vivendi

2015
ANNUAL REPORT

SUMMARY

vivendi

ANNUAL REPORT

2015

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

MESSAGE
from Management

ROLLING OUT THE NEW VIVENDI

"Going farther and faster in Vivendi's transformation":
this was the ambition we set for ourselves in this same report in 2014. A year later, this goal has been met: a new industrial group has taken shape, one that is more homogenous and more integrated, where the value of the whole is greater than the sum of its parts.

From left to right :

Simon Gillham, Member of the Management Board and Chairman of Vivendi Village, Senior Executive Vice President, Communications of Vivendi - **Vincent Bolloré**, Chairman of the Supervisory Board - **Frédéric Crépin**, Member of the Management Board and Group General Counsel - **Arnaud de Puyfontaine**, Chairman of the Management Board - **Stéphane Roussel**, Member of the Management Board and Chief Operating Officer - **Hervé Philippe**, Member of the Management Board and Chief Financial Officer.

The acquisition of Dailymotion, investments in cinema and television, equity interests in Telecom Italia and Ubisoft/Gameloft… 2015 was a year rich in developments for Vivendi, which has laid the foundation for a new, world-class cultural entertainment group.

In May 2015, Vivendi completed the sale of its interests in Numericable-SFR and GVT, its Brazilian telecommunications subsidiary. These two transactions, which were completed on satisfactory financial terms, have given the group significantly more room to maneuver. Our net cash position of €4.6 billion at year-end 2014 rose to €6.4 billion at year-end 2015.

First, this new financial position has allowed us to distribute the dividend amounts requested by our shareholders. Indeed, Vivendi committed to a significant return of capital to them: it anticipates paying out €6.6 billion (€4 billion of which has already been distributed) by 2017 and implementing a share repurchase program valued at a maximum of €2.7 billion.

Further, our financial capacities have been directed at strengthening our core businesses, which are facing rapid and significant changes in their respective sectors. Universal Music Group (UMG) is at the forefront of the evolution in media consumption toward streaming by subscription, whereas the pay-TV activities of Canal+ are experiencing a particularly difficult economic and competitive environment in France.

These investments have given support to the operational performance of our brands. This year, UMG consolidated its global leadership position in recorded music, with excellent album sales by both established artists (Taylor Swift and Maroon 5) and new acts (Sam Smith and The Weeknd). The breakthrough of its new talents (Louane and Kendji Girac in France) has even allowed Universal Music to gain a 45% market share in France.

2015 was also marked by significant success at Canal+ Group. Its international pay-TV operations continue to grow, particularly in Africa where the two-million subscribers threshold was passed. Free-TV in France is also seeing a positive growth trend, driven in particular by D8, which has established itself as the leader in DVB. Finally, boosted by the box-office success of the films *Paddington*, *The Imitation Game*, *Shaun the Sheep* and *Legend*, in 2015, Studiocanal confirmed its standing as Europe's leading film studio.

Alongside its two major assets (UMG and Canal+ Group), Vivendi Village has been demonstrating its business agility in developing innovative services in electronic ticketing (Vivendi Ticketing), video streaming (Watchever), professional recommendations (MyBestPro), digital radio (Radionomy) and live shows (L'Olympia and the Théâtre de l'Œuvre). In just one year, Vivendi Village has taken its rightful place within Vivendi's ecosystem. While continuing to grow, it perfectly fits its role as a laboratory of ideas for digital and as an incubator linking the group's various activities to one another.

Because our ambition is to build a major media and content company over the long-term, we will give our businesses all the resources they need for their development. While seeking to preserve overall financial equilibrium, Vivendi thus anticipates a period of potentially high investment in 2016 and 2017. Our goal is specifically to strengthen the foundations of Canal+'s publishing activities (cinema, sports, series and entertainment broadcasts) to regain the perceived value of its subscriptions. In 2015, major investments were made in original creations (including the well-known series *Versailles*), in television (26.2% interest in the new Banijay Group) and in cinema (30% interest in Mars Films).

"With its ability to manage exceptional creative expertise and know-how, Vivendi more than ever strives to be the home for talent"

As part of our strategic growth, proceeds from sales have allowed us to make targeted acquisitions and investments in certain businesses where particular opportunities presented themselves. Vivendi's deployment in content, production and distribution has taken various forms.

First, the group acquired a 90% interest in Dailymotion, one of the largest aggregation and digital distribution platforms in the world. With some 3.5 billion videos viewed each month and 300 million visitors per month, Dailymotion allows Vivendi to digitally distribute its music and audiovisual content. In return, Vivendi gives Dailymotion the possibility to accelerate its international growth and development. Although 85% of videos currently consumed in the world are less than six minutes long, Dailymotion's skills, combined with those of UMG and Canal+ Group, are crucial in helping us to imagine and develop new formats, shorter and more closely tailored to new digital consumer uses.

In addition, our investment in Telecom Italia gives us a foothold in a market where we share the same Latin culture, and affords us growth opportunities in Southern Europe. As the largest shareholder, holding 21.39% of the ordinary shares at year-end 2015, Vivendi has confirmed its determination to contribute to Telecom Italia's long-term development.

Finally, this year Vivendi decided to acquire interests in Ubisoft and Gameloft, two French companies with globally recognized expertise in video games. These investments demonstrate our desire to develop paths into other creative industries, and especially in the video game industry. As of December 2015, Vivendi held 13.98% of Ubisoft and 28.65% of Gameloft.

While the foundation has now been laid, creating the new Vivendi can only be viable if the necessary talent is secured. With its ability to manage exceptional creative expertise and know-how, Vivendi strives more than ever to be the home for talent in music, audiovisual content and comedy. The goal is to extend our reach throughout the entire talent chain: identification, production, promotion… L'Olympia brand will spearhead this effort.

As the true unifying element among our various business lines, talent is the cementing factor in our integrated industrial group building process. In September 2015, all Vivendi companies (UMG, Canal+ Group, Vivendi Village and Dailymotion) worked together to organize a historic concert in Conakry (Guinea), bringing together a dozen African stars with a total attendance of 80,000. This event was also the occasion to lay the cornerstone of a theatrical venue for film and events called CanalOlympia – the combination of the impertinence of Canal+ and the legend of L'Olympia – which will be replicated in several Central and Western African countries in 2016.

Driven by a new corporate culture enhancing the common potential of all its assets, Vivendi can look confidently toward the future. While a number of tasks await us in the coming year: expanding the international reach of our distribution networks, in particular through partnerships with telecom operators; accelerating the broadcast of our content, particularly with the support of Dailymotion; continuing to invest heavily in exclusive content, talent and live shows… We are nevertheless confident that we have the ability to successfully implement this roadmap and create long-term value. Through our innovative position in corporate social responsibility (CSR), this value creation will go beyond the strictly financial framework and will benefit all the group's stakeholders.

In an entertainment world dominated by a few US majors, Vivendi's goal is to become a large, essentially European, international media and content group. We have the teams, resources and time to achieve this.

SECTION 1

SECTION 2

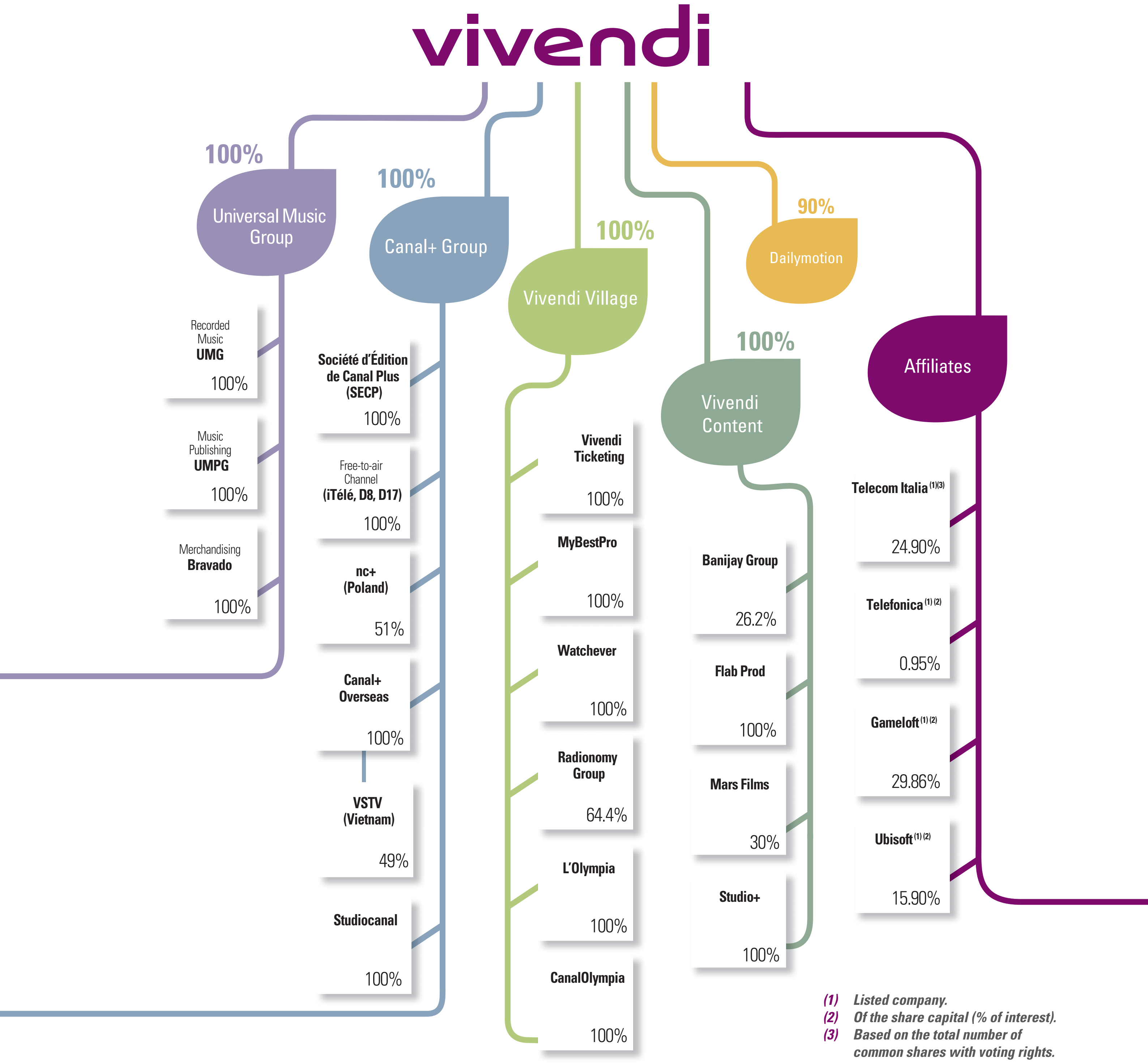
SECTION 3

Profile of the Group and its Businesses | Financial Communication and Regulatory Environment | Risk Factors

SECTION 1
PROFILE OF THE GROUP AND ITS BUSINESSES

1.1. Simplified Economic Organization Chart of the Group

Percentage of voting interest held by Vivendi as of March 10, 2016



(1) Listed company.
(2) Of the share capital (% of interest).
(3) Based on the total number of common shares with voting rights.

1.2. Key Figures

In compliance with IFRS 5, SFR and Maroc Telecom group (sold in 2014), as well as GVT (sold on May 28, 2015), have been reported as discontinued operations. In practice, income and charges from these businesses have been reported as follows:

- their contribution, until their effective divestiture, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations";
- any capital gain recognized as a result of a completed divestiture is recorded under the line "Earnings from discontinued operations";
- their share of net income and the capital gain recognized as a result of a completed divestiture have been excluded from Vivendi's adjusted net income.

Income from operations, EBITA and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance, and Vivendi considers these to be relevant indicators of the group's operating and financial performance. Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they better illustrate the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Each of these indicators are defined in Chapter 4 of the Financial Report, Section 1 or in the Consolidated Financial Statements for the year ended December 31, 2015, Note 1.

REVENUES AND HEADCOUNT BY GEOGRAPHIC REGION

December 31 – in millions of euros

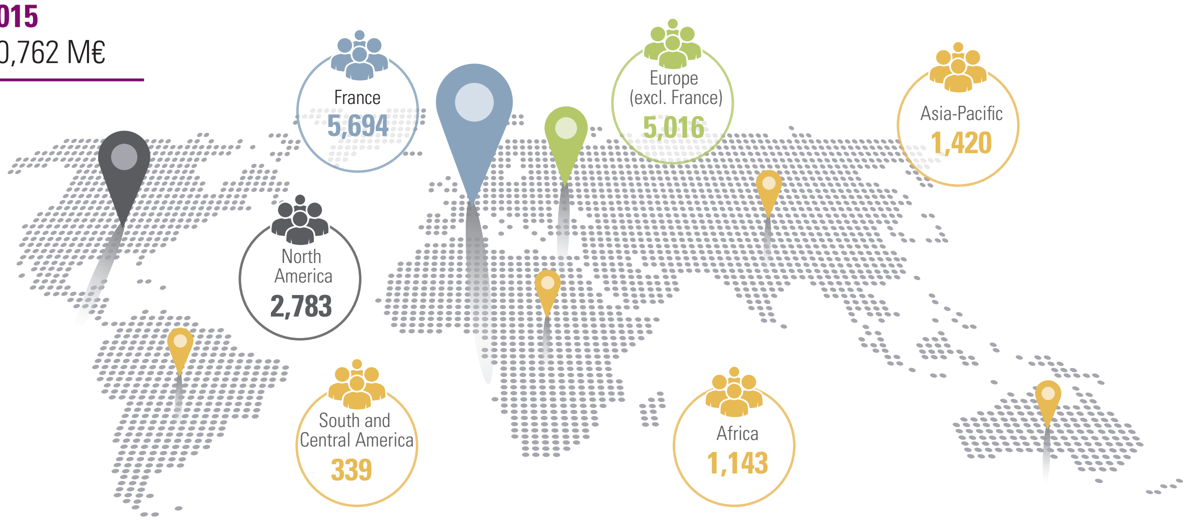
TOTAL REVENUES 2015
10,762 M€

USA
2,191 M€

FRANCE
4,464 M€

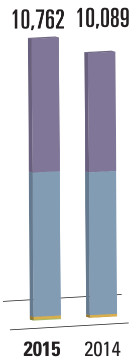
REST OF EUROPE
2,567 M€

REST OF THE WORLD
1,540 M€



REVENUES BY BUSINESS SEGMENT

December 31 – in millions of euros

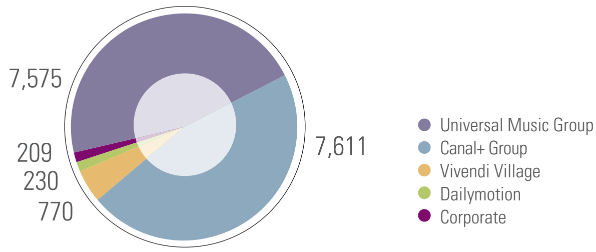


	2015	2014
Universal Music Group	**5,108**	4,557
Canal+ Group	**5,513**	5,456
Vivendi Village	**100**	96
New Initiatives	**43**	0
Elimination of intersegment transactions	**(2)**	(20)
TOTAL	**10,762**	**10,089**

HEADCOUNT BY BUSINESS SEGMENT

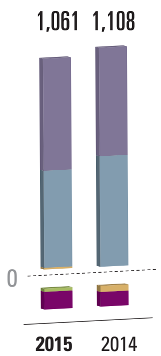
December 31, 2015

16,395



INCOME FROM OPERATIONS BY BUSINESS SEGMENT

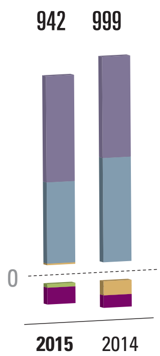
December 31 – in millions of euros



	2015	2014
Universal Music Group	**626**	606
Canal+ Group	**542**	618
Vivendi Village	**10**	(34)
New Initiatives	**(18)**	0
Corporate	**(99)**	(82)
TOTAL	**1,061**	**1,108**

EBITA BY BUSINESS SEGMENT

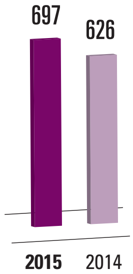
December 31 – in millions of euros



	2015	2014
Universal Music Group	**593**	565
Canal+ Group	**454**	583
Vivendi Village	**9**	(79)
New Initiatives	**(20)**	0
Corporate	**(94)**	(70)
TOTAL	**942**	**999**

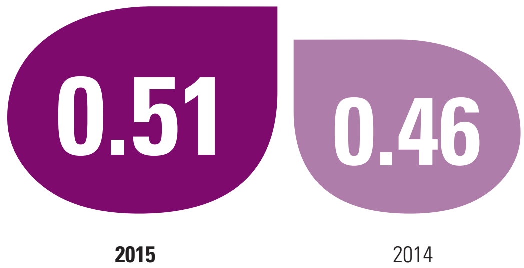
ADJUSTED NET INCOME

December 31 – in millions of euros



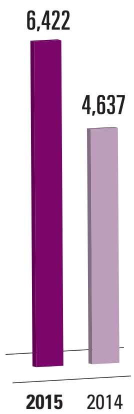
ADJUSTED NET INCOME PER SHARE

December 31 – in euros



NET CASH POSITION (a)

December 31 – in millions of euros



(a) Vivendi considers Net Cash Position, a non-GAAP measure to be a relevant indicator in measuring Vivendi's treasury and capital resources:

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

Net Cash Position should be considered in addition to, and not as a substitute for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as any other measures of indebtedness reported in accordance with GAAP, and Vivendi considers it to be a relevant indicator of treasury and capital resources of the group. Vivendi Management uses this indicator for reporting, management, and planning purposes, as well as to comply with certain covenants.

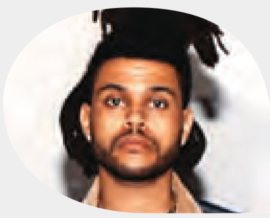
1.3. 2015 Highlights

JANUARY

- **James Bay (UMG)** is voted the biggest breakthrough artist in the United Kingdom in 2015 by BBC Sound voters.
- After the National Rugby League call for bids, Canal+ Group retains its **TOP 14 rights** for the seasons 2015-2016 to 2018-2019.

FEBRUARY

- UMG Artist **Sam Smith** wins four Grammy Awards, including Best Artist and Best Song with *Stay with me.*
- The original soundtrack of the movie *50 Shades of Grey*, released by Republic Records, enjoys great success, particularly with the hits *Love Me Like You Do*, by Ellie Goulding, and *Earned It*, by **The Weeknd**.



MARCH

- The film **Paddington** breaks the $236 million worldwide box-office threshold and becomes Studiocanal's biggest success ever.

APRIL

- Universal Music Publishing Group signs an exclusive agreement with singer-songwriter **Shawn Mendes**, the youngest artist to hit number one on the Billboard Top 200 in five years.
- Vivendi organizes the first **Vivendi Talents Show** at L'Olympia.

MAY

- Canal+ enters into **a five-year agreement with all professional French cinema organizations** (ARP, BLIC, BLOC and UPF).
- Vivendi finalizes the **sale of GVT**, its Brazilian telecom subsidiary. The group also sells its 20% interest in Numericable-SFR.
- Universal Music Group launches the **EMI Records India label** in partnership with Mohit Suri, a well-known Bollywood producer.

JUNE

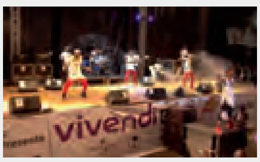
- Vivendi finalizes its acquisition of **Dailymotion.**
- Canal+ Group acquires the broadcasting rights for both the **2016 and 2020 Summer Olympic Games**, as part of an agreement with France Télévisions.
- Vivendi becomes the largest shareholder of **Telecom Italia**, replacing Telefonica.
- **Eminem** (UMG) becomes the only artist to win two Digital Diamond Awards in the United States for his hits *Not Afraid* and *Love the Way You Lie.*
- Wengo becomes **MyBestPro** and promotes under this new brand various websites connecting private individuals to professionals (in health and fitness, building, legal, teaching and medical).
- **JuriTravail.com** (MyBestPro) launches its digital hub and legal call center at La Rochelle. 23 legal experts are hired to answer over 100,000 legal-related enquiries per year.

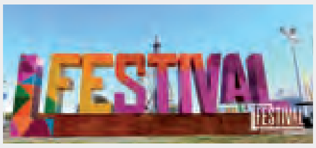
JULY

- **Laura Domenge**, first artist signed by Vivendi, performs live at L'Olympia.
- Canal+ Group and ITI Group **finalize the sale of their controlling interest in TVN**, the largest private television group in Poland.
- Canal+ Group launches **four new channels dedicated to sports** in Sub-Saharan Africa.
- Digitick (Vivendi Ticketing) offers exclusive **ticketing for the Vieilles Charrues Festival** in Brittany.
- Vivendi **sells its remaining shares in Telefonica Brasil**, thus completing the divestment of all its equity interests in Brazil.

SEPTEMBER

- Vivendi organizes **a major music festival in Conakry** (Guinea), with 80,000 attending.
- The first stone is laid for a **CanalOlympia** venue in Conakry.
- Canal+ Group broadcasts all **Rugby World Cup** matches (48), 27 of them exclusively.
- Vivendi acquires **a 30% interest in Mars Films**, a leading French film producer and distributor.
- Vivendi becomes **Grand Sponsor of French Cinema** for five years. Vivendi and Canal+ are partners in the Martin Scorsese exhibition.
- Vivendi acquires the **Studios de Boulogne** in Paris.
- **Watchever** launches a completely new version of its subscription video-on-demand (SVoD) service in Germany.
- Vivendi holds 100% of **Société d'Édition de Canal Plus** (SECP).
- Vivendi buys 90% of the **Théâtre de l'Œuvre**. Starting September 2016, the group will be in charge of programs.





OCTOBER

- Vivendi acquires equity interests in **Ubisoft** and **Gameloft**.
- Studiocanal, along with its subsidiary RED Production Company, announces the **creation of Guilty Party**, a new TV and film production company in the United Kingdom.
- L'Olympia hosts the "**Mon Premier Olympia**" [My First Olympia] evening concerts dedicated to young talents, with Fakear as its first guest.
- See Tickets US (Vivendi Ticketing) provides **ticketing for the Latin American Cultural Festival-Feria**.
- Canal+ Group renews **its agreement with Disney Media** for exclusive first run and SVoD rights to Disney movies.

NOVEMBER

- D8 acquires **broadcasting rights to the 2016, 2017 and 2018 Champions League finals.**
- Vivendi announces the acquisition of a 26.2% interest in the **Banijay Group**, one of the world's largest independent TV program producer and distributor.
- The reissue of the album ***The Beatles 1***, with added video clips, is a great success. It rises to the top of the combined local and international artists ranking in Japan, a rare position for a non-Japanese group.
- Justin Bieber's new album ***Purpose*** beats streaming sales records in the United States and international markets in its first week of release. The UMG artist stands out by becoming the only artist to place eight titles in the UK Top 40.

DECEMBER

- Canal+ Group buys **the rights to the League Cup until 2020.**
- Vivendi acquires 64.4% of **Radionomy Group**, a major player in global digital radio.
- Vivendi successfully proposed the appointment of **four members to the Board of Directors of Telecom Italia:** three are Vivendi representatives and one is an independent member.

1.4. Strategy

1.4.1. FROM REFOCUS TO REDEPLOYMENT: THE DYNAMIC OF THE NEW VIVENDI IN MEDIA AND CONTENT

2015 was marked by the growing strength of Vivendi, as it finalized its program of disposals, and embarked on a significant redeployment in media and content.

A Disposals Program Executed on Good Financial Terms

In 2015, the final two disposals were completed:

- in May 2015, Vivendi sold its entire 20% interest in Numericable-SFR for a total consideration of €3.9 billion. This transaction was completed on financial terms offering a 20% premium over Numericable-SFR's closing share price on November 27, 2014, the date of SFR's divestment;
- in the same month, Vivendi completed the sale of 100% of its Brazilian telecommunications subsidiary GVT, for a total enterprise value of €7.5 billion, which was significantly higher than the market consensus. GVT was sold on the basis of a 10x EV/EBITDA valuation, compared to the average 5x EV/EBITDA valuations for the Brazilian telecom sector.

Made under favorable market conditions, these two transactions allowed Vivendi to strengthen its balance sheet position, which had already been strengthened by its 2014 disposals (Maroc Telecom and SFR). While the group's net cash position totaled €4.6 billion at year-end 2014, it was approximately €6.4 billion at year-end 2015.

Finally, in January 2016, Vivendi sold its remaining interest (5.7%) in the US video game publisher Activision Blizzard, for a total consideration of €1 billion.

A Balanced Approach to Redistribution and Redeployment

With a very strong financing capacity, Vivendi has opted for an evenhanded balanced reallocation of part of its resources, between compensating its shareholders and redeploying its activities.

The group is first of all committed to ensuring an attractive return for its shareholders: by 2017, it expects to have distributed a total amount of €6.6 billion to them, €4 billion of which has already been paid. In addition to these distributions, as of February 17, 2016, Vivendi had purchased a total of €1,386 billion treasury shares, pursuant to the share repurchase program approved by the 2015 General Shareholders' Meeting.

Further, while maintaining rigorous financial discipline, Vivendi has mobilized considerable funds to strengthen its presence in content creation and distribution. This development strategy has resulted in Vivendi making targeted acquisitions and equity investments in businesses where the opportunity presented itself:

- in June 2015, Vivendi completed the acquisition of 80% of the Dailymotion platform, then increased its investment by purchasing an additional 10% one month later. With some 3.5 billion videos viewed each month and 300 million visitors per month, Dailymotion is intended to become the digital showcase for the group's musical and audiovisual content;
- also in June, Vivendi became the largest shareholder of Telecom Italia. This interest in Telecom Italia, which had increased to 21.39% as of year-end 2015, allows the group to participate in the plans for growth of a major Italian operator and to establish itself in a high-potential market, with which it shares the same Latin culture;
- in September 2015, Vivendi acquired a 30% interest in Mars Films, a French leader in cinema film production and distribution. The following month, the group announced the creation of a new UK-based film and TV series production company, Guilty Party, in which Studiocanal, a subsidiary of Canal+ Group, holds a 25% interest together with its subsidiary RED Production Company;
- in October 2015, Vivendi acquired an interest in each of Ubisoft and Gameloft, two French companies with world-class expertise in video games. At year-end 2015, the group held a 13.98% interest in Ubisoft and a 28.65% interest in Gameloft;
- in November 2015, Vivendi announced that it had acquired a 26.2% interest in the world's third-largest television program producer and distributor, in anticipation of the merger of Banijay Group with Zodiak Media.

Whether these investments are inherent or complementary to Vivendi's core activities, they all increase the group's value.

Closer Integration between the Group's Businesses

During 2015, in addition to its strategic transformation, Vivendi underwent an operational transformation. By integrating its business operations and encouraging synergies, the group showed its ability to form an integrated industrial group.

This transition was first reflected in the promotion of a new company culture. As witnessed by the group's signing of "*Vivons Ensemble*" (Let's Live Together), both the management teams and the operating teams have a clear plan and share the same goals. 2015 was an opportunity to design human resources tools aimed at developing a sense of belonging and promoting the mobility of high-potential candidates within the group. A "Vivendi Welcome Pack" allows new hires to be better welcomed and immersed in the culture of Vivendi. Additionally, "Learning Expeditions" are expected to be implemented in 2016, giving some 50 high-potential candidates the opportunity to work together, get to know the group better, discover new business lines and be inspired by good practices.

Within this organization, more cooperative and less partitioned work methods have been developed to reveal and maximize the common potential of the group's activities. UMG, Canal+ Group, Vivendi Village and Dailymotion are not entities operating in isolation: they are fully integrated into Vivendi. "Co-founders" seminars bringing together the group's top managers are held regularly, focused on common challenges such as new content formats, high-potential geographical markets, or the content platform strategy.

Starting this year, this collective effort resulted in the implementation of several joint projects:

- Studiocanal and UMG have greatly increased their co-creation and cooperation. In September, the film *Legend*, the original soundtrack of which was produced by UMG artists (e.g., the famous singer Duffy), saw the best British box-office launch ever posted by Studiocanal, generating sales of £17 million in theaters in five months. Some 40 potential collaborations between Studiocanal and UMG have now been identified (including biopics, documentaries and musical movies);
- Studio+ is producing digital mini-series specifically designed for mobile viewers, leveraging Watchever's expertise to develop its application. Furthermore, several mini-series created with UMG and Studiocanal are in the pipeline;
- Vivendi mobilized its companies and brands (including Island Africa, A+, D8, D17, Vivendi Village and Dailymotion) to organize a historic concert in Conakry (Guinea) in September, featuring a dozen African stars and with an attendance of some 80,000 people. In the same month, UMG organized an "Island Life" festival in New York around its Island label and artists, with the assistance of Dailymotion and Vivendi Ticketing; and
- finally, beginning construction on the first CanalOlympia venue in Africa, which combines two leading Vivendi brands, illustrates the group's desire to use its subsidiaries' business skills, creations and talents to benefit culture on the African continent. CanalOlympia's programming will be supported by the Canal+ Group's audiovisual content and UMG artists.

In 2015, Vivendi's transformation into an integrated industrial group thus became a tangible reality.

1.4.2. CONTENT AND TALENT AT THE HEART OF VIVENDI'S DEVELOPMENT

Vivendi is carrying out its transformation to address its unchanged ambition of becoming a global cultural entertainment giant that values its French and Latin identity. In doing this, the momentum unleashed in 2015 must continue in 2016, with some priority goals:

- strengthening our business units in a more competitive environment;
- internationalizing our content distribution;
- developing innovative content and formats;
- expanding our activities to promote talent.

Strengthening our Business Units in a More Competitive Environment

With a media industry facing an ever-changing competitive digital environment, Vivendi must continue strengthening the two pillars of its strategic plan: UMG and Canal+ Group. These two assets, which form the group's backbone, must be strengthened to address significant competition and major disruptions in their respective sectors. In this context, Vivendi anticipates a period of potentially heavy investment in 2016 and 2017, especially in pay-TV.

In music, UMG must adapt to the applicable trends in its sector including a move from physical to digital consumption/usage, from downloading to streaming, from free streaming financed by advertising to streaming financed by subscriptions. To better address these structural changes, Vivendi has created a development plan for the next five years, and confirmed Lucian Grainge's position as UMG Chairman and CEO until 2020. This plan will allow UMG to pursue profitable growth and continue to play a key role in transforming the music industry. The plan is centered around five priorities:

- accelerating the monetization of music by expanding the base of subscribers who pay for streaming;
- expanding audio and video content distribution by multiplying partnerships with content platforms;
- strengthening strategic relations with brands and sponsors;
- continuing to make the assistance and development of its artists a priority;
- continuing to invest in markets with high music potential (Africa, India and China).

In audiovisual, particularly in its pay-TV activities in France, Canal+ Group is also facing a particularly difficult economic and competitive environment. A company reorganization was approved in the summer of 2015, and a number of initiatives were taken to improve the economic viability of offering first and exclusive content in France. Restoring value to subscriptions requires massive investment in publishing, thus constituting the "Canal+ model":

- *Créations Originales*: Canal+ Group proposed six original creations (an unprecedented offer in the group's history) for 2015-2016, and anticipates producing six to ten original creations each season, representing an additional annual investment of 15% to 20%;
- sports: after launching four new dedicated sports channels in Sub-Saharan Africa, Canal+ Group acquired new sports rights with the broadcast of the Champions League final on D8 (2016, 2017 and 2018) and of League Cup matches (2016-2020);
- cinema: Canal+ Group signed a five-year agreement with the French cinema industry, of which it is the largest financial contributor (approximately €200 million per year);
- entertainment shows: the conversion of an emblematic show like *Les Guignols* from open broadcast to encrypted broadcast gives more value to subscriptions. The show, which airs just before prime time at 8:50 p.m., is available on Dailymotion a few hours later and continues to be offered on open broadcasts on Sundays.

Increasing International Distribution of our Content

Today, Vivendi is one of the rare media companies active on every continent and earning revenue in the different regions of the world. The group's business units extend to several geographic regions:

- UMG is active in approximately 60 countries, including the United States, the United Kingdom, France and Germany (i.e., the music industry's largest markets);
- Canal+ Group has exceeded 2 million paying subscribers on the African continent;
- approximately 1/3 of the 3.5 billion videos viewed each month on Dailymotion are watched in Asia.

Vivendi must, however, continue to pursue its internationalization even further, particularly as regards the distribution of its musical and audiovisual content. From this standpoint, working with telecom operators is advantageous as it allows us to broadcast and monetize our content to a larger audience. From their standpoint, operators can no longer rely on their basic services packages, and need our content in order to provide a richer media experience to their customers. The ongoing convergence between the media and operators in the United States and Europe demonstrates that such partnerships have become essential.

Within this context, Vivendi seeks to develop relationships with large-scale telecom operators, in the form of industrial partnerships or the acquisition of minority interests, with the intent of retaining them. This was the reasoning behind the group taking an interest in Telecom Italia and implementing the combination with Telefonica. These two operators have a total of approximately 450 million customers in Southern Europe and Latin America.

Furthermore, the appreciating value of our content is also the result of another content distribution medium: digital platforms. In furtherance of this objective, last July, Vivendi acquired a 90% interest in Dailymotion, one of the world's largest aggregation and digital distribution platforms. Dailymotion's global strength allows the group to considerably increase the digital exposure of its content. In a more limited context, Vivendi is extending its distribution networks to local partners. Last December, Canal+ Group combined with iROKO, the African leading distributor of online content, to launch the first mobile subscription video on demand (SVoD) service in French speaking Africa.

Developing Innovative Content and Formats

Vivendi does not limit itself to distributing content on its own wholly or partially-owned platforms (including Dailymotion, StudioBagel, Vevo and Watchever); it also seeks to develop innovative formats that can meet the needs of a new generation of digital consumers. This is specifically the role of Vivendi Content, an entity assigned the task of designing and developing the content of the future.

This means, first of all, devising new ways to write and new sources of inspiration to feed the group's future audiovisual productions. Vivendi Content's goal will also be to preempt new video formats for every screen, particularly mobile handsets.

Indeed, cultural content will increasingly be consumed on smartphones, the number of which is expected to rise from 2.6 billion today, to approximately 6 billion by 2020 (representing 70% of the world's population). The growth in mobile use will have the effect of cutting video viewing time. Short formats (a few minutes), or very short formats (a few dozen seconds) will be at the core of tomorrow's entertainment. With 85% of videos consumed in today's world being under six minutes in duration, Vivendi seeks to offer very high quality short content, specifically designed for mobile use. To this end, Studio+ is starting to produce exclusive digital mini-series in various genres (including action, adventure, science fiction and horror).

Finally, by investing in digital content and platforms, Vivendi is developing direct access to its clients, and is doing so in compliance with applicable laws on the protection of personal data. Exploiting consumer data, allows the group to become closer to its users, to better understand their habits and to offer them customized services. These new ways of reaching our consumers are valuable tools for creating the content of tomorrow.

Expanding our Activities to Promote Talent

All of Vivendi's strategic plans share one powerful common denominator: talent. As valuable and rare assets in the global competition for intellectual property, this is the key to the group's ongoing development.

As a leader for several years in music, television and cinema, Vivendi has made a hallmark of identifying, developing and broadcasting its talent. In 2015, ten artists who emerged on the French musical scene all came from Universal Music.

To bolster this effort, in 2015 Vivendi created an entity dedicated to identifying and pursuing talent in comedy, music and cinema. The purpose of this entity is to offer the best possible career path for talent. This recently led to the emergence of the young French comic Laura Domenge. After performing at L'Olympia last July, she toured Paris venues and appeared on several Canal+ television broadcasts. New artists are expected to join this entity in 2016.

In order for talent to be discovered and developed, it must benefit from media exposure. Due to its wide range of activities, Vivendi has all the resources needed to assist artists throughout their careers: including programming, event production, ticketing, concerts, endorsement and merchandising. Our event venues (L'Olympia and the Théâtre de l'Œuvre in Paris, Abbey Road Studios in London) are strongholds in this talent promotion process.

Because talent knows no limits, Vivendi is building a dozen CanalOlympia venues in Africa. Focusing on entertainment and promoting local and international artists, these venues are designed as multi-use spaces capable of changing their configuration depending upon the event. Dedicated primarily to cinema, when used as outdoor venues, they can host several thousand concert viewers. This network of CanalOlympia venues strengthens the group's presence on the African continent.

1.5. Creating Value for the Group's Stakeholders

1.5.1. AN INTEGRATED REPORTING PROCESS THAT IS PART OF VIVENDI'S ONGOING CSR STRATEGY

Vivendi highlights the materiality of its CSR (corporate social responsibility) issues as they are directly related to the activities of the group, which exerts an influence over millions of customers and citizens. Societal priorities are, in fact, a primary focus of the company's strategy.

In a very competitive international market, it is important for Vivendi to maintain high standards for innovation, not only in its ability to discover and promote talent and not only for the services and musical, cinematographic or audio-visual content it offers consumers, but also in its vision and its responsibility to society.

The media and cultural industries, which help revitalize the economy, also contribute to the harmonious development of the planet and to intercultural living together.

Driven since 2003 by the will to combine CSR and value creation through the choice of its strategic issues and its positioning, Vivendi has pursued this dynamic by involving the different functional divisions of its corporate headquarters and its subsidiaries.

The choice to experiment, in part, with the International Integrated Reporting Council (IIRC) framework and formalization proposed by it, is consistent with Vivendi's ongoing determination to integrate its corporate social responsibility (analysis of risks and opportunities, dialog with stakeholders, support for change) with a view toward overall performance.

In 2013, the launch of the integrated reporting pilot project, devoted to cultural capital, made it possible to involve the finance directors (headquarters and subsidiaries) more directly in this reflection process. Indicators establishing the link between investments in content diversity and profitability were selected, then examined by analysts representing the investors (Amundi, Groupama AM, Oddo Securities). This pilot project showed that the production of musical, cinematographic and audiovisual content offering a rich cultural diversity satisfies general interest (societal value) and offers the group a competitive advantage over its competitors (financial value).

Expanded internationally in 2014 and presented in an integrated analysis of the strategy, this pilot project gave rise in 2015 to a more in-depth analysis.

The following pages detail the resources necessary for the development of Vivendi's business, the group's sphere of influence concerning the promotion of human rights in its business sector, the benefits enjoyed by the different stakeholders of the group and the interaction of these different factors that contribute to the creation of value.

This allows the group's stakeholders to have a grid that provides an overview of its missions, its performance, its growth drivers, its corporate social responsibility (CSR) commitments, its strategy, its risks and its opportunities.

The cultural diversity at the core of Universal Music Group's business and exceptional catalog: soprano Pumeza Matshikiza; DJ and electro music producer The Avener; songwriter, composer and singer Sam Smith; songwriter, composer and singer Barbara.

The societal, social and environmental indicators providing a detailed illustration of this value creation are presented in section 3 of Chapter 2.

KEY FIGURES

Cultural and creative industries figures

WORLD

2,250 BILLION US DOLLARS

29.5 MILLION JOBS

CREATED
by the cultural and creative industries

Source: Ernst & Young, Cultural Times - The first global map of cultural and creative industries, 2015

EUROPE

7.7 MILLION jobs*
versus 2.3 million for automobile manufacturing**

2nd LARGEST market*
for the cultural and creative industries

** Source: Ernst & Young, see above*
*** Source: Acea, 2012*

AFRICA

Under 24 years of age:
60% OF THE POPULATION
(under 15 years of age: 41%)

Source: UN, World Population Prospects - 2015

350 MILLION
smartphones connected in 2017

Source: Deloitte, Africa TMT Predictions 2015

Vivendi

CANAL+

PRIVILEGED PARTNER
of French cinema and the Cannes Film Festival

FESTIVAL DE CANNES

STUDIOCANAL

EUROPEAN LEADER
in film and TV series production

UNIVERSAL MUSIC GROUP

WORLD LEADER
in music

CULT LOCATIONS
for artists (L'Olympia, Abbey Road Studios)

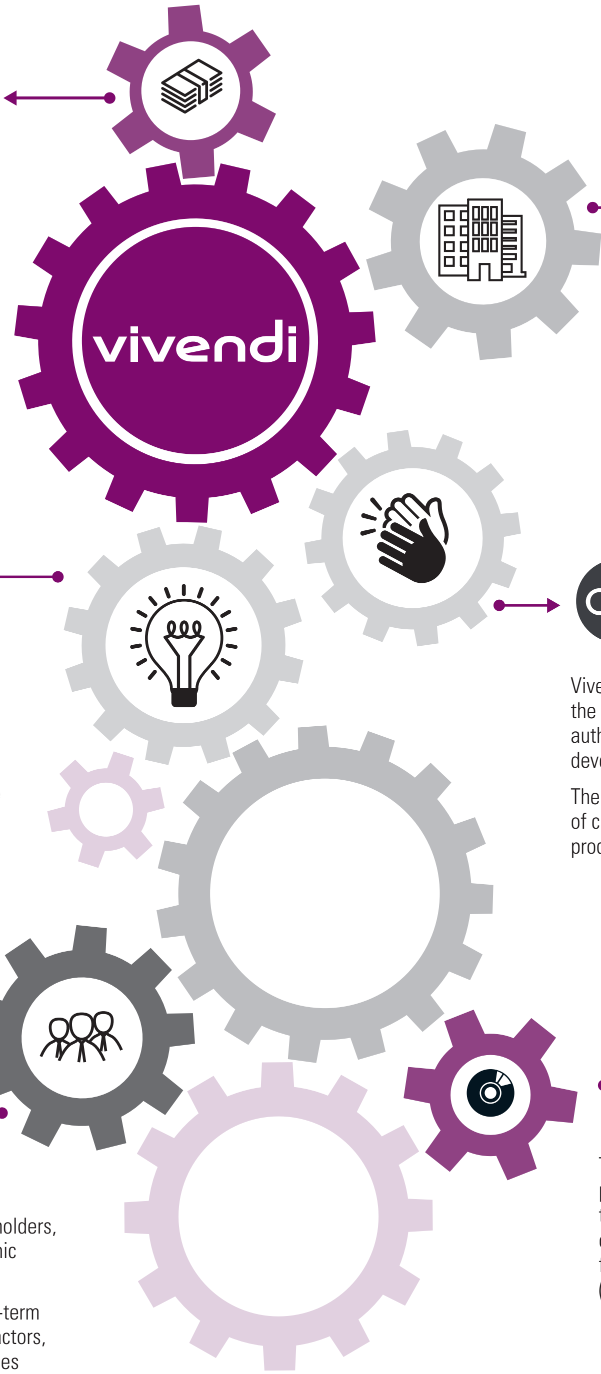
AWARDS AND NOMINATIONS
Academy Awards, Cannes Film Festival, BAFTA, Victoires de la musique, Grammy Awards, Gramophone Awards…

EXCEPTIONAL ARTISTIC CATALOG
Jacques Tati, Jean-Luc Godard, Jean-Pierre Melville, David Lynch, Mstislav Rostropovich, Martha Argerich, ABBA, Louis Armstrong, The Beatles, Barbara, Amy Winehouse…

2 MILLION SUBSCRIBERS
to the pan-African channel A+

1.5.2. RESOURCES NECESSARY TO VIVENDI'S OPERATIONS

To carry out its missions and its strategy (see "The Vivendi business model « on the next page), the group needs the specific human, cultural, financial, industrial and natural resources detailed below.



