liabilities		**29,710**	**30,150**
TOTAL EQUITY AND LIABILITIES		**49,333**	**49,180**

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

Condensed Statement of Cash Flows

(in millions of euros)	1st Quarter ended March, 31 (unaudited) 2014	2013 (a)	Year ended December 31, 2013
Operating activities			
EBIT	176	161	992
Adjustments	176	273	919
Including amortization and depreciation of tangible and intangible assets	*239*	*258*	*1,014*
Content investments, net	30	27	(148)
Gross cash provided by operating activities before income tax paid	***382***	***461***	***1,763***
Other changes in net working capital	(83)	21	(3)
Net cash provided by operating activities before income tax paid	***299***	***482***	***1,760***
Income tax paid, net	7	63	102
Net cash provided by operating activities of continuing operations	***306***	***545***	***1,862***
Net cash provided by operating activities of discontinued operations	***579***	***826***	***3,378***
Net cash provided by operating activities	**885**	**1,371**	**5,240**
Investing activities			
Capital expenditures	(298)	(355)	(1,047)
Purchases of consolidated companies, after acquired cash	(46)	(13)	(42)
Investments in equity affiliates	(62)	-	-
Increase in financial assets	(21)	(11)	(69)
Investments	***(427)***	***(379)***	***(1,158)***
Proceeds from sales of property, plant, equipment and intangible assets	1	1	33
Proceeds from sales of consolidated companies, after divested cash	(16)	-	2,739
Disposal of equity affiliates	-	-	8
Decrease in financial assets	4	44	724
Divestitures	***(11)***	***45***	***3,504***
Dividends received from equity affiliates	-	-	3
Dividends received from unconsolidated companies	-	7	54
Net cash provided by/(used for) investing activities of continuing operations	***(438)***	***(327)***	***2,403***
Net cash provided by/(used for) investing activities of discontinued operations	***(594)***	***(550)***	***(3,590)***
Net cash provided by/(used for) investing activities	**(1,032)**	**(877)**	**(1,187)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	67	7	195
Sales/(purchases) of Vivendi SA's treasury shares	(21)	-	-
Dividends paid by Vivendi SA to its shareowners	-	-	(1,325)
Other transactions with shareowners	(2)	-	(1,046)
Dividends paid by consolidated companies to their non-controlling interests	(1)	-	(34)
Transactions with shareowners	***43***	***7***	***(2,210)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	1,217	2,184	2,490
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1,657)	(1,894)	(1,910)
Principal payment on short-term borrowings	(989)	(279)	(5,188)
Other changes in short-term borrowings and other financial liabilities	1,719	91	34
Interest paid, net	(19)	(80)	(300)
Other cash items related to financial activities	(11)	(16)	(341)
Transactions on borrowings and other financial liabilities	***260***	***6***	***(5,215)***
Net cash provided by/(used for) financing activities of continuing operations	***303***	***13***	***(7,425)***
Net cash provided by/(used for) financing activities of discontinued operations	***(167)***	***(184)***	***1,007***
Net cash provided by/(used for) financing activities	**136**	**(171)**	**(6,418)**
Foreign currency translation adjustments of continuing operations	1	6	(48)
Foreign currency translation adjustments of discontinued operations	(2)	36	(44)
Change in cash and cash equivalents	**(12)**	**365**	**(2,457)**
Reclassification of discontinued operations' cash and cash equivalents	**(161)**	**-**	**(396)**
Cash and cash equivalents			
At beginning of the period	**1,041**	**3,894**	**3,894**
At end of the period	**868**	**4,259**	**1,041**

a. In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Cash Flows as discontinued operations (please refer to Note 6). On October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. The adjustments to data as published in the 2013 Annual Report are presented in Note 12.

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

Condensed Statements of Changes in Equity

First quarter ended March 31, 2014 (unaudited)

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares: *Number of shares* (in thousands)	Common shares: Share capital	Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
BALANCE AS OF DECEMBER 31, 2013	***1,339,610***	**7,368**	**8,381**	**(1)**	**15,748**	**5,236**	**184**	**(2,138)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	***1,339,610***	***7,368***	***8,381***	***(1)***	***15,748***	***3,604***	***185***	***(2,080)***	***1,709***	***17,457***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***1,632***	***(1)***	***(58)***	***1,573***	***1,573***
Contributions by/distributions to Vivendi SA shareowners	-	-	-	(21)	(21)	6	-	-	6	(15)
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	2	-	-	2	2
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	**-**	**-**	**-**	**(21)**	**(21)**	**8**	**-**	**-**	**8**	**(13)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(66)	-	-	(66)	(66)
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(66)	-	-	(66)	(66)
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	-	-	-	-	-	1	-	-	1	1
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(65)**	**-**	**-**	**(65)**	**(65)**
Earnings	-	-	-	-	-	588	-	-	588	588
Charges and income directly recognized in equity	-	-	-	-	-	17	4	62	83	83
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**605**	**4**	**62**	**671**	**671**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***-***	***-***	***-***	***(21)***	***(21)***	***548***	***4***	***62***	***614***	***593***
Attributable to Vivendi SA shareowners	*-*	*-*	*-*	*(21)*	*(21)*	*458*	*4*	*66*	*528*	*507*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*90*	*-*	*(4)*	*86*	*86*
BALANCE AS OF MARCH 31, 2014	***1,339,610***	**7,368**	**8,381**	**(22)**	**15,727**	**5,784**	**188**	**(2,076)**	**3,896**	**19,623**
Attributable to Vivendi SA shareowners	***1,339,610***	***7,368***	***8,381***	***(22)***	***15,727***	***4,062***	***189***	***(2,014)***	***2,237***	***17,964***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***1,722***	***(1)***	***(62)***	***1,659***	***1,659***

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

First quarter ended March 31, 2013 (unaudited)

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares: *Number of shares* (in thousands)	Common shares: Share capital	Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
BALANCE AS OF JANUARY 01, 2013	***1,323,962***	**7,282**	**8,271**	**(25)**	**15,528**	**6,346**	**126**	**(709)**	**5,763**	**21,291**
Attributable to Vivendi SA shareowners	***1,323,962***	***7,282***	***8,271***	***(25)***	***15,528***	***3,529***	***129***	***(861)***	***2,797***	***18,325***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***2,817***	***(3)***	***152***	***2,966***	***2,966***
Contributions by/distributions to Vivendi SA shareowners	-	-	-	-	-	8	-	-	8	8
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	24	-	-	24	24
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	**-**	**-**	**-**	**-**	**-**	**32**	**-**	**-**	**32**	**32**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(99)	-	-	(99)	(99)
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	*(99)*	-	-	*(99)*	*(99)*
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	(1)	-	-	(1)	(1)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	30	-	-	30	30
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(70)**	**-**	**-**	**(70)**	**(70)**
Earnings	-	-	-	-	-	799	-	-	799	799
Charges and income directly recognized in equity	-	-	-	-	-	(1)	20	475	494	494
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**798**	**20**	**475**	**1,293**	**1,293**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	**-**	**-**	**-**	**-**	**-**	***760***	***20***	***475***	***1,255***	***1,255***
Attributable to Vivendi SA shareowners	-	-	-	-	-	*566*	*18*	*451*	*1,035*	*1,035*
Attributable to non-controlling interests	-	-	-	-	-	*194*	*2*	*24*	*220*	*220*
BALANCE AS OF MARCH 31, 2013	***1,323,962***	**7,282**	**8,271**	**(25)**	**15,528**	**7,106**	**146**	**(234)**	**7,018**	**22,546**
Attributable to Vivendi SA shareowners	***1,323,962***	***7,282***	***8,271***	***(25)***	***15,528***	***4,095***	***147***	***(410)***	***3,832***	***19,360***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***3,011***	***(1)***	***176***	***3,186***	***3,186***