01 Financial capital

Vivendi has financial capital at its disposal by restructuring its assets and calling upon financial markets and institutional lenders.

02 Industrial capital

The group develops its own distribution materials and its digital platforms (Dailymotion, Canalplay, Watchever) as well as its satellite capabilities.

It manages a vast stock of set-top boxes. It also has facilities (e.g., buildings and performance halls) in numerous cities in Europe and internationally.

03 Intellectual and cultural capital

Vivendi owns intellectual property rights (exploitation rights for films, audiovisual programs, music catalogs, broadcast rights for sporting events) that it markets via its own distribution networks and media, its digital platforms or those of its partners. These intellectual property rights also include trademarks, labels and patents.

The group also has cultural resources and networks that help increase its potential for creativity and for attracting talent offering a wide diversity of expression.

04 Talent

Vivendi relies at the international level on the skills and talents of its employees, artists, authors, creators, journalists, technicians, developers or designers.

The group draws from this rich diversity of cultures, ideas and artistic expressions to produce original, quality content and services.

05 Societal environment

Vivendi maintains a regular dialog with all of its stakeholders or their representatives (artists and professionals of the sector, shareholders, employees, clients, public authorities, academic institutions, NGOs and suppliers).

These exchanges consolidate strong and long-term relationships with all of the private or public actors, allow enhanced anticipation of societal changes and contribute to the group's overall performance.

06 Natural resources

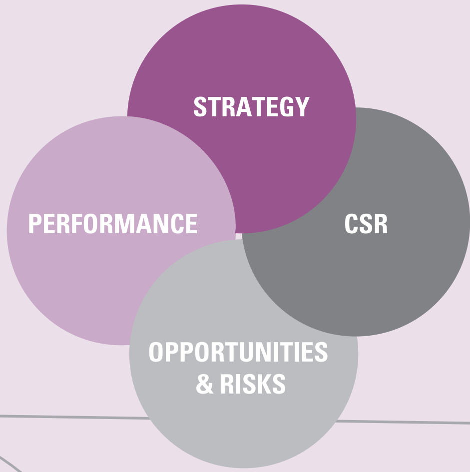
The group, its suppliers and its service providers use raw materials necessary to produce and distribute their offerings of content, services (data centers; transport flows; consumer equipment) and goods (CDs and DVDs).

1.5.3. THE VIVENDI BUSINESS MODEL

VIVENDI, A GLOBAL INTEGRATED INDUSTRIAL GROUP IN MEDIA AND CONTENT

MISSIONS

- Discover and support talent in their creativity and their artistic expression.
- Produce and broadcast original, quality musical, cinematographic, audiovisual content.
- Promote access to this content to the largest audience.
- Contribute to intercultural living together and dialog.



GOVERNANCE

A dual structure with a Supervisory Board, a collective body that involves all of its members, and a Management Board.

Steering committees and cross-functional working groups bring together Vivendi's different skills and areas of expertise.

BUSINESSES		PRODUCTS AND SERVICES
■ Universal Music Group, world leader in music with strong positions in the recorded music market, music publishing and merchandising.	⟷	■ Recorded music: the largest catalog with prestigious labels (e.g., Motown, Deutsche Grammophon, Polydor and Blue Note). ■ Music platforms. ■ Music publishing (Universal Music Publishing Group). ■ Merchandising (Bravado). ■ Partnerships with brands (Universal Music & Brands).
■ Canal+ Group, the leading French audio-visual media group, present in France, Africa, Poland and Vietnam. Leading contributor to funding for French cinema and European leader in the production and distribution of films and TV series.	⟷	■ Pay and general interest (Canal+) or special interest (e.g., Ciné+ and Planète+) channels. ■ Free entertainment (D8), news (iTélé) and music (D17) channels. ■ Multi-channel packages (Canalsat, nc+, K+). ■ Films and TV series ("new" productions and works from one of the world's largest film catalogs). ■ Film and series broadcasting platforms (Canalplay).
■ Dailymotion, one of the world's largest video aggregation and broadcasting platforms.	⟷	■ Global video hosting and broadcasting service.
■ Vivendi Village, laboratory of ideas and developer of services that supplement the group's offerings.	⟷	■ Digital platforms of services offered to individuals (Vivendi Ticketing, MyBestPro, Watchever, Radionomy). ■ Live performances (L'Olympia, Théâtre de l'Œuvre, CanalOlympia).

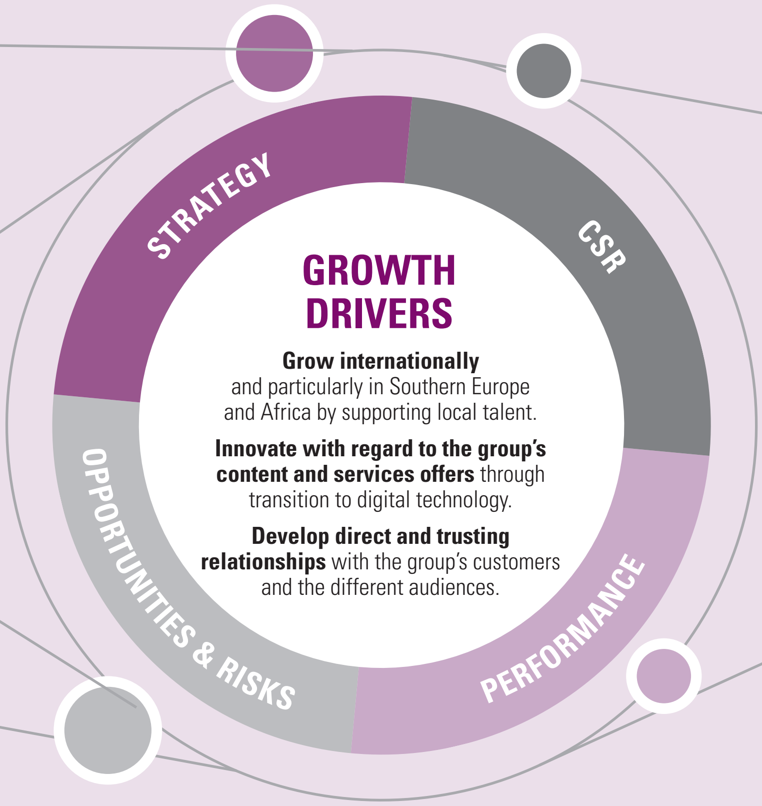
STRATEGY

- Innovate in a rapidly changing environment.
- Maximize the known potential of all the group's businesses to attract and develop the best creative talent.
- Mobilize employees around a shared corporate culture.
- Own equity interests in influential telecom operators to optimize the broadcasting of the group's content.

CSR

Ensure the implementation of the eight priority CSR issues, the first four of which are directly connected to Vivendi's business sector:

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



OPPORTUNITIES & RISKS

- Seize and maximize opportunities, particularly those associated with know-how in identifying talent, with the pooling of resources of the content businesses, with knowledge of the French-speaking market or with the innovative CSR positioning of the group.
- Anticipate and control the principal risks: regulations, piracy, country governance, reputation, supply chain, competition from major international players in the digital market.

PERFORMANCE

- Measure achievement of the quantitative objectives: revenues, EBITA, cash flow.
- Evaluate the qualitative performance associated with achieving priority initiatives including those related to CSR.
- Value short-term performance (annual earnings) through bonuses and medium-term performance through performance shares.

1.5.4. VIVENDI'S "SPHERE OF INFLUENCE" IN HUMAN RIGHTS AT THE CENTER OF THE GROUP'S VALUE CREATION

Vivendi is one of the rare multimedia groups to occupy a leadership position across the entire value chain of content business.

Aware of the human and cultural influence that the group exerts over millions of customers and citizens, Vivendi strives to define its specific contribution to the respect for human rights through a direct link with its content production and distribution business, thus putting into practice one of the OECD Guidelines for Multinational Enterprises: "Enterprises should respect the internationally recognized human rights of those affected by their activities" or the preamble to the UN Global Compact, which encourages businesses to act in favor of human rights "in their sphere of influence" (see table below).

Linking the "core" CSR issues to human rights allows the group to integrate this vigilance into its governance (extra-financial reporting, information verification work on the part of its auditors, inclusion of these issues in the variable compensation of senior executives) and its strategy (see Chapter 2, Section 1). In 2015, this policy was entered on the agenda of the Vivendi Audit Committee.

THE "CORE" CSR ISSUES PERTAIN TO HUMAN RIGHTS

THE "CORE" CSR ISSUES	Universal Declaration of Human Rights (1948)	European Convention on Human Rights of the Council of Europe (1950)	United Nations International Convention on the Rights of the Child (1989)	Beijing Declaration and Platform for Action – 4th World Conference on Women (1995)	European Union Charter of Fundamental Rights (2000)
PROMOTION OF CULTURAL DIVERSITY IN CONTENT PRODUCTION AND DISTRIBUTION					
Encourage creation in all its diversity	Article 27		Article 31	Objectives A1, J1	Article 22
Support female artists and producers of cultural goods and services				Objectives B4, F1, F2, J1, J2, L4, L8	Article 23
Promote local talent				Objectives A1, B4	
Promote cultural heritage			Articles 29, 30	Chapter 2	Article 22
Ensure respect for intellectual property and support artists	Article 27				Article 17
EMPOWERMENT AND PROTECTION OF YOUNG PEOPLE					
Allow young people to exercise their creativity and their citizenship			Articles 13, 17, 29, 31	Objectives L3, L8	Article 24
Raise the awareness of young people and their circle to the responsible use of goods and services			Articles 17, 29	Objective J2	
Encourage media literacy			Article 17	Objective L8	
KNOWLEDGE SHARING					
Promote the quality and the pluralism of content					Article 11
Facilitate access to offerings and services	Article 27			Objective L8	
Raise public awareness of the sustainable development issues			Article 29	Objectives K2, J2	
VALUATION AND PROTECTION OF PERSONAL DATA					
Cultivate the digital trust of customers in a spirit of loyalty and transparency	Article 12	Article 8	Article 16	Objective L	Article 8
Exercise digital vigilance (employees, suppliers)	Article 12	Article 8	Article 16		

This requirement of transparency for economic players is increasingly sought by the company's stakeholders and expected pursuant to ever stricter regulations and standards both at the national (Grenelle II), or international (UN Guiding Principles on Business and Human Rights; European directive on non-financial information of large companies; GRI guidelines including the Media Sector Supplement) levels.

Respect for all human rights is therefore a valuable corporate asset that contributes fully to companies' reputations and to their performance.

Whether this involves the increase in alerts issued by NGOs, controversies that are receiving more and more media coverage urging investors to exclude from their portfolios multinationals or States accused of failing to keep their commitments, reluctance on the part of public authorities to open markets to offenders in this area, potential boycotts by consumers or dissatisfied customers, or rankings selecting the most virtuous companies, human rights are at the core of the company's value creation for itself and for its stakeholders.

UNESCO Universal Declaration on Cultural Diversity (2001)	UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005)	OECD Guidelines for Multinational Enterprises (2011)	UN Guiding Principles on Business and Human Rights – Reporting Framework Implementation Table (2011)	Children's Rights and Business Principles by UNICEF, UN Global Compact and Save the Children (2012)	UN Sustainable Development Goals (2015-2030)
Articles 5, 8, 9, 10	Articles 1, 6, 7, 10		Page 106		Declaration; Objective 8.3
	Article 7			Principles 1, 6	Objectives 4.2, 4.3, 4.7, 5.5, 5.a, 5.b, 5.c
Articles 6, 9, 10	Articles 1, 2, 6, 7				
Articles 6, 7	Articles 1, 7, 8				Objective 11.4
Article 8	Articles 6, 7				
	Article 10		Page 105	Principle 1	Objective 4.7
		Point VIII.8 Consumer interests		Principles 5, 6	
				Principles 1, 6	
Articles 8, 9, 10	Articles 1, 6, 7, 8		Page 104	Principle 5	
Articles 6, 9	Articles 2, 6, 7		Page 104	Principle 5	Objectives 9.c, 11.a
Article 2	Articles 2, 13			Principle 10	Objectives 4.7, 12.8
		Point VIII.6 Consumer interests	Page 104	Principles 1, 5	
				Principles 1, 5	

1.5.5. CREATING VALUE FOR ARTISTS

It is essential for Vivendi to create value for the artists and the talent that produce the cinematographic, musical and audiovisual content or the entertainment programs that the group offers its customers, its subscribers and its different audiences. Discovering creative sources, paying special attention to the contribution of women and their access to cultural life, identifying talent, supporting it, ensuring respect for intellectual property, providing this talent with exposure on a local and international scale are at the core of Vivendi's missions.

In this way, the investments of Universal Music Group, the world leader in music, contribute to musical creation by discovering and supporting artists in all the countries where this group has a presence. This mobilization of financial resources and employee know-how creates a continuous renewal of the repertories that satisfies the diverse tastes of audiences on a global scale. It also favors the attraction of local talent eager to be signed by prestigious labels with an international reputation.

Finally, the investments made to digitize the catalog allow the artists to extend the life of their works while simultaneously ensuring that the group's profits continue to increase. In fact, the digitization of musical works no longer accessible on physical medium enhances the value of the assets making up the exceptional UMG catalog in all its genres, including pop, classical, jazz and rock.

Canal+ Group, the leading French audiovisual media group, established in France, Africa, Poland and Vietnam, is the main contributor of funds to French cinema and the European leader in the production and distribution of films and TV series along with its subsidiary Studiocanal. Cultivating the creativity of local talent and taking advantage of the pooling of the group's areas of expertise strengthens artists' exposure.

Thus, in 2015, Canal+ Group has remained a privileged partner of French cinema. It actively supported creation by financing 55% of the French-initiative films approved by the CNC (the French national centre for cinema and motion pictures) for 175 million euros, which represents a total of 129 films.

Studiocanal has developed an ambitious production policy for European works with important international potential, thus proposing an alternative and complementary offer to that of the major American production companies. With a direct presence in the three largest European markets – France, Germany, United Kingdom – Studiocanal thus secures its supply of projects and a durable link with some of the greatest European talent.

On the African continent, the investments of Canal+ Afrique in local content increased by 80% in one year. In 2015, 5.5 million euros were invested in African production (films, audiovisual programs, A+, Nollywood TV). The construction of the CanalOlympia movie theatres and performance venues in numerous countries of the continent is fuelled by the same determination: identifying and supporting local talent to give it the means to make itself known and to reach vast audiences.

In Vietnam, the subsidiary of Canal+ Group, K+ is attentive to the development of new talent to work for an ambitious and accessible Vietnamese movie industry. The study of scripts, prior to commitment, corresponds to this dual ambition. In 2015, for the first time, K+ co-produced five Vietnamese films.

Digital gives an additional impetus to this business expertise in the discovery and support of talent particularly through the effectiveness of social networks and easier access to works, allowing the group to meet the new needs of their customers, particularly as regards the conditions under which they choose to consume their content. Vivendi is also increasing its investments in different platforms including Dailymotion and Watchever to optimize the exposure of the artists signed by the group (see Chapter 2, Section 2.1.1).

Vivendi pays close attention to the distribution of value and puts significant effort to ensuring respect for intellectual property, which is a necessary condition for the fair remuneration of rights holders.

On October 2, 2015, Universal Music France signed a Memorandum of Understanding for the fair development of online music pursuant to which the parties "believe that it is indispensable, in the best interest of the entire industry, to re-establish trust by ensuring the most transparent and the most equitable sharing possible of all revenues generated by the digital exploitation of musical works." Producers in particular made the commitment within this framework to guarantee a minimum compensation to artist-performers. "All these provisions constitute considerable advances for artists." (source: French Ministry of Culture).

Furthermore, in May, Canal+ signed an agreement with all of the professional organizations of the film industry. This agreement defines in particular the investment commitments of Canal+ "in European and original French expression feature-length cinematographic works" in addition to commitments to a diversified film acquisition policy of French expression feature-length cinematographic works (representativeness of the different budget levels of the films selected, balance between newcomers and established directors, financing of a wide variety of genres). This agreement, which lasts 5 years, supports the historical and virtuous partnership between Canal+ and the professionals of the seventh art.

KEY FIGURES*

31%
AMOUNT OF MARKETING AND RECORDING INVESTMENT OF UNIVERSAL MUSIC FRANCE
dedicated to new talent
(artists releasing their first album) as a percentage of total investment

29%
ON AVERAGE OF UNIVERSAL MUSIC FRANCE'S REVENUE
from the sale of new products, was generated by new talent (artists releasing their first album)

Source: Universal Music France.

65%
OF UNIVERSAL MUSIC GROUP SALES
generated by local artists in their own country

(scope of 59 countries)
Source: UMG

20 first French-initiative films
and
14 second French-initiative films
financed by **CANAL+**

Source: Canal+

** Figures as of 12/31/2015.*

Supporting the contribution of women throughout the entire content production process is a component of Vivendi's performance. After launching its initial study on the role of women in cinema and music in Europe in 2013, Vivendi created a Steering Committee made up of several professionals of Canal+ Group and Universal Music in order to raise awareness and collect data. Thus, in 2015, 25% of the films bought up by Canal+ will be directed by women. Of the 19 films officially competing at the 2015 Cannes Film Festival, only two were by female directors. They were both supported by Canal+ Group: *Mon Roi* by Maïwenn was coproduced and distributed by Studiocanal, and *Marguerite et Julien* by Valérie Donzelli benefited from investment by Canal+. As part of its policy of supporting the development of African production, the channel A+ encourages several magazine and series projects led by women like Akissi Delta, Yolande Bogui and Alexandra Amon. Alexandra Amon, discovered by Canal+ Afrique during the project *L'Afrique au féminin*, saw her first series, *Chroniques africaines*, receive the award for best TV series at the 2015 Pan-African Film and Television Festival. Furthermore, of the 50 best-selling Universal Music Group albums in the world in 2015, 28% were by female artists and 40% were by male artists (excluding groups, film scores and compilations).

The subject of the role of women in artistic creation fuelled in particular the partnership between Vivendi and Sciences Po (see Chapter 2, Section 2.1.2.1). Vivendi is also a member of the Ministerial Committee for gender equality set up by the French Minister of Culture. Finally, the site *Culture(s) with Vivendi* and the CSR webradio *Vivoice* highlight the careers of women who have become famous as orchestra conductors, screenwriters, film producers or directors.

Canal+ Group, privileged partner of the seventh art and of the cinematographic heritage: Mon Roi, Maïwenn (Cannes Film Festival, 2015); Timbuktu, Abderrahme Sissako (Césars, 2015); The Imitation Game, Morten Tyldum (Academy Awards, 2015); Ran, Akira Kurosawa (4K restoration by Studiocanal, 2015).

€134M
INVESTMENTS BY STUDIOCANAL
in European works

Source : Studiocanal

18%
OF INVESTMENTS
excluding sports of Canal+ Afrique allocated to the production of local African content

Source: Canal+ Overseas

5
VIETNAMESE FILMS CO-PRODUCED BY THE SUBSIDIARY OF CANAL+ GROUP

Source: Canal+ Overseas

25%
OF THE FILMS PRE-PURCHASED BY CANAL+ IN 2015 DIRECTED BY WOMEN

Source: Canal+

1.5.6. CREATING VALUE FOR SHAREHOLDERS

Creating shareholder value is central to Vivendi's strategy, with a long-term view. This created value is measured in particular through the group's financial and extra-financial performance. It is accompanied by an active communication policy that is essential for establishing a regular dialog with Vivendi's management, sharing the strategy and commenting on the achievements of the group's subsidiaries. The integrated reporting process illustrates this dynamic.

In a context in which the economic models of its businesses are in transition, Vivendi has achieved financial performances consistent with the objectives announced in early 2015. Sales grew by 6.7% (1.4% at constant currency and perimeter), the current operating margin is 10.2% (at constant currency and perimeter) and adjusted net income reached 697 million euros, up 11.3%.

As of December 31, 2015, the group had a net cash position of €6.4 billion compared to €4.6 billion at year-end 2014. This position is primarily the result of finalizing the group's restructuring with the sale of its remaining 20% interest in Numericable-SFR, as well as the sale of GVT in Brazil and the payment in April of a dividend of €1 per share, and the payment in June of an interim dividend of €1 per share.

Vivendi shares are listed in compartment A of Euronext Paris, code ISIN FR0000127771. As of December 31, 2015, Vivendi was the seventeenth weighted stock of the CAC 40 index and the second weighted stock on the Stoxx Europe 600 Media index.

The Vivendi stock market price ended 2015 at €19.86, down 4.0% compared to 2014, and up 4.4% based on reinvested dividends. By comparison, the Stoxx Europe Media index was up 12.2% (+15.3% reinvested dividends) and the CAC 40 index grew by 8.5% (+11.9% reinvested dividends).

Vivendi's financial communication is based on the principle of providing precise, transparent and fair information concerning the group's position to all shareholders, analysts and investors. The group ensures that it complies with all the laws, regulations, standards and procedures in force in France: the French financial security act, IFRS (International Financial Reporting Standards) and the standards defined in the COSO (Committee of Sponsoring Organisation of the Treadway Commission) report. It also reports on the implementation of French laws and regulations (Grenelle II) or international standards that frame its social responsibility.

The Vivendi Investor Relations department maintains a close and ongoing dialog with the analysts of brokerage firms and investment funds. It also continuously adds to and updates the Investors/analysts section of the corporate web site, which is intended in particular for institutional investors. In cooperation with the Corporate Social Responsibility (CSR) department, it organizes meetings with analysts and investors interested in the group's CSR policy.

Vivendi's financial communication to institutional investors also translates into the organization of meetings about the world's main financial markets, and the participation of executives from corporate headquarters and from the group's subsidiaries at investor conferences.

In all, in 2015, 546 "events" (including roadshows, investor conferences, meetings at Vivendi corporate headquarters or at its subsidiaries and analyst contacts) were organized in Europe and in the United States. They allowed the management teams of Vivendi or of its subsidiaries to meet with the representatives of 382 financial institutions to present to them the group's results and outlook.

Furthermore, Vivendi is engaged in a close dialog with its individual shareholders who hold 4.9% of the group's capital (the employee shareholders own 3.3%). They benefit from communication dedicated specifically to them. Staying close to them, keeping them informed and understanding their expectations are the priorities of the group's Individual Shareholders Information department.

On the group's website, there is a section specifically aimed at individual shareholders, which includes "General meeting," "In pictures," "Audio news," "Letters to the shareholders," "Shareholders' Committee," "Agenda," "Press releases," "Shareholders' club," "Shareholder's passbook," "Market prices" and "Contact us" pages. A toll-free telephone number and a Twitter account have been created specifically to best meet their expectations.

At the 12th edition (2015) of the Grands Prix for corporate governance organized by the AGEFI (*Agence économique et financière*), Vivendi was awarded 3rd place for "Shareholder democracy, information transparency and communication quality."

KEY FIGURES*

10.2%
INCOME FOR OPERATIONS MARGIN IN 2015
(at constant currency and perimeter)

11.3%
GROWTH OF ADJUSTED NET EARNINGS IN 2015

0.51 euro
ADJUSTED NET INCOME PER SHARE 2015

3 euros
DIVIDEND PER SHARE FOR 2015

** Source: Vivendi.*

1.5.7. CREATING VALUE FOR CUSTOMERS

Vivendi's capacity to offer its customers original, quality content while at the same time facilitating the options for enjoying it at will, is one of the main sources of value creation for them. To satisfy this demand, the group nurtures the curiosity and the diversity of its customers' tastes, cultivates their digital trust in a spirit of loyalty and transparency, welcomes their creativity and ensures it protects and empowers its younger audience.

Diversity of artistic expression, pluralism of content and editorial innovation are all criteria for satisfying customers 75% of whom feel that "Canal+ is a channel that offers programs that you cannot see anywhere else" and who, through their purchases, give Universal Music Group a better than 30% share of the world's music market.

This sharp difference characterizes the offers of Canal+ Group whether this involves films, TV series or entertainment programs. The same is true for the documentary channels that cover a diversity of themes and genres (history, science, civilization, society, investigation, adventure, escape, wildlife) and which, in 2015, offered 1,135 hours of programming to Canal+ subscribers. News is not to be outdone, as witnessed by the success of *Le Petit Journal*. This televised news program of the new generation, hosted by young journalists, attracts new audiences who want to understand the world's current events and are interested in a national and international news format that mixes humour, audacity and a taste for investigation. In December 2015, *Le Petit Journal* reached its second best audience of the season with 1,666,000 viewers.

Canalplay and myCanal broadcast this rich and original content package by allowing subscribers to access thousands of films, complete series, digital series, comedy and programming for a younger audience, at a time and place of their choosing.

Committed to expanding its content on the Internet, in 2015, Canal+ created a Digital Creation hub. This centre offers young talent in particular the opportunity to expand their audience and benefit from assistance with the production and promotion of short formats and original productions developed specifically for the web. In Africa, in November 2015, Canal+ launched the MDR! (Mort de rire, or Dying of laughter) project in partnership with CFI, the French media cooperation agency, to identify and train the African talent of tomorrow to participate in the creation of new, short comedy programs.

The diversity in the cultures of audiences is satisfied by the richness and the variety of the Universal Music Group labels (which include Capital Music Group, Island Records, Def Jam Recordings, Polydor, Blue Note Records, Decca and Deutsche Grammophon). The digitization of UMG's exceptional catalog promotes heritage and encourages different generations to share musical emotions. The artists signed by UMG in close to 60 countries express themselves in 44 different languages. In 2015, the best UMG sales were not only achieved by established international artists but also by new musical discoveries and local artists.

UMG is increasing its initiatives for attracting talent in the countries where the group has a presence. To this end, Abbey Road Studios in London, owned by UMG, launched the Abbey Road Institute in 2015. Since September 2015, this institute has offered a year of training aimed at students who will earn a sound engineering and musical production diploma when they complete their studies. In Africa, UMG partnered with the British director Richard Curtis to organize a competition for young people to involve them in writing the lyrics to the song "Tell Everybody" in connection with the campaign to raise awareness of the new United Nations sustainable development goals. Almost 6,000 young people sent their proposed lyrics via their mobile phone.

Vivendi's strategic choice to bet on the growth opportunities offered by digital technology must be supported by a rigorous policy concerning the collection and management of personal data that preserves respect for customers' privacy. Vivendi has established instruments, such as the Data and Content Protection Charter, adopted in 2008, or the best practice guide concerning sensitive data. Vivendi takes care to verify that its partners comply with the group's values and rules of conduct in the countries where the group has a presence. The protection and valuation of personal data are the subject to certain reporting requirements based on precise indicators by the subsidiaries of the company, which are then examined by the Company's Auditors. CSR (corporate social responsibility) criteria, associated with this issue, are also included in the variable compensation of Vivendi executives. This compliance creates value for the group's customers, who are increasingly better informed concerning the protection of their personal data and more inclined to disclose aspects of their identity to companies that have a clear and comprehensible policy.

Concerning this subject, special attention is paid to young audiences, with a taste for musical, cinematographic or online video offers. At the request of the CSR department, monitoring is conducted to obtain better knowledge of the methods for processing the personal data of children and teenagers on the web sites of the group's subsidiaries offering media content intended for this audience. This sustained vigilance makes it possible to anticipate the measures for protecting minors included in the future European regulations and to limit the potential reputation risks.

KEY FIGURES*

CANAL+
REFERENCE CHANNEL FOR FILMS FOR
86%
of subscribers
Source: Canal+

CANAL+ GROUP: STREAMING OFFERS PER SUBSCRIPTION
8 MILLION "STREAMS" EACH MONTH
Source: Canal+

CANAL+ GROUP: RETENTION OF THE NF CUSTOMER SERVICE CERTIFICATION
(NF is the main French quality mark certification delivered by AFNOR)
Source: Canal+ Group

44
NUMBER OF LANGUAGES
sung by UMG artists
Source: UMG

51% OF UMG DIGITAL SALES
and 28% of UMG physical sales generated by the catalog (works marketed for more than two years)
(scope of 59 countries)
Source: UMG

** Figures as of 12/31/2015.*

1.5.8. CREATING VALUE FOR EMPLOYEES

Vivendi, an integrated industrial group with international ambitions, involved in media and the production and distribution of cultural or entertainment content, invests in men, women, ideas and creativity.

This is the condition of its success and of its ability to innovate in a constantly changing environment. The group must also provide for the excellent management of its employees to attract them, retain them and support them. Involving the employees in the company's strategies and results and satisfying their expectations regarding employability and the quality of their work environment life are both priorities for the group.

The year 2015 was marked by the desire of Vivendi's management to involve the employees of the group's different entities in a joint and participatory reflection process to define together the group's strategic developments and the new business opportunities.

This dynamic was carried forward through the organization of three international seminars that brought together some fifty operational and headquarter managers, who sought to facilitate the cross-functional mobilization of employees. Several campaigns were selected and some have already been deployed. Thus some forty young, recently hired employees under the age of thirty were asked to develop a "welcome and teamwork program" for new employees, based on four major focuses: the discovery of the group's different businesses, the development of internal networks, the pooling of ideas and the building of bridges between entities. Another pilot program intended for more senior managers will allow them to discover the best practices (offering of goods and services, technological innovations, team management, corporate social responsibility initiatives) through training cycles that bring them together for several weeks. Finally, certain occupations, such as web developers or designers, have already been organized into networks to foster synergies within the group.

Seeking to establish a fair distribution of the fruits of the employee's labor, Vivendi set up a profit sharing system that strongly encourages the development of employee share ownership. In 2015, a capital increase reserved for employees was carried out.

This operation was a great success in terms of employee participation (4,659, or a 43% increase compared to the previous capital increase carried out in 2013) and in terms of the amounts to which the employees subscribed, which increased by close to 75 million euros. As of December 31, 2015, employees of the group held 3.3% of Vivendi's capital.

Helping employees adjust to changes in their business is a central focus of the training programs deployed in the group. If Canal+ Group puts a premium on collective initiatives, Universal Music Group has opted for individualized methods. In 2015, more than 10,000 employees benefited from training campaigns.

In addition to employability, parenthood is an important issue for social dialogue considering the employee age pyramid. Close to 70% of employees are under the age of 44. Several agreements or charters provide for a certain career flexibility and leave of absence by the employee (maternity leave or parental leave). In order to foster gender equality, the agreements include measures for identifying and correcting pay gaps. Canal+ Group therefore disregards periods of maternity leave in the annual evaluation, and identifies pay gaps for equal jobs and the associated corrective actions. More globally, Vivendi seeks to achieve parity in succession and promotion plans. Women represent 42% of management staff and, on average, 20% of them sit on the management committees of the entities (Vivendi, Universal Music Group, Canal+ Group, Vivendi Village, Dailymotion).

Finally, all employees carry out their mission in compliance with the group's rules of conduct listed in the Compliance Program adopted in 2002. Compliance with these rules is a condition for being a part of Vivendi. These rules are applicable to each employee regardless of his or her level in the group's hierarchy and his or her duties. They cover the rights of employees, the accuracy and protection of information, the prevention of conflicts of interest, business ethics and compliance with the rules of competition, the use of property and resources belonging to the group, financial ethics and environmental awareness. To guarantee the best standards in conducting the group's business activities, the Management Board monitors the application of this Program, on the initiative of the General Counsel of Vivendi and the *Compliance Officers* of the principal operational units. An activity report is submitted annually to the Audit Committee, which reports to the Supervisory Board.

KEY FIGURES*

TOTAL NUMBER OF EMPLOYEES:
16,395

3.3%
OF VIVENDI'S CAPITAL
held by employees

2 EMPLOYEES ON THE SUPERVISORY BOARD: one director representing the employee shareholders and one director representing the employees

68% OF EMPLOYEES are between the ages of 25 and 44
and **65%** of them **WORK IN EUROPE**

42%
OF MANAGERS ARE WOMEN

42% OF EMPLOYEES COVERED
by the collective bargaining agreements (worldwide) and **23 AGREEMENTS SIGNED** with labor representatives (France)

** Figures as of 12/31/2015 - Source: Vivendi.*

1.5.9. CREATING VALUE FOR SUPPLIERS AND BUSINESS PARTNERS

Vivendi contributes actively to the local economic fabric of the territories in which it conducts business, particularly through the business contracts that it signs with its different partners in compliance with the group's rules of conduct. To assess the creation of value, economic results and fairness of practices must go hand in hand. As the Vivendi Compliance Program states: "The desire to strive for economic performance cannot in any circumstances justify breaching the rules of business ethics. On the contrary, this requirement for performance requires everyone to act in a way which favors commercial relationships which are lasting and based on loyalty and integrity".

The Vivendi business units make sure to integrate the group's commitments based on the Compliance Program and the principles of the United Nations Global Compact in their tender calls and their contracts with their principal suppliers. In 2015, to assess the risks associated with the Vivendi supply chain, an evaluation of the purchases made from suppliers and subcontractors accounting for at least 75% of the total expenditures of each of its subsidiaries was updated. This study shows that 85% of the group's purchases comprise the purchase of content and professional services and that 84% of these purchases are made in Europe.

Canal+ Group pays particular attention to ensuring that its suppliers and service providers are economically independent. Thus, the proportion of the sales of these suppliers and service providers attributable to Canal+ Group is audited regularly using ERP (Enterprise Resource Planning) purchasing management software. When this proportion becomes significant and reaches 30%, assistance may be offered to the service provider who is then alerted and invited to diversify its clientele. The Purchasing department ensures, as far as possible, not to sign contracts for more than three years. At the end of this period, the supplier must compete in requests for proposals.

In 2015, in six African countries (Burkina Faso, Cameroon, Congo, Gabon, Ivory Coast and Senegal), Canal+ Group maintained business relations with 76 local producers for the purchase and pre-purchase of rights and the coproduction of shows, films and productions. The group created close to 4,500 indirect jobs through its distribution network, its purchases of communication services and the technician services that it used to install the equipment necessary for subscribers to receive the packages.

In its main business regions, Universal Music Group requires its suppliers, through its calls for tender, to sign the Universal Music Group Supplier Corporate Responsibility Policy. In the United Kingdom, the UMG Purchasing department has been made aware of the new regulatory framework of the Modern Slavery Act adopted in 2015 requiring companies to detail the measures that they have taken to ensure that their suppliers do not engage in modern slavery practices or in human trafficking.

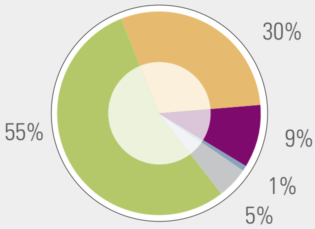
Bravado Australia, UMG's Australian merchandising subsidiary, requests its suppliers to provide evidence of international accreditation (WRAP, BSCI and SEDEX) certifying that they comply with the ethical requirements prior to any contractual commitment. They are also asked to sign a Manufacturing Agreement that reminds them of their commitments in relation to respect for human rights, and compliance with those commitments is verified by the company through annual audits.

In connection with the renewal of its EMAS environmental certification, Vivendi SA includes environmental protection clauses in its contracts and its business relationships with its suppliers and subcontractors.

In 2016, Vivendi will continue its work to consolidate the commitments it has made to making progress on its purchasing operations with the operations staff of its business units and in order to better anticipate increasingly demanding regulatory changes.

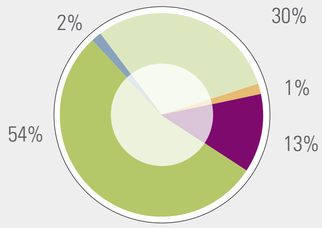
KEY FIGURES*

PURCHASES BY CATEGORY



- Content
- Professional services
- Others
- Raw materials
- Finished products

PURCHASES BY GEOGRAPHIC REGION



- France
- Asia-Pacific
- Europe (excl. France)
- Africa
- North America

CANAL+ GROUP: renewal of **THE SOCIAL RESPONSIBILITY LABEL FOR CALL CENTERS**

78% of purchases **MADE FROM LOCAL SUPPLIERS**

Scope:
- *Universal Music Group limited to a focus group of nine countries (Australia, Brazil, France, Germany, Japan, the Netherlands, South Africa, the United Kingdom and the United States);*
- *Canal+ Group: entities located in France, in Africa (a focus group of six countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Gabon, Canal+ Ivory Coast, Canal+ Senegal), in Poland and in Vietnam; and*
- *Vivendi Village: Vivendi Ticketing, MyBestPro, Watchever, L'Olympia.*

***** *Figures as of 12/31/2015. Source: Vivendi.*

1.5.10. THE VALUE CREATION CIRCUIT

The following two pages illustrate as a summary the sharing of financial and extra-financial value produced by Vivendi with its main stakeholders. The page references refer to additional information detailed in the Reference Document.