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

Year ended December 31, 2013

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
	Number of shares (in thousands)	Share capital								
BALANCE AS OF JANUARY 01, 2013	1,323,962	7,282	8,271	(25)	15,528	6,346	126	(709)	5,763	21,291
Attributable to Vivendi SA shareowners	1,323,962	7,282	8,271	(25)	15,528	3,529	129	(861)	2,797	18,325
Attributable to non-controlling interests	-	-	-	-	-	2,817	(3)	152	2,966	2,966
Contributions by/distributions to Vivendi SA shareowners	15,648	86	110	24	220	(1,296)	-	-	(1,296)	(1,076)
Dividends paid by Vivendi SA (€1 per share)	-	-	-	-	-	(1,325)	-	-	(1,325)	(1,325)
Capital increase related to Vivendi SA's share-based compensation plans	15,648	86	110	24	220	29	-	-	29	249
of which Vivendi Employee Stock Purchase Plans (July 25 , 2013)	12,286	68	81	-	149	-	-	-	-	149
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	(581)	-	-	(581)	(581)
of which acquisition of Lagadère Group's non-controlling interest in Canal+ France	-	-	-	-	-	(636)	-	-	(636)	(636)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	15,648	86	110	24	220	(1,877)	-	-	(1,877)	(1,657)
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(431)	-	-	(431)	(431)
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(431)	-	-	(431)	(431)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	(1,273)	-	-	(1,273)	(1,273)
of which sale of 88% of the ownership interest in Activision Blizzard	-	-	-	-	-	(1,272)	-	-	(1,272)	(1,272)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	(300)	-	-	(300)	(300)
of which acquisition of Lagadère Group's non-controlling interest in Canal+ France	-	-	-	-	-	(387)	-	-	(387)	(387)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	(2,004)	-	-	(2,004)	(2,004)
Earnings	-	-	-	-	-	2,779	-	-	2,779	2,779
Charges and income directly recognized in equity	-	-	-	-	-	(8)	58	(1,429)	(1,379)	(1,379)
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	2,771	58	(1,429)	1,400	1,400
TOTAL CHANGES OVER THE PERIOD (A+B+C)	15,648	86	110	24	220	(1,110)	58	(1,429)	(2,481)	(2,261)
Attributable to Vivendi SA shareowners	15,648	86	110	24	220	75	56	(1,219)	(1,088)	(868)
Attributable to non-controlling interests	-	-	-	-	-	(1,185)	2	(210)	(1,393)	(1,393)
BALANCE AS OF DECEMBER 31, 2013	1,339,610	7,368	8,381	(1)	15,748	5,236	184	(2,138)	3,282	19,030
Attributable to Vivendi SA shareowners	1,339,610	7,368	8,381	(1)	15,748	3,604	185	(2,080)	1,709	17,457
Attributable to non-controlling interests	-	-	-	-	-	1,632	(1)	(58)	1,573	1,573

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

Notes to the Condensed Financial Statements

On May 12, 2014, during a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the unaudited Condensed Financial Statements for the first quarter ended March 31, 2014. They were examined by the Audit Committee held on May 14, 2014.

The Unaudited Condensed Financial Statements for the first quarter ended March 31, 2014 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2013, as published in the "*Rapport annuel - Document de référence*" filed on April 14, 2014 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2013*"). Please also refer to pages 210 to 324 of the English translation[1] of the "*Document de référence 2013*" (the "2013 Annual Report") which is available on Vivendi's website (www.vivendi.com).

Note 1 Accounting policies and valuation methods

1.1 Interim Financial Statements

Vivendi's interim Condensed Financial Statements for the first quarter of 2014 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, except as described in paragraph 1.2 below, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2013 (please refer to Note 1 "Accounting policies and valuation methods" presented in the Financial Statements from pages 220 to 235 of the 2013 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 New IFRS applicable as of January 1, 2014

Vivendi applied from January 1, 2014, IFRIC 21 interpretation - *Levies*, issued by the International Financial Reporting Interpretation Committee (IFRIC) on May 20, 2013 but not yet endorsed by the EU, which clarifies the treatment of certain levies, under IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*.

IFRIC 21 specifically addresses the accounting for a liability to pay a levy that is imposed by governments on entities in accordance with legislation (i.e., laws and/or regulations), except for income tax and value-added taxes. Applying this interpretation has lead to modify, where necessary, the determination of the obligating event that triggers the recognition of the liability. This interpretation, which mandatorily applies to accounting periods beginning on or after January 1, 2014, and retrospectively as from January 1, 2013, had no material impact on Vivendi's Financial Statements.

In addition and as a reminder, in the Condensed Financial Statements for the first quarter of 2013, Vivendi voluntary opted for the early application, with retroactive effect from January 1, 2012, of the standards relating to the principles of consolidation: IFRS 10 - *Consolidated Financial Statements*, IFRS 11 - *Joint Arrangements*, IFRS 12 - *Disclosure of Interests in Other Entities*, IAS 27 - *Separate Financial Statements*, and IAS 28 - *Investments in Associates and Joint Ventures*, the effect of which are described in Note 1 to the Consolidated Financial Statement for the year ended December 31, 2013 – pages 220 to 235 of the 2013 Annual Report. The application of these standards had no material impact on Vivendi's Financial Statements.

[1] This translation is qualified in its entirety by reference to the "Document de référence 2013".

Note 2 Major changes in the scope of consolidation

2.1 Plan to sell SFR and sale of Maroc Telecom group

Please refer to Note 6.

2.2 Acquisition of a 51% interest in Mediaserv by Canal+ Group

Pursuant to the agreement announced on July 12, 2013, following the approval received on February 10, 2014 from the French Competition Authority, on February 13, 2014, Canal+ Overseas completed the acquisition of a 51% interest in Mediaserv, an overseas telecom operator.

Note 3 Segment data

Vivendi's interests in SFR, Maroc Telecom group, and Activision Blizzard, discontinued operations as of March 31, 2014, are no longer reported in segment data as a result of the application of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*. On October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. The previously published Consolidated Statement of Earnings were adjusted to ensure consistency of information and SFR and Maroc Telecom group's assets and liabilities were reclassified as unallocated assets as of March 31, 2014 (please refer to Note 6).