Total workforce
16,395

Wages and salaries
€1,138M

Attractiveness of the businesses pp. 12-14, 59

Development of skills pp. 59, 84-87

Cross-functional mobilization of employees pp. 12-13, 26, 59

Employee share ownership pp. 26, 58

Employee representation on the Supervisory Board pp. 26, 86, 117

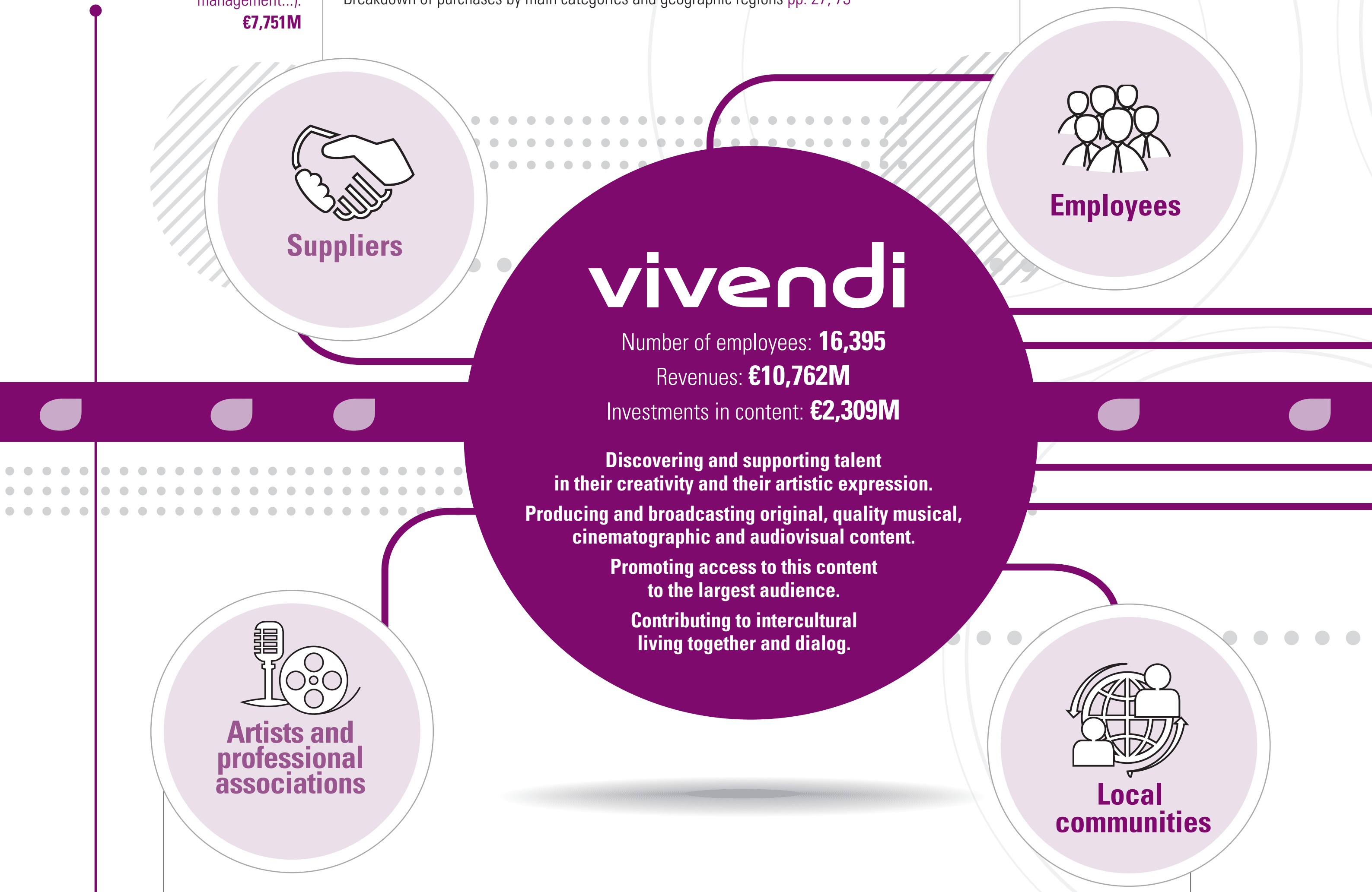
Amounts distributed to artists, suppliers and service providers (distribution, purchase of programs, royalties, subscriber management...):
€7,751M

Human rights and business relationships pp. 20-21, 27, 48, 52, 57-58, 73-74, 165

CSR as part of the purchasing policy and in relations with suppliers and subcontractors pp. 27, 53, 57-58, 73-74

Percentage of purchases made from local suppliers pp. 27, 70

Breakdown of purchases by main categories and geographic regions pp. 27, 73



Investment in local creation and talent pp. 15, 17, 20, 22-23, 48, 53, 55, 62-65, 70-71

Support for new talent pp. 13-14, 20, 22-23, 55, 63-67

Respect for intellectual property pp. 17, 20, 22-23, 65-66

Promotion of heritage pp. 20, 25, 55, 63-65

Dialog with the professional associations pp. 22-23, 53, 72

Role of female artists and producers of cultural goods and services pp. 20, 23, 53, 56, 63

Development of business activities

Investments in content
€2,309M

Contribution to economic, social and cultural local development pp. 14, 27, 56, 70-71

Solidarity programs and sponsorship initiatives pp. 66-67, 71

Development of infrastructures, particularly performance venues in Africa pp. 14, 17, 56, 70, 263

Respect for the environment pp. 17, 27, 60-61, 89-94, 160

Customers

Promotion of cultural diversity pp. 20, 25, 55-56, 62-65

Empowerment and protection of youth pp. 20, 25, 52, 57-58, 66-68, 70

Pluralism of content, access to media and awareness raising of sustainable development issues pp. 20, 25, 56, 68-70

Valuation and protection of personal data pp. 20, 25, 57, 69-70

Dialog with consumer associations pp. 25, 72

Public authorities

State and local authorities

Taxes on production and income: **€1,216M**

Payroll taxes on wages and salaries: **€310M**

Dialog with national and international institutions pp. 22, 53, 55-56, 75

Responsible lobbying p. 75

Respect for intellectual property and fight against piracy pp. 20-21, 65-66, 72, 75

Shareholders and financial community

Shareholders*

Dividends paid to shareholders in 2015, for fiscal year 2014: **€1,363M** (1)

Financial institutions

Interest paid to banks: **€30M**

Financial communication policy pp. 24, 41-42

Academic institutions and NGO

Regular and constructive dialog through partnerships pp. 17, 53, 56, 66-67, 70-71

Two innovative digital tools: *Culture(s) with Vivendi* and *Vivoice* pp. 23, 52-53, 56-57, 90

Involvement of young citizens pp. 20, 49, 53, 56

Role of women in cultural life pp. 20, 23, 26, 52-53, 56, 59, 76, 81, 85-86, 131

* *Employees and former employees hold 3.3% of the share capital.*

(1) *See also Chapter 4, note 15 to the consolidated financial statements for the year ended December 31, 2015 "Shareholder dividend distribution policy".*

1.6. Businesses

Vivendi, as an integrated industrial group, wishes to develop its various businesses on the basis of a shared dynamic. Structured around its major content streams: music, television, cinema, digital and live events, Vivendi is basing its strategy for the future on the strength of the collaboration between its business units. These form Vivendi's bedrock and contribute to its outreach.

With new businesses in 2015, the group is capitalizing on its synergies by being present along the whole value chain, from the discovery of talent to the production and distribution of content.

1.6.1. MUSIC

Music is Vivendi's most significant asset, through its subsidiary UMG. As the world leader in the music industry, UMG is home to the greatest local and international artists, representing every musical genre from classical to urban and jazz to pop. Titles from Taylor Swift, The Weeknd, Kendji Girac and Justin Bieber as well as The Beatles, Andrea Bocelli, The Rolling Stones and Charles Aznavour are all part of its prestigious catalog.

UMG has three main operating businesses: recorded music, music publishing and merchandising.

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

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

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

1.6.1.1. Recorded Music

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

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

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

In 2015, UMG's best-selling artists included not only global best-selling established acts such as Taylor Swift and Justin Bieber, but also breakout artists such as Sam Smith and The Weeknd and regional bestsellers such as Louane and Kendji Girac in France, Helene Fischer and Sarah Connor in Germany, Dreams Come True in Japan and Juan Gabriel in Mexico. In the United States, UMG had seven of the top ten albums for the year, including two of the top three with Taylor Swift's *1989* and Justin Bieber's *Purpose*. In the United Kingdom, UMG had nine of the Top 20 tracks, led by Hozier's *Take Me To Church*, and also nine of the Top 20 artist albums, including the debut of the UK's biggest breakthrough artist of the year, James Bay.

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

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

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

UMG is also extremely active in developing new sources of revenue, including through brand consulting and strategic solutions via its agency, Universal Music & Brands. It is continuing to develop its revenue streams through advertising and sponsorship agreements - across diverse set of partners in more than 50 countries, including with airline companies, banks, technology companies, tech companies, telecoms and others. Finally, UMG supports the participation of artists in live and TV productions, such as "The Voice", which is produced locally in 60 countries and is aired in more than 180 countries.

1.6.1.2. Music Publishing

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

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

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

UMPG also owns and controls a vast catalog of original music and arrangements, and offers this music for use in films, television, advertising and new media industries as an alternative way of utilizing the license.

UMPG's combined publishing catalog contains more than three million owned and administered titles, including some of the world's most popular songs. Some of the major artists/songwriters whose works are represented include Adele, Coldplay, Elton John, Eminem, Billy Joel, Paul Simon, Florence and the Machine, Justin Bieber, Justin Timberlake, Keith Urban, Mumford & Sons, Nicki Minaj, Mariah Carey, Nick Jonas, Britney Spears, Miguel, U2, Imagine Dragons, Sam Hunt, André Rieu, Diane Warren, Andrew Lloyd Webber, The Beach Boys, and Irving Berlin, among many others.

During 2015, UMPG completed a number of publishing deals, including agreements to represent the songs of Ariana Grande, Shawn Mendes, Demi Lovato, Nick Jonas, Tobias Jesso Jr., Maroon 5, Pearl Jam, Grammy-winning producer Jeff Bhasker, Halsey, Joe Jonas, Post Malone, Kacy Hill and Michael Chabon, among others. The company also extended its relationships with such major artists as Adele, J. Cole, Eminem, Martin Garrix, Nicki Minaj, Big Sean, Jason Derulo, Gloria and Emilio Estefan, and Future, among many others.

1.6.1.3. Merchandising

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

Bravado also licenses rights to an extensive network of third party licensees around the world. The company takes advantage of UMG's global sales and distribution networks as well as UMG's significant marketing strength. The company's broad client roster includes artists such as The Beatles, The Rolling Stones, Bob Marley, Justin Bieber, Katy Perry, The Weeknd, 5 Seconds of Summer and Ariana Grande.

1.6.1.4. Regulatory Environment for Music

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

In 2015, the US House Committee on the Judiciary continued its review of copyright law in the United States. Having completed two years of public hearings and meetings with stakeholders, it is contemplating a proposal to update US copyright law. Those discussions have included music licensing and related matters. Separately, the US Department of Justice continued its review of the long-standing Consent Decrees regulating the two largest performing rights organizations for songwriters and publishers – BMI and ASCAP. In addition, the US Copyright Royalty Board issued the new statutory rate to be paid by webcasters (such as Pandora, the largest US webcaster) to labels and artists for the years 2016-2020. The rate was increased by 21% over the previous rate, but that figure is partially offset by a 12% reduction in the rate for webcasters' subscription streams. The ruling also included a 32% reduction in the statutory rate paid by terrestrial (AM/FM) radio stations for simulcasting their programming over the Internet.

On December 9, 2015, the European Commission published its first copyright package as part of the initiatives under the Commission's project to create a single digital market. This included a communication on copyright, a proposal for regulation on cross-border portability of online content services (which is already common practice for the music industry in Europe), and a proposed directive on the sale of online content. On the same day, the Commission also published a consultation aiming to modernize the directive on intellectual property rights. The IFPI (International Federation of the Phonographic Industry), which represents the recording industry globally, supports the Commission's position on these key issues and stresses the need for new legislation in Europe.

In France, the "Schwartz agreement" was signed in October 2015 by key stakeholders in the music industry. The French government, through the Ministry of Culture and Communication promoted this voluntary code of practice to help govern relationships between digital platforms, record labels, publishers and artists, with the major labels being represented in France by their national union, SNEP.

1.6.1.5. Piracy

Piracy materially harms the music industry and impedes the development of new business models. Based on data from comScore and Nielsen, the IFPI estimates that 20% of fixed-line Internet users regularly access services offering copyright-infringing music. Working in conjunction with the rest of the music industry and other entertainment sectors (including the movie and games industries), UMG takes a multi-pronged approach to combating piracy, which includes:

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

1.6.1.6. Competition

The profitability of a recorded music business depends on its ability to attract, develop and promote recording artists, the public acceptance of those artists, and the success of its recordings. UMG competes with other major record companies in searching for talent, whether it be new artists or established artists signed to other labels. UMG also faces competition from independent labels.

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

Finally, the recorded music business continues to be adversely affected by piracy, in particular illegal downloading and streaming from the Internet (see Section 1.6.1.5 "Piracy" above).

1.6.1.7. Research and Development

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

1.6.2. TELEVISION AND CINEMA

Vivendi is a major player in television and cinema in France and abroad, via its subsidiary Canal+ Group. As the largest audiovisual media group in France, it is a leading producer of exclusive and special-interest channels as well as a leader in the distribution of pay-TV packages, in France, Africa, Poland and Vietnam. Canal+ Group is also a key player in the production and distribution of feature films through its subsidiary Studiocanal.

Canal+ Group's ambition is to offer its subscribers the best content and services in terms of exclusivity, quality, mobility, consumer choice and customization. It has a total of 11.2 million individual subscribers representing 15.7 million subscriptions. Its goal is to continue to grow at an even greater rate in the short and medium term, both in France and abroad.

With Canal+, the group possesses a powerful brand with strong brand recognition. The quality of its content "the strength of its talents", its editorial excellence and synergies with other Vivendi group entities carry its growth. Its ability to innovate in order to adapt to changes in its markets is well recognized. Its presence in high-growth regions can be seen in the dynamism with which it develops its activities in Africa.

The group also intends to capitalize on growth through free television, which centers around three television channels (D8, iTélé and D17), through the production of audiovisual content via its Studiocanal subsidiary and, finally, through digital, with new streaming offers and a stronger presence on video sharing platforms (Dailymotion).

1.6.2.1. Pay-TV in France

1.6.2.1.1. Programming Activities

Canal+ Channels

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

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

In 2015, these channels (the Canal+ channels) aired 379 films on Canal+ and 512 over all formats.

Canal+ has developed widely recognized expertise in sports coverage, characterized by exclusive programs, accurate and relevant commentary, analysis by expert consultants, and technical know-how. Overall, the Canal+ channels cover many French and international sports competitions: football with League 1, the UEFA Champions League and the English Premier League; rugby – with the Top 14, the Pro D2, the Southern Hemisphere rugby; the Formula 1 World Championships; the tennis masters in Monte-Carlo and Paris Bercy (ATP 1000); the golf majors, Ryder Cup, the PGA European Tour; and some meetings of the Diamond League in athletics (Saint Denis and Monaco). Canal+ also broadcasts major world events such as the recent Rugby World Cup and the next Olympic Games in Rio in 2016 and Tokyo in 2020.

Canal+ Group is also highly praised for the quality of its works of fiction. The critically acclaimed *Créations Originales (original programming)* are particularly emblematic of the quality of the content offered on the group's channels and, through their unique writing, are contributing to the revival of the genre. They form part of the DNA of Canal+. Six original works, including the famous *Versailles* series, have been ordered for the 2015-2016 season, and the group is planning to produce six to ten original works each season, representing an additional annual investment of 15% to 20%.

Special-Interest Channels

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

1.6.2.1.2. Bundling Activities

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

Canalsat offers more than 150 channels, both those produced by the group (the "+" channels) and the special-interest channels coming from third-party publishers (40 exclusively, including Eurosport and all the Disney channels). Canalsat is available on satellite, ADSL and DVB via a new set-top box connected to the Internet, the Cube S.

Canalsat is accessible on all screens (Internet on PC and Mac, as well as mobile devices) with over 130 channels offered live or on demand via the website and the new myCanal interface in HD, French version and original version with subtitles.

The Canalsat catch-up on-demand offer is the largest library of this type on the French market, with nearly 65 channels referenced and more than 10,000 programs available at any time. Every month, there are more than ten million views by subscribers.

1.6.2.1.3. Distribution Activities

The offers of Canal+ Group are available through specific subscriptions on DVB, satellite, ADSL, fiber, cable (the Canal+ channels only), mobile devices and the Internet. Packages are sold through call centers, on the group's websites, at nearly 2,000 points of sale, through the group's commercial partners (big-box retail stores, specialized stores and phone boutiques) and via Internet Service Provider (ISP) distribution platforms.

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

Last year, it launched the development of its own network by setting up temporary boutiques and "pop-up" shops in major retail centers in France. Canal+ Group now has 60 pop-up shops in retail centers throughout France.

As part of its distribution activities, Canal+ also markets some of its special-interest channels through third-party distributors, particularly ISPs, which include the channels in their own pay-TV packages.

With 11.2 million individual subscribers in mainland France as of December 31, 2015, Canal+ Group holds the largest portfolio of pay-TV customers.

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

1.6.2.1.4. New Services

Canal+ Group is among the pioneers of digital and a pioneer of new television services in Europe, particularly video-on-demand and multi-screen distribution. Recently, the group accelerated the expansion rate of its online presence.

Video-on-Demand with Canalplay

Canalplay is Canal+ Group's streaming offer that enables subscribers to access more than 10,000 units of content, anywhere, any time (movies, full seasons of TV series, comedy and children's programs). Canalplay is available on television via set-top boxes, as well as on computers, smartphones and tablets using a mobile application. Canalplay is also available without any subscription to the television offers of Canal+.

myCanal Second Screen Service

myCanal enables subscribers to find all Canal+ content, direct or on-demand, as well as all related services via a single point of entry, irrespective of the device used. A single subscription to myCanal enables users to benefit from myCanal offers on one or more screens within the same household. myCanal is accessible on all screens: PC and/or Mac, and all smartphones and tablets on the market (over 6,000 different screens). Overall, myCanal represents 10,000 programs on demand, 6.2 million downloads, 30 million visits each month, and 1 million users every day.

Suggest Recommendation Engine

Also launched in 2015, Suggest is the new recommendation engine now available on Canalplay. It draws on both the best technology and the editorial know-how of Canal+ in each area of interest (including cinema, box sets and young people). Suggest offers an evolutionary television experience that accounts for the characteristics of its user. Suggest will be progressively generalized to be included in all packages of the Canal+ Group.

Internet

Committed to a policy to expand the broadcasting of its content online, within two years Canal+ Group has become the leading French media network on YouTube, with more than 50 "channels" offering programming from Canal+, D8 and iTélé, along with original content produced in particular by Studio Bagel. This leading comedy channel network on YouTube, has been majority-owned by Canal+ Group since 2014. The group's aim is to reach new audiences (including the youngest viewers), to discover new talent, and to test innovative video formats. Almost one billion videos have been watched on these channels combined.

1.6.2.2. Free-to-air TV in France

1.6.2.2.1. Free Channel Division

Canal+ Group has historically operated in free-to-air TV with unscrambled programs from Canal+ and the 24-hour news channel iTélé. In 2012, it developed a hub of free channels, which included the general interest channel D8 and the music channel D17.

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

With a market share of 3.4% in 2015, D8 was ranked the fifth national channel, and iTélé closed the year having broken its viewing record, despite a larger DVB offer base (26 channels since year-end 2013), and a general downturn in the TV market.

1.6.2.2.2. Canal+ Régie

Canal+ Régie is the exclusive advertising arm of Canal+ Group and is a wholly-owned subsidiary of the group. It sells advertising on the Canal+ channels (unscrambled programs), iTélé, D8, and D17, as well as on their spin-offs on YouTube and Dailymotion. Canal+ Régie operates 12 of the group's special-interest channels, the group's websites, including canalplus.fr, Studio Bagel and OFF.tv from Universal Music France, mobile and tablet applications, as well as catch-up TV services. It is also the exclusive advertising agency of the UGC cinemas network. Its sales and marketing innovations provide Canal+ Group with close to stable advertising revenues, despite the difficult economic environment.

1.6.2.3. Audiovisual Production and New Formats

In its strategy of reinvesting in its audiovisual content, Vivendi has acquired several production companies. By investing in production, the group is establishing its presence over the whole value chain of content, from creation to distribution. In 2015, the interests acquired in Mars Films and in Banijay Group reinforced the expertise of the group in this area. Furthermore, Vivendi has developed an in-house production entity to create digital mini-series for mobiles (Studio+).

Announced in July 2015 and finalized on February 23, 2016, the merger between the production companies Banijay and Zodiak created one of the world's leading company in the sector: Banijay Group. With a significant international presence, Banijay Group generates 75% of its revenue streams outside of France, an international reach consistent with the ambitions of Vivendi, which has taken a 26.2% interest in the group. Banijay Group is one of the biggest players in the production of entertainment programs and works of fiction. Among others, it produces the formats *May the Best Host Win*, *Sing It On* and *Pioneers*.

Created in 2008, Banijay brings together Air Productions (Nagui) and H2O (Cyril Hanouna), which produces, *Touche pas à mon poste* for D8, among other programs. Zodiak Media has developed expertise in adventure programs (*Fort Boyard*, *Koh-Lanta*), world class fiction such as *Versailles*, and animation with the company Marathon, a leader in this sector.

In 2015, Vivendi also strengthened its investment in creation and renewed its support for cinematic art. The group aquired a 30% interest in the production company Mars Films, one of the leaders in production and cinema distribution in France. This investment came within Vivendi's strategy to offer Canal+ Group the financial and technical resources for its growth, and to ensure that it had better control of its production, creation and distribution resources. Among other productions, Mars Films produced *La Famille Bélier* in 2014, and has become well-known for its distribution of Woody Allen movies in France.

Lastly, with the production and distribution of short films having become a major focus for Vivendi's growth, a new entity was created: Studio+. It produces exclusive digital mini-series, specially designed for mobile use. The production of several mini-series created in collaboration with UMG and Studiocanal is already planned in all fiction genres (including action, adventure, science-fiction and horror).

1.6.2.4. International Pay-TV

Canal+ Group has developed its pay-TV operations internationally through its subsidiary Canal+ Overseas. It currently has more than 5.5 million subscribers in the zones it covers (Africa, Caribbean, Indian Ocean, South Pacific, Poland and Vietnam).

Africa

Present in more than 30 countries in Central and West Africa, Canal+ Overseas is the leading pay-TV operator in French-speaking Africa through its "Bouquets Canal+" offer, its ten subsidiaries present on the continent and Madagascar, as well as its powerful distribution network.

The October 2014 roll-out of the major African channel A+ significantly enhanced the quality and content of the offerings proposed and confirmed Canal+ Group's strong commitment to developing the audiovisual services on this continent. It is the ambition of A+ to present African talents in all their diversity through a package of first exclusive programs developed for the African public (including TV series, movies and entertainment programs). In 2014, one of the programs launched by A+ was *Island Africa Talent*, a musical television talent show broadcast in every French-speaking African country. The first season of the show was highly successful.

As of December 31, 2015, A+ had more than 2 million subscribers on the African continent and has been broadcast in France since February 2016.

In addition, Canal+ Overseas holds a majority stake in Thema, a company specializing in the distribution of general-interest and special-interest TV channels that produces the channels Novelas TV, Nollywood TV and Gospel TV.

Overseas

Leading overseas audiovisual group Canal+ Overseas markets "The Canal+ channels" and Canalsat in the Caribbean, in the Indian Ocean and in the South Pacific.

The acquisition of Mediaserv in 2014 was as an important step in the diversification of the activities of Canal+ Overseas. Among other objectives, it made it possible to launch Canalbox, a joint Internet/telephone package, in the Caribbean and Réunion.

The Canal+ Mobile mobile package has also been available since 2014 in the Caribbean and is offered to consumers in partnership with the operator Digicel.

Poland

Poland is the second biggest market for Canal+ Group. It has historically been represented by its old subsidiary Cyfra+. nc+, which produces eight first exclusive channels of the Canal+ family and seven special-interest channels, and has the most varied television package offers in Poland, including for sports by offering the best of Polish and European football to its consumers: the Champions League (accessible exclusively on the channels of nc+), the Europa League, the English championship, and the Polish league. nc+ also holds the main broadcasting rights for the most popular sports in Poland, such as handball, speedway and basketball.

Cinema is also at the heart of the nc+ package. Every year, subscribers have access to around 500 movie premieres from the main Hollywood studios on the Canal+ first exclusive package. Canal+ is also involved in local productions, including the new television series *Belfer*, which will be broadcast in 2016.

As of December 31, 2015, nc+ had 2.1 million subscribers.

Vietnam

Canal+ Overseas is present in Vietnam with K+, a satellite package of local and international channels held jointly with Vietnamese public television. The package offers four first exclusive K+ channels (K+1, K+NS, K+PM, K+PC) produced by the group.

The K+ offers benefit from a large distribution network with more than 2,800 points of sale and 13 proprietary K+ STORE boutiques. Canal+ Group has operational control of K+, in which it holds a 49% interest.

As of December 31, 2015, K+ had 804,000 subscribers.

1.6.2.5. Cinema

Studiocanal, a subsidiary of Canal+ Group, is the leading European player in the production, acquisition, and distribution of world-class movies and TV series. It operates directly (theater distribution, video, digital and TV) in the three main European markets (France, the United Kingdom and Germany) as well as in Australia and in New Zealand. Studiocanal boasts the largest film catalog in Europe, with more than 5,000 movies.

Studiocanal is developing an ambitious international production policy, and has had great success at the worldwide box office with family films such as *Paddington* and *Shaun the Sheep*, and the blockbuster *Non-Stop* with Liam Neeson. From the six British films that generated over £10 million at the box office in the last year, four were Studiocanal films: *Paddington, The Imitation Game, Shaun the Sheep* and *Legend*. Studiocanal also co-financed and distributed *The Imitation Game* with Benedict Cumberbatch. Future releases include *A Bigger Splash* by Luca Guadagnino, with Tilda Swinton and Ralph Fiennes, the next film by James Marsh on the English sailor Donald Crowhurst, featuring Colin Firth and Rachel Weisz, and Nick Park's new animated film for the Aardman studios, *Early Man*.

In addition to the commercial success of its productions and co-productions, Studiocanal enjoyed great critical success in 2015: 17 Academy Award nominations (for *The Imitation Game*, *Foxcatcher*, *Selma*, *Song of the Sea* and *The Tale of Princess Kaguya*), 15 BAFTA nominations and also 13 for BIFA, where Tom Hardy was awarded Best Actor for his performance in *Legend*.

With a very strong presence in the family movie and animation segment. Studiocanal stood out in 2015 with two films in particular: *Paddington* and *Shaun the Sheep*. *Paddington*, which was released in December 2014 was a success worldwide. This year, *Shaun the Sheep* from the Aardman studios did exceptionally well in cinemas in over 70 countries, passing the US$100 million mark at the box office worldwide. The film has been nominated five times for Best Animated Film at various festivals, including the Academy Awards and 2016 Annie Awards.

Alongside these developments, Studiocanal is actively growing in the television series market, strengthening its position as a European leader in content production. It became the majority shareholder of Tandem Communications in 2012 (based in Germany), the European leader in the production and sale of international TV shows, and of RED Production Company in 2013 (Great Britain), a specialist in quality English-language TV series. In 2014, Canal+ Group, Studiocanal, the authors and creators Søren Sveistrup and Adam Price, and the producer Meta Louise Foldager partnered to form SAM Productions ApS. In 2015, Studiocanal partnered with RED and three young actors and writers to create the production company Guilty Party, bringing together a talented team, highly regarded in England, to launch and produce projects for new works of fiction and TV series.

1.6.2.6. Regulatory Environment for Cinema and Television

The overall regulatory environment of the Canal+ Group has been discussed in previous Annual Reports and did not change significantly in 2015.

The audiovisual communications industry in Europe is subject to national laws and regulations. In France, compliance is overseen by regulatory authorities such as the CSA (*Conseil Supérieur de l'Audiovisuel*). Canal+ has a license to broadcast the Canal+ channel in France via terrestrial networks as well as networks that do not use frequencies assigned by the CSA, such as satellite, cable and ADSL. In December 2000, this license was renewed for a period of five years, and then extended three times, the Canal+ channel's authorization to broadcast over terrestrial networks expires in December 2020.

It should be noted that Article 40 of Law 86-1067 of September 30, 1986 on freedom of communication provides that not more than 20% of the share capital of a company holding a license relating to a French language television service can be held, directly or indirectly, by foreign non-EU entities.

Pursuant to the interpretation given by the French *Conseil d'État* in its administrative notice of June 27, 2002 on the criteria to qualify as non-EU investors, available on the website of the *Conseil Supérieur de l'Audiovisuel*, such foreigners cannot exercise their power over a company holding a license, even through a company that they indirectly control, it being understood that the term control means the holding of shares representing the majority in Ordinary Shareholders' Meetings, which is 50% of voting rights plus 1. Within this meaning, only a company which share capital is majority held by foreign non-EU entities could not hold more than 20% of the share capital of a French television company directly or indirectly.

However, according to another interpretation, both the text of the law itself and the preparatory works make clear that the legislator's intent was to prevent foreign non-EU entities exerting an influence over a company holding a French-language television service license. Within this interpretation, if foreign non-EU entities were to hold more than 20% of the share capital or voting rights of a company indirectly holding these licenses, by combining their interests, this could result in a breach of the abovementioned Article 40. As such, Canal+ Group, which is a wholly-owned subsidiary of Vivendi, and which owns 100% of the Société d'Édition de Canal Plus (SECP), is authorized to broadcast the channel Canal+. Not more than 20% of the share capital of the company holding this broadcasting authorization can be directly or indirectly held by a foreign, non-EU shareholder or by several foreign non-EU shareholders where their combined shareholding exceeds this threshold.

The analysis conducted by Vivendi and its counsel of this legal text and its interpretation given by the *Conseil d'État*, led to the conclusion that if non-EU foreign entities, by combining their interests, were to hold more than 20% of the share capital or voting rights in Vivendi, which indirectly holds this broadcast license, this situation could constitute a breach of the aforementioned Article 40.

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

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

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

In the film sector, the channel must dedicate 12.5% of its annual revenue to acquiring European films, including 9.5% for original French works.

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

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

Canalplay (pay-per-view video-on-demand and video-on-demand by subscription) is also subject to regulations governing audiovisual on-demand media services. A November 2010 decree imposes certain obligations in relation to investments in the production of audiovisual and film works and obligations in relation to offers made to consumers and advertising. There is also a December 2011 CSA decision on the protection of youths and the ethics and accessibility of programming.

Pursuant to the law of June 2009, media scheduling (which required films to be broadcast within a certain time period after their release) has been adjusted. Canal+ Group has implemented the agreement entered into on July 6, 2009 and extended by the order of July 9, 2009, which imposes the following requirements with respect to the timeframe for broadcasting films after their theater release:

- for films available via pay-per-view video-on-demand (primarily the Canalplay VoD service) and on DVD: four months minimum after theater release and three months for films which sold fewer than 200 tickets in their fourth week in theaters;
- for movie channels:
  - first period for release: ten months for an original broadcast if an agreement is entered into with film organizations (otherwise 12 months), and
  - second period for release: 22 months if agreed with the film organizations (otherwise 24 months);
- on unscrambled television channels and on other pay television channels:
  - 22 months if the channel contributes at least 3.2% of its revenue to film production,
  - otherwise 30 months; and
- for subscription on demand films (Canalplay):
  - 36 months.

1.6.1.7. Piracy

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

1.6.2.8. Competition

Canalsatellite/TPS Merger

On July 23, 2012, the French Competition Authority issued a new decision in which it approved the merger between Canalsatellite and TPS (after withdrawing approval in a decision on September 20, 2011). This decision made the merger between Canalsatellite and TPS subject to compliance with 33 injunctions, which were imposed for five years and renewable once. They primarily affect:

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

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

Acquisition of the Direct 8 and Direct Star Channels

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

TF1 and M6 filed an appeal before the *Conseil d'État* on the ground that the French Competition Authority's decision approving the acquisition of these two channels exceeded its powers. On December 23, 2013, the *Conseil d'État* annulled the Competition Authority's decision, ruling that it had not deliberated collectively on the version of the commitments contained in its decision of July 23, 2012. Further, with regards to the internal legality of that decision, the *Conseil d'État* ruled that the Competition Authority had erred in its assessment when it concluded that Commitment 2.2 would prevent the anti-competitive effects of the deal linked to restricting French film rights markets in the second and third unscrambled windows.

On January 15, 2014, Vivendi and Canal+ Group again provided notice to the French Competition Authority of the acquisition of the Direct 8 and Direct Star channels. On April 2, 2014, the Competition Authority again authorized the Canal+ Group acquisition of Direct 8, Direct Star, Direct Productions, Direct Digital and Bolloré Intermédia, subject to several commitments. The commitments of Canal+ Group in reference to French films were reinforced; the rest of the 2012 commitments remained the same.

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

Partnership in Poland

The Canal+ Group and the ITI and TVN groups entered into a strategic partnership agreement to combine their pay-TV channel packages in Poland to provide for the acquisition by Canal+ Group of a significant interest in the capital of TVN. This partnership was approved unconditionally by the Polish Competition Authority on September 14, 2012 and by the European Commission on November 30, 2012.

In March 2015, Canal+ Group, jointly with ITI Group, announced the sale of its controlling interest in TVN, the most important private premier television group in Poland, to Scripps Networks Interactive Inc.

This sale took effect in July 2015.

Competitive Environment in France

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

- new players that have entered the market and are offering premium content. These include Orange, which has positioned itself in the upstream market for the acquisition of audiovisual rights and in the intermediate market for the production and distribution of movie and drama channels ("OCS" channels); and Al Jazeera, which has substantial financial backing, recently launched the beIN sport channels, expanded its offer to a third channel, and offers a number of premium sports events. Lastly, there is the Altice group, which has acquired the rights to the Premier League, the most attractive premier football championship in Europe, for the 2016-2019 seasons;

- the proliferation of distribution platforms and technologies, such as connected TV;
- the development and enrichment of deals offered by Internet Service Providers (ISPs);
- new non-linear services offering quality and premium content in VoD and SVoD. Netflix, the world leader in SVoD services, strengthened its position on the French market in 2015. These new services represent real growth relays for ISPs in particular, insofar as they allow providers to rapidly build pay-TV offerings without the editorial or regulatory constraints resulting from the production of a television service; the arrival of other worldwide Internet players will be announced in the next few months;
- the growing attraction of these usages for consumers; the entry of - often global - ISPs into this market is thus favored. They now have a strong presence in the audiovisual production sector;
- the competitive pressure being exerted by the new group resulting from the merger of SFR and cable operator Numericable, which benefits from dual expertise in the development of fiber optic networks and pay-TV. Ultra high-speed Internet, which expands capacity in video and data flows, and allows this new group to propose an attractive offer, in terms of both quantity (more channels) and quality (including more HD channels, new VoD services, new interactive opportunities and opportunities for recommendations);
- the undeniable and growing success of DVB in France, which is helping drive radical change in the audiovisual landscape. It has significantly opened the market to a new wave of competition from producers in free television.

1.6.2.9. Research and Development

Canal+ Group's Research and Development (R&D) policy primarily focuses on innovation in new services, new uses and new technologies.

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

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

1.6.3. DIGITAL

As a key player in media, Vivendi directed its efforts to digital several years ago by investing in dynamic businesses which distribute content but also have an innovative approach to customer experience.

The recent acquisition of Dailymotion and the creation of Vivendi Village, a laboratory of ideas for digital, have supported the already remarkable digital rollout of Canal+ Group and UMG.

The diversity of these digital start-ups offers the possibility of developing innovative projects on the Internet, in particular by offering services complementary to the offerings of the Canal+ Group and UMG.

With its content bundling, ticketing, professional recommendation, video-on-demand service and digital radio activities, Vivendi Village has developed an original collaborative model, capable of broadcasting "digitally" the content and talents of the group.

1.6.3.1. Bundling of Video Content

Dailymotion is the leading French website worldwide in terms of traffic, with almost 3.5 billion videos viewed and 300 million users each month. This platform is the European leader in online hosting and sharing of videos. Dailymotion makes it possible to view, broadcast, search, store, share, comment and monetize videos on the Internet. The platform puts video creators in contact with the users viewing them, and with the advertisers which enable them to monetize their videos.

On June 30, 2015, Vivendi acquired 80% of Dailymotion, and the next month increased its interest to 90%.

Since then, Dailymotion has worked on implementing synergies with Vivendi's various subsidiaries. Significant video and musical content has been added to the platform. The Dailymotion audience has also increased 1.5 times since September 2015.

Dailymotion produces its own content via the Dailymotion studio (based in Paris), a place of support for new talents in online video. The studio is now an asset at the heart of the group's synergies and serves as an incubator of talents destined to be developed over all media.

Dailymotion is rolling out its new generation media player in order to offer creators and users one of the best possible viewing experiences. This media player improves three key functionalities: performance (new design, speed, and 100% responsive), circulation (more users reached), and customization (insertion of logo and choice of color of the media player).

The platform has also launched *Repost*, a new tool which enables its users to publish extracts of their favorite videos in order to broadcast them on Dailymotion and on social networks. This tool enables all users to reach wider audiences, with the views being credited by Dailymotion both to the user who uploaded the initial video and the person reposting it. Furthermore, through *Repost*, all advertising revenues generated are allocated to the creator of the initial video. *Repost* is put in place with the agreement of the legal beneficiary of the video: the tool can be deactivated at any time.

Dailymotion benefits from the status of "host" as defined by Directive 2000/31/EC of the European Parliament and Council of June 8, 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce).

Protection of the content of rights holders is an absolute priority for Dailymotion. In addition to the prompt removal, by teams available 24 hours a day, after notification of assumed illegal content, and which goes beyond any legal obligation it might have as a host, Dailymotion has put in place several "fingerprinting" or digital recognition solutions in order to best protect the rights holders.

Research and Development is at the heart of the growth strategy of Dailymotion, which this year doubled its investments compared to 2014.

In practice, this has resulted in a notable technical improvement of the platform, which launched innovative and high-performing products in 2015: new media player, presence on the new Apple TV, launch of *Repost*, improvements on all mobile applications, as well as availability in new languages such as Malay to attract a growing Asian audience.

1.6.3.2. Ticketing

Vivendi Ticketing is a ticketing service present under the See Tickets brand in the United Kingdom and the United States, and under the Digitick brand in France.

Vivendi Ticketing offers the best service to its customers at the best price, and now supports more than 20,000 cultural and sporting events. It offers a full range of services including retail sales, installation of software, marketing and online service. Vivendi Ticketing will continue to strengthen its reach in North America, where opportunities are likely to present themselves in 2016.

In 2015, Vivendi Ticketing experienced several highlights:

- Digitick exclusively provided the ticketing for the Vieilles Charrues festival in Brittany, which brought together 240,000 festival-goers; access to and security for the festival were supervised by Digitick;
- See Tickets broke a sales record with 120,000 tickets sold in only 30 minutes for the 2016 Glastonbury Festival;
- the US subsidiary of See Tickets sold tickets for the L Festival-Féria Cultural Latino Americana, attracting 30,000 people to California;
- the Digitick.com website welcomed 20,000 visitors simultaneously for the sale of tickets to the Adele and Insus concerts.

In France, Digitick developed white label ticketing linked to the artists' websites. The first artists to benefit from white label ticketing, which is accessible directly from the official websites, were Louane, Kendji Girac, Michel Polnareff and Emmanuel Moire.

1.6.3.3. Professional Recommendation

The peer-to-peer professional recommendation platform Wengo was renamed MyBestPro in June 2015. MyBestPro's ambition is to create the leading peer-to-peer professional recommendation label. The company has collected 500,000 customer reviews, and has an audience of 5 million visitors each month on its websites, and 15,000 downloads of the application RDVmedicaux.

MyBestPro continues to be present in the five key markets of education, law, coaching, health and home services, and offers immediate access to a network of 30,000 available professionals throughout France:

- JuriTravail, France's premier website for legal matters, provides free legal information, assistance forums and legal advice over the phone. In 2015, JuriTravail opened new premises in La Rochelle and recruited 23 legal experts responsible for interacting with web users;
- Wengo now regroups all activities linked to expert advice by telephone and on the Internet around key themes including fitness, health and psychology. The platform has received a positive response in the group's channels and has created many partnerships for the coming year;
- DevisPresto ranks third in French websites which specialize in providing cost estimates for various construction works and services. The DevisPresto platform puts private individuals who wish to carry out construction works in contact with the 5,000 subscribing contractors;
- Bordas is the first educational support network provided exclusively by graduate teachers. The site www.bordas.com enables the families of school students to contact teachers;
- Finally, the platform RDVmedicaux offers a list of physicians and specialists to persons seeking to make an appointment. It is possible to check their availability and make an appointment directly online. More than 30,000 appointments are made each month and the application was downloaded 15,000 times in 2015.

1.6.3.4. Subscription to Video-on-Demand

Watchever is a SVoD platform based in Berlin, Paris and Marseille, targeted at the German market. The site provides its users with a large catalog of local and international content, made up of thousands of movies and shows on an ad-free basis. Watchever offers content in its original version with German subtitles, in most cases in high definition, and available on different hardware: PC, smart TV, games consoles, Apple TV. The platform enables users to customize the viewing and recommendation parameters, and also the security parameters (including those relating to parental control).

Watchever seeks to distinguish itself by expanding its catalog to include niche programs targeted at an audience of cinema-lovers in addition to its library of successful works. Watchever relies on a system of recommendation and on social networks to broaden its catalog. At the same time, the company has entered into a partnership with Canal+ Group and provides its users with 500 Studiocanal movies.

At the end of September 2015, Watchever modernized its platform with a new presentation, enhanced content, and new functionalities. This new version enables access to content via 25 special-interest channels and offers customized navigation, with access to customized offering.

1.6.3.5. Digital Radio

The digital radio platform Radionomy joined Vivendi Village in December 2015. Radionomy enables web users to create their own digital radio stations, which they can then broadcast, promote and monetize. More than 57,000 digital radio stations have been created throughout the world.

With Radionomy, Vivendi adds digital radio to its activities and thus reinforces its presence on the value chain of content, from the discovery of talent to the production and distribution of content.

In 2014, Radionomy won the "Best Global Digital Strategy" prize, awarded at the RAIN summit (bringing together all players in digital radio). This prize rewarded the innovation and adaptability shown by Radionomy in developing its activities.

1.6.4. LIVE

Vivendi's Live events, which are part of the activities of Vivendi Village, enable Vivendi to ensure the representation of artists on stage in France, with L'Olympia and the Théâtre de l'Œuvre, and overseas with the network of CanalOlympia venues and Abbey Road Studios.

1.6.4.1. Theaters in France

L'Olympia

As an emblematic setting for Parisian shows, L'Olympia has consolidated its position as a renowned music hall venue. In 2015, L'Olympia hosted 284 shows and has maintained stable levels compared to those of 2014, in spite of the events of November 2015.

The theater is continuing its mission to discover talent by developing new initiatives targeted at young artists. "*Mon premier Olympia*", produced with OFF.tv and broadcast on Dailymotion, is the perfect illustration of this desire to give talented youngsters more exposure (Fakear, Louane, Kendji Girac…). By opening up L'Olympia stage to youth, the theater is targeting a new audience and becoming more of a partner for these talented artists.

Continuing in this effort, L'Olympia has launched various projects. 28 boulevard des Capucines will serve as a dance floor for the venue's electro music events ("Olympia by Night"), where the stage will host festivals and famous DJs. The first event will take place in April 2016.

Lastly, since 2015, L'Olympia has organized tours for the general public. Given the success of this event, they are expected to continue in 2016.

The Théâtre de l'Œuvre

A new theater was added to Vivendi Village in 2015. The Théâtre de l'Œuvre will be a venue dedicated to talent, but will remain an important venue for Parisian theater.

From September 2016, Vivendi will be responsible for the scheduling of the theater alongside François-Xavier Demaison, who owns 5% of the venue.

1.6.4.2. Venues Elsewhere in the World

CanalOlympia

Around ten cinema theaters and venues, called CanalOlympia, are opening in West and Central Africa in 2016. Dedicated primarily to cinema, the venues can house several thousands of people for concerts held outdoors.

The scheduling of the theaters is based on the assets of the group around the Canal+ and UMG brands, which will pool their content and expertise to serve culture and entertainment.

Abbey Road Studios

The most emblematic studios in London, made famous by the Beatles, have belonged to UMG since 2011. This renowned music venue remains the preferred recording studio for artists all over the world. Abbey Road Studios also transform into a venue for shows. In April 2016, they will host French comedian Gad Elmaleh and English comedian Eddie Izzard, for a *Frenglish Night*.

1.7. Holdings

1.7.1. TELECOM ITALIA

On June 24, 2015, Vivendi became the largest shareholder of Telecom Italia, the leading fixed-line and mobile operator in Italy. In accordance with the option given to it at the time GVT was assigned to Telefonica, Vivendi exchanged 4.5% of the share capital of Telefonica Brasil for 1.11 billion ordinary shares of Telecom Italia (8.24% of its share capital). Vivendi consolidated this investment by acquiring 6.66% additional shares in Telecom Italia, raising its interest in the Italian company to 14.9%.

As of December 31, 2015, Vivendi held 21.39% of its ordinary shares. In its capacity as main shareholder, Vivendi obtained four seats on the Board of Directors of Telecom Italia made up of three representatives of the group and one independent member.

As of March 10, 2016, Vivendi held 24.9% of Telecom Italia ordinary shares.

1.7.2. TELEFONICA

On July 29, 2015, after having entered into an agreement with Telefonica relating to the exchange of 58.4 million of its Telefonica Brasil preferred shares (representing 3.5% of its share capital) for 46.0 million Telefonica ordinary shares, Vivendi held 0.95% of the share capital of the Spanish telecoms operator.

1.7.3. MARS FILMS

On September 29, 2015, Vivendi acquired a 30% interest in the share capital of Mars Films, one of the leaders in cinema production and distribution in France. One of the films Mars Films is known for is *La Famille Bélier* in 2014.

1.7.4. UBISOFT AND GAMELOFT

On October 14, 2015, Vivendi acquired interests in French video game companies Ubisoft and Gameloft, of 6.6% and 6.2%, respectively.

By year-end 2015, Vivendi had progressively increased its interest in both companies to 13.98% of the share capital of Ubisoft and 28.65% of the share capital of Gameloft.

As of March 10, 2016, Vivendi held 15.90% of the share capital of Ubisoft and 29.86% of the share capital of Gameloft.

1.7.5. BANIJAY GROUP

On November 10, 2015, Vivendi announced that it was acquiring a 26.2% interest in the share capital of the production company formed from the merger between Banijay and Zodiak Media. Finalized on February 23, 2016, this merger gave rise to the Banijay Group, the third-largest actor in the production of television programming in the world.

1.8. Operations Sold

1.8.1. NUMERICABLE-SFR

On November 27, 2014, Vivendi sold 80% of SFR – the second-largest telecommunications operator in France – to Altice-Numericable for €13.166 billion in cash.

In 2015, Vivendi continued its divestiture by selling the remaining 20% of SFR to the Altice group, thus finalizing the sale of its activities in the group.

On May 6, 2015, Vivendi received from Numericable-SFR an initial cash payment of €1.8 billion, net of the price adjustment of €116 million linked to the debt of SFR at end-November 2014. A second payment of €1.9 billion was received on August 19, 2015.

1.8.2. GVT

On September 18, 2014, Vivendi signed a final agreement with Telefonica for the sale of GVT, its Brazilian telecommunications subsidiary, for an enterprise value of €7.5 billion.

This transaction was completed on May 28, 2015. In total, Vivendi received €4.2 billion before taxes, estimated at €0.6 billion, including the reimbursement of shareholder loans made to GVT by Vivendi.

1.8.3. TVN

On July 1, 2015, Canal+ Group and ITI Group sold the whole of their 52.7% controlling interest in TVN, the leading private television group in Poland. The cash consideration received by the ITI Group and Canal+ Group for this transaction amounted to €584 million.

1.8.4. TELEFONICA BRASIL

On July 30, 2015, Vivendi sold 67.9 million preferred shares in Telefonica Brasil (4.0% of the share capital) for an amount of US$877 million. This operation was carried out after first converting the shares into American Depositary Receipts (ADR), resulting in the sale by Vivendi of all its equity interests in Brazil.

1.8.5. ACTIVISION BLIZZARD

On January 15, 2016, Vivendi sold its shares in Activision Blizzard representing 5.7% of the share capital of the video game producer. All of Vivendi's Activision Blizzard shares were sold for US$1.1 billion (approximately €1 billion).

For further details on the businesses sold, please refer to Note 2 to the Consolidated Financial Statements of the Financial Report in Chapter 4.

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SECTION 2
FINANCIAL COMMUNICATION AND REGULATORY ENVIRONMENT

2.1. Financial Communication and Performance

2.1.1. INVESTMENT POLICY

To continue creating value, the group needs to improve its results which will require investment and innovation. In furtherance of this, Vivendi selects investment projects based on several criteria:

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

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

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

2.1.2. FINANCIAL COMMUNICATION POLICY

2.1.2.1. Objectives and Means of Vivendi's Financial Communications

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

Vivendi's Investor Relations department is continuously engaged in dialog with analysts at brokerage firms and investment funds with whom it maintains a close relationship. It also provides a continuous stream of information and updates on the the Investors / Analysts section of the www.vivendi.com website, which is aimed primarily at institutional investors.

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

A total of 546 events (including roadshows, investor conferences, analyst meetings and meetings at Vivendi's head office or at the offices of its subsidiaries), taking place in Europe and the United States, were organized in 2015. These were opportunities for executives from Vivendi and its subsidiaries to meet representatives from 382 financial institutions and present to them, the group's results as well as the outlook.

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

2.1.2.2. Communication with Individual Shareholders

Vivendi currently has 284,000 individual shareholders, holding 4.9% of its share capital (together, employee shareholders hold 3.3%). Specific information is disclosed to them in their capacity as employee shareholders. The priority of Vivendi's Individual Shareholders' Information department is to give the group's shareholders close and constant support, provide them with information and understand their expectations. Vivendi has implemented several means of communicating with shareholders.

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

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

The Club offers a broad range of activities:

- "*Jeudi, c'est Vivendi*" themed meetings whose purpose is to provide shareholders with an insight into the group's businesses. In 2015, these meetings focused on music streaming from UMG, Canal OTT, Dailymotion and Vivendi Village, and Vivendi's corporate social responsibility policy. These meetings are held in Paris and the rest of France;

- financial meetings held outside Paris in partnership with another group listed on the French CAC 40 index. Taking place six times a year, Vivendi discusses its strategy, outlook and results at these meetings;
- training meetings with the *École de la Bourse*. In 2015, these meetings covered the topics "The reasons for being a shareholder in 2015" and "How to be properly informed about listed companies" (through visits to the Palais Brongniart in Paris);
- visits to the Garnier and Bastille Operas, to L'Olympia, live broadcasts of operas and ballets (Paris, Bordeaux, Lyons, Orléans and Nantes), premiere screenings of films produced by Studiocanal (Paris and Lille), and entertainment offered by the partner associations of *Create Joy*, Vivendi's solidarity program (concerts by the Jeunes Talents associations and the Orchestre Palais Royal, and films at the Forum des Images).

The group's website has a specific section dedicated to individual shareholders with pages on "Shareholders' Meetings", "In pictures", "Shareholders' Newsletters", "Shareholders' Committee", "Agenda", "Press Releases", "Shareholders' Club", "Shareholders' Booklet", "Stock Market Prices" and "Contact us".

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

2.2. Insurance

Vivendi holds centralized insurance coverage for its own risks and the risks of its subsidiaries. Within this framework, plans have been established by the group's Insurance department with major French and international insurers. These policies are subject to regular competitive bidding to allow the group to benefit from optimal technical and financial terms. Local contracts are used for coverage of certain risks specific to Universal Music Group in the United States.

These insurance plans supplement the group's risk management policy. With respect to the Property Damage / Business Interruption plan, regular inspections of the group's main facilities, in France and abroad, are performed by the insurers, allowing them to better assess the risks covered, and enabling Vivendi to optimize the terms on which it negotiates the corresponding insurance policies. This risk management policy also includes plans for resuming operations or 'rescue' plans in the event of accidents having an effect on an essential component of a particular business. There are also environmental protection measures in place.

The main insurance policies contracted by Vivendi include, among others, those covering property damage and business interruption, civil liability and workplace accidents.

2.2.1. PROPERTY DAMAGE AND BUSINESS INTERRUPTION

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

2.2.2. CIVIL LIABILITY

Insurance policy programs to cover civil liability in the course of business operations as well as product liability for the entire group have been secured for €180 million per year in total aggregate coverage.

2.2.3. WORKPLACE ACCIDENTS

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

2.3. Investments

Vivendi's main investments and divestments include acquisitions or disposals of financial investments, as described in Note 2 to the Consolidated Financial Statements, as well as investments in capital expenditure and content, described in Note 3 and Note 10 to the Consolidated Financial Statements, respectively.

The impact of these investments and divestments on Vivendi's financial position is described in Section 2 of the Financial Report, and the impact of the investments in content and capital expenditure on Vivendi's financial position is described in Section 2.3 of the Financial Report.

Moreover, the contractual commitments made by Vivendi for the acquisitions of financial investments, as well as investments in capital expenditure, are described in Note 22 to the Consolidated Financial Statements. The distribution and breakdown of capital expenditure per business are presented in Note 3 to the Consolidated Financial Statements.

2.4. Seasonality of Group Businesses

The activities of Vivendi's subsidiaries are relatively seasonal in nature. Sales volumes are higher during the last quarter, which is when UMG achieves almost 50% of its sales. Nonetheless, results are spread over the full year as a result of regular launches of products and services (e.g., films, albums and sale of seats at events).

As regards pay-TV, the revenues of the Canal+ Group are more consistent since they depend on subscriptions. Sales are however more significant at the beginning of the school year in September and over the end-of-year holiday season. In addition, major sporting events such as the Rugby World Cup have had an impact on the volume of subscriptions.

Seasonal variations are not really noticeable in the case of business activities linked to the customer experience or the business units involved in live events.

2.5. Raw Materials Used for the Group's Operations

The main raw materials used by Vivendi's subsidiaries are:

- paper for product packaging at UMG and the Canal+ Group;
- polycarbonates for producing CDs and DVDs at UMG and the Canal+ Group.

Paper and polycarbonates are not subject to price variation that could have a significant impact on the Canal+ Group's activities. For its part, UMG has signed various contracts with its suppliers protecting it against price fluctuations in its raw materials.

In general, the activities of Vivendi's subsidiaries are not dependent on suppliers of raw materials.

SECTION 3
RISK FACTORS

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

Legal Risks

RISKS ASSOCIATED WITH REGULATIONS APPLICABLE TO THE GROUP'S OPERATIONS

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

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

In addition, certain operations of the group are dependent on obtaining or renewing licenses issued by regulatory authorities, (in France, the French Broadcasting Authority, *Conseil Supérieur de l'Audiovisuel*). The process of obtaining or renewing these licenses can be long, complex and costly. It should be noted that Article 40 of law 86-1067 of September 30, 1986 on freedom of communication provides that not more than 20% of the share capital of a company licensed as a French-language television service provider can be held, directly or indirectly, by foreign, non-EU entities. As such, Canal+ Group, a wholly-owned subsidiary of Vivendi that holds 100% of Société d'Édition de Canal Plus (SECP), is authorized to broadcast the Canal+ channel. Not more than 20% of the share capital of the company holding this broadcasting license can be held, directly or indirectly, by a foreign, non-EU shareholder or by several foreign, non-EU shareholders if their combined interest in the share capital of the company exceeds this threshold. The analysis which was carried out by Vivendi and its legal advisers, of this law and of its interpretation by the *Conseil d'État* (in its Administrative Notice of June 27, 2002), has led them to conclude that if the combined interest of non-EU foreign shareholders exceeds 20% of the share capital or voting rights of Vivendi, which indirectly holds this broadcasting license through its Canal+ Group subsidiary, this could constitute a violation of Article 40. Vivendi's ability to achieve its strategic objectives may be impaired if it is unable to obtain or retain in a timely manner the licenses required to conduct, continue or expand its operations. For a detailed description of the regulatory environment in which the group operates, see Section 1 of this chapter.

LITIGATION RISKS

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

For a description of the main disputes and investigations in which the group is involved, see Note 23 to the Consolidated Financial Statements (Chapter 4 of this report).

Vivendi recognizes a provision each time a risk is identified, seems likely to materialize and is either quantifiable or can be estimated with reasonable accuracy. At any time during a legal proceeding, events may occur which result in a reassessment of the risk. With the exception of the main legal proceedings and investigations described in Note 23 to the Consolidated Financial Statements (Chapter 4 of this report), Vivendi considers it unlikely that current legal proceedings will have a material negative impact on the group's financial position.

RISKS ASSOCIATED WITH VIVENDI'S COMMITMENTS

Vivendi and its subsidiaries have made a number of conditional commitments, the most important of which are described in Note 22 to the Consolidated Financial Statements (Chapter 4 of this report). Some of these commitments are unlimited in their duration or amount. If Vivendi has to make a payment to satisfy one or more of these commitments, this could have a negative impact on its financial results and financial position.

Risks Associated with the Group's Operations

RISKS ASSOCIATED WITH PIRACY AND COUNTERFEITING

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

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

Section 1 of this chapter contains a detailed analysis of piracy issues and measures taken by each of the group's business units to combat it.

RISKS ASSOCIATED WITH INFRASTRUCTURE, SERVICE PLATFORMS AND DATA PROTECTION

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

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

RISKS ASSOCIATED WITH INTENSIFIED COMMERCIAL AND TECHNICAL COMPETITION

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

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

RISKS ASSOCIATED WITH THE LACK OF COMMERCIAL SUCCESS OF RECORDED MUSIC, FILMS AND CONTENT PRODUCED, PUBLISHED OR DISTRIBUTED BY THE GROUP

The production and distribution of content represents a significant proportion of Vivendi's revenues. Its commercial success will depend on how the public responds to such content, which cannot always be predicted, on the existence and success of competing offers, and on the general economic environment.

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

RISKS ASSOCIATED WITH THE CONDUCT OF OPERATIONS IN VARIOUS COUNTRIES

Vivendi conducts its operations in different markets in more than 100 countries. The main risks associated with conducting its operations internationally are as follows:

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

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

INDUSTRIAL OR ENVIRONMENTAL RISKS

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

RISKS ASSOCIATED WITH THE CURRENT ECONOMIC AND FINANCIAL SITUATION

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

Each year, Vivendi conducts depreciation tests on the value of its purchased assets, and those which have a finite or infinite operating life, in order to assess whether the book value of the assets exceed their recoverable value. The current economic environment could lead Vivendi to record depreciation losses on such assets (see Note 9 to the Consolidated Financial Statements (Chapter 4 of this report).

MARKET RISKS

For a detailed analysis of market risks (interest rates, foreign exchange rates, market liquidity and stock prices), see Notes 12, 14 and 19 to the Consolidated Financial Statements (Chapter 4 of this report).

Societal, Social and Environmental Information

SECTION 1
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Vivendi has integrated its CSR policy into its strategy and governance, since CSR fully contributes to the group's value creation.

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

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

1.1.1. INNOVATIVE POSITIONING IN THE MEDIA SECTOR

As a key player in the media sector, Vivendi differentiates itself through its approach and contribution to sustainable development. Through its businesses, the group enables present and future generations to:

- satisfy their need to communicate;
- develop their talent;
- feed their curiosity; and
- encourage intercultural living together and dialog.

As a creator, publisher and distributor of content, the group exerts a human, intellectual and cultural influence. By setting the standard in the area of responsibility of companies in the media and culture industry as early as 2003, Vivendi has defined its CSR "core" issues directly linked to the core focus of its activity and related them to human rights (see Chapter 1, Section 1.5.4).

This approach was applauded by the Worldwide Movement for Human Rights (FIDH), which, in November 2014, added Vivendi to its *Libertés et Solidarité* socially responsible investment fund (*Sicav*), a fund managed by Banque Postale Asset Management since 2001. In particular, FIDH recognized "the innovative efforts undertaken by Vivendi to understand, measure and improve its impact on human rights." FIDH noted that "establishing and reporting on indicators measuring the impact on human rights of the content distributed by Vivendi is especially innovative." FIDH also encourages Vivendi to continue its efforts and to pursue its policy in relation to dialog.

Vivendi bases its social responsibility on four strategic "core" issues which are directly linked to the group's operations:

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

Promoting Cultural Diversity

The group aims to promote cultural diversity as a growth driver and as a pillar of social cohesion. It therefore shares the vision of the United Nations Educational, Scientific and Cultural Organization (UNESCO) which, in its 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, stated that cultural diversity is "a

INTEGRATING CSR INTO THE GROUP'S GOVERNANCE AND STRATEGY

2003

- **Definition of CSR strategic "core" issues related to content production and distribution:**
  - promotion of cultural diversity,
  - empowerment and protection of young people,
  - knowledge sharing.
- **CSR Committees composed of subsidiaries and of civil society representatives.**
- **Report from the Statutory Auditors on the procedures for reporting social and environmental indicators.**

mainspring for sustainable development for communities, peoples and nations". Encouraging diversity in musical, audiovisual and cinematographic creation, promoting local talent and showcasing cultural heritage – these objectives are shared by all the group's business units (see Chapter 1, Section 1.5.5).

Empowering and Protecting Young People

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

Fostering Knowledge Sharing

Due to the international nature of its businesses, leaders in their respective markets, the group has a duty to guarantee quality and pluralism of content, to facilitate access to content services and media, and to raise public awareness on sustainable development issues.

Reconciling the Valuation and Protection of Personal Data

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

1.1.2. THE EIGHT PRIORITY ISSUES OF VIVENDI'S CSR POLICY

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

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

Vivendi makes its commitments clearly visible to all its stakeholders: customers, employees, shareholders, suppliers, public authorities, artists, and civil society as a whole. For a detailed description of these eight priority issues, please refer to Section 3 of this chapter and the CSR section of Vivendi's website (www.vivendi.com). This section includes all of Vivendi's extra-financial indicators for fiscal year 2015 as well as cross-referencing tables setting forth the various references used, including the Global Reporting Initiative (GRI) and its Media Sector Supplement (MSS), the French Grenelle II Law, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

2004

- **Elaboration of the Protocol for reporting** societal, social and environmental indicators.
- **Definition of societal indicators** related to Vivendi's three CSR strategic "core" issues.

2005

- **Investor survey to achieve a deeper understanding of their expectations regarding Vivendi's CSR policy:** an initiative described as "original" and "proactive" by the financial community.
- **Vivendi's participation in the UNESCO Global Alliance for Cultural Diversity / Launch of a training program for Malian sound engineers in Bamako in partnership with UNESCO.**
- **Tunis World Summit on the Information Society:** Vivendi participates and shares its contribution to sustainable development as a group producing and distributing content.

The group renewed its listing on the main SRI (Socially Responsible Investments) indices: the FTSE4Good Global and FTSE4Good Europe (FTSE), the Global and Europe Ethibel Excellence (Ethibel) investment register, the Thomson Reuters CRI Europe ESG Index (Thomson Reuters), the EuroNext Vigeo Eurozone 120 and Europe 120 (Vigeo), and several indices established by Stoxx.

In the Global 100, Vivendi ranks number eleven among the French companies, and is the only French media company in the ranking (January 2016). Out of 4,353 global variables, the Global 100 identifies the 100 companies with a "best in class" CSR approach and strong financial performance. Vivendi was also ranked second among the European companies in the media sector by the extra-financial rating agency Vigeo (January 2015). In 2013, Vivendi was positioned third in the latest ranking of the companies in the CAC 40 in relation to taking into account the "Children's Rights and Business Principles", established in 2012 by UNICEF, the United Nations Global Compact and the Save the Children NGO.

By including its CSR strategic issues in the group's governance (see also Section 1.1.3), Vivendi enhances its global performance through the value it helps to create for society.

1.1.3. AN INTEGRATED REPORTING PROCESS ILLUSTRATING THE CREATION OF SHARED VALUE

Vivendi highlights the materiality of its CSR (corporate social responsibility) issues directly related to the group's activities, which have an influence on millions of customers and citizens. Societal priorities are, indeed, a primary focus of the company's concerns and commitments. In a highly competitive international environment, it is important for Vivendi to maintain a high standard for innovation, not only in its ability to discover and promote talent, in its offers of services and musical, cinematographic or audiovisual content, but also in its vision and its responsibility to society. The media and cultural industries sector, which helps revitalize the economy, also contributes to the harmonious development of the planet and to intercultural living together.

Driven since 2003 by the determination to combine CSR and value creation through the choice of its strategic issues and its positioning, Vivendi has pursued this dynamic by involving the different functional divisions of its corporate headquarters and its subsidiaries in this process over the years.

The decision to experiment, in part, with the International Integrated Reporting Council (IIRC) reference framework and formalization proposed by it, is consistent with Vivendi's ongoing determination to integrate its corporate social responsibility (analysis of risks and opportunities, dialog with stakeholders, support for change) with a view toward overall performance.

In 2013, the launch of the integrated reporting pilot project, devoted to cultural capital, made it possible to involve the Finance Directors (headquarters and subsidiaries) more directly in this reflection process. Indicators establishing the link between investments in content diversity and profitability were selected, then examined by analysts representing the investors (Amundi, Groupama AM, Oddo Securities). The results showed that the production of rich, culturally diverse musical, cinematographic and audiovisual content satisfies general interest (societal value) and offers the group a competitive advantage over its competitors (financial value).

Broadened in 2014 to an international scope and presented in an integrated analysis of the strategy, this pilot project gave rise in 2015 to a more in-depth analysis of Vivendi's contribution to the promotion of human rights in its business sector and to the group's creation of value, benefitting its various stakeholders (see Chapter 1, Section 1.5).

INTEGRATING CSR INTO THE GROUP'S GOVERNANCE AND STRATEGY (CONTINUED)

2006

- **Launch of CSR investor road shows** by the Investor Relations and CSR departments.
- **Launch of cycle of CSR meetings between the Chairman of the Management Board and civil society representatives.**

2007

- **Analysis of CSR risks by the Risks Committee** (reputational, operational and regulatory risks).

2008

- **Signing of the United Nations Global Compact:** Vivendi integrates its CSR strategic "core" issues into the first principle related to human rights.
- **Verification of the CSR information by the Auditors.**
- **Vivendi's Data and Content Protection Charter.**

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

1.2.1. CROSS-MOBILIZATION

The CSR department reports to the Chief Operating Officer, who is a member of Vivendi's Management Board.

In accordance with its internal rules, the Supervisory Board regularly examines the group's corporate social responsibility policy. The Management Board informs the Supervisory Board of CSR policy results in a quarterly Activity Report. The Corporate Governance, Nominations and Remuneration Committee assesses in more detail the achievement of the CSR objectives included in the variable compensation of the group's senior executives, and calculates the corresponding bonus. The Audit Committee reviews the group's CSR policy twice a year.

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

- assisting in defining the CSR criteria used to determine the variable compensation of senior executives, in conjunction with the Human Resources department and the Management Board;
- working with the Finance department to manage the integrated reporting process;
- organizing CSR road shows for investors, together with the Investor Relations department;
- mapping the risks relating to CSR, together with the Audit department which, in 2015, introduced CSR into the letter certifying the annual financial statements by the general management of the principal businesses applying the COSO (Committee of Sponsoring Organizations of the Treadway Commission) principles;
- disseminating the Compliance Program in conjunction with the Legal department; and
- maintaining regular constructive dialog with the subsidiaries' functional departments (CSR, Legal, Finance and Human Resources) to implement the CSR policy within the group.

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

The topics "Human Rights and Business Relationships" and "Environmental Footprint of Models for the Distribution and Consumption of Musical and Audiovisual Content" were the focus of the meetings of this Committee in 2015, and were linked to discussions about the proposed French legislation on the "duty of vigilance" of companies vis-à-vis their subsidiaries and their suppliers, and to issues surrounding the International Climate Conference (COP 21).

1.2.2. CSR CRITERIA INTEGRATED INTO THE VARIABLE COMPENSATION OF SENIOR EXECUTIVES

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

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

The extra-financial rating agency Vigeo Eiris assists the group in this process. Vigeo Eiris delivers an opinion on the relevance of the selected criteria and the associated indicators, and then issues an opinion on the achievements by the subsidiaries compared to their initial objectives. The Corporate Governance, Nominations and Remuneration Committee of the Supervisory Board assesses the performance of senior executives in relation to each CSR criterion and calculates the corresponding bonus percentage.

2009

Global Reporting Initiative™ — EMAS

- **Global Reporting Initiative (GRI):** Vivendi is a founding member of the media sector working group, and the only French company.
- **EMAS environmental certification of Vivendi's headquarters,** renewed in 2012 and 2015.

2010

- **Variable compensation for senior executives: integration of CSR objectives** based on societal criteria related to the CSR strategic "core" issues. Vivendi is the first CAC 40 company to include societal objectives of this type.

2011

- Founding member of the "**CEO Coalition to make the Internet a better place for kids**", an initiative of the European Commission.
- **Vivendi is the first winner of the prize awarded by the Forum for Responsible Investment.** Its performance is evaluated on the basis of integration of sustainable development issues into corporate governance.

In 2015, the senior executives achieved most of the objectives, and even exceeded some of them. The amount of compensation which is contingent on reaching these objectives can account for up to 10% of variable compensation. The objectives in question applied to 1,102 senior executives in Vivendi's subsidiaries and headquarters.

Below are a few examples of the objectives set for fiscal year 2015 for each of the following strategic issues:

- promoting cultural diversity:
  - commitment by Canal+ to promoting local talent globally and to further increasing the inclusion of women experts on air as guests;
  - empowerment by UMG of local talent in emerging and developing markets;
- empowering and protecting young people:
  - commitment by UMG to establish a forum bringing together the most important five countries in terms of revenues. The purpose of the forum is to develop a guide to best practices in order to classify video clips by age rating or content descriptor and then to initiate dialog, including with business partners, to roll out the guide;
  - promotion of this guide to best practices in these five countries; and
- valuating and protecting personal data:
  - commitment by UMG to expand employee training on the topic of personal data protection beyond employees working in the Legal, Customer Relations or Marketing departments who have already undergone training ; and
  - providing specific training for Canal+ customer relations advisers.

1.2.3. EXTRA-FINANCIAL REPORTING AS A MANAGEMENT TOOL

Vivendi has built an innovative extra-financial reporting process that clearly shows the group's CSR positioning, opportunities, and risks to stakeholders. The indicators, grouped together in the Reporting Protocol for Environmental, Social and Societal Data of the Vivendi Group Companies, created in 2004, are linked to relevant and material issues.

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

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

Vivendi followed the same innovative approach when implementing the French Grenelle II law, by providing societal data in connection with "human rights" themes specific to the content industries.

The Reporting Protocol is subject to an annual updating process which also serves as an opportunity to exchange views with the subsidiaries. This process enables the group to further improve on the definitions of the monitoring indicators so they can be better understood by contributors of the different business units. It also helps to adapt to any strategic changes made by Vivendi. The Reporting Protocol meets the reporting requirements of Article 225 of the French Grenelle II law and includes the Media Sector Supplement of the GRI, to which Vivendi actively contributed. A Steering Committee made up of members of the Management Board and functional departments (Legal, Human Resources, and CSR) regularly evaluates changes and improvements to reporting within the group.

The Statutory Auditors assessed the relevance and materiality of the indicators and extra-financial information identified and defined in Vivendi's Reporting Protocol. For fiscal year 2015, one-third of this data is presented in this chapter of the Annual Report and was audited by Ernst & Young (see Section 4.2).

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

INTEGRATING CSR INTO THE GROUP'S GOVERNANCE AND STRATEGY (CONTINUED)

2012

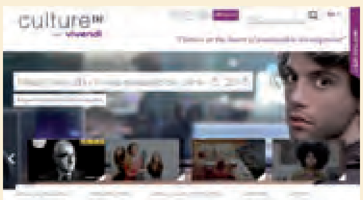
culture(s) with vivendi

- **Launch of the *Culture(s) with Vivendi* website.**
- **Inclusion of extra-financial indicators in the Annual Report** (Grenelle II Law).

2013

- **Development of the integrated reporting pilot project** ("creation of societal and financial value linked to cultural capital").
- **Launch of Vivendi's CSR web radio, *Vivoice*.**
- **First works of Vivendi on the role of women in artistic creation.**

VIVOICE
Vivendi's CSR webradio



1.2.4. DIALOG WITH ALL THE GROUP'S STAKEHOLDERS

As part of its corporate social responsibility (CSR) policy, Vivendi maintains regular and constructive dialog with all its partners: investors and analysts, representatives of national, European and international institutions, professional organizations, the academic world and NGOs. In particular, Vivendi contributes to proposals made by the UNESCO chair "To move forward in sustainable digital development" and takes part in the discussions of the French Digital Council, in the work of the Sustainable Finance Commission of Paris Europlace, in the discussions of the International Integrated Reporting Council (IIRC), and also in the European Youth Parliament's workshops.

Vivendi also participates in the ministerial committee for gender equality set up in France by the Ministry of Culture. The group is a founding member of the French Study Center for Social Responsibility (ORSE), and of the CSR Media Forum. It also contributes to the work of the French Institute of Directors (IFA) on the role of the Board of Directors to address CSR. Moreover, Vivendi and Sciences Po have entered into a partnership the aim of which is to foster public debate on corporate social responsibility in the media and cultural industries sector.

In 2015, the Chair of Vivendi's Management Board organized a meeting with representatives of civil society (institutions, artists, financial community, start-ups and the academic world) to discuss the responsibility of the different players in relation to cultural diversity.

Because discussions with stakeholders bring new ideas and suggestions to any group that keeps abreast of its partners' concerns, the CSR department has created two innovative digital tools: the website *Culture(s) with Vivendi* and the CSR web radio *Vivoice*.

Through powerful testimonials from international personalities and the richness of contributions, the website *Culture(s) with Vivendi* has actively pursued its objective of showing all the ways in which the cultural industries and the media sector have a role to play in fostering economic growth, strengthening social cohesion, encouraging intercultural living together and promoting innovation. The website also showcases the wide array of artists signed by the group and the different professions within the media sector. In 2015, the site featured more than 60 new videos, articles and portraits of artists.

Among the "Artist Inspirations", the portraits of Calogero, Henri Langlois, Asaf Avidan and Martin Scorsese are worth noting. Singer-songwriter and composer Alex Beaupain, conductor Zahia Ziouani, documentary producer Carole Bienaimé-Besse, opera singer Julie Fuchs and Olivier Nusse, formerly CEO of the Mercury and Decca Records labels (classical and jazz) in France, are some of the professionals who granted *Culture(s) with Vivendi* an interview to talk about their professions on camera.

The "Intercultural Dialogue" section of the website, which invites visitors to discover other cultures so as to encourage a spirit of open-mindedness, has recorded the stories of South African soprano Pumeza Matshikiza, the Malian maestro of kora Ballaké Sissoko, and Amina Taha Hussein-Okada, head curator of the National Museum of Asian Arts – Guimet.

Because the voices of young people occupy an important place in Vivendi's CSR approach, a "Youth Forum" section has been created so that young people can express their views and their expectations. This section includes the essays written by the winners of the Vivendi-Sciences Po Prize on the theme "Culture and digital supporting sustainable development in Africa", which were announced on December 17, 2015 during the UNESCO international conference in Paris celebrating the 10th anniversary of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

In 2015, 36 guests spoke on *Vivoice*, Vivendi's CSR web radio, in two broadcast formats. "CSR sets the tone", in short format, gave numerous stakeholders an opportunity to speak, including: CNIL (the French data protection authority), University of Paris VIII, the Avignon Forum, the European Youth Parliament, the Cultural Diversity Observatory, along with the association ATD Quart Monde, the International Federation of Coalitions for Cultural Diversity, South Pole Group, the HF Movement for Equality of Men and Women in Culture, and Sycomore AM.

Vivoice also organizes special programs which have addressed the following topics: "Gender and fiction", "The production of women's films", "Intercultural dialogue: proposals for action", "Responsible purchasing: from commitment to implementation", "Companies: the challenge of digital innovation and trust", and "Manufacturing curiosity: digital and cultural diversity debated at UNESCO". The social media, which was highly active during the broadcasts, disseminated these testimonials to the company's different audiences.

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

2014

- **Expansion of the integrated reporting process** (international scope).
- **Stakeholder consultation on Vivendi's CSR positioning:** validation of the CSR "core" issues (addition of personal data protection to the three historical issues).
- **Worldwide Movement for Human Rights (FIDH):** Vivendi is included in its *Libertés et Solidarité* socially responsible investment fund (*Sicav*).

2015

- **Inclusion of the issue of personal data protection** in the CSR criteria for variable compensation of senior executives.
- **Integrated reporting:** presentation of Vivendi's value creation by stakeholder and of the group's contribution to human rights.
- **Vivendi partners to the celebrations of the 10th anniversary of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.**
- **Vivendi is the only French company selected in *The Global Diversity List/The Economist*.**

NOTES AND LEGENDS

- Societal, social and environmental indicators are presented in compliance with the French Grenelle II law.
- Unless otherwise stated, data is consolidated as of December 31, 2015.
- Cross-referencing with the principal extra-financial reporting references is provided for each indicator. Under each indicator, the following references are used:
  - "GRI": the Guidelines of the Global Reporting Initiative (G4 version), including the Media Sector Supplement (MSS);
  - "UNGC": the principles of the United Nations Global Compact; and
  - "OECD": the OECD Guidelines for Multinational Enterprises.

  The complete table of cross-references to the GRI guidelines is also available in the CSR section of Vivendi's website, where the eight CSR priority issues of the group are listed.
- For 2015 and 2014, data is consolidated.

  2015 data is broken down by subsidiary for certain indicators:
  - "C+G": Canal+ Group;
  - "UMG": Universal Music Group;
  - "SECP": Société d'Édition de Canal Plus;
  - "Vivendi Village": Vivendi Ticketing (Digitick and See Tickets UK), MyBestPro, Watchever, L'Olympia and, for social reporting, Radionomy and the Théâtre de l'Œuvre; and
  - "Corporate": Paris headquarters for societal and environmental reporting / Paris and New York headquarters for social reporting.

  Similarly, indicator charts are based on 2015 data.
- "na": not applicable
- "– ": not available.

SECTION 2
KEY MESSAGES

2.1. Key Societal Messages

2.1.1. CULTURAL DIVERSITY – A HIGHER PRIORITY IN THE DIGITAL ERA

2015 marked the 10th anniversary of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions that followed the Universal Declaration adopted in 2001. Sharing UNESCO's vision, as early as 2003, Vivendi has defined the promotion of cultural diversity as a strategic issue of corporate social responsibility (CSR) relating to human rights, as is the case with the other three CSR "core" issues (see Chapter 1, Section 1.5.4). Vivendi participated in various events throughout the year to commemorate this anniversary and contributed to the work being carried out on the impact of digital on cultural diversity and on the scope of the Convention.

2.1.1.1. Cultural Diversity at the Core of Value Creation

How to unearth new creative talent in order to stimulate artistic energies, innovation and a spirit of openness to others? Through investment: Vivendi has spent €2.3 billion in music, film and audiovisual programs. Through the expertise of teams who know how to identify and support talent by seeking out artists and exploiting the drivers of the digital revolution.

Encouraging diversity in musical repertories and in cinematic works, promoting local talent and showcasing cultural heritage in the digital era are objectives shared by Vivendi's businesses.

In a highly competitive international context, the production of content with a rich cultural diversity gives the group a definite advantage over its competitors and meets the expectations of its stakeholders. The businesses help to encourage audiences to participate in cultural life, which is a source of personal development, and promote access to knowledge and entertainment, and help to strengthen social ties and to promote intercultural living together (see Chapter 1, Section 1.5.7).

As such, 65% of the sales of Universal Music Group are generated by local talent and 86% of Canal+ subscribers recognize the channel as the main reference for cinema because of the variety of films it offers (see Chapter 1, Sections 1.5.5 and 1.5.7).

An assessment of the investments made to promote local artists or young talent is one of the CSR objectives included in the variable compensation of Vivendi's senior executives. Thus indicators associated with these goals measure the creation of financial and societal value for the group's stakeholders (see Chapter 1, Section 1.5). UMG's support of local talent in emerging markets, the investments of Canal+ Group in the production of local content in Africa and Vietnam, or Studiocanal's investments in European works are included in these performance indicators.

2.1.1.2. Digital as a Means of Optimizing the Group's Investments in Creative Sources

Taking advantage of easy access to the Internet, which is available in many formats and is particularly well suited to mobility to ensure the widest distribution of content, using social media to foster information sharing and the discovery of new artists, encouraging new forms of "transmedia" expression and writing facilitated by technology, developing an ever more varied legal offer to satisfy both subscribers and audiences, and ensuring an equitable share of value for the artists, are all growth drivers for the group.

In 2015, Vivendi announced acquisitions of stakes in production companies such as Banijay Group and Mars Films. Internally, the group developed new entities to design and produce the content of tomorrow. The group's professionals joined forces to propose original short formats such as digital mini-series designed specifically for mobile use.

In addition, Canalplay, the subscription streaming offer from Canal+ which gives access to thousands of films, complete TV series, digital series, comedy and children's programs anywhere at any time, or myCanal, a unique portal that gives subscribers access to all Canal+ content, live or on demand, whatever equipment is used, optimize the distribution of works and showcase their diversity.

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

For countries in emerging markets where the recorded music sector is still not very structured, such as the BRIC countries (Brazil, Russia, India and China), Latin America, Africa, the Middle East and Eastern Europe, UMG is partnering with innovative new companies to increase fan access to music. By utilizing these partnerships, UMG makes its content legally available in countries where historically music availability was very limited or non-existent.

2.1.1.3. Live Entertainment in Africa: the Creation of CanalOlympia

The diversity of artistic expression guarantees the success of a large number of events and live entertainment offered by the group's cult locations, such as L'Olympia in Paris or Abbey Road Studios in London.

In Africa, this diversity is represented by the construction project of the CanalOlympia network. These multi-use venues, which can serve as movie theaters or concert halls and venues, will act as catalysts for the development of talent in Africa, and will facilitate access to culture and entertainment for audiences in countries that lack adequate infrastructure. These entertainment venues will offer a stage for many local artists. They will become a network in which tours could be organized, particularly at the initiative of UMG's Island Africa label or Canal+ Group's channel A+. The CanalOlympia venues will enable the group to discover talented performers, support them and give them international exposure (musicians, singers and actors).

2.1.2. AWARENESS RAISING OF SUSTAINABLE DEVELOPMENT ISSUES

Be it through its audiovisual and musical content, or through its partnerships, the group plays a leading role in the sharing of ideas and information on the major sustainable development challenges: human rights, protection of the environment, impact of new technologies on human development, dialog between cultures, and mutual understanding between peoples and generations. The sections below provide a summary of certain highlights of the year 2015.

2.1.2.1. Media's Contribution to Forming Opinions

Vivendi has established an innovative partnership with Sciences Po to foster debate with different audiences at this prestigious university on corporate social responsibility (CSR) in the media and cultural industries sector. Two major themes have structured this partnership: the role of women in artistic creation and the contribution of culture to sustainable development on the African continent.

The organization of a conference in collaboration with female researchers from Présage (a network of researchers at Sciences Po), specializing in cinema and TV, and with film and television professionals from Canal+ Group has increased the awareness of Sciences Po students on the role of women in fiction and TV series, and the ways in which media companies influence audience views of representations of society.

Involving young citizens in dialog about sustainable development is an integral part of Vivendi's CSR approach. Thus, during the UNESCO international conference on "Manufacturing curiosity" of which Vivendi was a partner, prizes were awarded to students from the Sciences Po Europe-Africa program, aged 17-19, who had written the best essays on the theme "Culture and digital supporting sustainable development in Africa."

These two conferences were broadcast live on *Vivoice*, Vivendi's CSR web radio, and were heard by a large audience.

2.1.2.2. The United Nations Sustainable Development Goals

For more than ten years, as part of its various contributions and thanks to the testimonials of personalities collected on the *Culture(s) with Vivendi* website and the CSR web radio *Vivoice*, Vivendi has actively argued for positioning culture as a pillar of sustainable development and for the inclusion of culture in the United Nations global goals.

Through the content it distributes and through the artists of the group who share the ambition of the United Nations, Vivendi is taking action. Universal Music Group has partnered with British director Richard Curtis to release "Tell Everybody", a song and a video clip specifically dedicated to the UN sustainable development goals: to end poverty and to fight inequality and global warming by 2030.

A contest was organized for African youth to participate in writing the lyrics to "Tell Everybody": in two weeks, almost 6,000 young people from 24 countries participated in this call for ideas and sent their proposed lyrics via their mobile phones. This was the first crowd-sourced song on the continent. The song features verses in English, French, Pidgin, Swahili and Zulu. The significant participation of young Africans in this effort reflects their interest in the sustainable development goals.

Several African artists from various countries joined forces and lent their talents to the production of this work: Becca (Ghana), Diamond (Tanzania), Mafikizolo (South Africa), Sarkodie (Ghana), Sauti Sol (Kenya), Toofan (Togo) and Yemi Alade (Nigeria). "Tell Everybody" invites young people to encourage their leaders to achieve these objectives in the next fifteen years.