For a detailed presentation of the adjustments made to data previously published in the 2013 Annual Report, please refer to Note 12.

Consolidated Statements of Earnings

1st Quarter ended March 31, 2014

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	1,313	983	405	21	-	-	2,722
Intersegment revenues	4	1	-	-	-	(5)	-
Revenues	**1,317**	**984**	**405**	**21**	**-**	**(5)**	**2,722**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,077)	(902)	(247)	(40)	(22)	5	(2,283)
Charges related to share-based compensation plans	(4)	(2)	-	-	(4)	-	(10)
EBITDA	**236**	**80**	**158**	**(19)**	**(26)**	**-**	**429**
Restructuring charges	-	(6)	-	-	-	-	(6)
Gains/(losses) on sales of tangible and intangible assets	-	-	-	-	-	-	-
Other non-recurring items	(1)	(4)	-	-	-	-	(5)
Depreciation of tangible assets	(43)	(14)	(68)	-	-	-	(125)
Amortization of intangible assets excluding those acquired through business combinations	(17)	-	(7)	(1)	-	-	(25)
Adjusted earnings before interest and income taxes (EBITA)	**175**	**56**	**83**	**(20)**	**(26)**	**-**	**268**
Amortization of intangible assets acquired through business combinations	(1)	(81)	(6)	(1)	-	-	(89)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-
Other income							-
Other charges							(3)
Earnings before interest and income taxes (EBIT)							**176**
Income from equity affiliates							(6)
Interest							(19)
Income from investments							-
Other financial income							40
Other financial charges							(18)
Provision for income taxes							(101)
Earnings from discontinued operations							516
Earnings							**588**
Of which							
Earnings attributable to Vivendi SA shareowners							**431**
Non-controlling interests							157

1st Quarter ended March 31, 2013

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	1,283	1,090	438	15	-	-	2,826
Intersegment revenues	3	1	-	1	-	(5)	-
Revenues	**1,286**	**1,091**	**438**	**16**	**-**	**(5)**	**2,826**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,036)	(988)	(262)	(28)	(20)	5	(2,329)
Charges related to share-based compensation plans	(2)	(2)	-	-	(1)	-	(5)
EBITDA	**248**	**101**	**176**	**(12)**	**(21)**	**-**	**492**
Restructuring charges	-	(26)	-	-	-	-	(26)
Gains/(losses) on sales of tangible and intangible assets	(6)	-	-	-	-	-	(6)
Other non-recurring items	(7)	(5)	-	(1)	(1)	-	(14)
Depreciation of tangible assets	(38)	(15)	(71)	(1)	-	-	(125)
Amortization of intangible assets excluding those acquired through business combinations	(14)	-	(6)	-	-	-	(20)
Adjusted earnings before interest and income taxes (EBITA)	**183**	**55**	**99**	**(14)**	**(22)**	**-**	**301**
Amortization of intangible assets acquired through business combinations	-	(80)	(12)	(1)	-	-	(93)
Impairment losses on intangible assets acquired through business combinations	-	(20)	-	-	-	-	(20)
Other income							-
Other charges							(27)
Earnings before interest and income taxes (EBIT)							**161**
Income from equity affiliates							(8)
Interest							(80)
Income from investments							14
Other financial income							41
Other financial charges							(23)
Provision for income taxes							10
Earnings from discontinued operations							684
Earnings							**799**
Of which							
Earnings attributable to Vivendi SA shareowners							**534**
Non-controlling interests							265

Statement of Financial Position

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	SFR	**Total Vivendi**
March 31, 2014							
Segment assets (a)	7,528	8,019	4,952	246	162	-	20,907
incl. investments in equity affiliates	*221*	*69*	-	-	-	-	*290*
Unallocated assets (b)							28,426
Total Assets							**49,333**
Segment liabilities (c)	2,578	2,346	429	87	2,965	-	8,405
Unallocated liabilities (d)							21,305
Total Liabilities							**29,710**
Increase in tangible and intangible assets	32	9	154	2	-	-	197
Capital expenditures, net (capex, net) (e)	43	8	244	2	-	-	297
December 31, 2013							
Segment assets (a)	7,500	8,256	4,674	251	154	18,304	39,139
incl. investments in equity affiliates	*220*	*74*	-	-	-	*152*	*446*
Unallocated assets (b)							10,041
Total Assets							**49,180**
Segment liabilities (c)	2,631	2,600	548	78	5,141	3,698	14,696
Unallocated liabilities (d)							15,454
Total Liabilities							**30,150**
Increase in tangible and intangible assets	213	54	776	8	1	1,665	2,717
Capital expenditures, net (capex, net) (e)	211	26	769	8	-	1,610	2,624

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, investments in equity affiliates, financial assets, inventories and trade account receivables, and other.

b. Unallocated assets include deferred tax assets, current tax receivables, cash and cash equivalents as well as assets held for sale.
As of March 31, 2014, they also the assets of discontinued businesses, SFR and Maroc Telecom group, for €18,429 million and €6,596 million, respectively, as well as the remaining 83 million Activision Blizzard shares held by Vivendi, valued at €1,230 million.
As of December 31, 2013, they included Maroc Telecom group's assets for €6,562 million and Activision Blizzard shares for €1,078 million.

c. Segment liabilities include provisions, other non-current liabilities, and trade accounts payable.

d. Unallocated liabilities include borrowings and other financial liabilities, deferred tax liabilities, current tax payables as well as liabilities related to assets held for sale.
As of March 31, 2014, they also included the assets of discontinued businesses, SFR and Maroc Telecom group, for €6,014 (excluding Vivendi SA's financial liabilities) and €2,258 million, respectively.
As of December 31, 2013, they included liabilities associated with assets of Maroc Telecom group for €2,429 million.

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

Note 4 Interest

(in millions of euros)	Note	1st Quarter ended March 31, 2014	2013	Year ended December 31, 2013
(Charge)/Income				
Interest expense on borrowings	8	*(86)*	*(135)*	*(532)*
Interest income on SFR's loans	6	*62*	*51*	*212*
Interest expense net of borrowings		(24)	(84)	(320)
Interest income from cash and cash equivalents		5	4	20
Interest from continuing operations		**(19)**	**(80)**	**(300)**
Fees and premiums on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments		(3)	(5)	(202)
		(22)	**(85)**	**(502)**

Note 5 Income taxes

(in millions of euros)	1st Quarter ended March 31, 2014		2013		Year ended December 31, 2013	
(Charge)/Income						
Impact of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	(23)	(a)	69	(b)	254	(b) (c)
Other components of the provision for income taxes	(78)		(59)		(269)	
Provision for income taxes	**(101)**		**10**		**(15)**	

a. Notably related to the change in deferred tax savings related to Vivendi SA’s Tax Group System, which was a €49 million charge for the first quarter of 2014.

b. Of which €50 million for the first quarter of 2013 and -€1 million for full-year 2013, with respect to the current and deferred tax savings associated with SFR as part of Vivendi SA’s Tax Group System. In 2014, SFR was assumed to no longer be part of Vivendi’s Tax Group System, under the assumption that its sale to Altice/Numericable would be completed by the end of the year.

c. In 2013, the tax savings related to Vivendi SA’s Tax Group System resulted primarily from Canal+ Group.