2.1.2.3. The International Climate Conference (COP 21)

The group's television channels and Dailymotion were heavily involved in COP 21, the 21st UN Conference on Climate Change, which was held in Paris from November 30 to December 11, 2015.

Even before the start of the Conference, iTélé devoted a number of news reports to the consequences of global warming for the planet. iTélé followed the negotiations step by step and won an exclusive interview with the President of the United States, Barack Obama, during his stay in Paris. Various programs on Canal+ and D8 also covered ongoing news from COP 21.

The Planète+ channels of Canal+ Group offered special programming: #LaPlanèteVousDitMerci from November 23 to November 30, during which 40 documentaries, including 16 original productions, were broadcast. The channels chose a positive editorial message: to promote a society on the move, that acts both individually or collectively to provide real solutions to the environmental challenge. Several short videos were also produced in which celebrities talked about their commitment to the planet (Camille, Antoine de Caunes, Jeanne Cherhal, Abd Al Malik, Frédéric Michalak, Caroline Proust, and others). These videos are available on Dailymotion's dedicated channel.

Vivendi also supported the campaign launched by the Nicolas Hulot Foundation, *My Positive Impact,* that honors initiatives to fight climate change. The group made its various media available to the Foundation to relay this campaign and hosted the award ceremony at L'Olympia. The ceremony was attended by many artists, comedians and singers, several of whom were brought in by UMG.

2.1.3. HUMAN RIGHTS AND BUSINESS RELATIONSHIPS

Vivendi's commitments in relation to its supply chain are governed by the rules of conduct of the Compliance Program (2002) and the principles of the United Nations Global Compact. The group's subsidiaries have shared these commitments with their principal suppliers and subcontractors.

2.1.3.1. Vigilance Fully Integrated into Corporate Governance

Vigilance has been the focus of group-wide mobilization involving the decision-making bodies and the businesses.

Within the Supervisory Board, the issue is handled by its two committees. It is on the agenda of the Audit Committee, which reviews the group's CSR policy twice a year. The Corporate Governance, Nominations and Remuneration Committee assesses the achievement of the CSR objectives integrated into the variable compensation of senior executives. These objectives, which are directly linked to the group's CSR issues, are organized into measurable and verifiable criteria (see Section 1.2.2 of this chapter).

At group level, a CSR Committee dedicated to "Human rights and business relationships" in 2015 was composed of 18 Directors (Strategy, Purchasing, Finance, Legal, Business Affairs, Ethics and CSR) of Canal+ Group, Universal Music and Vivendi Village. Discussions on the mechanisms to monitor and control the supply chain within the group were enhanced by the contribution of two Paris attorneys who focused their attention on the group's responsibility in connection with its activity and its sphere of influence (see Chapter 1, Section 1.5.4).

In the context of its extra-financial reporting, the CSR department analyzes this supply chain and the related risks, primarily through the use of specific indicators relating to purchases from suppliers and subcontractors, who account for at least 75% of the total expenditure of each of the subsidiaries. Thus, an analysis of fiscal year 2015 reveals that 85% of purchases concern the purchase of content and professional services, and that 84% of these purchases are made in Europe.

The goal in 2016 is to consider possible adjustments to the Compliance Program in close coordination with the businesses and all the departments concerned, in order to pool expertise and goals. The initiatives of the subsidiaries are detailed in Section 3.1.4 of this chapter.

The CSR department is willing to share these challenging considerations with its various stakeholders and has devoted two special broadcasts on *Vivoice*, Vivendi's CSR web radio, on the themes of "Responsible purchasing: from commitment to implementation" and "Companies: the challenge of digital innovation and trust".

2.1.3.2. Personal Data, or the "Digital Trust" Asset

The protection of personal data and privacy is a part of human rights. Because its business is to produce and distribute content, Vivendi must demonstrate special vigilance in this area. The Data and Content Protection Charter adopted in 2008 demonstrates the group's determination to safeguard the "digital trust" asset, which is essential to Vivendi's performance in an environment where consumption of media and industry regulation are rapidly changing.

Purchases of audiovisual content (e.g., films, series, broadcasts, sports events, music videos and clips) represent the main portion (55%) of purchases made by Vivendi. These purchases are made on the terms and conditions defined with the rights-holders. The group systematically requires its suppliers to comply with its rules on the protection of customers' personal data (e.g., outside call centers, technical service providers with access to information systems and commercial partners).

A company's good reputation in this area will allow it to penetrate new markets, while negligence in this area can result in severe damage. Two recent cases, one concerning the online piracy of a Canadian company offering a dating website, and the other involving illegal access to subscriber data of an American mobile operator by several service providers and subcontractors (followed by the resale of some of this information to third parties) have led to claims for damages of more than one billion US dollars in the first case, and a penalty of $25 million imposed by the US Federal Communications Commission in the latter.

The implementation of upcoming European regulation, which imposes heavy fines in the event of a failure to protect personal data, confirms the need for vigilance in this area. Nevertheless, the data market represents new revenue sources and substantial opportunities that must be developed in a competitive environment in which international players are not governed by the same rules. Thus, technical, societal and economic innovation must be reflected in the offers of goods and services proposed by the group and make these offers distinguishable from those of its competitors.

2.1.3.3. Children's Rights are Part of Human Rights

The "Children's Rights and Business Principles", developed in 2012 by UNICEF, the UN Global Compact and Save the Children, clearly outline their scope of application in the preamble: "To date, recognition of the responsibility of companies towards children has often focused on preventing or eliminating child labor. While reinforcing standards and actions necessary to prevent and eliminate child labor, the Children's Rights and Business Principles also highlight the diversity of ways in which business affects children. This includes the impact of their overall business activity - such as their products and services, their marketing methods and distribution practices (…)".

Since 2003, Vivendi has defined the protection and empowerment of young people as a strategic issue of its CSR policy, and is conscious of the influence the group can have on young minds directly through its offer of content and services, or indirectly through its business relations with external commercial partners. The subsidiaries have also adopted policies designed to give parents certain parental control tools (Canalplay, Dailymotion, Wengo), to classify content by age group (Canal+ Group, Universal Music Group), to exercise the greatest vigilance in the collection of personal data (Canalplay Kids, Universal Music Group), to implement responsible marketing (Canal+ in Poland), and to offer content appropriate for children (children's programs of Canal+ Group, the Watchever "Kids" offer, the shows offered by Vivendi Ticketing). Dailymotion, which joined the group in 2015, is also engaged in this effort, as demonstrated by its commitment to the "Safer Internet" program launched by the European Commission with which Vivendi was also associated.

In accordance with the UN Guiding Principles on Business and Human Rights, the responsibility of a company extends to its activities and operations, products or services which are the result of a commercial partnership. The protection of children falls within the scope of "due diligence in the area of human rights." This is why, in addition to applicable regulations on this matter, Vivendi integrates this responsibility into its corporate governance, as shown for example by the CSR criteria included in the variable compensation for senior executives. These criteria include the warnings issued by the regulatory authorities for failure to protect children, or the efforts made by Universal Music Group to encourage its partners (the representatives of the digital platforms and professional organizations in particular) to adopt a voluntary classification for the content of video clips that could harm young audiences.

2.2. Key Social Messages

2.2.1. A STRONG POLICY OF PROFIT-SHARING AND EMPLOYEE SHAREHOLDING

Vivendi places particular importance on the equitable distribution of the fruits of its employees' efforts. The group has therefore established a profit-sharing system that goes well beyond its legal obligations and strongly encourages the development of employee savings plans, particularly through employee shareholding.

2.2.1.1. Development of Employee Savings Plans in France

In 2015, the total net amount received by the employees of the group's French companies under optional and statutory profit-sharing plans and the employer's contribution to the Vivendi group Savings Plan (*Plan d'épargne groupe or PEG*) was €27.4 million, up 7% from 2014, representing a total expense of €35.8 million for companies of the group, compared with €33.4 million in 2014.

The total amount of employee savings newly invested was €27.9 million, a sharp increase (+73%) compared to the €16.1 million invested in 2014. Of this amount, employees placed €18.3 million in the various funds of Vivendi's PEG, €7.8 million into the Company Savings Plan (PEE) of Canal+ and various diversified funds of Canal+ Overseas, and €1.8 million into the retirement savings plans (PERCO) of Canal+ and Universal Music France.

For the most part, the savings placed in Vivendi's PEG were placed in employee shareholding funds: €16.5 million out of a total of €18.3 million (90%), following completion of a new share capital increase reserved to employees in July 2015.

2.2.1.2. Success of a New Share Capital Increase Reserved to Employees in France and Worldwide

No employee share offering was made in 2014 due to the timing of sales in the telecom businesses, and in particular the sale of SFR. On August 28, 2014, Vivendi's Supervisory Board however reaffirmed its intent to pursue its employee shareholding policy in 2015. Consequently, on December 5, 2014, Vivendi's Management Board resolved to launch a new share capital increase in 2015 reserved to employees.

This offering consists of two parts: a basic plan reserved to employees of the group's French companies, to which a reserve of one million shares was attributed, and a leveraged plan, Opus 15, offered to employees in France and in the main countries in which the group operates, for which 3.5 million shares were offered.

This offering was very popular with the employees, who subscribed to 3,914 million new shares, of which 3,218 were for Opus 15 and 695,835 shares were for the basic plan. The total subscription was €74.61 million. Employee profit-sharing grew significantly: 4,659 employees subscribed, an increase of 43% compared to 2013 (constant scope), which represents a participation rate of eligible employees of 36.3% overall and 54% in France.

Upon completion of the capital increase, on July 16, 2015, representing 0.29% of Vivendi's share capital, employees held 3.4% of Vivendi's share capital.

2.2.2. ONGOING AND CONSTRUCTIVE SOCIAL DIALOG

At group level

At group level, dialog is organized around the group's corporate works committee and the European Social Dialog Committee (IDSE), as well as the works council at Vivendi's headquarters. The social partners of these bodies are informed regularly about the group's strategy, its financial position, its social policy and the principal achievements of the year.

In addition to the annual plenary sessions of these corporate bodies, several extraordinary sessions of the extended bodies were organized with the Chairman of the Management Board. These meetings were used to inform the social partners as soon as possible of Vivendi's strategic objectives.

Committee memberships were renewed at the end of 2014 and despite the reduction in the group's consolidation scope, these bodies retained the same number of members.

The annual combined two-day training session of the corporate works committee and the IDSE, allowed representatives to obtain a better understanding of the group's strategy in the area of corporate social responsibility (CSR) and, generally, to better understand Vivendi's businesses. In 2015, a special training session was organised for the members of these two bodies which focused on the activities of Vivendi Village and Dailymotion. New challenges in the areas of health and insurance coverage were also addressed during this session.

At the level of the business units

Social dialog continues throughout the year within the Vivendi group. Numerous agreements are signed each year in the group's subsidiaries.

These agreements cover subjects including salary policies, participatory mechanisms, training policies, job and skills management, employment of disabled workers (see Section 3.2.3 of this chapter).

Agreements covering work organization practices (Canal+ Group), gender equality (Universal Music France and Canal+ Guadeloupe) and reorganization plans (Canal+ Group and Universal Music France) were among the collective agreements signed in 2015.

2.2.3. EMPLOYEE SUPPORT PROGRAMS ADAPTED TO GROUP CHANGES

Vivendi makes every effort to ensure that its employees are assisted and supported in their career development. Its human resource policy is designed to attract, motivate and retain talent in order to provide the best response to the challenges that must be faced by a large group. Employee motivation and investment assumes that they can express their desire to further their careers. This requires a partnership with the employee who plays the leading role in his professional development. To achieve this, an employee is assisted by managers and the Human Resources (HR) teams. Each group business offers its employees a set of resources aimed at creating the most favorable conditions which are conducive to development. International seminars which bring together the group's main executives encourage a group-wide focus and, therefore, mobility between the companies of the group.

Resources in place

- The support of the human resource teams and management:
  - the employee builds his or her plan by conducting a career review, developing his potential and knowing his motivations;
  - the HR teams provide employees with tools (e.g., resume workshops and simulated interviews), and advise an employee and inform her/him about the company's businesses, possibilities for career development and mobility, based on his profile and wishes;
  - the HR teams are also available to support the managers in their role as coach for their teams.
- Knowledge of the group's businesses:
  - Vivendi's subsidiaries offer their employees tools to learn more about the group and its businesses.
- Internal mobility within the subsidiaries:
  - for an employee, an internal transfer is an opportunity to enhance his or her experience and acquire new skills;
  - for the group, internal mobility is also a major asset that develops the talents of its employees to keep the teams motivated, competent and able to handle changes in the businesses;
  - promotion of mobility is also the responsibility of the managers, who are encouraged to become sponsors of the career development of their employees;
  - the role of Human Resources is to facilitate the processes involved in mobility and career development. A broad panel of HR processes involving management and the HR teams at all levels is offered so as to guarantee transparency within these processes; and
  - finally, at the level of the group, an internal mobility Charter has been in place for more than 15 years, along with a tool to collect job offers from the group's French companies that are open to transfers. These mechanisms also exist within each subsidiary.

Future Needs of the Businesses

The group's companies are attentive to changes in the businesses. The French subsidiaries have signed Job and Skills Planning Framework Agreements (GPCE) and a Support Plan for the development and transformation of skills. Prospecting work carried out as part of a monitoring effort organized at the business unit level helps to anticipate changes in trends of the business.

Creating a Community of Businesses

The mindset developed during international seminars is disseminated broadly within the group. It fosters and enables the creation and operation of internal communities on a group-wide level. These are communities which focus on practices and collaborative projects of limited duration and are centered around a sole objective. Two communities were formed in 2015: web developers and designers. These communities exposed common concerns and a desire to share good practices, and have generated collaborative projects.

Training

Training at Vivendi is an essential component of its human resources policy. It is offered in all countries in which group subsidiaries operate and uses innovative formats adapted to existing practices. Training policies are the central focus of the policy for development of human capital, and are defined on the basis of the strategy of the group or its subsidiary.

The group's priorities in training and development of skills include:

- for individuals: the three aspects of the 'human capital' of an employee, namely his or her personal development, his business skills, and his knowledge of the company and its environment; and
- for the group: the major training areas selected by the subsidiary on the basis of its strategy, and according to its analysis of training needs.

To ensure equity, access to training programs is consistent within the different countries and businesses of the group.

2.3. Key Environmental Messages

2.3.1. AN EXPANSION OF THE SCOPE OF ENVIRONMENTAL REPORTING AND THE STRENGTHENING OF ENVIRONMENTAL CERTIFICATIONS

Throughout the year, the subsidiaries raise the environmental awareness of their employees who focus their efforts on the environmental reporting and certifications.

2.3.1.1. The Reporting Requirement

The group wanted to expand the scope of its reporting requirements in relation to environmental data to new entities of the group (those of Vivendi Village). Extending the scope in this way also provides increasingly complete data and ensures that all the environmental impacts of the group are taken into consideration.

Since 2008, environmental data has been verified by the Statutory Auditors, who then issue a limited assurance report on this data. The verification work ensures the reliability of the data through audits within the different subsidiaries (see Section 4.2 of this chapter). These audits are an opportunity for Vivendi to assist its subsidiaries in an ongoing process of improvement and to discuss good practices among the various group entities. Once completed, the verification work is the subject of review meetings. These meetings are a special opportunity to share areas of progress with the Auditors, correspondents of the business units and the CSR department. They also allow Vivendi's Management Board to decide on the recommendations to be implemented and on development of a plan of action.

2.3.1.2. The Certification Process

Several sites of the group located in Europe and in the United States have been engaged for several years in a process of environmental certification in order to better assess the impact of these sites on the environment and ensure that they are correctly managed by relying on environmental management systems that use internationally recognized standards.

The Canal+ Group site, which gathers all the free channels, is certified BREEAM (BRE Environmental Assessment Method), a method for assessing the environmental performance of buildings, and continues its policy to control energy use.

In England, the NGO Julie's Bicycle, an environmental certification agency for the creative industries sector, awarded UMG UK and Abbey Road Studios a "one star award" for their commitment to reduce their CO_2 footprint and has therefore allowed them to join the Creative Industry Green. Creative Industry Green is the first environmental certification system in the United Kingdom for the cultural sector (festivals, concert halls, events and offices). This project initiated by UMG is directed by a Team Green composed of representatives from the different departments of UMG UK and a dedicated team for Abbey Road Studios. UMG UK and Abbey Road Studios are respectively the first company and the first recording studio in the music industry to receive this certification.

Last year again, the headquarters of Universal Music Group in Santa Monica received, for the ninth time in a row, the "Energy Star" certification issued by the US Environmental Protection Agency (EPA). This distinction is reserved for companies that lead the company rankings in energy efficiency at the national level. This site is also certified "Green Business" by the city of Santa Monica. The Woodland Hills sites also received the LEED Gold (Leadership in Energy and Environmental Design) certification, which recognizes the high environmental quality of their buildings.

Since 2009, Vivendi's headquarters have been registered under the EMAS (Eco-Management and Audit Scheme) European Regulation with the Ministry of the Environment, the Energy and the Sea. This registration was renewed in 2012 and 2015 and illustrates the efforts made by Vivendi's headquarters on environmental matters. Decisions about action to be taken to reduce environmental impacts are made within the Green Team committee. This committee, led by an EMAS coordinator, gathers ten members from different departments (Administrative Services, IT Support, Human Resources, Finance, Communication, CSR and Internal Audit) and the service provider responsible for the maintenance of the site. This certification also enables all subsidiaries to become involved in a strategic analysis of the environmental impact of the group's operations (see Section 2.3.3).

2.3.2. A BETTER CONTROL OF ENERGY CONSUMPTION

Environmental reporting allows the correspondents of the business units to have performance indicators adapted to their respective activities. Energy consumption is the main source of the group's CO_2 emissions.

2.3.2.1. Management of Equipment Energy Consumption

In 2015, Universal Music France, Canal+ and Studiocanal finalized the measurement of the energy impacts of their operations with their suppliers and defined a series of criteria intended to report their suppliers' environmental performance when issuing calls for tenders.

IT equipment, which contributes significantly to energy consumption, is given special consideration. In Poland, nc+ set up in its two call centers an automatic shut-off system for computers during the night, combined with a restart system in the morning, which avoids consumption peaks. A part of the employees' computers was replaced with equipment that offers better energy efficiency. This measure will continue in 2016.

Air conditioning systems, which are very high energy consumers, are also monitored carefully. K+ in Vietnam replaced the air conditioning equipment with equipment that offers better environmental performance and also ensures temperature regulation within the sites to avoid too much demand being placed on the air conditioning system. In France, the site that houses all the free channels of Canal+ Group is equipped with free cooling generators that use outside air to cool the platforms and equipment. In the context of the action plan it defined in conjunction with the environmental certification of its sites, UMG UK has adopted measures designed to monitor the cooling of the IT servers.

2.3.2.2. Management of Electric and Electronic Equipment

The group's subsidiaries, particularly Canal+ Group, must offer their customers the best performing equipment to give them an optimal user experience.

The processing of used set-top boxes is therefore taken into account to extend the life of the equipment or to recycle it through a recycling stream. In 2015, in France, 70% of the set-top boxes collected (faulty or obsolete) were recycled. In Madagascar, Canal+ Group repairs defective set-top boxes sold by other African entities and returns them to the sales circuit. In Gabon, the group met with representatives of the Ministry of the Environment to plan the launch in 2016 of an operation to recover defective set-top boxes from subscribers for recycling.

2.3.3. THE ENVIRONMENTAL CHALLENGES OF DIGITAL

The group's businesses offer their customers a very wide range of content and creative digital services. UMG is diversifying access to its content via digital platforms, including Vevo, Apple Music, Deezer and Spotify. Canal+ Group also has a strong presence in digital uses with the streaming offer from Canalplay, the myCanal service, or the recommendation engine Suggest.

2.3.3.1. Supply Chain Environmental Criteria

To gain a better understanding of the environmental footprint of digital, the CSR department has been studying and assessing the group's environmental impacts since 2013. This work focuses on the digital supply chain and on the distribution and consumption of musical and audiovisual content. This analysis brings together the representatives of Universal Music France, Canal+, Studiocanal and Vivendi's corporate headquarters in a dedicated working group.

An initial assessment of the impacts of the supply chain helped to define environmental criteria to be used for the selection of suppliers. These criteria take into consideration an assessment of the service provider's environmental performance, a measurement of its energy efficiency, and recycling of the equipment at the end of its life by the service provider. These criteria can be used in competitive bidding procedures by the subsidiaries that wish to do so.

2.3.3.2. A Lifecycle Approach to Content Offers

Comparative studies that combine several environmental criteria are now being applied in many sectors, but none have been conducted for audiovisual offers. To better evaluate the direct and indirect environmental impact of the value chain for its media group activity, Vivendi undertook an analysis of the lifecycle of its content offers.

The group compared environmental performance (CO_2 emissions, water and energy consumption) of electronic content offers (downloads and streaming) with the performance of offers of physical content (CD and DVD). For this purpose, Vivendi completed a lifecycle analysis taking into account direct and indirect environmental impacts of all steps in the audiovisual value chain, including, among other things, distribution and consumption methods (downloading, streaming or CD/DVD medium).

This study calls for three main observations:

- the results of environmental performance related to physical content show that the manufacturing stage for the relevant hardware and the packaging stage for CDs and DVDs represent 75% of the impact related to CD and DVD consumption;
- in the case of digital content, the transfer of data (audiovisual content) between the distributor and the consumer, through the Internet service provider, could represent up to 90% of the impact of viewing by downloading or streaming; and
- concerning the behavior of digital consumers, the study shows that the end user, depending on their listening/viewing medium (mobile, tablet, computer and television) may be responsible for 80% of the environmental impacts of the entire value chain (storage of the content at Vivendi, transfer of data and viewing/listening).

The impact of digital offers can therefore vary significantly depending on the end user's practices. As a result, the number of listening/viewing sessions, along with the equipment used (e.g., infrastructures and screen size) can increase the environmental impact six-fold. This variability reveals that there is a significant margin for action in relation to environmental performance. The goal is to continue this analysis to identify priority areas of intervention so as to ensure better control of the environmental impact of the value chain.

SECTION 3
SOCIETAL, SOCIAL AND ENVIRONMENTAL INDICATORS

3.1. Societal Indicators

The societal data is based on the following scopes of consolidation, which are detailed in the indicators and in the Methodology Note (see Section 4.1 of this chapter):

- Universal Music Group, limited to a focus group of nine countries (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States), accounting for 81% of UMG's total revenue. For some indicators, this scope is expanded to include other entities that show noteworthy initiatives;
- Canal+ Group (entities located in France, Poland and Vietnam and in a focus group of six African countries: Burkina Faso, Cameroon, Congo, Gabon, Ivory Coast and Senegal), apart from some indicators which are only relevant to France;
- Vivendi Village (Vivendi Ticketing, MyBestPro, Watchever and L'Olympia) for a selection of indicators; and
- Corporate (Paris headquarters).

The abbreviations or acronyms used under the title of the indicators are provided in detail on p.54.

3.1.1. VIVENDI'S FOUR "CORE" ISSUES RELATING TO HUMAN RIGHTS

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

- promoting cultural diversity in content production and distribution;
- empowering and protecting young people in their use of digital media;
- fostering knowledge sharing which includes pluralism of content, media access and awareness raising of sustainable development issues; and
- valuating and protecting personal data.

These issues, which have been the subject of vigorous reporting since 2004, are part of the societal component of French Grenelle II law, under the heading relating to action taken in support of human rights (see Chapter 1, Section 1.5.4. and Section 1.2.3 of this chapter).

Data on compliance with the fundamental conventions of the International Labor Organization (ILO) is discussed in the suppliers and sub-contractors section (see Section 3.1.4) and in the "Social Indicators" section of this chapter (see Section 3.2).

3.1.1.1. Promoting Cultural Diversity in Content Production and Distribution

Since 2003, promoting cultural diversity has been one of Vivendi's strategic CSR issues. The group aims to encourage diversity in music catalogs and cinematographic expression, discover and empower new talent, promote local artists and showcase cultural heritage.

This promotion of cultural diversity creates both societal and financial value (see Chapter 1, Section 1.5.1). Since 2010, this issue has been part of the CSR criteria which are taken into account in the variable compensation of the group's senior executives.

In 2012, to illustrate in a tangible manner the major role played by culture in stimulating economic growth, strengthening social cohesion, encouraging intercultural living together and promoting innovation, Vivendi launched the website *Culture(s) with Vivendi* (cultureswithvivendi.com). With a focus on cultural diversity, it provides unique insight into the cultural industries and the media sector. In 2015, the site featured more than 60 new videos, articles and artist portraits.

3.1.1.1.1. Cinematographic and Audiovisual Diversity

As the chief contributor to cinematographic expression in France (mainland France and the overseas departments and territories), Canal+ Group, through its subsidiaries, also plays a significant role in Europe and Africa. Cinematographic diversity is one of the pillars of the editorial line of the group's channels.

Driven by the belief that talent is the focal point of the growth of an international media and content group, in 2015, Vivendi launched its project to build the CanalOlympia movie theaters and venues in Central and West Africa, to offer a stage to a large number of local artists and encourage the development of African talent.

In the same way, Watchever, a subsidiary of Vivendi Village, gives diversity a prominent place in its SVoD offer.

◆ **Supporting cinematographic creation in France**

PERCENTAGE OF CNC-APPROVED FRENCH-INITIATIVE FILMS FINANCED BY CANAL+ AND ASSOCIATED AMOUNTS

GRI	UNGC	OECD	Scope covered
DMA HR MSS Cultural Rights aspect, MSS M3	1, 2	II, IV	Canal+

	2015	2014
Canal+	**55% (€175 million)***	45% (€128 million)

* Subject to data consolidated by the CNC to be published in spring 2016, in the 2015 Report on Cinematographic Production.

In 2015, Canal+ remained the privileged partner of French cinema. It actively supported creation by financing 55% of French-initiative films approved by the CNC (the French national center for cinema and motion pictures) for €175 million, which represents 129 films in total. Through its subsidiary D8 Films, D8 co-produced four French films, including three first films and one directed by a woman.

Canal+ also renewed its agreement with professional cinema organizations (ARP, BLIC, BLOC and UPF) and has committed to devoting 12.5% of its revenue from sales to purchasing European and French films over five years. This agreement therefore extends the previous agreement of 2009, and strengthens Canal+ in its position as the major private source of finance for the French film industry (see also Chapter 1, Section 1.5.5).

◆ **Discovering new talent and empowering young filmmakers**

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

NUMBER OF FIRST AND SECOND FRENCH-INITIATIVE FILMS FINANCED BY CANAL+

GRI	UNGC	OECD	Scope covered
DMA HR MSS Cultural Rights aspect, MSS M3	1, 2	II, IV	Canal+

	2015	2014
Canal+	**20 first films & 14 second films***	25 first films & 8 second films

* Subject to data consolidated by the CNC to be published in spring 2016, in the 2015 Report on Cinematographic Production.

In 2015, Canal+ supported 20 first films, including *M* from Sara Forestier, *Rosalie Blum* by Julien Rappeneau, and *M. et Mme Adelman* from Nicolas Bedos, and 14 second films, including the film from director Hugo Gélin (*Demain tout commence),* who directed *Just Like Brothers.* The channel also bets on projects carried by young actresses such as Adèle Haenel or Soko and young scriptwriters like Etienne Comar, who co-wrote, as his first film, *Mon Roi* with Maïwenn. In addition, Ciné+ supplemented the financing from Canal + by supporting 24 first films and 16 second films.

Studiocanal also supported the young talents - identified on the air or by Canal+ Group's talent-spotting team - in their first feature-length film, including Alex Lutz (*Thanks to My Friends)* and Igor Gotesman (*Five*). Studiocanal also co-produced the first French animated film from Franck Ekinci and Christian Desmares, inspired by the graphic world of Tardi, *April and the Extraordinary World.* The movie received the Cristal for Feature Film award at the 2015 Annecy International Animation Film Festival. The British subsidiary of Studiocanal co-produced Justin Kurzel's second film *Macbeth,* which was also nominated in several international film festivals, and the first film from Max Joseph, *We Are Your Friends.*

◆ **Digital cinematographic and audiovisual diversity**

Committed to expanding the broadcasting of its content on the Internet, Canal+ has created a Digital Creation hub offering talented individuals a chance to build up their audience and receive assistance in producing and promoting short formats and original productions developed specifically for the web. The hub thus brings together affiliations of young digital talents whose productions have included *Le meufisme, Internet, Lolywoods, La biscotte, Digital mum* and *Bonjour tristesse.*

Canal+ also showcases short-film talent. In 2015, a call for projects *Dessine toujours!* was launched with cartoonists and animators on the theme of freedom of expression. The eight animated short features selected were broadcast on the channel in late 2015. In addition, Canalplay launched a section dedicated to short films on its VoD interface. At the same time the platform continues to develop web series belonging to very different spheres, as a reflection of the diversity that the platform wishes to offer to its subscribers.

In 2015, Watchever, the subsidiary of Vivendi Village, renovated its SVoD service to diversify its offer. Watchever introduced content coming from independent productions through several dedicated channels, such as the specialty channel Docusphère. Temporary channels marking cultural events also appeared on the platform, such as *Films français.* This channel was intended to highlight French film works, in partnership with the French Embassy and the Berlin French Film Festival.

◆ **Enhancing international audiovisual and cinematographic influence and showcasing cultural heritage**

INITIATIVES BY CANAL+ GROUP AIMED AT ENHANCING INTERNATIONAL AUDIOVISUAL AND CINEMATOGRAPHIC INFLUENCE AND AT SHOWCASING CULTURAL HERITAGE

GRI	UNGC	OECD	Scope covered
DMA HR MSS Cultural Rights aspect, MSS M3	1, 2	II, IV	Canal+ Group

Canal+ Group has developed a number of initiatives aimed at enhancing the influence of audiovisual and cinematographic media abroad and showcasing cultural heritage. In 2015, Vivendi along with Canal+ became Grand Sponsor of the Paris-based film institute and archive Cinémathèque française, a hotspot of cinematographic culture. In signing this major partnership through 2020, Vivendi reaffirms its commitment to the film industry and its many talented professionals.

Studiocanal, which operates subsidiaries in France, the United Kingdom and Germany and is also active in Australia and in New Zealand, has established itself as the leading European player in the production, acquisition, and distribution of world-class movies and TV series. During 2015, Studiocanal broadcast 47 new feature-length films from 12 different countries in the five territories in which it operates. It also participated in the production of 19 feature-length films from filmmakers of five different nationalities.

In 2015, the films produced or distributed by Studiocanal were again selected at the major film festivals: the Academy Awards (17 nominations for *The Imitation Game*, *Foxcatcher*, *Selma*, *Song of the Sea* and *The Tale of Princess Kaguya*), the Golden Globes (16 nominations for the films *The Imitation Game*, *Selma* and *Foxcatcher*), the BAFTA (15 nominations for *Paddington*, *71*, *The Imitation Game*, *Under the Skin*, all four in the race in the Best British Film category), the BAFTA Children Awards (*Shaun the Sheep* nominated and *Paddington* recognized as Best Film 2015), and the BIFA (13 nominations for *Macbeth*, *Room*, *High-Rise*, *Carol* and *Legend*, for which Tom Hardy won the prize for Best Actor). At the 2015 Cannes Film Festival, films co-produced by Studiocanal were also well represented with two films, *Macbeth* and *Mon Roi*, in the official competition.

Studiocanal continued its particularly dynamic policy of promoting and preserving cinematographic heritage. With over 5,000 titles, Studiocanal holds one of the most important film catalogs in the world. In 2015, €1.1 million was invested to restore in 4k or HD, digitize and modernize 36 titles from the catalog. Studiocanal restored major works, including *The Third Man*, one of Orson Welles' greatest roles (it was also released in theaters in several regions to mark the one-hundredth birthday of the director and recorded the third-highest results for the year for a film rerun in France). *Léon Morin Priest*, a drama starring Jean-Paul Belmondo, or *Ran*, set in feudal Japan and directed by the legendary filmmaker Akira Kurosawa, were also restored. The restored copies of these films were shown at several international festivals (including the *Venezia Classici* section at the Venice Film Festival, Cannes Classics and the Lyon Festival of Lights).

nc+, the Polish subsidiary of Canal+ Group, is also committed to local productions. The film *Ida*, winner of the Academy Award and the BAFTA award for Best Foreign Film in 2015, was co-produced by nc+, and *Belfer*, a new television series now in post-production, will be broadcast in 2016. In Vietnam, K+, which wants to expand its audience to movie fans, co-produced five Vietnamese films for the first time in 2015. The partnerships established with the principal local production companies are an opportunity for K+ to support the country's film industry.

INVESTMENTS BY CANAL+ AFRIQUE IN LOCAL AFRICAN CONTENT (EXCLUDING SPORTS RIGHTS)

GRI	UNGC	OECD	Scope covered
DMA HR MSS Cultural Rights aspect, MSS M3	1, 2	II, IV	Canal+ Group

	2015	2014
GC+	€5.5 million	€3 million

A committed player and major investor in the African film industry, Canal+ Afrique contributes to the influence and development of the seventh art on the African continent. The group supports numerous African cinematographic productions: since 2005, more than 50 films have been co-produced or pre-purchased. The channel broadcasts twelve African films every year. In 2015, Canal+ Afrique supported, among other African films: *Dhalinyaro* by Lula Ali Ismail (Djibouti) and *Wallaye!* by Bernie Goldblat (Burkina Faso). In addition, Canal+ Afrique has contributed to the development of African cinema by supporting major festivals like the FESPACO for the last several years. Of the awards given at the 24th edition of the festival, Canal+ Afrique awarded seven prizes in the categories of "Documentary", "African film school" and "TV Series".

A+, the African channel based in Abidjan and broadcast in more than 20 French-speaking countries in West and Central Africa, has confirmed its determination to develop African talent and committed to 23 productions, co-productions and innovative pre-purchases in 2015 in almost every country in which the group is present. These programs include 13 original series and French-speaking fictions, four talent shows or reality TV shows, four magazines, and two live event formats (including "Conakry, the great concert to fight Ebola"). For the *Le Parlement du rire* program in particular, Canal+ Afrique launched the production of twenty 30-minute shows that will highlight 26 comedians from 12 different countries. In addition to the programs, which will be broadcast in 2016 on Canal+ Afrique and A+ in France and in the overseas departments and territories, a tour is planned in Abidjan in October. A+ also offers its subscribers a number of dubbed series produced in other African languages (including in Senegal, Ghana, Angola and South Africa).

3.1.1.1.2. Musical Diversity

Cultural diversity sits at the heart of Universal Music Group's business; UMG offers an extensive catalog covering every musical genre. UMG's growth is based both on developing its roster of international artists and on spotting and promoting local talent, whether the artists are young and upcoming or best-selling acts. UMG maintains its leadership position in its different national markets. In 2015, UMG signed local artists in 59 countries, with albums recorded in 44 languages and released in 120 countries.

- **Investing in creation and local talent**

PERCENTAGE OF SALES ACCOUNTED FOR BY LOCAL REPERTOIRES IN THEIR OWN COUNTRIES

GRI	UNGC	OECD	Scope covered
DMA HR MSS Cultural Rights aspect, MSS M3	1, 2	II, IV	UMG (59 countries)

	2015	2014
UMG	65%	60%

In 2015, young UMG artists once again received numerous awards. At Victoires de la musique, the singer Indila's first album *Mini World* received the award "Victoire de l'album révélation de l'année", while Benjamin Clementine, a 27 year old composer and performer originally from Ghana, received the award "Révélation scène".

At the Gramophone Awards ceremony in September 2015, UMG received distinctions again: notably, Deutsche Grammophon won the coveted Recording of the Year award for Anton Bruckner's Symphony No. 9, recorded by the Lucerne Festival Orchestra under Italian conductor Claudio Abbado. At the 57th Grammy Awards for classical music, American violinist Hilary Hahn, signed with Deutsche Grammophon, won the third Grammy of her career for her album *In 27 Pieces - The Hilary Hahn Encores*, named Best Chamber Music Album of the Year.

In addition, UMG continues to sign young talent around the world, including those making their debuts on the different national versions of *The Voice*, which now has 60 local productions and has extended the scope of its broadcasting to 180 countries. Twelve young artists from *The Voice Kids* and 45 artists discovered on *The Voice* have signed with a UMG label.

New artists and musicians were also discovered by UMG in 2015 through Spinnup. This platform allows musicians and artists who have not signed with a record label to put their compositions online for subsequent distribution by all the major global digital retailers. At the same time, they are offered assistance in developing their careers. This assistance consists of tutorials (training in marketing, social media, tour booking) and advice provided by a dedicated team of talent scouts — who also browse the platform in search of new talent. Since the platform was created in 2013, 15 artists have signed with a UMG label, including Albin, Vigiland and Alfons, whose albums have already reached multi-platinum sales in Scandinavia.

Finally, Digitick and Infoconcert, subsidiaries of Vivendi Village, also provide support to young artists and to various local festivals. In 2015 their teams launched the editorial mechanism Digilove which offers visitors a chance to discover a selection of young musical talents (*Jeune scène française, La scène féminine*) showcased on their respective media. With 20,000 events, Digitick has a diversified offer, representing more than ten musical genres and six major categories of live shows (concerts, festivals, theatre, humor, dance and circus).

- **Showcasing musical heritage**

Showcasing musical heritage is a priority for UMG's global business. Therefore, the group is developing platforms and applications in order to create access to its exceptional artists and to its unrivalled catalog, while continuing with investment in digitizing the unique music collection.

INITIATIVES TAKEN BY UMG IN FAVOR OF PROMOTING MUSICAL HERITAGE

GRI	UNGC	OECD	Scope covered
DMA HR MSS Cultural Rights aspect, MSS M3	1, 2	II, IV	UMG

In 2015, UMG pursued its goal of digitizing its musical and audiovisual catalog: a discography of 326 artists is now available in restored, digitized version. More than 2,500 hours of video from the UMG archives have been viewed and processed – most of it previously unreleased. Among the restored legacy works re-released in 2015 is the Beatles *1* compilation deluxe edition on DVD and Blu-Ray. The new *1+* version includes 23 additional clips, including alternative versions of the 27 original titles, for a total of 50 films. The album *Motown Unreleased 1965: Marvin Gaye* and the artist compilation *Motown Unreleased 1965* have also been re-released in digital format.

UMG launched uDiscover, a worldwide platform offering new ways to explore the comprehensive catalog and discover Universal Music artists. In 2015, a rich offering of playlists (uDiscover TV, uBYTES, uQuizzes) was made available through the site and a mobile app. With more than a million unique visitors every month, uDiscover aims to diversify its users' musical culture and help them discover legendary UMG artists.

The digitization of content is the means by which to offer younger audiences the opportunity to discover heritage works. Similarly, the website Sinfini Music, available in the United Kingdom, Australia and the Netherlands, intends to expand the audience for classical music. It continues to gain followers (250,000 unique visitors a month in 2015, compared to 100,000 in 2014). Its rich musical offerings include a variety of editorial content (feature articles, short animation programs), which facilitate access to the classical catalog. In 2015, the Deutsche Grammophon label launched an iPad application based on Prokofiev's classical music masterpiece *Peter and the Wolf*. Intended for the youngest audiences, the app guides them in discovering the Russian composer's work through an interactive experience extended by the album *Peter and the Wolf in Hollywood*. Available in two languages, this album revisits the original musical story, enriched with an added chapter that takes place in modern-day Los Angeles, narrated by singers Alice Cooper (in the English version) and Campino (in the German version).

3.1.1.1.3. Respect for intellectual property and support for artists

INITIATIVES TAKEN AGAINST PIRACY AND SUPPORT GIVEN TO PUBLIC ADMINISTRATIONS' ACTIONS FOR THE SUSTENANCE OF ARTISTIC CREATION

GRI	UNGC	OECD	Scope covered
DMA HR MSS Intellectual Property aspect	1, 2	II, IV	UMG Canal+ Group Vivendi Village

Respect for intellectual property, on which the long-term financing of artistic works depends, is a major issue for Vivendi and is included in the group's Data and Content Protection Charter. The subsidiaries ensure respect for intellectual property rights while satisfying consumers seeking new usages.

As part of its risk management policy, Canal+ Group is developing action plans in the areas of innovation and technological monitoring in order to combat audiovisual piracy. The group is developing tools to identify illegal content in order to proceed to its immediate removal from the main digital platforms (known as the fast-track approach). Canal+ Group also uses fingerprint generation technologies to protect its content and detect illegal copies. In this area, Canal+ and Studiocanal are involved in a cross-company effort and are pooling their tools and resources. Canal+ Overseas uses fingerprint technology in Africa in particular, to identify and punish the use of smartcards shared illegally by the administrators of pirate cable networks.

Canal+ Afrique has intensified its actions to combat the piracy of its content in its broadcast territories, where the phenomenon is especially prevalent. Monitoring is one of the principal components of this fight against piracy, and allows the company to identify content broadcast without authorization, particularly major sports events, and to collect data in order to calculate the losses. This monitoring is backed by communication initiatives: for example, Canal+ Afrique launched an anti-piracy campaign during the ANC 2015 (African Nations Cup) with the broadcast of radio and TV spots (on a technical level, several pirate servers were also dismantled during the event). Canal+ Afrique is also initiating awareness campaigns. In Ivory Coast for example, in June 2015, the group's subsidiary participated in a panel to warn of the dangers of "spider" connections during the International Conference on Originality and Intellectual Property.

UMG acts on a number of fronts, often in co-operation with the rest of the music industry and the entertainment industry, to battle piracy and thereby protect the entire value chain. Industry level action is co-ordinated by global and national industry associations (such as the IFPI – the International Federation of the Phonographic Industry - and its national group affiliates) with whom UMG works very closely. Raising consumer awareness is a significant part of the effort against piracy, including through vehicles such as the "Why Music Matters" campaign which targets young people (see Section 3.1.1.2.2). On the technical side, UMG uses tools to identify and remove illegal content both directly and via industry bodies such as the RIAA (Recording Industry Association of America) or the French HADOPI system. They also employ technical resources to monitor websites and issue automated takedown notices, takedown of Apps from App stores when they facilitate piracy, notification to users of pirated services, etc. Additionally, in combating piracy, UMG closely co-operates with public authorities and intermediaries (e.g., Internet access providers, advertisers, credit card companies and search engines).

The Vivendi Village subsidiary Watchever is committed to protecting the content of its rights-holders, not only with respect to its users, but also vis-à-vis its service providers. Clauses describing the intellectual property of the rights-holders that prohibit unauthorized access to their content are included in the contracts with their technical partners. In addition, Watchever undertakes to its content suppliers to use DRM technologies. Finally, several functions have been created to limit the possibility of piracy: availability of videos in streaming and not for download, limit to number of devices that can access the service from a single user account, and accessibility of the service only on devices with technical features that prevent illegal copying.

The strategy for combating piracy also includes the delivery of compelling legal offers of music and audiovisual works (see Section 3.1.1.1), and a dialog with public authorities on the regulation and protection of intellectual property (see Section 3.1.5.2). Vivendi's subsidiaries are also active within associations that fight piracy (see Section 3.1.3).

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

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

3.1.1.2.1. Empowering Young Audiences

INITIATIVES FOR ENABLING YOUNG PEOPLE TO EXPRESS THEIR CREATIVE TALENT AND CIVIC ENGAGEMENT

GRI	UNGC	OECD	Scope covered
MSS M7	1, 2	II, IV	UMG Canal+ Group Corporate

Involving young citizens and students in discussions about the CSR of the media sector is fully integrated within Vivendi's approach. This is why, as part of its partnership with Sciences Po (see Section 2.1.2.1), Vivendi wanted to solicit the viewpoints of the students in the Europe-Africa program by inviting them to write an essay on the theme of cultural diversity and digital in Africa. The students, aged 17 to 19, who produced the best essays were awarded a prize during a ceremony at UNESCO celebrating the 10th anniversary of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions. Their essays were published on *Culture(s) with Vivendi*.

The *Culture(s) with Vivendi* site is included in the educational resources recommended by the MOOC "Do It Yourself - media and information literacy", directed by media sociologist Divina Frau-Meigs. The site appears in the section "Exposing students to intercultural dialog for intercultural living together and respect for cultural diversity".

In 2015, several programs on Canal+ Group's youth channels encouraged children to show their talents and skills. In addition to the *Le Club des super héros* show, Piwi+ offered workshops for craftwork on its channel to encourage children to create things by themselves. On Télétoon+, *Kids Talents* from Kids 20 allowed young viewers to come and perform in the TV studio with short demonstrations of songs or dances. In Poland, after launching a call for contributions from young viewers, Télétoon Sport broadcast the videos created by the children on the theme of basketball.

In addition, Canal+ works to identify and bring out young, talented and promising journalists through its two *Grands matchs* on the theme of news and sports. The 2015 edition of these competitions, aimed at students in the final year of journalism school, offered the winners the possibility of joining the channel's editorial team for one year. In 2015, Canal+ also renewed the *Grand match de l'innovation*, which invites young people to develop an innovative program concept. This competition is an opportunity for the candidates selected, accompanied by coaches, to present their projects to channel executives, which will allow them, in some cases, to join the Canal+ teams or participate in the implementation of their project.

In November 2015 in Africa, Canal+ launched the *MDR!* project (Mort de rire, or Dying of laughter) in partnership with CFI, the French media cooperation agency, to identify and train the African talent of tomorrow who will participate in the development of new short comedy programs. The candidates selected will receive training in writing and series production. Canal+ will finance eight pilots and will broadcast the best on its channel.

UMG also pursues a number of initiatives to assist and promote a new generation of artists and professionals in the music industry. In 2015, Abbey Road Studios, owned by UMG, established the Abbey Road Institute. Since September 2015, this educational institution has offered one-year apprenticeship courses. After training under the studio's professionals, the students receive a diploma in sound engineering and musical production. This training is not only offered in London, the studio's historical home, but also in Australia, Germany and France.

For the release of the song "Tell Everybody", intended to raise awareness of the UN's global goals for sustainable development (see Section 2.1.2.2 of this chapter), UMG partnered with director Richard Curtis to organize a major contest for young Africans to write the lyrics to the song which features verses in English, French, Swahili, Pidgin and Zulu. Almost 6,000 young people from 24 countries sent their proposed lyrics by mobile phone.

In Australia, UMG teamed up in 2015 with the charitable association Musicians Making a Difference, which offers art therapy to tens of thousands of troubled youths. Together, they have launched the #MMAD4U campaign to support and promote the association's work, primarily through a major Instagram campaign. As part of this program, UMG accepted 10 young people to a six-month tutoring program. During the program, which was assisted by 10 managers from the record company, the participants were able to write and record their song, and participate in shooting the video and the press communication that accompanied it.

Additionally, UMG and its artists develop young music fans by providing many opportunities to exercise their creativity and share their passion for music. One example is British singer James Bay, who partnered with the Talenthouse platform and the British Film Institute to invite his fans to produce short videos as concepts for a short film to accompany his new album *Chaos and the Calm*. Following this project, James Bay selected a young director to enrich the concept and shoot a 15-minute video to be presented at the BFI Future Film Festival in London and SXSW in March 2016.

3.1.1.2.2. Protecting Young Audiences

In 2008 Vivendi adopted a Data and Content Protection Charter, in which the group reaffirmed its commitment to respecting freedom of expression and to preventing the spread of illegal material, particularly with regard to children.

To achieve this balance, Vivendi commits to the following:

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

This commitment includes a specific monitoring related to the information policy on personal data and youth protection that is published on the group's websites. In 2015, Vivendi reviewed how this commitment was implemented in Vivendi Village's entities that offer services via digital platforms. At MyBestPro, the Wengo site provides a Parents' Charter that offers advice to parents on increasing their children's awareness of the risks of using the Internet. Among the advice given to parents, the charter reminds them that there are technical tools available to them to control access to the Internet and to certain sites (e.g., filtering software).

EXISTENCE OF A FORMAL COMMITMENT TO ETHICS COVERING CONTENT (PRODUCTION AND/OR DISTRIBUTION), PART OF WHICH SPECIFICALLY CONCERNS PROTECTION OF YOUNG AUDIENCES

GRI	UNGC	OECD	Scope covered
G4-56, DMA PR MSS Content Creation and Distribution aspects	1, 2	II, IV, VIII	UMG Canal+ Group Vivendi Village

INITIATIVES AIMED AT RAISING THE AWARENESS OF YOUNG USERS AND THEIR ENTOURAGE ABOUT RESPONSIBLE USE OF PRODUCTS AND SERVICES

GRI	UNGC	OECD	Scope covered
G4-PR3, MSS M4	1, 2	II, IV, VIII	UMG Canal+ Group Vivendi Village

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

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

The edutainment channel "Mon Nickelodeon junior" and Canalplay with Canalplay Kids offer a secure space for children. The Piwi+ channel dedicated to young viewers relies on an advisory ethics committee composed of pediatricians, educators and parents to ensure that its offer is in line with commitments to protect children and teenagers. At the same time, Télétoon+, whose offer includes free online games, videos and cartoons, is planning in 2016 to offer a magazine dedicated to digital media literacy for children aged 7 to 11.

In Poland, MiniMini Channel, the channel dedicated to young audiences, advises parents and children about safe use of the Internet. For this purpose, it dedicates a detailed page that provides information from youth experts and parents, advice about online games, as well as the web links of secure sites for children. In addition, nc+ ensures supervision of advertising communications targeting the youngest audience: commercials are assessed on the basis of an internal charter, the principles of which were established in compliance with national and international regulations (including the 1989 International Convention on the Rights of the Child). The charter details the principles that must be respected by commercial communications in order to comply with these regulations.

UMG also engages in activities to promote responsible use of its services. Thus, UMG invited its partners to consider the conditions for establishing an age rating system for its online videos to protect children from inappropriate content. In the United Kingdom, this is done in co-ordination with the British Board of Film Classification. The project involves the top five countries in terms of revenue (France, Germany, Japan, the United Kingdom and the United States) and is on the agenda for meetings of the industry associations such as the SNEP in France and the BVMI in Germany.

In the United States, UMG supports the RIAA's educational programs and campaigns to educate parents about digital media. It also raises the awareness of audiences – including those of youths - on the importance of the legal music offer by supporting initiatives such as "Why Music Matters" (a project started by artists and based on animated videos to show the importance of music in their lives) and the video "Music Remains" (www.musicremains.org) shot at Abbey Road Studios for the IFPI.

Within Vivendi Village, Watchever proposes "Kids", an offer which was developed with parents and is specifically designed for young children, both as regards the content available and its functions. Since 2015, it has also been possible to create several user profiles within one user account and to set age restrictions for each of the profiles. The mechanism for customizing profiles within a single account allows users to restrict access to certain content for certain family members, and therefore offers better protection for minors by blocking their access to inappropriate content.

Regarding the ticket business, See Tickets informs its customers about the age limit for concerts offered on its site. A clear and express notice about the age required to attend an event appears at the time of the online payment.

3.1.1.3. Fostering Knowledge Sharing: Pluralism of Content, Media Access and Awareness Raising of Sustainable Development Issues

A third CSR strategic issue identified by Vivendi concerns pluralism of content, media access and awareness raising of sustainable development issues. Driven by the will to encourage intercultural living together and to promote access to its content by the largest number of users, the group has become part of various initiatives in order to expand the scope of its reflection and the actions it undertakes.

Some of the initiatives intended to raise awareness of sustainable development are described in Section 2.1.2 of this chapter.

3.1.1.3.1. Pluralism of Content

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

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

Vivendi uses this shared definition to encourage and monitor the efforts of its subsidiaries in this area.

DESCRIPTION OF THE GOVERNANCE STRUCTURE, THE BUSINESS MODEL AND MECHANISMS USED TO GUARANTEE INDEPENDENCE OF EDITORIAL FUNCTIONS AND PLURALISM OF CONTENT

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

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

The principles of journalism ethics are enshrined in the group's Ethics Charter and in the collective agreement of Canal+ Economic and Social Unit (UES Canal+) for journalists. The collective bargaining agreement indicates the ethical rules that must be adhered to by journalists in their professional activities. Furthermore, after the commitments made by Canal+ Group at the hearing on September 24, 2015 before the CSA (the French broadcast media regulator), the group announced in January 2016 the setting up of an Ethics Committee at the Canal+ channel.

Mechanisms are in place for supervision of processing and disclosure of sensitive information. Some information programs (including iTélé programs, when necessary; *Special Investigation* on Canal+; *En Quête d'actualité* on D8) are viewed by lawyers from the Canal+ Group channels in collaboration with the editorial offices.

NUMBER AND DESCRIPTION OF INTERVENTIONS MADE BY THE CSA (WARNING – SUMMON – SANCTION) AND ACTION TAKEN IN RESPONSE

GRI	UNGC	OECD	Scope covered
G4-PR7, MSS M5	-	VIII.7	Canal+

	2015	2014
Canal+	**4**	1

For all of its channels, Canal+ Group has received two warnings and two summons from the CSA.

iTélé received a summon from the CSA, like most of the French channels, for its coverage of the January 2015 attacks in Paris. The summon is being appealed in the *Conseil d'État*. The CSA also issued a summon against D8 in connection with a sequence broadcast during the program *Touche pas à mon poste* in which the CSA believed that one guest had made statements that might stigmatize a group of persons because of their disability.

3.1.1.3.2. Media Access

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

MEASURES TAKEN IN FAVOR OF ACCESS TO OFFERS, PRODUCTS AND SERVICES (INCLUDING ACCESS TO CUSTOMER SERVICE)

GRI	UNGC	OECD	Scope covered
G4-EC8, MSS M4	1, 2	II, IV	UMG Canal+ Group Vivendi Village

The Canal+ Group's channels offer their subscribers the following two systems: close captioning for the deaf or the hearing impaired (100% of the Canal+ channel's programs in France) and audio description for the blind or the visually impaired (for 2015, the Canal+ channel made an undertaking to the CSA to make 70 unedited programs available in audio description that could be broadcast during peak viewing hours).

Satellite coverage allows access to content throughout the territories in which Canal+ Group operates; therefore the main challenge in terms of geographic accessibility lies in the establishment of points of sale. In Africa, the distribution network is now being rolled out more quickly in rural regions than in cities, and several points of sale were opened in 2015 in isolated areas to allow residents of these regions to access the content.

In conjunction with the rollout of a DTT offer in Congo, Canal+ Group plans to offer a monthly subscription to low-income households at a very low cost. In addition, in 2015 the group proposed a new package in all the African countries where it operates which gives access to the Canal+ channels at a more attractive rate.

The fact that UMG has digitized its exceptional catalog of musical works provides a unique way of accessing thousands of recordings that are unavailable in any physical medium. UMG is developing or partnering with digital music services in the territories where it is active, which makes its offers more accessible. Furthermore, UMG strives to give every music fan access to the full diversity of its catalog, whether it be through services that are free to the user or services offered at a reduced rate (like the Japanese service Line Music, which offers a discount to students, who make up 22% of subscribers).

In countries with poor infrastructures, UMG forms partnerships with telecom providers to create music bundles. These partnerships facilitate access to music content for geographically isolated populations. These partnerships also provide the opportunities to establish and promote music offers over the Internet through legal means. Thus a partnership with provider Smart gave birth to Spinnr, the first streaming music service in the Philippines. In Cambodia, British singer Jessie J performed in Phnom Penh for the launch of the partnership with Smart Axiata and raised public awareness of the need to give preference to the legal music offers.

The entities of Vivendi Village have also taken measures to promote accessibility. Watchever, for example, asks its suppliers to deliver video files in a German version and the original version. The user is then free to choose which version he or she prefers to view the content purchased in. See Tickets has a special telephone number that allows disabled customers who require an adapted space to reserve a seat that meets their needs. As far as possible, priority will be given to reserving a seat accessible without steps or stairs, close to the stage, or which allows the use of a sign language translator.

3.1.1.4. Valuating and Protecting Personal Data

Personal data protection is a strategic issue for the group, which must build relationships of trust with its audiences. It is one of Vivendi's four "core" CSR issues. Since 2015, it has been included in the CSR criteria taken into account in the variable compensation of senior executives. The Data and Content Protection Charter adopted in 2008 and implemented in each of the subsidiaries, defines Vivendi's commitments in relation to the collection and management of customers' personal data and the protection of content. Vivendi and its subsidiaries have a designated officer responsible for the protection of personal data.

POLICIES PUT IN PLACE TO PROTECT CUSTOMERS' PERSONAL DATA

GRI	UNGC	OECD	Scope covered
G4-DMA PR Customer Privacy aspect, DMA HR MSS	1, 2	IV, VIII.6	UMG Canal+ Group Vivendi Village

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

The issue of personal data protection is taken into account specifically in the training provided to customer advisors. In 2015, for example, the "Customer Relations" certification (see Section 3.1.3) included a section on raising awareness of data confidentiality. Responsible use of personal data is also taken into account in the customer relationship itself. An intensity relations team ensures that during customer relations, communications are harmonious and personal information is treated respectfully.

The entities are also mobilized at an international level. The Polish subsidiary of Canal+ Group has a strict policy covering security of personal customer data, and in 2015 more than 500 of its staff were trained on this topic. In addition, Canal+ Afrique explicitly includes contractual provisions in its contracts with distributors and mobile operators that have access to subscribers' personal data that require them to agree to the confidentiality of that data.

In its Code of Conduct, used in every country where the group operates, UMG stresses the need to protect its customers' personal data. In 2015, UMG also appointed a Privacy Officer, whose mission is to ensure that the procedures established by UMG properly protect the personal data of its customers and employees and to review the data transfer provisions contained in contracts with upstream and downstream third parties.

At UMG, emphasis is also placed on staff training and in 2015 more than 2,300 staff underwent online training devoted to protecting personal data. Moreover, UMG is reviewing its customer data protection policies in order to receive TRUSTe certification which attests to the implementation of best practices in regard to confidentiality and protection of personal data.

Vivendi Village's entities, Watchever and See Tickets, each display on their website their policy in the area of personal data.

DESCRIPTION OF ACTIONS FOR RAISING THE AWARENESS OF CUSTOMERS REGARDING PERSONAL DATA AND INFORMATION CONCERNING PRIVATE LIFE ONLINE

GRI	UNGC	OECD	Scope covered
G4-DMA PR Customer Privacy aspect, DMA HR MSS	1, 2	IV, VIII.6	UMG Canal+ Group

In order to ensure that customers are aware of the management of information collected from them, Canal+ Group defines clearly, in its General Subscription Conditions, the rules applying to the use of personal customer data. As regards services dedicated to young users, the General Conditions of Sale of the Canalplay Kids offer specify the details of personal data processing, and the website of nc+ (www.minimininiplus.pl), which offers audiovisual programs, video games and creative workshops for young children, also displays its confidentiality policy relating to the information it collects.

For its customers, UMG makes its policy on use of personal data available on the group's sites (privacypolicy.umusic.com). This helps customers better understand and manage information about themselves, and especially the option to authorize or refuse collection of their data. For young audiences, UMG requires consent by a parent or guardian when web users between the ages of 13 and 16 subscribe to its online music sites. Websites that are likely to appeal to children provide a Safe Surfing Guide to help parents and children control their Internet experience.

3.1.2. LOCAL, ECONOMIC AND SOCIAL IMPACT OF THE BUSINESS ACTIVITY

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

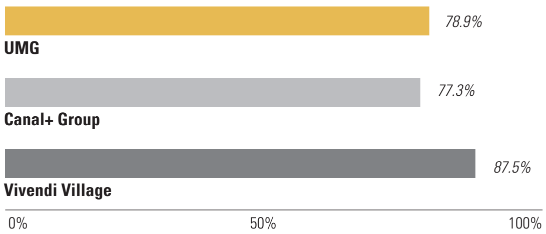
- sharing the value produced by Vivendi with its principal stakeholders (see the chart in Chapter 1, Section 1.5.10); and
- contributing to economic, social and cultural local development.

3.1.2.1. Contribution to Local Economies

Vivendi contributes actively to the development of the territories where it has operations, not only through direct or indirect employment but also through the promotion of the local culture and by sharing its know-how. Whether through the empowerment of artistic talent, the professionalization of the local cultural sector, or the support given to NGOs, the group has chosen to assess its impact in a tangible way.

PERCENTAGE OF PURCHASES MADE FROM LOCAL SUPPLIERS

GRI	UNGC	OECD	Scope covered
G4-EC9	-	II.A.3	UMG Canal+ Group Vivendi Village



The group has analyzed the purchases made with suppliers and subcontractors, which account for at least 75% of the overall expenditure of each of the subsidiaries (see Section 3.1.4). On average, 78% of purchases made by Canal+ Group, UMG and Vivendi Village are made from local suppliers.

Through these purchases, Vivendi has a significant impact on the local economic fabric, and in particular by contributing to job creation. Thus, in the six African countries included in the 2015 scope of societal reporting, Canal+ Group generates nearly 4,500 indirect jobs, in particular through its distribution network, its purchases of communication services and of technical services used by the group to install the equipment which is necessary for reception of the packages. In the same way, more than 750 indirect jobs have been created by Canal+ Group in Vietnam (primarily via the large distribution network of K+), more than 2,300 indirect jobs have been generated by the group in Poland, and more than 20,000 indirect jobs in France.

Moreover, through its activities Vivendi contributes to sustaining the local cultural industries.

In 2015, Vivendi continued its training program for sound engineers that was launched in Mali in 2006. The six trainees worked on techniques for studio recordings of titles performed by the koras orchestra of Ballaké Sissoko, an orchestra composed of eleven young Malian instrumentalists. In 2015, for the first time since the creation of the program, a female technician joined the training module. The 2015 edition of the training course was also the opportunity to assess the professional progress of the trainees and, for those who had been taking the training since it was initiated, to assess the development of their status and income since 2006. Despite an economic slowdown, the assessment of the training is extremely positive. Certain trainees have doubled the number of days worked between 2006 and 2012, and are now employed between 150 and 200 days a year.

Sharing skills was the centerpiece of another training program set up by iTélé in partnership with CFI, the French media cooperation agency. Between November 2014 and October 2015, the news channel conducted a total of seven training missions in Hanoi, Vietnam, to train journalists and technicians for the launch of a local news channel, VTV 24. The French journalists offered courses in the basics of journalism, and also offered workshops on reporting, studio work and interviews.

Vivendi also contributes to the economic and cultural fabric by collaborating with local professionals in its operations. The international entities of Canal+ Group in Africa and in Poland, for example, actively collaborate with many independent producers. In Africa, in 2015, the group entered into business relations with 76 local producers for the purchase and pre-purchase of rights as well as co-production of series, films and events. In Poland, 33 local producers worked with nc+. Due to the Canal+ Discovery channel launched in 2015 with the goal of broadcasting up to 120 hours of Polish programs developed exclusively for the channel each year, the opportunities to collaborate with local producers will increase even further.

For its part, UMG plays an important role in the development of the local music ecosystem through P&D (pressing and distribution) deals or joint ventures entered into with independent labels. These agreements allow the labels to benefit from UMG's expertise, infrastructure and distribution networks.

UMG has partnerships with music festivals in some countries. In addition, in France, Digitick has established close ties with local festivals that help nourish regional cultural life. Marsatac or Rockisland, for example, benefit from Digitick's financial and operational support.

3.1.2.2 Partnerships with Civil Society

Since 2008, through its Vivendi Create Joy Fund, Vivendi has been committed to supporting young people that are marginalized, at risk, disadvantaged or suffering from sickness or disability. Each year, roughly thirty major projects aimed at the development of talent in musical, digital, journalism, cinema and television – the group's businesses – are financed. The program has been implemented in the United States, in Europe (France and Great Britain) and in Africa.

Vivendi's employees are involved with the NGOs supported through the Ambassadors Create Joy program. The volunteer skills provided by the Ambassadors assist in making the projects a success.

AMOUNTS SPENT FOR ENTERPRISE FOUNDATIONS, SOLIDARITY PROGRAMS AND SPONSORSHIP ACTION (IN €), AND A DESCRIPTION OF THREE INNOVATIVE PROJECTS

GRI	UNGC	OECD	Scope covered
G4-EC1, EC7, EC8, SO1	1	II.A.3 and 4, IV, IX.5	UMG Canal+ Group Vivendi Village

	2015	2014
UMG	**1,897,680**	1,002,688
C+G	**4,783,397**	2,584,734
Vivendi Village	**23,750**	-
Total	**6,704,827**	**3,587,422**

The subsidiaries implement their own solidarity and philanthropic programs.

Canal+ Group, which maintains a unique connection with the seventh art, supports the French film industry through its Canal+ Foundation for cinema. The group in France gives financial assistance to training institutions such as the Cité du Cinéma film school and Femis. In addition, Canal+ has established a donation fund, "Kindia+", to support projects and associations in Guinea. These projects were featured in the Canal+ documentary series *Kindia*, the last episode of which was broadcast in November 2015.

In Africa, Canal+ Group supports local cultural life by being a partner to many festivals and cultural events, such as FESPACO in Burkina Faso (see Section 3.1.1.1.1), the Clap Ivoire festival in Ivory Coast, the international choral festival in Gabon, CAL'U, and the Congolese film festival. The group also provides support to local television. In 2015 in Burkina Faso it signed a memorandum of understanding with the Ministry of Communication to provide financial support to the RTB, the local television. In Congo, it provides technical equipment to the national channel Télé Congo as part of an annual partnership.

Moreover, several local Canal+ branches offer associations free subscriptions to their packages. In Poland, 45 set-top boxes and subscriptions were offered to NGOs that care for children without access to media, in orphanages, hospitals or schools in isolated areas. In Gabon, Canal+ Group has offered free subscriptions to its package to four centers for young people at risk.

UMG conducts numerous initiatives to promote the development of young audiences through music (see also Section 3.1.1.2.1). In the United Kingdom, for example, UMG continues its support for the OnTrack program organized by the performance venue The Roundhouse. This program consists of six weeks of training to help 20 young people who are not in school, employed or in an apprenticeship to acquire professional skills in writing, performing and recording music. The success of this program has been remarkable: more than 50% of the young people who participated in 2014 are now in training or have found a job.

Also in the United Kingdom, UMG has extended its partnership with East London Arts and Music, a free school for those 16 to 19 years old. Its curriculum is based on music and the creative industries. In February 2015, 30 young people were involved in the UMG final weeks of preparation for the Brit Awards. Additionally, during the month of June, the students got UMG's help in releasing their first piece on the Spinnup platform. Beyond this partnership, UMG also supports the hugely successful fundraising project Secret 7''. Graphic designers from around the world produced album covers for seven UMG artists (including the Rolling Stones and the Chemical Brothers). Proceeds from the sale of these valuable one-off covers were given to the Nordoff Robbins Music Therapy association.

In the United States, Universal Music supports the Global Poverty Project, an NGO that aims to eradicate extreme poverty by 2030. In particular, UMG participated in organizing the annual Global Citizens' Festival, in September 2015.

3.1.3. RELATIONS WITH STAKEHOLDERS

Dialog with stakeholders is at the heart of Vivendi's CSR policy (see Section 1.2.4 of this chapter).

DESCRIPTION OF AT LEAST THREE DIALOG INITIATIVES WITH IDENTIFIED STAKEHOLDERS AND DESCRIPTION OF THE TOPICS ADDRESSED

GRI	UNGC	OECD	Scope covered
G4-26, G4-S01 and PR5, MSS M6	-	II.A.3 and 14, VIII	UMG Canal+ Group Vivendi Village

Canal+ holds a plenary consultation meeting in France with consumer associations every year. This meeting, attended by, among others, the Director of Customer Services and the Head of External Consumer Relations and Customer Dialog, is an opportunity to create a climate of constructive dialog with the representatives of the group's customers. The decline in the number of claims submitted by the associations to Canal+ continued in 2015, with 438 files, down from 471 in 2014.

In this context, in 2015, the Canal+ Group customer services set up, at the request of the consumer organization UFC-Que Choisir, an e-mail address for claims received by the association, in order to facilitate the communication of customer claims. A new customer process has also been offered since September 2015 following the establishment of mediation in French law. In the event of disputes, Canal+ Group refers to FEVAD (the French federation of e-commerce and remote sales), which acts as a mediator for the sector.

In addition, the audit conducted in October 2015 by AFNOR confirmed retention of the NF Service "Customer Relation" certification awarded to Canal+ in 2014, which certifies achievement of the best standards in the market for customer relations.

Dialog with the stakeholders of the Canal+ Group's international entities was largely focused on piracy in 2015:

- in Vietnam, K+ contributed to the formation of an alliance to fight piracy that includes rights-holders, film producers, content distributors and associations;
- by relying on two associations to which it belongs (Sygnał and Fota), nc+ carried out a number of initiatives and events in Poland to promote the legal offer of content, particularly with regard to sports rebroadcasts; and
- Canal+ Afrique is a member of the Convergence association, created in 2015. The aim of this association is to defend and protect the economic interests of the audiovisual sector and of creators in Africa, in particular by ensuring that copyright is respected and by combating piracy. The association represents the interests of all players in the African cultural industry, and in that capacity it brings together authors, producers and regulators, as well as television and mobile telephone operators.

UMG has identified its principal stakeholders (artists, artist managers, music retailers, digital partners, product suppliers, national and European authorities, media, parent associations, consumer and industry bodies) and has instituted open and collaborative dialog.

In addition to the relationships the group maintains with the professional associations – especially the IFPI, of which it is an active member – UMG has regular discussions with artists and their managers.

For example, UMG's British affiliate has invited managers to a seminar, where participants could exchange ideas on trends in the music market and their impact on the company and the artist community. The week was a great success both in the rate of participation (90% of the managers were there) and in feedback from participants, who praised the dialog held by UMG as open and constructive.

In several countries, UMG has a web-based portal for access by artists and songwriters. This portal allows them to evaluate their promotional campaigns and provides them with up-to-date financial and marketing data relating to their releases. UMG Germany has a seat on the rate committee of GVL, an association for collecting artist royalties. This committee presents recommendations and suggestions for setting music royalties.

At Vivendi Village, dialog with industry professionals takes place in the context of professional associations to which the entities belong (such as FEVAD for Digitick, or PRODISS – the French union of producers and concert venues – for L'Olympia). In order to continue to offer an innovative approach to the customer experience, Vivendi Village is constantly searching for ways to improve responsiveness and to best meet the expectations of music, theatre, arts and sports fans. As a result, Digitick was elected Best Customer Service of 2016 in the "Event and Movie Booking" category by Viséo Conseil.

RESULTS OF MEASURING CUSTOMER SATISFACTION

GRI	UNGC	OECD	Scope covered
G4-26, and PR5, MSS M6	-	II.A.14, VIII	Canal+ Group

Canal+ Group regularly conducts customer satisfaction surveys, designed to measure the response to its offers and content by its subscribers. In 2015, all the group's subsidiaries conducted or commissioned a company to carry out at least one measurement of satisfaction of their customers.

In France, the satisfaction barometer for October 2015 demonstrated customers' attachment to the film offer provided by the channel. For 86% of subscribers, Canal+ is the reference channel for movies. 75% of the respondents also agreed that "Canal+ is a channel that offers programs you cannot see anywhere else."

nc + in Poland measured the satisfaction of its customers in the third quarter of 2015: 86% of customers were satisfied with the offer from nc+. Several surveys, posting very good results, were also conducted by Canal+ Afrique. With respect to A+, more specifically, the subscribers believe the channel reflects a modern and dynamic Africa, one which is a source of pride and creates a feeling of belonging.

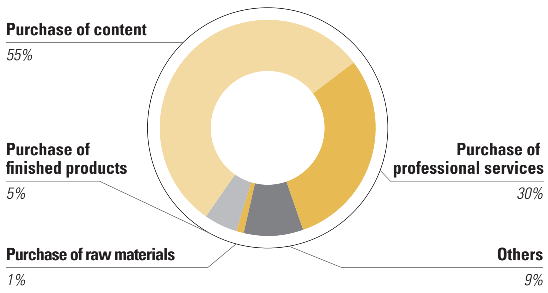
3.1.4. CSR CRITERIA AS PART OF PURCHASING POLICY AND IN RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS

3.1.4.1 Importance of Purchasing and Subcontracting at Vivendi

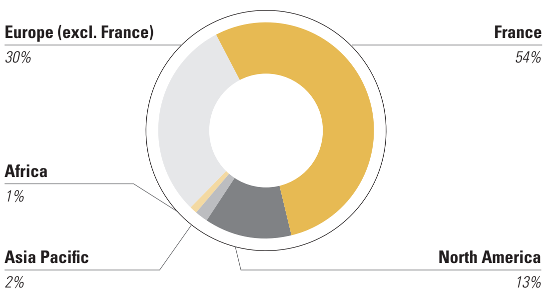
To obtain a better overall view of the risks related to the supply chain, the group has carried out an analysis of its purchases made with suppliers and subcontractors that account for at least 75% of the total expenditure of each of the subsidiaries.

BREAKDOWN OF PURCHASES BY MAIN CATEGORIES AND GEOGRAPHIC REGIONS (AMONGST THE SUPPLIERS AND SUBCONTRACTORS WITH WHOM AT LEAST 75% OF TOTAL PURCHASING AMOUNT IS REALIZED)

GRI	UNGC	OECD	Scope covered
G4-12, G4-EC1	-	II.A.3 and 4	UMG Canal+ Group Vivendi Village



The group purchases mainly content and professional services. Most of these purchases are made from suppliers in Europe and North America. The five principal countries from which these purchases originate are, in descending order, France, Great Britain, United States, Poland and Germany.



3.1.4.2. A Responsible Purchasing Policy Adopted by the Subsidiaries

Vivendi is committed to increasing the awareness of its main suppliers and subcontractors to its social and environmental issues. In 2013, Vivendi signed the Charter of Responsible Supplier Relations, which defines a number of commitments designed to increase the awareness of economic players to the importance of responsible purchasing and the quality of customer-supplier relations. Vivendi's Compliance Program includes a rule that recalls the commitment of commercial partners to provide services in compliance with the group's commercial and social ethical standards.

EXISTENCE OF A FORMAL COMMITMENT WITH REFERENCE TO FOUNDING PRINCIPLES IN THE PURCHASING POLICY

GRI	UNGC	OECD	Scope covered
G4-56, G4-DMA Supplier Assessment aspects	1-10	II.A.13, III, IV, V.1, VI.6	UMG Canal+ Group Vivendi Village Corporate

The subsidiaries use subcontracting. They expect their suppliers and subcontractors to comply with the principles set out in Vivendi's Compliance Program and in the UN Global Compact, as well as with the values and rules of good conduct in their respective codes of ethics. A breach of any of these principles is potential ground for the group to terminate the contract with the supplier. Canal+ Group has two internal call centers for which it has obtained renewal of the "Integrated Centers" Social Responsibility Label, and also has outsourced call centers.

In 2015 the entities of Vivendi Village included in the scope of reporting were informed of the group's commitments on this issue during training sessions on reporting.

DEPLOYMENT OF THE RESPONSIBLE PURCHASING APPROACH AMONGST THE SUPPLIERS AND SUBCONTRACTORS WITH WHOM AT LEAST 75% OF THE TOTAL PURCHASING AMOUNT IS REALIZED

GRI	UNGC	OECD	Scope covered
G4-DMA Supplier Assessment aspects	1-10	II.A.12 and 13, II.B.2, IV, V.1, VI.6	UMG Canal+ Group Vivendi Village Corporate

The subsidiaries were made particularly aware of the issue of human rights in business relationships at a dedicated CSR Committee meeting, during which experts gave clarifications on the group's corporate responsibility in its own sphere of influence (the media sector).

Purchases of audiovisual content (films, series, broadcasts, sports events and similar) which account for a substantial portion of the purchases made by Canal+ Group are made under terms and conditions defined with the rights-holders. For relations with its other suppliers, Canal+ Group has established contractual prerequisites which require compliance with the provisions of the United Nations Global Compact, through the systematic insertion of a CSR clause. These contractual prerequisites are included in Canal+ Group's bidding documents (calls for tenders) and in the contracts entered into with suppliers after the bidding process. In addition, the group regularly requires the following of its suppliers:

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

In its main business regions, through its calls for tender, UMG asks its suppliers to sign the Universal Music Group Supplier Corporate Responsibility Policy. In addition, suppliers who respond to a call for tender must provide information on the following:

- the selection and management of ethical and environmental practices in the supply chain;
- confirmation of adherence to the principles of the Universal Declaration of Human Rights;
- the use of paper, pulp or fibre coming from forests or resources declared legal by European and American standards; and
- the supplier's status with respect to the ISO 14001, EMAS and REACH standards.

Bravado Australia, UMG's Australian merchandising subsidiary, is particularly vigilant in relation to the ethics of its suppliers. Suppliers are asked to prove, before any contractual commitment with Bravado, international accreditation (WRAP, BSCI and Sedex) that guarantees they meet the ethical requirements. They are also asked to sign a Manufacturing Agreement that restates the principles in regard to human rights. Bravado Australia conducts annual audits to ensure that these commitments are adhered to.

Watchever also ensures that its contracts contain clauses that recall the obligations of the parties in relation to social and labor legislation, compliance with anti-corruption laws, and identification of age restrictions applying to content purchased.

Lastly, the subsidiaries have trained purchasing teams on responsible purchasing, with a view to strengthening their performance in this area.

Canal+ Group's purchasing teams in France, among others, have been made aware of issues linked to socially inclusive procurement practices, respect for workers' fundamental rights, fair practices with suppliers, the dependency of suppliers, and commitments in relation to payment terms.

In the United Kingdom, the UMG purchasing team has been made aware of the Modern Slavery Act, adopted in 2015. It requires greater vigilance and transparency by companies in regard to their suppliers. Companies must detail the measures they have in place to ensure that their suppliers are not engaged in slavery or human trafficking.

3.1.5. FAIR BUSINESS PRACTICES

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

3.1.5.1. Action to Prevent Corruption

DEFINITION OF THE POLICY'S PRIORITY AXES CONCERNING THE STRUGGLE AGAINST CORRUPTION

GRI	UNGC	OECD	Scope covered
G4-DMA SO Corruption aspect	10	II, VII	UMG Canal+ Group Vivendi Village Corporate

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

Canal+ Group has formalized its commitments in its Ethics Charter and set up a structured governance procedure for all expenditures and contracts signed within the group. In addition, the Internal Audit department of Canal+ Group has defined a quarterly census procedure to highlight any fraud within the group, as well as defining the associated action plans. In accordance with the group's procedure for notifying fraud, established by the Internal Audit department, this information is transmitted by the operational departments.

All the employees of the Canal+ Group's Purchasing department, Legal departments and Audit department are made aware of the fight against corruption. Moreover, in 2015, the governance procedures were presented to the employees based in Paris during sessions held in April and June. In addition, in the Polish subsidiary of Canal+ Group, the topic of fighting corruption has appeared since November on the agenda of the training modules given to new employees. An e-mail restating the guidelines of this anti-corruption policy is also sent every year to operational executives and to the members of the executive committee of nc+.

UMG is committed to adopting a "zero tolerance" approach to fraud and corruption and to acting in a professional manner and with integrity wherever the company operates, in accordance with local regulations and with the 2010 UK Bribery Act. UMG has introduced a warning alert system available to its employees: the group maintains a compliance and ethics helpline number that can be called to anonymously report any suspected violations of the UMG Code of Conduct. The helpline is available twenty-four hours a day, seven days a week.

All the group's employees have been made aware of the company's Code of Conduct which includes its anticorruption policy and must agree to abide by it. UMG has also developed courses on the fight against fraud and corruption. After a 2014 session in Asia, colleagues in Mexico, Brazil and South Africa participated in training on the UK Bribery Act, the Foreign Corrupt Practices Act and the UMG Code of Conduct. A total of 279 employees participated in these training sessions (134 in Mexico, 101 in Brazil and 44 in South Africa).

In order to combat fraud and abuses in the ticketing black market, Digitick set up zePass, a trusted third-party service, unique in France, enabling the non-speculative resale of tickets between individuals on a secure platform. zePass also offers event organizers (including L'Olympia) the introduction of an official public market for ticket exchanges.

3.1.5.2. Contribution to Public Policy/ Responsible Lobbying

Vivendi and its subsidiaries adopt transparent lobbying practices (disclosure of membership in professional associations, registration in lobbyist registers, and clear communication about the main positions taken).

UMG and Canal+ Group are registered in the European Parliament and Commission's Transparency Register. In the United States, as required by regulations, UMG declares its lobbying activities and related expenses in quarterly reports sent to Congress.

SIGNIFICANT THEMES AND POSITIONS TAKEN IN LOBBYING ACTIVITIES

GRI	UNGC	OECD	Scope covered
G4-DMA SO Public Policy aspect	-	-	UMG Canal+ Group

In 2015, Canal+ Group made its position known to French public authorities on the following three significant issues in particular:

- during debates on the draft bill for growth and economic activity proposed by the French Minister of Economy, Industry and Digital Affairs, the group defended the freedom of distributors of pay-TV to offer specific editorialized packages which are different from the numbering assigned by the CSA to the channels with a free-to-air DTT offer;
- with the arrival of new offers proposed by unregulated international groups, discussions with public authorities have focused on the status of these new players on the French market, and how this coexistence will affect competition. These discussions were an opportunity to recall the very onerous regulatory environment for pay-TV distributors in France and the obligations imposed on Canal+ Group to finance creation; and
- with regard to projects and goals in relation to content development, including original fiction, and in cooperation with public authorities, in 2015, Canal+ Group also contributed to discussions intended to continue the reform of relations between audiovisual broadcasters and producers and improve the balance between them in order to enable consolidation of the audiovisual groups and promote a better return on investment.

In Poland, Canal+ Group is a member of Sygnał and PIRS (Polish Chamber of Broadcasters), which work to protect intellectual property and which contributed in 2015 to the European debate on the single digital market and the revisions of the Satellite and Cable Directive. In Africa, in addition to its upstream positioning on calls for tenders, the group is making efforts to raise the awareness of authorities about combating piracy, particularly through its membership in the association Convergence (see Section 3.1.3).

Universal Music Group belongs to several industry associations (such as IFPI at the worldwide level and national affiliates including BPI in the United Kingdom and SNEP in France) through which it conducts many of its lobbying activities. These associations make their positions known through various communications and written materials. UMG's lobbying efforts mainly concentrate on protection of intellectual property rights, recognition of the value of music and cultural diversity, the battle against illegal content and promotion of works' distribution and public performance rights – especially in countries where these rights currently have little or no protection.

Through these associations and on its own, UMG has been very active, including in Europe, in defending more equal distribution of the value generated by digital music services and consolidating the notice-and-take-down mechanisms. In France, the "Schwartz agreement" was signed in October 2015 by key stakeholders in the music industry. The French government promoted this voluntary code of practice to help govern relationships between digital platforms, record labels, publishers and artists, with the major labels being represented in France by their national union, SNEP (see also Chapter 1, Section 1.5.5).