Note 6 Discontinued operations

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR, Maroc Telecom group, and Activision Blizzard have been reported in Vivendi’s Consolidated Financial Statements as discontinued operations according to the following terms:

- **SFR:** on April 5, 2014, Vivendi’s Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. As from the first quarter of 2014, SFR has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation. Moreover, the contribution of SFR to each line of Vivendi’s Consolidated Statement of Financial Position as of March 31, 2014 has been grouped under the lines “assets of discontinued businesses” and “liabilities associated with assets of discontinued businesses”.
- **Maroc Telecom group:** on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Maroc Telecom group has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi’s Consolidated Statement of Financial Position as of March 31, 2014 and December 31, 2013 has been grouped under the lines “assets of discontinued businesses” and “liabilities associated with assets of discontinued businesses”.
- **Activision Blizzard:** on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. Activision Blizzard has been reported in the Statement of Earnings and the Consolidated Statement of Cash as a discontinued operation. For the first quarter of 2013, earnings from Activision Blizzard amounted to €364 million. Please refer to Note 7.1 to the Consolidated Financial Statements for the year ended December 31, 2013, pages 252 to 254 of the 2013 Annual Report.

These adjustments have been reported in Note 12.

6.1 Plan to sell SFR

On March 5, 2014, Vivendi received two binding offers for a controlling interest in its SFR subsidiary. These offers were provided by Altice, Numericable's parent company, and by the Bouygues Group and both included financing commitments. On March 14, 2014, Vivendi's Supervisory Board examined the two offers and decided to enter into exclusive negotiations with Altice for a period of three weeks. Altice's initial offer consisted of a €11.75 billion cash payment to Vivendi and a 32% equity interest in the publicly-listed combined entity and the exit of Vivendi according to predetermined terms.

At its meetings held on April 4 and April 5, 2014, Vivendi's Supervisory Board reviewed the results of the negotiations with Altice/Numericable regarding a combination with SFR during the mutually-agreed exclusive period entered into on March 14, and it unanimously decided to choose the revised Altice/Numericable offer, which represents a total enterprise value in excess of €17 billion, or an estimated 2014 EV/EBITDA (Enterprise Value/EBITDA) ratio of 7.0x.

The main details of this offer are the following:

Cash at closing	€13.5 billion
Vivendi's interest in the combined entity	20% (publicly-listed company)
Altice's interest in the combined entity	60% for Altice (free float = 20%)
Liquidity	- One year lock-up period following closing. - Call option for Altice at market value (with floor (*)) on Vivendi's interest in three tranches (7%, 7%, 6%) over 1-month windows respectively starting on the 19th, 31st, and 43rd month following closing. - Possibility to sell or distribute the listed shares, with a pre-emptive right for Altice.
Earn-out	Potential earn-out of €750 million if the combined entity's (EBITDA-Capex) is at least equal to €2 billion during one fiscal year.
Financing	- Total debt of €11.6 billion for combined entity. - Initial bank commitments were refinanced on April 23, 2014, through bonds (€7.8 billion) and bank loans (€3.8 billion).
Corporate Governance	- Minority Board representation for Vivendi. - Veto rights on certain matters subject to Vivendi retaining a 20% interest in the combined entity.

(*) VWAP of Numericable stock price over the 20 business days before closing, grossed-up by an annual rate of 5% during the period ranging from the closing of the transaction until the date of exercise of the call option by Altice.

As part of a new mutually-agreed exclusivity agreement with Altice/Numericable, the completion of this transaction is subject to consultation procedures with the employee representative bodies of Numericable, Vivendi, and SFR on the plan presented by Altice/Numericable and receipt of the authorizations from the relevant administrative authorities. The closing is anticipated by the end of 2014.

This decision puts an end to the SFR demerger plan.

In the Condensed Financial Statements for the first quarter ended March 31, 2014, Vivendi considered that the conditions for the application of IFRS 5 were met with respect to the plan to sell SFR, taking into consideration the expected effective closing of this transaction. The data presented below relates to the contribution of the operating segment "SFR", which includes SFR S.A. and its subsidiaries, as well as the interest held by Vivendi, through the company SIG 50, in the telecommunication products and services distribution operations.

The capital gain on sale of SFR will be calculated as the difference between the sale price of 100% of SFR (a €13.5 billion cash payment and value of the remaining ownership interest in the combined entity, estimated at €3.0 billion, excluding potential earn-out) and the value of SFR's net assets, as recorded in Vivendi's Consolidated Financial Statements at the date of the loss of control. The capital gain will be recognized upon the completion of the sale and recorded under the line "Earnings from discontinued operations"; based on SFR's Statement of Financial Position as of March 31, 2014 and without taking into consideration the potential earn-out (€750 million), the capital gain on sale is estimated at approximately €3.7 billion (after taxes).

6.1.1 Statement of Earnings

SFR (in millions of euros)	1st Quarter ended March 31, 2014	1st Quarter ended March 31, 2013	Year ended December 31, 2013
Revenues	2,443	2,594	10,199
EBITDA	625	702	2,766
Adjusted earnings before interest and income taxes (EBITA)	255	328	1,073
Earnings before interest and income taxes (EBIT)	237	311	(1,427)
Earnings before provision for income taxes	164	251	(1,689)
Provision for income taxes	(70)	(98)	(315)
Earnings from discontinued operations	**94**	**153**	**(2,004)**
Of which attributable to Vivendi SA shareowners	92	152	(2,010)
non-controlling interests	2	1	6

SFR's earnings notably included interest paid by SFR on the amount of borrowings granted by Vivendi SA (€62 million for the first quarter of 2014, €51 million for the first quarter of 2013 and €212 million for full-year 2013).

In compliance with IFRS 5, Vivendi will discontinue the amortization of SFR's tangible and intangible assets as from the second quarter of 2014.

6.1.2 Statement of Financial Position

SFR (in millions of euros)	March 31, 2014
Goodwill	6,722
Intangible assets	3,849
Property, plant and equipment	4,431
Trade accounts receivable and other	2,730
Cash and cash equivalents	138
Other	559
Assets of discontinued businesses	**18,429**
Provisions	471
Borrowings and other financial liabilities	9,076
of which Borrowings from Vivendi (a)	*8,625*
Trade accounts payable and other	4,512
Other	538
Liabilities	**14,597**
Borrowings from Vivendi (a)	(8,625)
Other intersegment receivable, net	42
Liabilities associated with assets of discontinued businesses	**6,014**
	12,415

a. SFR borrowings from Vivendi are composed of :
   - a current account advance granted in June 2011. This line was drawn for €7,425 million as of March 31, 2014. This advance was mainly denominated in euros; and
   - a loan granted in December 2011 for €1,200 million, with a Euribor +0.825% interest rate, maturing in June 2015.