UMG has continued to work for the extension from 50 to 70 years of the period for protection of copyright-related rights. This measure encourages cultural diversity by allowing performers and studio musicians to be compensated for a longer period of time for their work and for the copyright owners to maintain a high level of investment in new talent. In 2015, this extension was adopted in Canada and ratified by the TransPacific partnership agreement for application in Japan and New Zealand.

3.2. Social Indicators

The abbreviations or acronyms in the following tables are detailed on page 54 of this chapter. The report on social data was drawn up in accordance with Articles L.233-3 and L.225-102-1 of the French Commercial Code (Article 225 of Law No. 2010-788 of July 12, 2010 establishing a National Commitment regarding the Environment, known as the Grenelle II law).

In the tables below, unless otherwise indicated, the heading "Corporate" refers to the corporate headquarters in Paris as well as the New York office. The heading "Headquarters" refers to the corporate headquarters in Paris. The heading "Vivendi Village" refers to L'Olympia, MyBestPro (Devispresto, Juritravail and MyBestPro Group), Radionomy (TargetSpot France, TargetSpot United States, Winamp SA Belgium), Théâtre de l'Œuvre, Vivendi Ticketing (Digitick and See Tickets) and Watchever (France and Germany). In accordance with the Vivendi group companies Reporting Protocol for environmental, social and societal data at the Vivendi Group companies, any new entities added to the scope of reporting during the year appear only in the tables relating to the headcount. For 2015, this refers to Canal+ Benin, Canal+ Haiti, Canal+ Mali, Flab (Flab Presse and Flab Prod), Studiocanal China, Studio+, Terra Communications Inc., Thema, and Vivendi Content for Canal+ Group; Radionomy and Théâtre de l'Œuvre for Vivendi Village and Dailymotion. For the purposes of the 2014 data, this refers to Studio Bagel, Canal+ Congo, Mediacall (Mauritius), Mediaserv (Guadeloupe), Tandem (Studiocanal Germany) and Red (Studiocanal United Kingdom) for the Canal+ Group.

3.2.1. EMPLOYMENT

3.2.1.1. Headcount by Activity

As of December 31, 2015, the group employed a total of 16,395 employees compared to 15,571 as of December 31, 2014. The growth in 2015 (an increase of 5.3%) mainly results from the expansion of Canal+ Group, in particular, internationally, with Canal+ Benin, Canal+ Haiti, Canal+ Mali, Terra Communications (Canada), and Studiocanal China, but also in France, with Flab (Flab Presse and Flab Prod), Thema, Studio+ and Vivendi Content. The acquisition of Dailymotion, a company present in France, Germany, Singapore, the United Kingdom, and the United States, and also Théâtre de l'Œuvre and Radionomy, a company present in Belgium, France and the United States also contributed to the increase in the headcount.

HEADCOUNT AS OF DECEMBER 31, 2015

GRI	UNGC	OECD
G4-10	-	V

	2015	2014
UMG	**7,575**	7,592
C+G	**7,611**	7,033
of which SECP	**754**	815
Vivendi Village	**770**	748
Dailymotion	**230**	-
Corporate	**209**	198
Total	**16,395**	**15,571**

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

Breakdown of Employees by Gender

In 2015, the employee breakdown by gender in the Vivendi group remained stable overall compared with 2014.

HEADCOUNT BY GENDER (%)

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

	2015		2014	
	Women	Men	Women	Men
UMG	**47%**	**53%**	47%	53%
C+G	**49%**	**51%**	50%	50%
of which SECP	**32%**	**68%**	33%	67%
Vivendi Village	**47%**	**53%**	44%	56%
Dailymotion	**23%**	**77%**	-	-
Corporate	**57%**	**43%**	57%	43%
Total	**48%**	**52%**	**48%**	**52%**

Headcount by Age

HEADCOUNT BY AGE (%)		
GRI	**UNGC**	**OECD**
G4-10, G4-LA12	1, 6	V

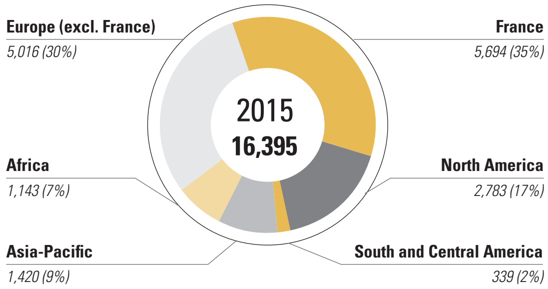
	2015					2014				
	Under 25	25-34	35-44	45-54	55 and over	Under 25	25-34	35-44	45-54	55 and over
UMG	**6%**	**32%**	**30%**	**24%**	**8%**	6%	31%	32%	23%	8%
C+G	**8%**	**40%**	**33%**	**15%**	**4%**	8%	40%	34%	15%	3%
of which SECP	**7%**	**19%**	**32%**	**32%**	**10%**	7%	19%	36%	30%	8%
Vivendi Village	**12%**	**50%**	**27%**	**8%**	**3%**	13%	56%	24%	6%	1%
Dailymotion	**9%**	**65%**	**24%**	**2%**	**0%**	-	-	-	-	-
Corporate	**2%**	**15%**	**24%**	**35%**	**24%**	2%	15%	27%	33%	23%
Total	**7%**	**37%**	**31%**	**19%**	**6%**	**7%**	**36%**	**32%**	**19%**	**6%**

Headcount by Geographic Region

The table below shows the group's headcount by geographic region as of December 31, 2015. The heading "France" includes the headcount of companies in mainland France and its overseas departments and territories.

HEADCOUNT BY GEOGRAPHIC REGION		
GRI	**UNGC**	**OECD**
G4-10	-	V

	2015	2014
Consolidated data	**16,395**	15,571



3.2.1.3. New Hires and Departures

New Hires

Vivendi operates in countries where the method of accounting for new hires and trainees is markedly different from the method used in France and other European countries. For example, in the United States, Canada and Brazil, summer jobs held by students and temporary positions are considered as new hires. To take into account these diverse methods, the table below accounts for all new hires, irrespective of the period of employment.

NEW HIRES IN THE GROUP		
GRI	**UNGC**	**OECD**
G4-LA1	6	V

	2015	2014
UMG	**1,348**	1,534
C+G	**1,796**	1,612
of which SECP	**100**	116
Vivendi Village	**246**	280
Corporate	**38**	11
Total	**3,428**	**3,437**

Temporary and Permanent New Hires

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

TEMPORARY AND PERMANENT NEW HIRES		
GRI	**UNGC**	**OECD**
G4-10, G4-LA1	-	V

	2015			2014		
	Total	Permanent new hires	Temporary new hires	Total	Permanent new hires	Temporary new hires
UMG	**1,348**	**873**	**475**	1,534	956	578
C+G	**1,796**	**1,003**	**793**	1,612	765	847
of which SECP	**100**	**20**	**80**	116	30	186
Vivendi Village	**246**	**112**	**134**	280	245	35
Corporate	**38**	**22**	**16**	11	2	9
Total	**3,428**	**2,010**	**1,418**	**3,437**	**1,968**	**1,469**

New Hires in France

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

NEW HIRES IN FRANCE		
GRI	**UNGC**	**OECD**
G4-10, G4-LA1	6	V

	2015			2014		
	Total	Permanent hires	% permanent hires	Total	Permanent hires	% permanent hires
UMG	**116**	**38**	**33%**	119	44	37%
C+G	**906**	**316**	**35%**	832	240	29%
of which SECP	**100**	**20**	**20%**	116	30	26%
Vivendi Village	**106**	**81**	**76%**	124	90	73%
Headquarters	**37**	**21**	**57%**	11	2	18%
Total	**1,165**	**456**	**39%**	**1,086**	**376**	**35%**

In the French companies, the average proportion of permanent hires increased to 39% in 2015, compared to 35% in 2014, or an increase of 21%.

Departures from the Group

DEPARTURES FROM THE GROUP		
GRI	**UNGC**	**OECD**
G4-LA1	6	V

	2015	2014
UMG	**1,374**	1,588
C+G	**1,716**	1,428
of which SECP	**131**	118
Vivendi Village	**292**	255
Corporate	**27**	41
Total	**3,409**	**3,312**

The data in the above table illustrates all departures from the group's companies, regardless of cause. It can be compared to the table illustrating all new hires.

Reasons for Departures

BREAKDOWN OF DEPARTURES BY REASON		
GRI	UNGC	OECD
G4-LA1	6	V

	2015	2014
Resignation	1,281	1,165
Individual redundancy	392	400
Redundancy on economic grounds	226	419
End of temporary contract	1,224	1,188
Retirement	26	22
Other causes	260	111
Total	**3,409**	**3,305**

The number of individual dismissals and redundancies on economic grounds was 618 in 2015: of which 35% in France and 65% internationally.

58% of departures resulting from the end of a temporary contract are attributable to France, and 42% are attributable internationally.

Departures for "other causes" include departures for personal reasons, departures under the contract termination procedure or termination by amicable agreement, voluntary departures, termination during or at the end of a trial period, departures for professional negligence, departures of casual staff (Australia), mobility between business units.

3.2.1.4. Compensation

All of Vivendi's business units are included in the compensation tables below. This includes those which entered the reporting scope during fiscal year 2015.

Personnel Costs

PERSONNEL COSTS (IN MILLIONS OF €)		
GRI	UNGC	OECD
G4-EC1	-	V

	2015	2014
Consolidated data	1,546	1,323

Payroll Costs

PAYROLL COSTS (IN MILLIONS OF €)		
GRI	UNGC	OECD
G4-EC1	-	V

	2015	2014
Consolidated data*	1,445	1,278.2

* After deducting capitalized personnel costs of 3 million euros.

Payroll Costs as a Ratio of Revenue

PAYROLL COSTS AS A RATIO OF REVENUE		
GRI	UNGC	OECD
G4-EC1	-	V

	2015	2014
Consolidated data	13.42%	12.52%

Optional and Statutory Profit Sharing (France)

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

OPTIONAL AND STATUTORY PROFIT SHARING IN FRANCE (IN MILLIONS OF €)		
GRI	UNGC	OECD
G4-EC1	-	V

Consolidated data	2015	2014
Optional profit sharing	17.8	19.4
Statutory profit sharing	7.9	7.7

3.2.2. ORGANIZATION OF WORK

3.2.2.1. Organization of Work Time

Full-Time and Part-Time Employees

The ratio of part-time employees is calculated by comparing the number of employees working part-time to the total number of employees in the Vivendi group.

FULL-TIME AND PART-TIME EMPLOYEES		
GRI	UNGC	OECD
G4-10	-	V

	2015		2014	
	Full-time	Part-time	Full-time	Part-time
UMG	7,326	249	7,306	286
C+G	7,200	411	6,599	434
of which SECP	741	13	797	18
Vivendi Village	615	155	604	144
Dailymotion	228	2	-	-
Corporate	195	14	186	12
Total	**15,564 (95%)**	**831 (5%)**	**14,695 (94%)**	**876 (6%)**

The Vivendi group's staff make limited use of part-time contracts. For this reason, the number of part-time contracts slightly decreased in 2015.

Average Weekly Duration of Working Time for Full-Time Employees

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

AVERAGE WEEKLY DURATION OF WORKING TIME FOR FULL-TIME EMPLOYEES (HOURS)

GRI	UNGC	OECD
-	-	V

	2015	2014
Consolidated data	**37.9**	37.9

This figure represents the average weighted working hours per week within the group. Working time varies according to country and company and varies between 35 hours, the legal working week in France and the overseas departments and territories, and 48 hours in some South American and Asian countries. The median duration within the group is 40 hours and average duration is 37.9 hours.

Average Yearly Duration, Full-Time Employees

AVERAGE YEARLY DURATION, FULL-TIME EMPLOYEES (HOURS)

GRI	UNGC	OECD
-	-	V

	2015	2014
Consolidated data	**1,767**	1,753

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

Methods of Work Organization

Work organization practices have remained stable both in terms of length of time worked and proportion of employees working part-time.

Attempts to find a balance between the specific characteristics of some of the group's activities and the personal and professional lives of employees are the focal point of changes in ways of organizing work. To reflect their specific needs, which are often linked to the business of providing services, some of the group's entities make use of working arrangements such as telecommuting and flexible or staggered working hours, or being on call. This is true, for example, in the context of producing television programs or shows, in ticketing, which has to adjust to special events essential to their business (e.g., festivals, shows, sporting events) and at the call centers of nc+ in Poland (Canal+ Group).

- In 2015, Canal+ Group renewed its telecommuting agreement that was originally entered into in 2012, for a period of three years. Canal+ Group believes that telecommuting is an innovative way of organizing work, and has the goal of making work organization more flexible and adaptable by making each employee more responsible and independent.
- UMG encourages telecommuting and flexible working hours. This policy does not necessarily derive from signed agreements and, in light of the diversity of regulations in the numerous countries where UMG is present, tends to take the form of specific action plans.
- In 2015, an agreement on work organization and flexible working hours was agreed in the Watchever Group (Vivendi Village).

3.2.2.2. Absenteeism within the Group

Absenteeism by Reason

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

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

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

ABSENTEEISM BY REASON (AVERAGE DAYS PER EMPLOYEE)

GRI	UNGC	OECD
G4-LA6	-	V

Consolidated data	2015	2014
Absences for illness	**4.35**	4.61
Absences for family reasons	**2.48**	2.50
Absences for accidents	**0.11**	0.16
Absences for other reasons	**0.79**	0.74

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

3.2.3. SOCIAL RELATIONS

3.2.3.1. Organization of Social Dialog

Social dialog takes place at all levels of the group. The Corporate Works Committee and the European Social Dialog Committee (ESDC) enable broad-ranging information and discussions on economic strategy and the main policy objectives of Vivendi's human resources policy (see Section 2.2.2 of this chapter).

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

3.2.3.2. Collective Bargaining Agreements

In 2015, 23 agreements or supplemental agreements were signed or renewed in France. Among these agreements, the following can be cited as representative of the ongoing social dialog within the group's different business units: the agreement on gender equality in Canal+ Group Guadeloupe and Universal Music France, as well as the Watchever flex-time agreement.

This year, the Canal+ Group delivered on its commitments to develop a dynamic social policy and a constructive social dialog by signing agreements on the subject of wellness linked to business performance (agreements on quality of life at work and on telecommuting).

Numerous agreements were also entered into dealing with other subject matters, such as compensation policy and profit-sharing, which reflect the desire to allow employees to participate in their company's performance (Canal+ Group, Canal+ Overseas, Universal Music France and Vivendi SA).

Lastly, as part of the planned reorganization of a sector of their business, Canal+ Group and Universal Music France entered into an agreement with respect to the implementation of such plan and its social impact. In both cases, the companies, together with their social partners, set up support mechanisms so that each affected employee could find an appropriate solution (e.g., training budget, financial assistance to create a company, mobility assistance, reclassification leave).

Collective Bargaining Agreements Signed in France

COLLECTIVE BARGAINING AGREEMENTS SIGNED OR RENEWED		
GRI	**UNGC**	**OECD**
G4-11	3	V.8

	2015	2014
UMG	**4**	2
C+G*	**16**	10
Vivendi Village	**1**	1
Headquarters	**2**	4
Total	**23**	**17**

* Includes SECP.

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

3.2.4. OCCUPATIONAL HEALTH AND SAFETY

3.2.4.1. Occupational Health and Safety Conditions at work

Occupational health and safety are issues of concern addressed by the whole group and defined by each business unit by way of implementation of action plans and preventive measures.

With respect to workplace health, the methodology for identifying risks involves the following steps:

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

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

The objectives of these Committees include:

- improving the ergonomics of work stations, especially for people working with computer monitors, or diagnosing the rare situations where there is pain or discomfort;
- participating in and ensuring that a plan is created for prevention of conflict and stressful situations;
- measuring radiation from extremely low frequencies (e.g., 3G, 4G, cell phones, and Wi-Fi), verifying compliance with legal limits, identifying associated risks and promoting best practice;
- monitoring the implementation of action plans required in the event of serious incidents (including fire, breaches of security and natural disasters);
- promoting "best practices" in relation to business travel and identifying and analyzing the causes of commuting accidents;
- managing and updating the document outlining risks and prevention plans;
- supervising the safety of the premises and preventing illness, particularly occupational illnesses;
- providing transportation for employees to their workplace if public transportation is inadequate or unavailable; and
- taking into account the need for all employees to balance their personal and professional lives.

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

Some of the preventive or training initiatives are described below:

- Canal+ Group:
  - France: the Canal+ Group's CHSCT regularly uses the services of an expert to examine important projects, including, among others, the plan to modernize technical infrastructures and specialized units at the Customer Relations Centers;
  - United Kingdom: the health and safety policy is reviewed each year and every three years an outside consultant conducts an assessment of the company's facilities and makes recommendations, where applicable. In addition, each new employee is required to read the health and safety policy on the day he or she is hired.
- UMG:
  - Germany: a Committee composed of an occupational physician, a safety engineer, members of the Works Council, a safety officer and an officer responsible for the employment of disabled employees meet with Management three times a year to report on the health and safety of employees in the workplace;
  - Australia: a Learning and Development Manager regularly reviews the agreements established; in 2016, the existing process will have new agreements added to it;
  - Canada: since health and safety is everyone's responsibility, a partnership has been created between the Health and Safety Committee, the managers and the employees, with the goal of jointly ensuring compliance with health and safety conditions, a priority that guarantees quality service; each employee is required to undergo training to raise awareness of health and safety issues when he or she is hired;
  - Colombia: Disaster Preparedness Training (simulated events for readiness in the event of a disaster) was conducted;
  - South Korea: to encourage employees to stay in good physical shape, the costs for the Fitness Center membership are reimbursed by the company;
  - Norway: a campaign to raise awareness of the importance of physical exercise was implemented;
  - Sweden: all employees have been trained in CPR (cardio-pulmonary resuscitation) and undergo a medical and eye examination every year.
- Vivendi Village
  - Digitick: employees have access to the services of a masseur/physiotherapist once a month;
  - MyBestPro: on the recommendation of the CHSCT (health and safety Committee), a survey of psychosocial risks was conducted by the occupational physician; in addition, special monitoring is given to call center employees;
  - Watchever: an ergonomic specialist made employees aware of the correct posture to be adopted at their work stations.
- Corporate: to build upon the "Wellness and Performance" week offered in June 2015, monthly workshops or conferences conducted by specialists took place on topics such as "Access Full Consciousness" or "Neurosciences and Well Being".

Employee Safety Training

PERCENTAGE OF EMPLOYEES TRAINED IN SAFETY (%)

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

	2015	2014
UMG	**13%**	10%
C+G*	**10%**	11%
Vivendi Village	**8%**	2%
Corporate	**12%**	13%
Total	**11%**	**10%**

* Includes SECP.

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

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

A number of initiatives focusing on safety in the workplace were undertaken in 2015:

- Studiocanal in the United Kingdom: each year, the employees participate in fire prevention training conducted by London firemen;
- at UMG in Mexico and Italy, simulation programs were organized to implement preventive measures in the event of earthquake or fire;
- Watchever: 20% of the employees received training in "First Response Team" safety training and four employees earned the "First Aid Workplace Responder" certification.

Number of Committees Dedicated to Monitoring Health and Safety

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

NUMBER OF HEALTH AND SAFETY COMMITTEES

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

	2015	2014
UMG	**29**	28
C+G*	**17**	17
Vivendi Village	**5**	5
Corporate	**1**	1
Total	**52**	**51**

* Includes SECP.

3.2.4.2. Collective Agreements on Occupational Health, Safety and Working Conditions

In France

COLLECTIVE AGREEMENTS ON HEALTH AND SAFETY IN FRANCE

GRI	UNGC	OECD
G4-LA8	3	V.4.c

	2015	2014
Consolidated data	**0**	3

Although no new agreements on occupational health and safety were entered into in 2015, action plans or measures relating to working conditions and protection of employees' health and safety are in place at all the French companies.

3.2.4.3. Workplace Accidents and Occupational Illnesses

Frequency Rate of Workplace Accidents (with Work Days Lost)

Historically speaking, at Vivendi the rate of workplace accidents has been low, and in 2015 it fell considerably. Fluctuations are mainly attributable to the technical staff, where the business units are more exposed to risks.

It should be noted that a slight difference in absolute data in the smaller structures can lead to a significant variation in relative values. For example, the rise in frequency at SECP between 2014 and 2015 corresponds to difference of four in the number of workplace accidents with work days lost.

FREQUENCY RATE OF WORKPLACE ACCIDENTS (WITH WORK DAYS LOST)

GRI	UNGC	OECD
G4-LA6	1	V

	2015	2014
UMG	**1.03**	0.66
C+G	**2.26**	3.25
of which SECP	**4.97**	3.90
Vivendi Village	**0**	0.90
Corporate	**0**	0
Total	**1.54**	**1.80**

Calculation method: $\dfrac{\textit{Number of workplace accidents resulting in lost work time} \times 1{,}000{,}000}{\textit{Average annual headcount} \times \textit{annual hours worked}}$

Severity Rate of Workplace Accidents (with Work Days Lost)

In 2015, the severity rate of workplace accidents (with lost work time) in the group decreased considerably.

Similar to the previous indicator, a slight difference in absolute data in the smaller structures can lead to a significant variation in relative values.

SEVERITY RATE OF WORKPLACE ACCIDENTS (WITH WORK DAYS LOST)

GRI	UNGC	OECD
G4-LA6	1	V

	2015	2014
UMG	**0.03**	0.07
C+G	**0.03**	0.12
of which SECP	**0.04**	0.08
Vivendi Village	**0**	0.02
Corporate	**0**	0
Total	**0.03**	**0.09**

Calculation method: $\dfrac{\textit{Number of days lost due to workplace accidents} \times 1{,}000}{\textit{Average annual headcount} \times \textit{annual hours worked}}$

Occupational Illnesses

In France, occupational illnesses are those officially reported and recognized by the French Social Security scheme. In other countries, occupational illnesses are defined in accordance with local laws or, if no such local laws exist, by the International Labor Organization (ILO) (1). On the whole, the group's businesses have little exposure to occupational illnesses.

OCCUPATIONAL ILLNESSES

GRI	UNGC	OECD
G4-LA6	1	V

	2015	2014
Consolidated data	**2**	1

3.2.5. TRAINING

3.2.5.1. Training Policies of the Business Units

Each of the group's major subsidiaries implements a vocational training policy suited to the requirements of its businesses and the rapid changes experienced by them, making skills development a major component of its HR policy.

- Canal+ Group gives priority to collective initiatives to meet business challenges as quickly and as efficiently as possible.

  In France, its training teams have developed a new program, EXPERT+, to strengthen the business unit expertise of employees through specific models (such as "Media and Digital Marketing", "From Belief to Measurement" and "From Analysis to Recommendation").

  Special emphasis has also been placed on digital through three inter-company themes:

  - sharing a minimum knowledge base (including familiarity with the players, the new digital economic models and the revolution in uses),
  - putting new tools into practice (such as web analytics), and
  - supporting business transformation (including written and oral versatility in the Call Centers and working with trendsetters).

  Training tools have been developed for managers. These are aimed at helping every employee develop his or her skills so that they can attain their highest potential.

  In Poland and the United Kingdom, the objective of the training policy is to adapt and develop the professional skills of employees and also their employability. The training plan is established each year on the basis of the needs identified.

- At UMG, training methods are often personalized in such a way that the bulk of training is done gradually and in the work context. This means that substantial numbers of training hours are not recorded. Therefore, an assessment of the number of hours of training does not reflect the reality of the training efforts actually undertaken by the music companies.

- In certain countries, special focus may be given to a specific issue. This is the case in South Korea, where a leadership program for senior and junior managers was offered, but also in Italy and Poland where the emphasis was on languages, and in Hungary, which focused on accounting.

3.2.5.2. Total Number of Training Hours

TOTAL NUMBER OF TRAINING HOURS

GRI	UNGC	OECD
G4-LA9	6	II.A.4

	2015	2014
UMG	**24,594**	30,188
C+G	**68,918**	67,021
of which SECP	**6,214**	5,612
Vivendi Village	**4,119**	5,598
Corporate	**1,011**	842
Total	**98,642**	**103,649**

In 2015, the number of training hours received by the employees remained stable, despite a reduction in the number of training hours, among other things, which employees benefited from at UMG, where the range of training methods does not always allow for comprehensive reporting. This investment in human capital is especially noticeable at the Canal+ Group, Vivendi Village and Vivendi Corporate, where the employees enjoy exceptional training opportunities.

Total Number of Employees Trained

The table below shows the number of employees who participated in at least one training session in the year. If an employee participated in more than one training course, he or she is only counted once.

NUMBER OF EMPLOYEES TRAINED

GRI	UNGC	OECD
G4-LA9, G4-LA10	6	II.A.4

	2015	2014
UMG	**4,903**	3,533
C+G	**4,923**	4,465
of which SECP	**290**	336
Vivendi Village	**169**	232
Corporate	**45**	50
Total	**10,040**	**8,280**

The increase in the number of employees trained at least once in the year underscores the commitment of Vivendi and its subsidiaries to developing skills and staff employability.

(1) For the complete list of these illnesses, please refer to the ILO website.

Hours of Training per Employee Trained

HOURS OF TRAINING PER EMPLOYEE TRAINED		
GRI	**UNGC**	**OECD**
G4-LA9	6	II.A.4

	2015	2014
UMG	**5.0**	8.5
C+G	**14.0**	15.0
of which SECP	**21.4**	16.7
Vivendi Village	**24.4**	24.1
Corporate	**22.5**	16.8
Total	**9.8**	**12.5**

Due to the ongoing focus on training at the group's subsidiaries, in most cases, except for UMG where the total number of training hours is not fully recorded (see above), the average number of training hours per employee remains high.

3.2.6. DIVERSITY AND EQUAL OPPORTUNITIES

3.2.6.1. Gender Equality

Almost all of the group's French companies have signed innovative agreements on gender equality:

- collective agreement on professional equality of men and women, pursuant to the law of March 23, 2006 providing for the implementation of a comprehensive set of measures (recruitment, promotion, compensation and maternity leave) and indicators to monitor the mechanisms put in place;
- parent-friendly agreements calling for equal treatment of fathers and mothers; and
- agreements on working hours to facilitate a work / life balance, for men and women.

Among the measures taken to reinforce existing arrangements in favor of social progress, the following can be mentioned:

- improving parity in recruiting, especially in certain sectors, and respecting equality in terms of access to employment;
- ensuring a uniform and equal breakdown of men and women across the company's jobs and job classifications;
- promoting equal opportunities in career development;
- guaranteeing wage equality between men and woman performing the same jobs at the same skills level and with the same level of accountability and results;
- guaranteeing equality in terms of professional development and pay increases in the event of a career interruption for parental, maternity or adoption leave; and
- striving for improvement in terms of reconciling personal and professional life, taking parental issues into account.

Universal Music and Canal+ Group make their partner recruitment firms aware of the objective of increasing the number of women on its shortlist of applicants. In terms of internal mobility, Canal+ Group promotes mobility towards business units with a gender imbalance and allocates funding in its budget for on-the-job training.

Parental agreements provide for career flexibility by allowing for periods of absence (maternity or parental leave). Both Vivendi SA in Paris and the Canal+ Group hold pre- and post-maternity leave interviews.

More generally, Vivendi aims for gender parity in succession plans and promotions. These agreements include measures to identify and remedy any pay differentials. For example, the Canal+ Group has eliminated periods of maternity leave from the annual assessment, has identified pay differentials for equivalent posts and taken remedial action.

Convinced that gender parity in positions of responsibility is a gauge of the group's success, in 2011, the Supervisory Board approved a networking program to encourage gender parity at the highest level. The ANDIAMO network set up in March 2012 made of approximately thirty upper management women from the group's French subsidiaries. This network aims to support women in their professional growth and help combat the glass ceiling.

Programs promoting changes in behavior and combating stereotypes have been introduced at all levels throughout the group:

- projects aimed at empowering individuals and training in female leadership;
- organization of networks with the participation of role models: meetings between experienced women and juniors; communication on successful career development of women working in male-dominated positions; and
- various tools requiring awareness on the part of employees: Code of Conduct, Compliance Program.

Proportion of Women in Management

In France, a *cadre* is an employee who has a significant level of responsibility and autonomy, and who is subject to certain performance obligations (operations, production, development and project management).

In other countries, this concept is not applied, and the closest equivalent is a manager who is paid a monthly salary rather than an hourly wage. Accordingly, in the table below, women managers (in other countries) and women *cadres* in France are both accounted for.

PROPORTION OF WOMEN IN MANAGEMENT

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

	2015	2014
UMG	**41%**	41%
C+G	**45%**	45%
of which SECP	**31%**	35%
Vivendi Village	**38%**	35%
Dailymotion	**23%**	-
Corporate	**52%**	51%
Total	**42%**	**42%**

Calculation method: number of women managers in relation to all managers.

Women on Vivendi's Supervisory Board

PERCENTAGE OF WOMEN ON VIVENDI'S SUPERVISORY BOARD

GRI	UNGC	OECD
G4-34, G4-LA12	6	IV, V.1.e

	2015	2014
Consolidated data	**46%**	38%

There are 14 members of the Vivendi Supervisory Board, including one female representative of the employee shareholders and a male representative for the employees.

Six women sit on the Supervisory Board, representing 46% of the Board. This does not include the employee representative in accordance with applicable legislation (Law 2001-103 of January 27, 2011).

Vivendi has surpassed the obligation for listed companies to meet a 40% quota for women on their boards.

Based on the percentage of women on its Supervisory Board, Vivendi ranks high among the 120 French companies that participated in the study (1) conducted by the Ministry of Women's Rights in October 2015.

3.2.6.2. Employment and Integration of Disabled Workers

Workers with Disabilities in France

WORKERS WITH DISABILITIES

GRI	UNGC	OECD
G4-LA12	1, 6	IV, V.1.e

	2015	2014
UMG	**10**	10
C+G	**98**	90
of which SECP	**17**	19
Vivendi Village	**4**	5
Headquarters	**0**	0
Total	**112**	**105**

In 2015, the number of workers with disabilities rose by 6% in Vivendi's business units in France. This increase was mainly due to certain commitments made by the Canal+ Group under its successive collective agreements.

Employment and Integration of Workers with Disabilities

The definition of a "worker with disabilities" used in this indicator is the one defined by national legislation or, failing this, by Convention 159 of the International Labor Organization (ILO): "any individual whose prospects of securing, retaining and advancing in suitable employment are substantially reduced as a result of a duly recognized physical, sensory, intellectual or mental impairment".

- In the context of its corporate social responsibility, the Canal+ Group has been committed to a sustainable policy of hiring employees with disabilities for several years. By implementing a series of agreements on the hiring of employees with disabilities and with an awareness program on this topic which goes by the name CanalHandi+, co-workers are reminded of the group's commitments in this area to hire, integrate and retain disabled workers in jobs, as well as its participation in training disabled youth through internships or work/study programs.

  The agreement on employing workers with a disability currently in force was signed for a three-year period (2013 to 2015) by all the trade unions represented in the group, thus enhancing the commitments already made in previous years, such as:

  - hiring 20 workers with a disability between 2013 and 2015, and a "discovery" policy for identifying young graduates with a disability through internships and work/study programs;
  - participating in recruitment forums and maintaining specific partnerships such as *Handicafé*, *Forum Adapt*, *Tremplin* and the GESAT (national network of workers with disabilities)'s fair: *Osons Nos Compétences*;
  - increasing business with the protected sector through increased communication starting with the Purchasing department and involving all employees;

(1) *Study available on the Ethics and Boards website.*

– encouraging and assisting a significant number of employees to report their disability, with the help of a social worker to provide administrative support;
– empowering disabled employees and keeping them on the payroll through various forms of assistance that have been upgraded:
  - compensated authorized leaves of absence (as part of procedures recognizing disabled worker status, for medical care or a disabled child who is ill),
  - technical and material support,
  - disability Universal Employment Service Checks (*Chèques Emploi Service Universel* – CESU) funded mainly by the company,
  - mobility assistance,
  - financing assistance provided to disabled workers within the company;
– numerous communication initiatives carried out each year, during National Disabled Employment Week;
– information and awareness campaigns on the Intranet, and a disability referral agent network created among employees;
– disability awareness and training sessions held for employees and managers; and
– HR staff and managers trained in hiring disabled workers.

- nc+ in Poland allows ten additional days off per year to employees with a disability; they also benefit from special arrangements such as a working week that is shorter than that of the company's other employees;
- UMG Germany: a "Disabled Employee Officer" is in charge of handling the needs of disabled workers;
- UMG Australia: the policy of employing persons with a disability is currently being studied by a "Learning and Development Manager"; it is expected that the policy will come into force in 2016;
- Digitick works closely with the association *Accompagner la Réalisation des Projets d'Études de Jeunes Élèves et Étudiants Handicapés* (ARPEJEH) and is committed to accepting young trainees;
- Devispresto (MyBestPro) adapts the job position of an employee with a disability by setting up telecommuting.

The integration of individuals with disabilities and non-discrimination are principles respected within every company in the group. In the recruitment process, the companies ensure equal treatment for applications and maintain strict respect for the individual. At the same time, the companies have developed specific training programs for employees and managers to raise awareness of disabilities.

3.2.6.3. Promoting Diversity and Non-Discrimination Policies

Diversity and Non-Discrimination Policies in the Business Units

In accordance with Vivendi's Compliance Program, the group's subsidiaries are committed to equal opportunities for all in recruitment, mobility, promotion, training and compensation, without distinction as to gender, religion, origin, age, personal life or disability.

Vivendi's Compliance Program states that, in each subsidiary, the Compliance Officer is in charge of responding to employees' concerns. Moreover, in the US and the UK subsidiaries, a hotline is available to employees, in accordance with applicable rules and regulations, to report any cases of discrimination or harassment.

The Vivendi group is aware of the issue of diversity and pursues a policy in favor of equal opportunities, as defined in various ways depending on the subsidiary:

- providing employee training on diversity issues;
- implementing agreements on employing disabled workers;
- negotiating and signing agreements on remote working arrangements;
- establishing inter-company nurseries to facilitate a balance between personal and professional life;
- continuing the commitment to select applicants exclusively from the standpoint of diversity; and
- contributing to the action plan, programs or collective bargaining agreements related to gender parity.

The Canal+ Group and Universal Music Group have long been involved in diversity issues. The Canal+ Group's global presence requires it to develop a territorial base for its business activities. Hence, for its growth, it is vitally important that its staff reflect this diversity. Universal Music encourages diversity in all of its activities and has committed itself to eliminating all forms of discrimination through its Equal Opportunity policy which applies to all employees and also to temporary workers and job applicants as well as to the numerous contractors, suppliers and consultants (1).

Vivendi group managers receive regular awareness training on the group's hiring criteria, which are based on openness, difference and diversity. Social dialog and the signing of numerous agreements on issues such as professional gender equality, disability, employment of seniors, and the awareness policy pursued at all levels by the group on these issues are a reflection of this commitment.

Employment of Seniors

The term "senior" refers to an employee aged 55 or over.

EMPLOYMENT OF SENIORS (NUMBER AND PERCENTAGE OF THE HEADCOUNT)

GRI	UNGC	OECD
G4-10, G4-LA12	1, 6	IV, V.1.e

	2015	2014
UMG	**617 (8%)**	585 (8%)
C+G	**278 (4%)**	240 (3%)
of which SECP	**72 (10%)**	70 (8%)
Vivendi Village	**20 (3%)**	9 (1%)
Corporate	**49 (24%)**	45 (23%)
Total	**964 (6%)**	**879 (6%)**

The overall percentage of seniors at group level (6%) has remained unchanged over the last two fiscal years. Their presence is greatest at the corporate level (24%) owing to the level of expertise of employees working at corporate headquarters.

(1) *Equal Opportunities: Our Policy, UMG internal publication, circa 2013.*

3.2.7. PROMOTION OF AND COMPLIANCE WITH THE FUNDAMENTAL PRINCIPLES OF THE ILO

As a signatory of the United Nations Global Compact, Vivendi agrees to comply with the fundamental principles of the ILO. In the area of labor law, these commitments require compliance with the four fundamental principles of the ILO: freedom of association and recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, combating child labor, and eliminating discrimination in the area of employment and profession. Two of these four principles (freedom of association and combating discrimination) are of particular relevance to Vivendi.

3.2.7.1. Respect for Freedom of Association and the Right to Collective Bargaining

With its social partners, Vivendi promotes social dialog and consultation at all levels (see Section 2.2.2 of this chapter). All employees based in France and in its overseas departments and territories are covered by collective bargaining agreements. Internationally, this holds true for 57% of Canal+ Group's employees, 58% of Vivendi Village's employees, and 97% of Corporate employees.

3.2.7.2. Eliminating Discrimination in Employment

Vivendi has affirmed its commitment to diversity in recruitment and combating discrimination in employment. The group's Compliance Program calls for active prevention of all forms of discrimination based on selection criteria such as gender, age, lifestyle, ethnic identity, nationality, disability, or religious, political or trade union opinions or involvement. These commitments are applied in practice through policies relating to gender (see Section 3.2.6.1 of this chapter), diversity and non-discrimination (see Section 3.2.6.3 of this chapter), and in the employment and job placement policies for workers with disabilities (see Section 3.2.6.2 of this chapter).

3.2.7.3. Abolition of Forced or Compulsory Labor and Child Labor

The Vivendi group complies with the ILO conventions and prohibits all forms of forced labor. Child labor is strictly prohibited in the group. In certain very specific cases, such as filmmaking or music recordings, where minors may be involved, all regulatory requirements are strictly complied with.

3.3. Environmental Indicators

Environmental information relates to the following respective scopes, as specified in the Note on Methodology (see Section 4.1 of this chapter):

- Universal Music Group: limited to a group of nine countries (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, United Kingdom and the United States) representing 81% of total revenues of the group;
- Canal+ Group: companies located in France, Africa (a focus group of seven countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Gabon, Canal+ Ivory Coast, Canal+ Madagascar and Canal+ Senegal), Poland, and Vietnam;
- Vivendi Village: Vivendi Ticketing, MyBestPro, Watchever, L'Olympia. These entities are included in the extra-financial reporting scope in 2015 and have returned only a limited number of environmental indicators, considering their activities (indicators with data not collected are identified by "na"); and
- Corporate (Paris headquarters).

The abbreviations or acronyms used in the tables showing the indicators are provided in detail on p.54.

In 2015, the process of improving the collection of environmental data continued. This was reflected in the increased reliability of data and the extension of the scope of reporting with the inclusion of the Vivendi Village entities in particular.

3.3.1. GENERAL ENVIRONMENTAL POLICY

The group's business units with little exposure to environmental risks prepare their own action plans to measure and control their impacts. The methods used include energy assessments, certifications, training and information sessions for employees.

ENERGY ASSESSMENT AND EVALUATION OF ENVIRONMENTAL IMPACTS CARRIED OUT (NUMBER OF ASSESSMENTS)

GRI	UNGC	OECD
G4-DMA Environment, G4-EN31	7, 8	VI.1.a

	2015	2014
UMG	**10**	6
C+G	**3**	0
Of which SECP	**1**	0
Vivendi Village	**0**	-
Corporate	**0**	1
Total	**14**	**7**

In 2015, Canal+ Group performed an energy audit at several sites in France with two objectives: to improve its energy efficiency and to meet its obligations under French regulations (Law of December 2, 2015 imposing several measures to comply with the law of the European Union on risk prevention).

UMG expanded measurement of its environmental impacts and, more specifically, the energy impacts of its buildings. The sites in the United Kingdom, for example, received a one star award issued by the NGO Julie's Bicycle and received ESOS certification (Energy Saving Opportunity Scheme), primarily because of their efforts to improve management of their energy consumption. The audits conducted highlighted measures for the replacement of the printers with equipment which consumes less energy and for the reduction of cooling in the server rooms.

UMG Germany performed an energy audit, in accordance with the new German regulations, which resulted in a significant collection of data, the identification of areas for improvement, and allowed the company to define a corrective action plan for 2016. In California, the UMG headquarters in Santa Monica and the Woodland Hills sites also continued their initiatives to control their energy consumption, and did so within the framework of the environmental certifications they received.

ENVIRONMENTAL CERTIFICATIONS (NUMBER OF SITES)

GRI	UNGC	OECD
G4-DMA Environment	7, 8	-

	2015	2014
UMG	**5**	2
C+G	**1**	1
Of which SECP	**0**	-
Vivendi Village	**0**	-
Corporate	**0**	1
Total	**6**	**4**

The site where all of Canal+ Group's free-to-air channels are located has BREEAM (BRE Environmental Assessment Method) certification.

In the United States and England, UMG is focusing on managing its environmental impacts. The UMG headquarters in Santa Monica renewed its "Energy Star" label and was again awarded "Green Business" certification by the City of Santa Monica. The Woodland Hills sites received the LEED Gold certification (Leadership in Energy and Environmental Design) awarded by the US Green Building Council to buildings that meet high environmental quality standards.

In 2015, UMG US also opened a new site in California that has already been awarded LEED certification in the "Gold" category, a demonstration that UMG intends to continue its strict commitment to the environment.

In 2015, Universal Music UK (five sites) and Abbey Road Studios joined the Creative Industry Green Community after being awarded a "one star award". UMG UK is the first record company and Abbey Road is the first music recording studio to receive this award. Beginning in 2015, these two entities made a commitment to implementing a policy to reduce their carbon footprint, and they have continued their efforts to win the "two star award".