6.1.3 Statement of Cash Flows

SFR (in millions of euros)	1st Quarter ended March 31, 2014	1st Quarter ended March 31, 2013	Year ended December 31, 2013
Operating activities			
Gross cash provided by operating activities before income tax paid	595	695	2,565
Other changes in net working capital	(255)	(308)	(305)
Net cash provided by SFR's operating activities	**277**	**249**	**1,961**
Investing activities			
Capital expenditures, net	(447)	(485)	(1,610)
Other	(1)	(1)	(28)
Net cash provided by/(used for) SFR's investing activities	**(448)**	**(486)**	**(1,638)**
Financing activities			
Dividends paid to non-controlling interests	-	-	(3)
Interest paid, net on SFR financings	(4)	(4)	(16)
Interest paid on borrowings from Vivendi	(62)	(51)	(212)
Other transactions on borrowings and other financial liabilities	31	66	(46)
Net cash provided by/(used for) SFR's financing activities excluding intersegment transactions	**(35)**	**11**	**(277)**
Dividends paid to Vivendi	-	(982)	(982)
Transactions with Vivendi on borrowings and other financial liabilities	(50)	1,154	1,063
Net cash provided by/(used for) SFR's financing activities	**(85)**	**183**	**(196)**
Change in SFR's cash and cash equivalents	**(256)**	**(54)**	**127**
SFR's cash and cash equivalents			
At beginning of the period	**394**	**267**	**267**
At end of the period	**138**	**213**	**394**

6.1.4 SFR commitments and litigation

Agreement to share a part of SFR's mobile access networks

On January 31, 2014, SFR and Bouygues Telecom entered into strategic network sharing agreement. They will roll out a new shared network in an area covering 57% of the French population. This agreement will enable both operators to improve their mobile coverage and generate significant savings over time.

The agreement is based on two principles:

- the creation of a joint company, to manage the shared base station assets; and
- entry by the operators into a RAN-sharing service agreement covering 2G, 3G, and 4G services in the shared area.

This network-sharing agreement is similar to numerous arrangements already existing in other European countries. Each operator will retain its own innovation capacity as well as complete commercial and pricing independence. The network-sharing agreement took effect upon the signing of the agreement and the shared network is expected to be completed by the end of 2017.

Pending its implementation, this agreement represents given commitments for approximately €1,800 million and received commitments for approximately €2,260 million, representing a net commitment received by SFR of approximately €460 million, which applies over the entire duration of the long-term agreement.

Acquisition of Telindus France Group

Following the exclusive negotiations started on February 13, 2014, Vivendi and Belgacom entered into an agreement on March 28, 2014 to acquire 100% of its subsidiary Telindus France Group, a leader on the French markets of telecommunication integration and networks, for a total amount of €95 million. The transaction was completed on April 30, 2014 following approval by the French Competition Authority.

Other commitments

As of December 31, 2013, the aggregate net amount of SFR's commitments amounted to €3,058 million included:

- off-balance sheet commercial commitments, including tangible and intangible assets for a net amount of €939 million;
- off-balance sheet operating leases and subleases for a net amount of €1,790 million, mainly related to offices and technical premises;
- network coverage commitments related to telecom licenses: please refer to Note 14 of the Consolidated Financial Statements for the year ended December 31, 2013, page 268 of the 2013 Annual Report;
- surety bonds and bank guarantees for a net amount of €169 million, notably including €105 million relating to the public-private partnership GSM-R contract;
- commitments/provisions in connection with pension plans and post-retirement benefits for €76 million; and
- pledges for €84 million.

Moreover, on March 27, 2014, within the framework of its public service outsourcing activity since 2004 in the Oise department, SFR entered into an agreement, the "Oise THD" project ("Oise Very High Speed Internet") for the operating and marketing of 280,000 FTTH outlets. The total amount of this commitment is €125 million over 15 years.

Litigation

The description of litigation in which SFR is a party (plaintiff or defendant) is presented in Note 10.

6.2 Sale of Maroc Telecom group

On May 14, 2014, in accordance with the agreements entered into in November 2013, Vivendi will sell its 53% interest in Maroc Telecom group to Etisalat and will receive cash proceeds in the amount for €4,138 million, after contractual price adjustment (€49 million).

The main terms of the sale will be the following:

- Vivendi will provide certain customary representations and warranties to Etisalat related to SPT (holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries. Vivendi will also grant some specific guarantees;
- the amount of any compensation due by Vivendi for indemnifiable losses sustained by Maroc Telecom or one of its subsidiaries will be determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i.e., 53% for Maroc Telecom);
- Vivendi's overall indemnification obligation will be capped at 50% of the initial sale price, this threshold will be increased to 100% in respect of claims related to SPT;
- the indemnification commitments, other than those regarding taxes and SPT, provided by Vivendi will remain in effect for a 24-month period following completion of the transaction (May 2016). Claims for indemnity related to tax matters must be made by January 15, 2018. The indemnity related to SPT will remain in effect until the end of a 4-year period following the closing (May 2018); and
- to guarantee the payment of any specific indemnity referenced above, Vivendi will deliver a bank guarantee to Etisalat in the amount of €247 million, expiring on February 15, 2018.

Maroc Telecom group has been reported in Vivendi's Condensed Financial Statements for the first quarter of 2014 as an asset held for sale, in compliance with IFRS 5.

As from May 14, 2014, Vivendi will lose control of and will deconsolidate Maroc Telecom group. The capital gain on sale will be calculated as the difference between the sale proceeds and the value of Maroc Telecom group's net assets recorded in Vivendi's Consolidated Financial Statements at the date of the loss of control. Moreover, in accordance with IFRS, foreign currency translation and other adjustments attributable to Vivendi SA shareowners in relation to Maroc Telecom group will be reclassified to profit or loss (a loss of approximately €58 million as of March 31, 2014). The capital gain will be recognized in the second quarter of 2014 and recorded under the line "Earnings from discontinued operations"; based on the Statement of Financial Position as of March 31, 2014, the capital gain on sale is estimated at approximately €786 million (after taxes).

6.2.1 Statement of Earnings

Maroc Telecom Group	1st Quarter ended March 31,		Year ended
(in millions of euros)	2014	2013	December 31, 2013
Revenues	641	644	2,559
EBITDA	351	379	1,453
Adjusted earnings before interest and income taxes (EBITA)	351	273	1,215
Earnings before interest and income taxes (EBIT)	351	266	1,202
Earnings before provision for income taxes	351	260	1,169
Provision for income taxes	(81)	(93)	(386)
Earnings from discontinued operations	**270**	**167**	**783**
Of which attributable to Vivendi SA shareowners	130	77	348
non-controlling interests	140	90	435

In compliance with IFRS 5, Vivendi discontinued the amortization of Maroc Telecom group's tangible and intangible assets as from July 1, 2013. This adjustment represented a positive impact of €120 million for the first quarter of 2014 and €245 million for the second half of 2013.

6.2.2 Statement of Financial Position

Maroc Telecom Group (in millions of euros)	March 31, 2014
Goodwill	2,388
Property, plant and equipment	2,536
Trade accounts receivable and other	794
Cash and cash equivalents	419
Other	459
Assets of discontinued businesses	**6,596**
Borrowings and other financial liabilities	608
Trade accounts payable and other	1,471
Other	179
Liabilities associated with assets of discontinued businesses	**2,258**
	4,338

As of March 31, 2014,

- equity attributable to Maroc Telecom group's non-controlling interests was €1,255 million (compared to €1,176 million as of December 31, 2013); and
- other comprehensive income related to Maroc Telecom group included foreign currency translation adjustments attributable to Vivendi SA shareowners of -€58 million (compared to -€50 million as of December 31, 2013), related to an unrealized foreign exchange loss attributable to the decline in value of the Moroccan dirham since 2001, which will be recycled to earnings from the sale of Maroc Telecom Group upon completion of the sale.

Off-balance sheet commitments

As of December 31, 2013, Maroc Telecom group's commitments were €635 million. They included €591 million related to the capital expenditure program agreed with the Moroccan State for the period 2013-2015 as well as commercial commitments and contracts relating to the operations of Maroc Telecom and its subsidiaries, such as contracts for satellite transponders and bank guarantees.

6.2.3 Statement of Cash Flows

Maroc Telecom Group (in millions of euros)	1st Quarter ended March 31, 2014	1st Quarter ended March 31, 2013	Year ended December 31, 2013
Operating activities			
Gross cash provided by operating activities before income tax paid	345	372	1,448
Net cash provided by Maroc Telecom group's operating activities	**302**	**330**	**1,110**
Investing activities			
Capital expenditures, net	(146)	(128)	(434)
Other	-	5	5
Net cash provided by/(used for) Maroc Telecom group's investing activities	**(146)**	**(123)**	**(429)**
Financing activities			
Dividends paid to non-controlling interests	(20)	(5)	(328)
Other transactions with non-controlling interests	(12)	-	-
Transactions on borrowings and other financial liabilities	(100)	(208)	(42)
Net cash provided by/(used for) Maroc Telecom group's financing activities	**(132)**	**(213)**	**(370)**
Foreign currency translation adjustments	(2)	2	(1)
Change in Maroc Telecom group's cash and cash equivalents	**22**	**(4)**	**310**
Maroc Telecom group's cash and cash equivalents			
At beginning of the period	**396**	**86**	**86**
At end of the period	**418** (a)	**82**	**396** (a)

a. Includes a €310 million dividend distribution with respect to fiscal year 2012.

Note 7 Earnings per share

	1st Quarter ended March 31,				Year ended December 31, 2013	
	2014		2013			
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners	57	57	82	82	133	133
Earnings from discontinued operations attributable to Vivendi SA shareowners	374	374	452	451	1,834	1,831
Earnings attributable to Vivendi SA shareowners	431	431	534	533	1,967	1,964
Number of shares (in millions)						
Weighted average number of shares outstanding (a)	1,340.8	1,340.8	1,322.5	1,322.5	1,330.6	1,330.6
Potential dilutive effects related to share-based compensation	-	7.9	-	4.2	-	4.7
Adjusted weighted average number of shares	**1,340.8**	**1,348.7**	**1,322.5**	**1,326.7**	**1,330.6**	**1,335.3**
Earnings per share (in euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.04	0.04	0.06	0.06	0.10	0.10
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	0.28	0.28	0.34	0.34	1.38	1.37
Earnings attributable to Vivendi SA shareowners per share	0.32	0.32	0.40	0.40	1.48	1.47

a. Net of treasury shares (138,506 shares for the first quarter of 2014).

Note 8 Borrowings and other financial liabilities

	March 31, 2014			December 31, 2013		
(in millions of euros)	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	6,631	6,631	-	7,827	6,633	1,194
Bank credit facilities (drawn confirmed)	1,655	1,573	82	2,075	2,014	61
Commercial paper issued	3,480	-	3,480	1,906	-	1,906
Bank overdrafts	222	-	222	143	-	143
Accrued interest to be paid	121	-	121	186	-	186
Other	27	18	9	73	53	20
Nominal value of borrowings	**12,136**	8,222	3,914	**12,210**	8,700	3,510
Cumulative effect of amortized cost and reevaluation due to hedge accounting	24	24	-	8	8	-
Commitments to purchase non-controlling interests	61	56	5	22	22	-
Derivative financial instruments	22	7	15	26	7	19
Borrowings and other financial liabilities	**12,243**	**8,309**	**3,934**	**12,266**	**8,737**	**3,529**

8.1 Bonds

	Interest rate (%)		Maturity	March 31, 2014	Maturing before March 31,					Maturing after March 31, 2019	December 31, 2013
(in millions of euros)	nominal	effective			2015	2016	2017	2018	2019		
€750 million (July 2013)	2.375%	2.51%	Jan-19	750	-	-	-	-	750	-	750
€700 million (December 2012)	2.500%	2.65%	Jan-20	700	-	-	-	-	-	700	700
$650 million (April 2012)	3.450%	3.56%	Jan-18	69	-	-	-	69	-	-	69
$800 million (April 2012)	4.750%	4.91%	Apr-22	188	-	-	-	-	-	188	189
€1,250 million (January 2012)	4.125%	4.31%	Jul-17	1,250	-	-	-	1,250	-	-	1,250
€500 million (November 2011)	4.875%	5.00%	Nov-18	500	-	-	-	-	500	-	500
€1,050 million (July 2011)	4.750%	4.67%	Jul-21	1,050	-	-	-	-	-	1,050	1,050
€750 million (March 2010)	4.000%	4.15%	Mar-17	750	-	-	750	-	-	-	750
€700 million (December 2009)	4.875%	4.95%	Dec-19	700	-	-	-	-	-	700	700
€500 million (December 2009)	4.250%	4.39%	Dec-16	500	-	-	500	-	-	-	500
€300 million - SFR (July 2009)	5.000%	5.05%	Jul-14	-	-	-	-	-	-	-	300
€1,120 million (January 2009)	7.750%	7.69%	Jan-14	- (a)	-	-	-	-	-	-	894
$700 million (April 2008)	6.625%	6.85%	Apr-18	174	-	-	-	-	174	-	175
Nominal value of bonds				**6,631**	-	-	1,250	1,319	1,424	2,638	**7,827**

a. Redemption in January 2014 of the bond issued in January 2009, with a 7.75% coupon, for €894 million.

8.2 Bank credit facilities

(in million of euros)	Maturity	Maximum amount	March 31, 2014	Maturing before March 31, 2015	2016	2017	2018	2019	Maturing after March 31, 2019	December 31, 2013
€1.5 billion revolving facility (March 2013)	Mar-18	1,500	-	-	-	-	-	-	-	205
€1.5 billion revolving facility (May 2012)	May-17	1,500	-	-	-	-	-	-	-	-
€1.1 billion revolving facility (January 2012)	Jan-17	1,100	-	-	-	-	-	-	-	-
€40 million revolving facility (January 2012)	Jan-15	40	-	-	-	-	-	-	-	-
€5.0 billion revolving facility (May 2011)										
tranche C: €2.0 billion	May-16	2,000	700	-	-	700	-	-	-	975
€1.0 billion revolving facility (September 2010)	Sep-15	1,000	475	-	475	-	-	-	-	475
GVT - BNDES	-	463	450	62	68	88	71	62	99	391
Canal+ Group - VSTV	-	37	30	20	10	-	-	-	-	29
Drawn confirmed bank credit facilities			**1,655**	**82**	**553**	**788**	**71**	**62**	**99**	**2,075**
Undrawn confirmed bank credit facilities			5,986	48	527	2,402	3,003	2	4	5,554
Total of group's bank credit facilities			**7,641**	**130**	**1,080**	**3,190**	**3,074**	**64**	**103**	**7,629**
Commercial paper issued (a)			3,480	3,480						1,906

a. The commercial paper is backed to confirmed bank credit facilities. It is recorded as short-term borrowing on the Consolidated Statement of Financial Position.

Vivendi SA bank credit facilities, when drawn, bear interest at floating rates.

Moreover, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment. This off-balance sheet financial commitment has no impact on Vivendi's net debt. Please refer to Note 23 to the Consolidated Financial Statements for the year ended December 31, 2013, page 287 in the 2013 Annual Report.

8.3 Credit ratings

As of May 12, 2014, the date of the Management Board meeting that approved the Condensed Financial Statements for the first quarter ended March 31, 2014, the credit ratings of Vivendi were as follows:

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

a. On April 14, 2014, the rating agency Standard & Poor's improved Vivendi's outlook from negative to stable and confirmed its BBB/A-2 rating on Vivendi's debt.

b. On April 8, 2014, the rating agency Moody's improved Vivendi's outlook from negative to stable and confirmed its Baa2 rating on Vivendi's long-term debt.

Note 9 Commitments

The main contractual commitments undertaken/revised during the first quarter of 2014 are described below.

Contractual content commitments

Canal+ Group was awarded broadcasting rights to the following sport events:

- on January 14, 2014: exclusive rights for the national French Rugby Championship "TOP 14" for five seasons (2014-2015 to 2018-2019). These rights relate to all of the TOP 14 matches, across all media and all territories;
- on April 4, 2014 : two premium lots of the French professional Soccer League 1, for four seasons (2016-2017 to 2019-2020) for an aggregate amount of €2,160 million (or €540 million per season); and
- On April 11, 2014: a premium lot of the Champions League for three seasons (2015-2016 to 2017-2018).

Investment commitments

Vivendi has set up a fund with Bertelsmann, dedicated to investing in educational activities over the next five years. Under the terms of the agreement, Vivendi's commitments amounted to €24 million as of March 31, 2014.

Share purchase and sale commitments

For a description of commitments from discontinued operations, please refer to Note 6.

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

On December 23, 2013, the French Council of State annulled, with a delayed effect as from July 1, 2014, the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), which had been approved on July 23, 2012. On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority. On April 2, 2014, the French Competition Authority reapproved the transaction, subject to compliance with commitments given by Vivendi and Canal+ Group. These commitments are similar to the ones contained in the previous 2012 authorization except for an additional commitment relating to the second and third windows for French films. All commitments are binding for a period of five years starting July 23, 2012. In 2017, the French Competition Authority will have the opportunity to request a renewal of these commitments for the same duration, if deemed necessary, after a new competitive analysis.

Note 10 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 28 to the Consolidated Financial Statements for the year ended December 31, 2013, contained in the 2013 Annual Report (pages 309-315) and in Section 3 of Chapter 1 contained in the 2013 Annual Report (pages 35-41). The following paragraphs update such disclosure through May 12, 2014, the date of the Management Board meeting held to approve Vivendi's financial statements for the first quarter ended March 31, 2014.

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.

BeIN Sport against the National Rugby League and Canal+ Group

On March 11, 2014, BeIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award of broadcasting rights to French rugby games.

Capitol Records and EMI Music Publishing against MP3tunes

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

SFR (discontinued operation)

Orange against SFR and Bouygues Telecom

On April 29, 2014, Orange filed a complaint with the French Competition Authority concerning the agreement signed on January 31, 2014, between SFR and Bouygues Telecom to share a part of their mobile access networks. Orange alleges that this agreement constitutes a collusive practice, by concerted effort and horizontal agreement, between competitors. Orange is requesting an immediate suspension of the agreement's implementation.

Note 11 Subsequent events

The significant events that have occurred between March 31 and May 12, 2014 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the first quarter ended March 31, 2014) were as follows:

- On April 4, 2014, Canal+ Group was awarded the broadcasting rights for two premium lots of the French professional Soccer League 1, for four seasons (2016-2017 to 2019-2020) for an aggregate amount of €2,160 million (or €540 million per season);
- On April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR (please refer to Note 6);
- On April 8, 2014, UMG acquired the entire issued share capital of Eagle Rock Entertainment Group Limited, an independent producer and distributor of music films and programming for DVD, television and digital media;
- On April 11, 2014, Canal+ Group was awarded broadcasting rights for a premium lot of the Champions League for three seasons (2015-2016 to 2017-2018);
- On April 24, 2014, Vivendi's Supervisory Board decided, after examining the Management Board's recommendations, to propose at the Annual General Shareholders' Meeting, to be held on June 24, 2014, an ordinary distribution of €1 per share from the additional paid in capital, with €0.50 attributed to the 2013 performance and €0.50 constituting a return to shareholders, representing a total amount of €1.34 billion. The payment would occur on June 30, 2014. The Supervisory Board also expects to use a significant part of the available cash for a total amount of €3.5 billion for the payment of dividends and/or share buy-backs in 2014/2015. In total, the amount returned to shareholders would be close to €5 billion.
  Moreover, the group intends to keep its BBB/Baa2 rating, stable outlook, improved in April 2014, as a result of the SFR sale announcement;
- On April 30, 2014, the acquisition of Telindus France Group was completed pursuant to the approval by the French Competition Authority; and
- On May 8, 2014, Vivendi announced that the closing of the sale of its 53% interest in Maroc Telecom group would occur on May 14, 2014 (please refer to Note 6).

Note 12 Adjustment of comparative information

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations according to the following terms:

- **SFR**: on April 5, 2014, Vivendi's Supervisory Board decided to accept the Altice/Numericable offer for the sale of SFR. As from the first quarter of 2014, SFR has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation. Moreover, the contribution of SFR to each line of Vivendi's Consolidated Statement of Financial Position as of March 31, 2014 has been grouped under the lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses".
- **Maroc Telecom group**: on May 14, 2014, Vivendi will sell its 53% interest in Maroc Telecom group. Maroc Telecom group has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of March 31, 2014 and December 31, 2013 has been grouped under the lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses".
- **Activision Blizzard**: on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. Activision Blizzard has been reported in the Statement of Earnings and the Consolidated Statement of Cash Flows as a discontinued operation.

The adjustments made to data previously published in the 2013 Annual Report are presented below and relate only to SFR.

12.1 Adjustments made to the main aggregates of the Consolidated Statement of Earnings

	2013			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,	Three months ended September 30,
Earnings before interest and income taxes (EBIT) (as published (a))	**472**	**668**	**1,140**	**610**
Reclassifications related to the application of IFRS 5 for SFR	- 311	- 360	- 671	- 317
Earnings before interest and income taxes (EBIT) (restated)	**161**	**308**	**469**	**293**

	2013		
(in millions of euros)	Nine months ended September 30,	Three months ended December 31,	Year ended December 31,
Earnings before interest and income taxes (EBIT) (as published (a))	**1,750**	**(2,185)**	**(435)**
Reclassifications related to the application of IFRS 5 for SFR	- 988	+ 2,415	+ 1,427
Earnings before interest and income taxes (EBIT) (restated)	**762**	**230**	**992**

a. As published in the 2013 Annual report.

12.2 Adjustments made to the Statement of Cash Flows

(in millions of euros)	1st Quarter ended March 31, 2013 Published	Reclassifications related to IFRS 5 (a)	Restated	Year ended December 31, 2013 Published (b)	Reclassifications related to IFRS 5 (a)	Restated
Operating activities						
EBIT	472	- 311	161	(435)	+ 1,427	992
Adjustments	657	- 384	273	4,911	- 3,992	919
Including amortization and depreciation of tangible and intangible assets	*648*	*- 390*	*258*	*5,106*	*- 4,092*	*1,014*
other income from EBIT	-	-	-	*(88)*	-	*(88)*
other charges from EBIT	*27*	-	*27*	*57*	*- 3*	*54*
Content investments, net	27	-	27	(148)	-	(148)
Gross cash provided by operating activities before income tax paid	***1,156***	***- 695***	***461***	***4,328***	***- 2,565***	***1,763***
Other changes in net working capital	(287)	+ 308	21	(308)	+ 305	(3)
Net cash provided by operating activities before income tax paid	***869***	***- 387***	***482***	***4,020***	***- 2,260***	***1,760***
Income tax paid, net	(75)	+ 138	63	(197)	+ 299	102
Net cash provided by operating activities of continuing operations	***794***	***- 249***	***545***	***3,823***	***- 1,961***	***1,862***
Net cash provided by operating activities of discontinued operations	***577***	***+ 249***	***826***	***1,417***	***+ 1,961***	***3,378***
Net cash provided by operating activities	**1,371**	**-**	**1,371**	**5,240**	**-**	**5,240**
Investing activities						
Capital expenditures	(842)	+ 487	(355)	(2,674)	+ 1,627	(1,047)
Purchases of consolidated companies, after acquired cash	(13)	-	(13)	(43)	+ 1	(42)
Investments in equity affiliates	-	-	-	(2)	+ 2	-
Increase in financial assets	(12)	+ 1	(11)	(106)	+ 37	(69)
Investments	***(867)***	***+ 488***	***(379)***	***(2,825)***	***+ 1,667***	***(1,158)***
Proceeds from sales of property, plant, equipment and intangible assets	2	- 1	1	50	- 17	33
Proceeds from sales of consolidated companies, after divested cash	-	-	-	2,748	- 9	2,739
Disposal of equity affiliates	-	-	-	8	-	8
Decrease in financial assets	44	-	44	727	- 3	724
Divestitures	***46***	***- 1***	***45***	***3,533***	***- 29***	***3,504***
Dividends received from equity affiliates	-	-	-	3	-	3
Dividends received from unconsolidated companies	8	- 1	7	54	-	54
Net cash provided by/(used for) investing activities of continuing operations	***(813)***	***+ 486***	***(327)***	***765***	***+ 1,638***	***2,403***
Net cash provided by/(used for) investing activities of discontinued operations	***(64)***	***- 486***	***(550)***	***(1,952)***	***- 1,638***	***(3,590)***
Net cash provided by/(used for) investing activities	**(877)**	**-**	**(877)**	**(1,187)**	**-**	**(1,187)**
Financing activities						
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	7	-	7	195	-	195
Sales/(purchases) of Vivendi SA's treasury shares	-	-	-	-	-	-
Dividends paid by Vivendi SA to its shareowners	-	-	-	(1,325)	-	(1,325)
Other transactions with shareowners	-	-	-	(1,046)	-	(1,046)
Dividends paid by consolidated companies to their non-controlling interests	-	-	-	(37)	+ 3	(34)
Transactions with shareowners	***7***	***-***	***7***	***(2,213)***	***+ 3***	***(2,210)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	2,185	- 1	2,184	2,491	- 1	2,490
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1,901)	+ 7	(1,894)	(1,923)	+ 13	(1,910)
Principal payment on short-term borrowings	(280)	+ 1	(279)	(5,211)	+ 23	(5,188)
Other changes in short-term borrowings and other financial liabilities	166	- 75	91	31	+ 3	34
Interest paid, net	(135)	+ 55	(80)	(528)	+ 228	(300)
Other cash items related to financial activities	(18)	+ 2	(16)	(349)	+ 8	(341)
Transactions on borrowings and other financial liabilities	***17***	***- 11***	***6***	***(5,489)***	***+ 274***	***(5,215)***
Net cash provided by/(used for) financing activities of continuing operations	***24***	***- 11***	***13***	***(7,702)***	***+ 277***	***(7,425)***
Net cash provided by/(used for) financing activities of discontinued operations	***(195)***	***+ 11***	***(184)***	***1,284***	***- 277***	***1,007***
Net cash provided by/(used for) financing activities	**(171)**	**-**	**(171)**	**(6,418)**	**-**	**(6,418)**
Foreign currency translation adjustments of continuing operations	6	-	6	(48)	-	(48)
Foreign currency translation adjustments of discontinued operations	36	-	36	(44)	-	(44)
Change in cash and cash equivalents	**365**	**-**	**365**	**(2,457)**	**-**	**(2,457)**
Reclassification of cash and cash equivalents from discontinued operations	**-**	**-**	**-**	**(396)**	**-**	**(396)**
Cash and cash equivalents						
At beginning of the period	**3,894**	**-**	**3,894**	**3,894**	**-**	**3,894**
At end of the period	**4,259**	**-**	**4,259**	**1,041**	**-**	**1,041**

a. Only relates to SFR (please refer to Note 6).

b. As published in the 2013 Annual report.