Vivendi's headquarters renewed its EMAS (Eco-Management and Audit Scheme) registration with the Ministry of the Environment, the Energy and the Sea, and defined a new action plan. For the 2015-2017 period, these goals focus, among other things, on reduction of the CO_2 emissions related to business travel (-20% compared to the 2009 level) and on control of energy consumption (10% reduction in electricity consumption and 5% drop in steam consumption compared to 2014).

EMPLOYEE TRAINING AND INFORMATION ON ENVIRONMENTAL PROTECTION

GRI	UNGC	OECD
G4-DMA LA Training and Education aspect	8	VI.7

The business units hold information and awareness sessions on environmental protection. These sessions may be educational in nature, or may be held in connection with certifications or may be held to assist the representatives of the subsidiaries in charge of reporting environmental data.

For example, UMG UK in London has formed the Team Green, composed of representatives from the different functions, dedicated to the development of an environmental policy common to all the sites. The Team Green and the communications department regularly inform the employees at the sites of measures taken to reduce environmental impacts.

At Vivendi's headquarters, the Green Team members raised employee awareness in 2015 through initiatives taken in relation to renewal of the EMAS certification. A "special EMAS week" was organized to raise the awareness of employees at headquarters about good practices and initiatives taken by the group's headquarters that reflect their commitment to the environment. Stories from members of the Green Team were broadcast on *Vivoice*, Vivendi's CSR web radio.

3.3.2. POLLUTION AND WASTE MANAGEMENT

In addition to improving efficiency in the supply and consumption of raw materials, the group's subsidiaries are working to increase the percentage of waste recovered and to clarify with employees which waste-to-energy process is best suited to each type of waste. In some units, waste is recycled in partnership with job placement associations.

PROFESSIONAL ELECTRONIC AND ELECTRICAL EQUIPMENT WASTE (WEEE) (KG)

GRI	UNGC	OECD
G4-EN23	-	VI.1.a

	2015	2014
UMG	**30,186**	30,726
C+G	**20,622**	4,194
Of which SECP	**537**	160
Vivendi Village	**985**	-
Corporate	**310**	787
Total	**52,103**	**35,707**

Electronic and electrical equipment waste rose by more than 45% between 2014 and 2015. This significant increase is primarily due to a substantial campaign to replace the professional electronic and electrical equipment (e.g., PCs, bulbs and printers) within Canal+ Group. It should be noted that initiatives to collect and recycle WEEE are not an annual occurrence, and that these collections can be initiated after several years, depending on the need to replace the various equipment. As a result, the WEEE data is not linear from year to year.

At group level the percentage of professional WEEE collected for recycling represents 84% of the total amount of waste produced.

HOUSEHOLD ELECTRICAL AND ELECTRONIC EQUIPMENT WASTE (WEEE) (KG)

GRI	UNGC	OECD
G4-EN23	-	VI.1.a

	2015	2014
UMG	**0**	0
C+G	**258,501**	89,397
Of which SECP	**0**	0
Vivendi Village	**na**	-
Corporate	**0**	0
Total	**258,501**	**89,397**

Household WEEE includes set-top boxes and Internet terminals leased to the end customers of Canal+. In African countries, most of the set-top boxes are sold to households, and therefore Canal+ bares no responsibility with respect to collection of this equipment, which explains why collection is not recorded in this indicator.

The portion of household WEEE collected for recycling represents 87% of total collection. The WEEE recorded by the overseas entities and the African subsidiaries represents 52% of the household WEEE of Canal+ Group.

For nc+ in Poland, the increase in household WEEE generated between 2014 and 2015 is a result of destocking of parts that had been kept for use as exchange parts and which were collected for recycling. For subsidiaries in Africa and overseas, the increase in household WEEE can be explained by better tracking.

In certain African countries, part of the set-top boxes are reconditioned. They are then placed back on the market, and contribute in this way to the circular economy. This is the case in Madagascar, for example, where Canal+ reconditions used set-top boxes and reintroduces them into the market.

3.3.3. SUSTAINABLE USE OF RESOURCES

3.3.3.1. Consumption of Raw Materials and Measures to Improve Efficiency of Use

PURCHASE OF PAPER FOR EXTERNAL USE (KG)

GRI	UNGC	OECD
G4-EN1, G4-EN27	-	VI.1.a

	2015	2014
UMG	**131,811**	161,102
C+G	**718,669**	554,155
Of which SECP	**0***	0
Vivendi Village	**na**	-
Corporate	**9,808**	9,830
Total	**860,288**	**725,087**

* The data is not identified as such; it is returned consolidated with the "Purchase of paper for internal use" indicator.

Despite the efforts to reduce consumption of materials by the group's subsidiaries, the purchase of paper for external use (e.g., publications and marketing) rose 17% between 2014 and 2015. This change is related to better monitoring of this indicator by Canal+ Group, particularly by the African subsidiaries, and the launching of new communication campaigns conducted by certain entities of Canal+ Group. As an example, nc+ launched a major communication campaign in Poland to celebrate the Group's 20th anniversary with its customers.

At UMG, the awareness initiatives carried out with employees in 2014 were repeated in 2015, so that electronic mail is systematically given priority over postal mail (with a few exceptions), which explains the reduction observed for this indicator.

PURCHASE OF PAPER FOR INTERNAL USE (OFFICE USE, KG)

GRI	UNGC	OECD
G4-EN1	-	VI.1.a

	2015	2014
UMG	**182,425**	198,281
C+G	**103,065**	99,570
Of which SECP	**8,088**	17,338
Vivendi Village	**2,820**	-
Corporate	**14,650**	15,128
Total	**302,960**	**312,979**

This indicator is used to assess paper consumption specifically intended for office use.

Awareness campaigns have been conducted with employees and steps taken to reduce consumption of paper for internal use have been introduced at many Vivendi group sites. In Poland, for example, nc+ has implemented a number of measures to reduce paper consumption, by introducing electronic validation (e.g., forms and contracts) and pull printing, which enables a reduction in printing costs. The consumption of paper is measured during site audits of companies that have committed to environmental certification.

PURCHASE OF PLASTICS AND ACRYLICS USED IN THE MANUFACTURING OF PRODUCTS PUT ON THE MARKET (KG)

GRI	UNGC	OECD
G4-EN1	-	VI.1.a

	2015	2014
UMG	**16,298,634**	32,954,770
C+G	**843,802**	117,756
Of which SECP	**0**	0
Vivendi Village	**na**	-
Corporate	**na**	na
Total	**17,142,436**	**33,072,526**

Data on the consumption of plastics relates to UMG's products (CDs and DVDs) and those of Canal+ Overseas (set-top boxes sold to customers). The new models of set-top boxes placed on the market were designed on the basis of environmental criteria, which has made it possible to reduce the amount of plastic used.

Set-top boxes and other products rented to customers are not recognized in this indicator because this equipment is recycled by the subsidiaries concerned.

Digital development is making it possible to significantly limit the use of raw materials in the manufacturing of media content, which explains the year-to-year drop in the purchases of plastics and acrylics at UMG.

As regards Canal+ Group, the significant increase in plastic purchases for nc+ in Poland (64% increase), which represents more than half of the variation between 2014 and 2015, should be emphasized. Better tracking of this data by the entities of Canal+ Overseas has also had an impact on the variation observed.

It should be noted that the Vivendi Village entities do not report this indicator. The indicator is not relevant to these entities given that their activities are primarily marketed online.

3.3.3.2. Energy Consumption and Measures Taken to Improve Energy Efficiency and the Use of Renewable Energy

MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY AND THE USE OF RENEWABLE ENERGY

GRI	UNGC	OECD
G4-EN6	8, 9	VI.6.b and d

TOTAL ENERGY CONSUMPTION (MWH) (1)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2015	2014
UMG	**428,118**	278,809*
C+G	**58,565**	59,498
Of which SECP	**4,494**	8,088
Vivendi Village	**2,072**	-
Corporate	**3,587**	4,129
Total	**492,342**	**342,436**

* Updated 2014 data.

This indicator takes into account consumption of the following:

- electricity;
- natural gas;
- fuel oil; and
- steam.

The increase in total energy consumption recorded between 2014 and 2015 is primarily due to a change in the conversion factors used for fuel oil.

For UMG, the significant change in the data reflects an increase in steam consumption, which alone represents 92% of UMG's total energy use.

ELECTRICITY CONSUMPTION (MWH)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2015	2014
UMG	**27,236**	45,171
C+G	**55,201**	49,594
Of which SECP	**4,259**	7,106
Vivendi Village	**2,072**	-
Corporate	**2,648**	2,760
Total	**87,157**	**97,525**

UMG's electricity consumption declined 40% between 2014 and 2015, primarily following the closing of nine sites in Europe, the United States and Asia. Moreover, certain UMG sites made a significant contribution to this change through measures to control consumption which were implemented in the context of deployment of the environmental management systems that resulted in certifications.

The drop in electricity consumption for Canal+ Group reflects the reduction in the headcount at certain sites in France and the initiatives that were implemented by the group's international entities to control consumption.

NATURAL GAS CONSUMPTION (MWH GCV – GROSS CALORIFIC VALUE)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2015	2014
UMG	**8,525**	9,611
C+G	**179**	235
Of which SECP	**0**	0
Vivendi Village	**na**	-
Corporate	**0**	0
Total	**8,704**	**9,846**

The reduction in natural gas consumption is due primarily to the closing of certain UMG sites in 2015, which represented 9% of consumption in 2014.

(1) To calculate total energy consumption, fuel quantities are converted from liters into MWh.

FUEL OIL CONSUMPTION (LITERS)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2015	2014
UMG	**31,802**	88,238
C+G	**14,505**	13,863
Of which SECP	**424**	760
Vivendi Village	**na**	-
Corporate	**0**	0
Total	**46,307**	**102,101**

Within Canal+ Group, consumption of fuel oil, used to supply the generators acting as standby generators if electricity from the grid is cut, has remained largely unchanged.

At UMG, fuel oil is used primarily to heat buildings. The marked drop recorded between 2014 and 2015 is due to a drop in consumption of fuel oil at one of UMG's two sites in New York. This site is the main contributing entity representing 90% of UMG's total fuel oil consumption.

STEAM USED FOR SPACE HEATING (MWH)

GRI	UNGC	OECD
G4-EN3	-	VI.1.a

	2015	2014
UMG	**392,041**	217,031*
C+G	**3,041**	2,907
Of which SECP	**235**	974
Vivendi Village	**na**	-
Corporate	**939**	1,039
Total	**396,021**	**220,977***

* Data updated from 2014.

UMG sites use an energy mix that combines steam with other energy sources used for heating. Steam is the sole energy source used for heating at one of the two UMG sites in New York, making this site the leading contributor to the group's steam data for this indicator (99%). It should be noted that, between 2014 and 2015, the total volume of steam used by this site rose sharply as a result of the reconfiguration of the measurement instruments in the steam plants.

3.3.4. CLIMATE CHANGE

CO2 EMISSIONS DUE TO USAGE OF MOBILE SOURCES (TCO_2EQ)

GRI	UNGC	OECD
G4-EN3, EN15, EN16, EN30	-	VI.1.a

	2015	2014
UMG	**1,598**	1,685
C+G	**2,120**	1,871
Of which SECP	**120**	129
Vivendi Village	**52**	-
Corporate	**32**	96
Total	**3,802**	**3,652**

The amount of CO_2 emissions attributable to vehicles rose slightly due to greater use of vehicles in 2015.

In France, Canal+ Group is continuing its efforts to progressively replace its vehicles with less polluting ones, which has enabled it to reduce its CO_2 emissions by 50g/km per vehicle over the last few years.

UMG's site in the Netherlands has voluntarily started to build up a fleet of vehicles powered by liquefied natural gas (LNG), which emit less CO_2 per liter consumed. UMG in Sweden has invested in electric vehicles, which are made available to its employees for business travel.

CO_2 EMISSIONS DUE TO USAGE OF FIXED SOURCES (TCO_2EQ)

GRI	UNGC	OECD
G4-EN3, EN15, EN16, EN30	-	VI.1.a

	2015	2014*
Electricity	**27,048**	33,632
Refrigerants	**1,972**	2,643
Domestic fuel	**121**	267
Other sources (steam, gas)	**81,948**	46,618
Total	**111,089**	**83,160**

* The 2014 figures have been restated following GVT's departure from the group.

	2015		2014	
	Electricity	Other sources	Electricity	Other sources
UMG	**12,615**	**81,864**	22,069	46,719
C+G	**13,826**	**1,987**	11,347	2,598
Of which SECP	**332**	**49**	1,906	692
Vivendi Village	**401**	**na**	-	-
Corporate	**207**	**191**	215	211
Total	**27,049**	**84,042**	**33,631**	**49,528**

In 2015, total CO_2 emissions represented 114,891 tCO_2eq of which:

- **Scope 1**

Mobile sources	**3,802**
Fixed sources	**3,649**
of which refrigerants	*1,972*
of which domestic fuel	*121*
of which gas	*1,556*
Total	**7,451**

- **Scope 2**

Fixed sources	**107,440**
of which electricity	*27,048*
of which steam	*80,392*
Total	**107,440**

CO_2 emissions relating to consumption from fixed sources are 75% attributable to steam consumption.

The facility comprising all Canal+ Group's free channels renewed its BREEAM (BRE Environmental Assessment Method) certification in 2015 and is continuing with its plan to control consumption. This facility is also equipped with free cooling generators which use outdoor air to cool film sets and equipment.

Efforts have also been made in relation to the air conditioning systems used by Canal+ Group subsidiaries in Africa and Vietnam, thus assisting in reducing CO_2 emissions. Canal+ Senegal reinforced the insulation of offices and warehouses. Canal+ Congo installed an automatic cutoff system for its air conditioning and electricity at night, during the weekends and during holidays. K+ in Vietnam introduced a new air conditioning system that uses a less polluting refrigerant. Efforts made in relation to air conditioning have also been directed at improving the regulation of temperature in offices and at maintenance to optimize broadcasting equipment, which uses cooled air.

At some UMG facilities, such as those located in Germany, more than 74% of the electricity consumed comes from renewable sources. UMG Sweden uses biofuel to heat its site. As part of this effort to offset energy consumption, Universal Music France is diversifying its energy supply sources with the purchase of EDF "Équilibre+" contracts. Lastly, in Japan, UMG has also implemented measures aimed at reducing electricity consumption and better regulation of air conditioning systems during the summer period.

3.3.5. INFORMATION CATEGORIES DEEMED IRRELEVANT WITH REGARD TO THE GROUP'S BUSINESSES

Measures to Prevent Environmental Risks and Pollution

This information category was deemed irrelevant in relation to the group's activities, which do not present any risk in terms of pollution.

Financial Provisions and Guarantees for Environmental Risks

This information category was deemed irrelevant with regard to the group's activities: the major risks associated with the group's activities are not related to environmental issues.

Prevention, Reduction or Remedying of Emissions into the Air, Water and Soil

This information category was deemed irrelevant with regard to the group's activities, which do not present any risk of air, water or soil pollution (aside from CO_2 emissions, which are discussed in Section 3.3.4.).

Consideration shown for Noise Pollution and any Other Form of Pollution Specific to an Activity

This information category was deemed irrelevant with regard to the group's activities, which do not present any risk of noise pollution or of any other form of specific pollution.

Land Use

Information in that category was deemed irrelevant as the group's activities do not present any risk in terms of soil pollution.

Adaptation to Climate Change

Information in that category was deemed irrelevant with regard to the group's activities. The group's activities are subject to few constraints related to climate change.

Measures Taken to Preserve or Develop Biodiversity

Given the group's operations, biodiversity is not considered a major issue for which Vivendi must make specific investments.

SECTION 4

VERIFICATION OF EXTRA-FINANCIAL DATA

4.1. Note on Extra-Financial Reporting Methodology

REFERENCE FRAMEWORKS

The reporting of extra-financial indicators is based on internal references developed by Vivendi, which are in turn based on national and international references. The cross-referencing between the societal, social and environmental indicators defined by Vivendi and the provisions of the Decree of April 24, 2012 and the Order of May 13, 2013 pursuant to the Law of July 12, 2010 [(1)] on the national commitment to the environment (the Grenelle II Law), the guidelines of the Global Reporting Initiative (GRI) [(2)] and the Media Sector Supplement of the GRI issued on May 4, 2012) [(3)], the ten principles of the UN Global Compact, and the OECD Guidelines for Multinational Enterprises are indicated within each indicator.

The internal reference, the "Reporting Protocol for Environmental, Social and Societal Data of the Vivendi Group Companies" (the "Reporting Protocol") is updated annually, and allows consistent application of definitions and rules for data gathering, validation and consolidation across the group's companies.

In 2014, the Reporting Protocol was completely revised to take into account the group's shift in focus to content and media activities.

INDICATORS

The societal, social and environmental indicators are presented in Section 3 of this Chapter. The CSR section, which is available online on the Vivendi website, also provides a more comprehensive presentation of the societal, social and environmental indicators as well as indicators of corporate governance and economic performance.

In 2015, Vivendi presents the extra-financial indicators of the SECP (Société d'Édition de Canal Plus) in its Registration Document as required by paragraph 6 of Article L.225-102-1 of the French Commercial Code. This company, which holds the operations of the Publishing Division, meets the threshold criteria imposed by the Grenelle II Law. The SECP social and environmental data is presented separately from the data for Canal+ Group. The societal data is included in the Canal+ Group data, given the publication of qualitative information which relates to all entities of this group and which reflects its various businesses.

REPORTING SCOPE

The reporting scope was established in accordance with Articles L.233-1 and L.233-3 of the French Commercial Code and pertains to the subsidiaries and companies which are controlled; with the exception of certain companies (see details under each reporting scope).

It should be noted that changes in reporting scope are the result of acquisitions or disposals between January 1 and December 31 of year N by the consolidated companies:

- in the case of a sale during year N, the data for the company is not accounted for in the scope of year N; and
- in the case of the acquisition of a company during year N, the data from year N will be fully integrated into the reporting for year N+1, unless the company being added to the scope can gather its information for year N. A detailed account of the workforce headcount is however incorporated into the scope of year N.

Scope of Societal Reporting

The scope of societal reporting is linked to the group's business units, subject to the following indications:

- concerning Canal+ Group, the scope of reporting extends to the companies located in France, Poland, Africa (focus group of six countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Gabon, Canal+ Ivory Coast, Canal+ Senegal) and Vietnam. For some indicators that specifically apply to the French entity the scope "Canal+" is then mentioned;

(1) *Law establishing a national commitment regarding the environment, No. 2010-788 of July 12, 2010, Art. 225 (Grenelle II Law), Decree No. 2012-557 of April 24, 2012 and Order of May 13, 2013.*

(2) *Launched in 1997 by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Development Program for the Environment (UNEP), the GRI is a long-term international multiparty initiative aimed at developing and distributing guidelines for the voluntary production of reports on sustainable development by multi-national corporations wishing to report on the economic, environmental and social implications of their activities, products and services. The GRI has not verified the content of this report or the validity of the information provided therein (www.globalreporting.org).*

(3) *The media sector supplement of the GRI structures the reporting process specific to the media industry at international level. Several themes are included such as freedom of expression, pluralism and quality of content, the representation of cultures, independence, protection of personal data, accessibility and media education.*

- concerning UMG, unless otherwise indicated, the scope of reporting extends to nine companies which account for 81% of the group's revenues (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States).
- concerning Vivendi Village, the scope of reporting extends to Vivendi Ticketing (Digitick and See Tickets), MyBestPro, Watchever and L'Olympia.

For the indicators related to responsible purchasing (see Section 3.1.4), the data relates to suppliers and subcontractors with which at least 75% of total expenditure is realized, to facilitate feedback by the business units.

Scope of Social Reporting

For the "headcount" indicator, the scope of social reporting covers all group companies and 100% of the work force. In accordance with the Vivendi Reporting Protocol for Environmental, Social and Societal Data, companies newly consolidated within the reporting scope during the year appear only in the tables concerning employees. For 2015, this relates to (i) Canal+ Benin, Canal+ Haiti, Canal+ Mali, Flab (Flab Presse and Flab Prod), Studiocanal China, Studio+, Terra Terra Communications Inc., Thema, and Vivendi Content for Canal+ Group and (ii) Radionomy and the Théâtre de l'Œuvre for Vivendi Village and Dailymotion.

The heading "Corporate" refers to the Paris headquarters and the New York office, and the heading "Headquaters" refers to the Paris headquarters.

The heading "Vivendi Village" refers to L'Olympia, MyBestPro (Devispresto, Juritravail and MyBestPro Group), Radionomy (TargetSpot France, TargetSpot United States, Winamp SA Belgium), the Théâtre de l'Œuvre, Vivendi Ticketing (Digitick and See Tickets) and Watchever (France and Germany).

The SECP data is identified separately from the Canal+ Group data.

Scope of Environmental Reporting

The scope of the environmental reporting is as follows:

- for Canal+ Group, the reporting scope applies to entities located in France, Poland, Africa (a focus group of seven countries: Canal+ Burkina Faso, Canal+ Cameroon, Canal+ Congo, Canal+ Ivory Coast, Canal+ Gabon, Canal+ Senegal, Canal+ Madagascar) and Vietnam. The SECP data is identified separately from the data of Canal+ Group;
- for UMG, the reporting scope covers nine entities representing 81% of the group's revenues (Australia, Brazil, France, Germany, Japan, Netherlands, South Africa, the United Kingdom and the United States);
- Vivendi Village.

The selection of sites which must carry out their own reporting is decided based on the type of site: e.g., offices, warehouses, technical centers and data centers, in accordance with the Reporting Protocol for the group's companies.

Following the group's shift in focus towards media and content, the decision was made to stop monitoring water consumption and quantities of toxic waste, since these indicators were no longer relevant following the sale of telecommunications entities. On the other hand, the monitoring of purchases of plastics and acrylics used in the manufacturing of products intended for sale was reinforced.

The indicator "Purchases of plastics and acrylics used in the manufacturing of products put on the market" (see Section 3.3.3) concerns only the quantities used for products and equipment placed on the market for sale. This concerns the DVDs and CDs marketed by UMG and the set-top boxes for Canal+ Overseas.

REPORTING PERIOD

Reporting of societal, social and environmental data is annual and concerns the period from January 1 to December 31, 2015.

METHODOLOGICAL DETAILS AND LIMITS IN RELATION TO INDICATORS

Societal, social and environmental indicators may generally reflect methodological limits due to the lack of harmonization of international and national definitions and legislation, or due to the qualitative and therefore subjective nature of certain data.

Societal Indicators

With regard to the indicators "Breakdown of purchases by main categories and geographic regions" and "Deployment of responsible purchasing approach amongst the suppliers and subcontractors" (see Section 3.1.4), the subsidiaries reported on tier 1 suppliers and subcontractors representing at least 75% of the total purchasing amount.

In relation to the indicator "Estimation of the number of indirect jobs" (see Section 3.1.2.1), only the data of Canal+ Group is published in this Annual Report. The methodology relating to indirect jobs generated by UMG will be defined during 2016. The estimate provided by Canal+ Group is a consolidation of the data for France, Africa (focus group of 6 countries), Poland and Vietnam:

- in France, the number of indirect jobs is an indication of the jobs generated by direct subcontractors and tier 1 content suppliers (direct suppliers). All the channels published and distributed in France as well as the cinematographic and sports segments are included;
- in Africa, the jobs counted as indirect are those generated by the sales network and by business service subcontractors (e.g., residential installations of satellite dishes, warehouse logistics and call centers);
- the Vietnamese subsidiary bases its estimate on the number of jobs generated by the sales network and by business service subcontractors (in particular call centers); and
- the Polish subsidiary has taken into account jobs generated by direct subcontractors and tier 1 content suppliers performing orders on behalf of the entity's various departments.

For suppliers and subcontractors where Canal+ Group is not the main client, the number of indirect jobs was estimated pro rata to sales of the supplier made to the group.

Social Indicators

The methods used to calculate absenteeism rates, accident frequency and accident severity rates are specified in the section on social information. It should be noted that days absent are counted in respect of permanent employment contracts.

Calculations of work-related accident rates (frequency and severity) take into account the number of hours actually worked. They are based on weighted average annual employee data.

Environmental Indicators

For the environmental scope, the methodology used for data collection takes into account the nature of the site in terms of its contribution to electricity consumption. Data is collected on the basis of sites that contribute the most, in order to achieve a representation of over 90% of real data compared to total estimated electricity consumption.

Emissions are calculated based on emission factors, using the French Environmental and Energy Management Agency (ADEME) tool for calculating Carbon Footprint®.

Any missing data on indicators such as electricity, gas, fuel and steam are estimated using methodologies based on ADEME factors where these are applicable, or are based on available data (e.g., ratios of 10 months out of 12 or ratio per square meter, per person).

With regard to data on electricity consumption, the quantities reported reflect the quantities invoiced. In cases where data is not available (in particular, for certain sites not owned by the group), consumption is estimated based on conversion factors (kW/m^2, kWh/ft^2). The conversion factors used for the energy consumption indicators are standard values. They differ depending on the geographic location of the entities and come from recognized reference guides. Total energy consumption is broken down to obtain a clearer explanation of the composition of the energy consumed.

In relation to fuel consumption (gasoline, diesel and propane), the scope of the indicator "CO_2 emissions attributable to consumption from mobile sources (tCO_2eq)" covers directly-owned vehicles or vehicles used by the site under long-term leases.

CO_2 emissions are divided into two categories:

- scope 1 represents direct greenhouse gas emissions. Emissions associated with the consumption of natural gas, domestic heating oil and injections of refrigerant fluids during maintenance operations on air-conditioning installations at the sites are included. The emissions related to transport from consumption from mobile sources, for directly owned vehicles or vehicles on long-term leases over which the group has operational control, are also included; and
- scope 2 includes reports on indirect greenhouse gas emissions associated with the consumption of electricity and steam.

REPORTING TOOLS, CONSOLIDATION AND CONTROLS

Using the data gathering tools developed by Vivendi's Information Systems department makes it possible for all data, consolidated and audited at different levels, to be reported:

- social data is gathered in the SIRIS tool and automatic coherency checks are made by the tool during data input. An initial validation is performed by each subsidiary. Coherency checks and a second validation are performed by each business unit. These indicators are then grouped together and checked at the group's headquarters, where a third validation is performed during consolidation. Finally, a general review ensures the overall consistency of headcount flows between year N-1 and year N;
- in 2015, for societal and environmental data, the data was gathered using Word and Excel spread sheets, and a consistency check was made by the representative in charge of consolidation at the headquarters. The answers to the questions asked by headquarters were tracked.

Report by One of the Statutory Auditors

Since 2008, a selection of the group's extra-financial data has been subject to verification at a limited level of assurance by one of Vivendi's Statutory Auditors (see Section 4.2). In 2015, pursuant to Articles L.225-102-1 and R.225-105-2 of the French Commercial Code, the attestation and the report cover societal, social and environmental information presented in Chapter 2 of this Annual Report, as set forth in this report on p.98.

4.2. Independent Statutory Auditors' Report designated as an Independent Third Party on Consolidated Societal, Social and Environmental Information Presented in the Management Report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as auditors of the Vivendi corporation and designated as the independent third party agency accredited by COFRAC [(1)] under number 3-1065, we present our report on the consolidated societal, social and environmental information for the year ended December 31, 2015, presented in Chapter 2 of the management report (hereinafter "CSR information"), pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

Responsibility of the Company

It is the responsibility of the Management Board to prepare a management report including the CSR Information referred to in Article R.225-105-1 of the French Commercial Code, in accordance with the reference standard used by the company, consisting of the "Reporting Protocol for societal, social and environmental data of the Vivendi group companies – 2015", in its version dated September 14, 2015 (hereafter "the Criteria"), a summary of which is included in Chapter 2, Section 4.1 of the management report which is available on request.

Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession, and the provisions of Article L.822-11 of the French Commercial Code. In addition, we have implemented a quality control system that includes documented policies and procedures intended to ensure compliance with ethical standards, professional standards [(2)] and applicable laws and regulations.

Responsibility of the Independent Statutory Auditor

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, if it is omitted, that an explanation has been provided in accordance with the third paragraph of R.225-105 of the French Commercial Code (Attestation of presence of CSR Information); and
- to express a conclusion of limited assurance that, overall, the CSR Information is fairly presented in all material aspects, in accordance with the Criteria (limited assurance on CSR information).

Our verification work was undertaken by a team of five persons between October 2015 and February 2016, over an estimated cumulative duration of 12 weeks. To assist us in carrying out our task we involved CSR experts.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 which sets the conditions under which an independent third-party verifier performs its task and, in relation to the opinion on fairness, in accordance with international standard ISAE 3000 [(3)].

1. ATTESTATION OF PRESENCE OF CSR INFORMATION

Based on interviews with the management of relevant departments, we were able to gain an understanding of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, and also, where appropriate, the resulting actions or programs undertaken.

We have compared the CSR information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

In cases where certain consolidated information was absent, we have verified that the explanations were provided in accordance with the provisions in Article R.225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR information covered the consolidated scope, namely the company and its subsidiaries, within the meaning of Article L.233-1 of the French Commercial Code, and the entities which it controls, within the meaning of Article L.233-3 of the French Commercial Code, with the limits specified in the note on methodology in Chapter 2 Section 4.1 of the management report.

Based on this work, and in consideration of the limits mentioned above, we confirm that the required CSR information is present in the management report.

2. REASONED OPINION ON THE FAIRNESS OF CSR INFORMATION

Nature and Scope of the Work

We undertook six interviews at the consolidated entity level, in the CSR and Human Resources departments, with the persons responsible for preparation of the CSR information, those in charge of the data collection process and, where applicable, with the persons responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in respect of its relevance, completeness, reliability, neutrality, and comprehensiveness, taking industry standards into consideration where relevant; and
- verify implementation of the process of collection, compilation, processing and control to ensure completeness and consistency of the CSR information and to obtain an understanding of the procedures for internal control and risk management related to the preparation of the CSR information.

(1) Accreditation scope available on www.cofrac.fr.
(2) In particular the business practices standard applied to services related to social and environmental information that is part of the work directly related to the Auditor's engagement: NEP 9090.
(3) ISAE 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

We determined the nature and extent of our tests and checks based on the nature and significance of the CSR information, taking into account the characteristics of the company, the social and environmental issues linked to its activities, its strategy in relation to sustainable development, and industry best practices.

For the CSR information which we considered the most important [(4)]:

- at the level of the consolidated entity and of a selection of business units [(5)], we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a sample basis, the calculations and the compilation of data, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of a representative sample of business units and operational entities that we selected [(6)] based on their activity, their contribution to the consolidated indicators, their location, and a risk analysis, we conducted approximately fifteen interviews to verify the correct application of the procedures, and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample of the entities selected with respect to social information represented 36% of the total workforce and the one selected with respect to environmental information represented between 10% and 54% of the quantitative environmental information [(7)].

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, where appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered, exercising our professional judgment, allow us to express a conclusion of limited assurance; a higher level of assurance would have required more extensive verification work. Due to the necessary use of sampling techniques and other limits inherent to the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR information, taken as a whole, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, February 19, 2016

Statutory Auditors

ERNST & YOUNG and Associates

Jacques Pierres	Eric Mugnier
Associate	CSR Expert

(4) **Societal information**:
- ***Quantitative information:*** *actions taken to promote human rights (breakdown of generated value by stakeholder, percentage of CNC-approved French initiatives films financed by Canal+; number of first and second films financed by Canal+; number and description of initiatives focusing on raising the awareness of customers on personal data and providing information related to on-line privacy).*
- ***Qualitative information:*** *taking social and environmental issues into account in the purchasing policy (existence of a formal commitment related to the founding principles in the purchasing policy); importance of subcontracting and of taking into account the CSR of suppliers and subcontractors (deployment of the responsible purchasing approach amongst the suppliers and subcontractors with whom at least 75% of the total purchasing amount is realized); actions taken in favor of human rights (existence of a formal commitment to ethics related to content – production and/or distribution, part of which specifically addresses protection of young audiences; description of the mechanisms for implementing and monitoring this commitment; actions taken by UMG in favor of promoting musical heritage and local talent; initiatives taken by Canal+ Group for the promotion of cinema and audiovisual heritage and local talent; description of the governance structure, the business model and the mechanisms deployed to guarantee independence of editorial functions and pluralism of content; initiatives aimed at raising the awareness of young users and their entourage on responsible uses of products and services; initiatives for enabling young people to express their creative talent and civic engagement; description of interventions made by the CSA (warnings, summons, and sanctions) and responsive measures taken in response; initiatives in favor of accessibility of offers, products and services; Policies put in place to protect customers' personal data).*

Social information:
- ***Quantitative information:*** *total workforce and breakdown by gender, age and geographic region; total new hires and breakdown of departures by reason.*
- ***Qualitative information:*** *new hires and redundancies; health and safety conditions and workplace safety (business policy on health and workplace safety); diversity policy; social relations and work organization.*

Environmental information:
- ***Quantitative information:*** *quantities of business and household WEEE produced; total energy consumption (e.g., electricity, natural gas, and fuel oil); consumption of fuel (e.g., gasoline, and diesel fuel); CO_2 emissions attributable to fixed sources (scopes 1 and 2); CO_2 emissions attributable to consumption from mobile sources (scope 1).*
- ***Qualitative information:*** *preventive measures, recycling and elimination of waste (description of processes for recovering household EEEW); measures taken to improve energy efficiency and use of renewable energy; greenhouse gas emissions (Carbon Footprint®).*

(5) *Canal+ Group; Universal Music Group (UMG), Vivendi Village.*

(6) *For the environmental indicators, the sites entities include SECP (Canal+ Group), Canal+ Senegal (Canal+ Group), Canal+ Ivory Coast (Canal+ Group), UMG Inc. (UMG US), UMG UK (Beaumont House); for the social indicators: Canal+ Group (France), Canal+ Senegal (Canal+ Group), Canal+ Ivory Coast (Canal+ Group), ITI Neovision (Canal+ Group), UMG UK (UMG), UMG Inc. (UMG US), UMG Music, Publishing et Corporate Netherlands (UMG), Watchever France (Vivendi Village); for the societal indicators: Canal+ Group and Universal Music Group (UMG).*

(7) *The coverage rate of the chief quantitative environmental indicators is 54% for professional WEEE, 39% for electricity consumption, 11% for scope 1 CO_2 emissions and 10% for scope 2 CO_2 emissions.*

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SECTION 1
GENERAL INFORMATION ABOUT THE COMPANY

1.1. Corporate and Commercial Name

Pursuant to Article 1 of Vivendi's by-laws, the corporate name of the company is Vivendi.

1.2. Place of Registration and Registration Number

The company is registered with the *Registre du Commerce et des Sociétés de Paris* (Paris Commercial and Corporate Registry) under reference number 343 134 763. Its Siret number is 343 134 763 00048 and its APE code is 6420Z.

1.3. Date of Incorporation and Term

As set forth in Article 1 of Vivendi's by-laws, the company's term is 99 years beginning on December 18, 1987. It will therefore expire on December 17, 2086, except in the event of extension or early dissolution.

1.4. Registered Office, Legal Form and Laws Applicable to Vivendi's Business

Pursuant to Article 3 of Vivendi's by-laws, the company's registered and head offices are located at 42, avenue de Friedland, 75380 Paris Cedex 08, France.

Pursuant to Article 1 of Vivendi's by-laws, Vivendi is a French limited liability company (*société anonyme*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de surveillance*). The company is governed by all French legislative and regulatory provisions on corporations and in particular the provisions of the French Commercial Code (*Code de commerce*).

1.5. Fiscal Year

Pursuant to Article 18 of Vivendi's by-laws, the company's fiscal year begins on January 1 and ends on December 31 of each year.

1.6. Access to Legal Documents and Regulated Information

Legal documents relating to the company are available for review at the company's registered office. Permanent and ongoing regulated information may be found on the company's website (www.vivendi.com) under "Regulated Information".

SECTION 2

ADDITIONAL INFORMATION ABOUT THE COMPANY

2.1. Memorandum and By-Laws

2.1.1. CORPORATE PURPOSE

Pursuant to Article 2 of Vivendi's by-laws, the company's main corporate purpose, directly and indirectly, both in France and in all other countries, is: to provide communication and telecommunication services, directly or indirectly, and interactive services, to individual, business or public sector customers; to market products and services related to the foregoing; to engage (whether directly or indirectly), in commercial, industrial, financial, securities and real estate transactions which (i) are related (directly or indirectly) to the aforementioned purpose or to any other similar or related purpose, or (ii) contribute to the achievement of such purpose; and more generally the management and acquisition, either by subscription purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or yet to be formed. Such management includes the right to sell such securities.

2.1.2. RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE COMPANY'S SHARES AND TO EACH CLASS OF EXISTING SHARES, IF APPLICABLE

Pursuant to Articles 4 and 5 of Vivendi's by-laws, the shares are all of the same class and may be held in either registered or bearer form, unless stipulated otherwise by law.

Pursuant to Article 6 of Vivendi's by-laws, each share carries a right of ownership to the company's assets and liquidation surplus, in a proportion equal to the portion of the share capital it represents. Whenever a certain number of shares is necessary to exercise a right, shareholders who do not own the said number of shares shall be responsible, if necessary, for grouping the shares corresponding to the required quantity. Subscription rights attached to shares belong to the holder of the usufruct rights (*usufruitier*).

2.1.3. DESCRIPTION OF ACTIONS NECESSARY TO CHANGE THE RIGHTS OF SHAREHOLDERS

Regarding rights attached to the company's shares and changes to the company's share capital, Vivendi's by-laws do not contain any provisions which are more restrictive than those required by law.

2.1.4. SHAREHOLDERS' MEETINGS

Pursuant to Article 16 of Vivendi's by-laws, Shareholders' Meetings are convened and held in accordance with applicable law.

Shareholders' Meetings are held at the company's registered office or at any other place indicated in the meeting notice. When convening such a meeting, the Management Board may decide to publicly broadcast the Shareholders' Meeting in full by videoconference or by another form of remote transmission. If applicable, this decision shall be published in the meeting notice and convening notice.

The Works Council may also appoint two of its members to attend Shareholders' Meetings. The Chairman of the Management Board or any other authorized person will notify the Works Council, by any means, of the date and location of any Shareholders' Meeting which has been convened.

Each shareholder, without regard to the number of shares held, is entitled, upon proof of his or her identity and standing as a shareholder, to participate in the Shareholders' Meetings, subject to: (i) the recording of his or her shares on or before 11:59 p.m. (Paris time) on the second business day **(1)** preceding the Shareholders' Meeting (the "Record Date"), whereby:

- registered shareholders are comprised of those shareholders identified in the nominative share register on file with the company;
- bearer shareholders are comprised of those shareholders identified as holders of record in the bearer share register on file with the authorized intermediary;

and (ii) if necessary, the provision to the company of any documents required to prove such shareholders' identity, in accordance with current law.

The registration or recording of shares in the bearer share account held by the authorized intermediary will be authenticated by a shareholding certificate (*attestation de participation*) delivered by said intermediary in accordance with legal and statutory provisions.

Pursuant to Article 17 of Vivendi's by-laws, voting rights attached to shares belong to usufruct holders (*usufruitiers*) in Ordinary Shareholders' Meetings and to legal owners of title (*nu-propriétaires*) in Extraordinary or Special Shareholders' Meetings, unless otherwise agreed by both parties, provided that the company is notified of such agreement by said parties.

Subject to applicable laws and regulations, shareholders may send their proxy and voting forms by mail, either in paper form or, where approved by the Management Board and published in the notice of meeting and the convocation notice, by fax or e-mail. Proxy or voting forms sent by mail must be received by the company by 3:00 p.m. (Paris time) on the day prior to the Shareholders' Meeting.

(1) Decree 2014-1466 of December 8, 2014, Article 4.

The proxy or voting form may, if necessary, contain the shareholder's electronic signature, authenticated by a reliable and secure process, enabling identification of the shareholder as well as authentication of his or her vote.

Shareholders' Meetings are chaired by the Chairman of the Supervisory Board.

Each shareholder is entitled to a number of votes at all Shareholders' Meetings equal to the number of shares he or she owns or represents.

Nevertheless, pursuant to Article 7 of Law No. 2014-384 of March 29, 2014 – the "*Loi Florange*", codified under Article L.225-123 of the French Commercial Code – as from April 3, 2016, a double voting right is automatically granted to each share continuously held in registered form as from April 2, 2014.

2.1.5. DETERMINATION, ALLOCATION AND DISTRIBUTION OF NET EARNINGS

Pursuant to Article 19 of Vivendi's by-laws, the statement of income summarizes income and expenses for the fiscal year, showing statutory net income for the year as the difference between the two, after deducting amortization, depreciation and any provisions.

At least 5% of the fiscal year's earnings, reduced, where applicable, by deferred losses, shall be withheld for allocation to the statutory reserve fund. This withholding ceases to be mandatory when the statutory reserve fund reaches an amount equal to 10% of the share capital. Such deductions shall resume, under the same conditions, if, for any reason, the legal reserve falls below this percentage.

The Shareholders' Meeting may set aside such sums as the Management Board deems appropriate for transfer to contingency funds, ordinary or extraordinary reserves, retained earnings, or for distribution.

Distributable earnings are equal to net income for the fiscal year, less losses carried forward and allocations to reserves, pursuant to applicable law or Vivendi's by-laws, plus earnings carried forward from previous fiscal years.

Dividends are first paid out of current earnings.

Except in the event of a reduction of share capital, dividends shall not be distributed to the shareholders when shareholders' equity is, or would become as a result of such distribution, less than the amount of the share capital plus reserves, which is not permitted to be distributed under any applicable law or Vivendi's by-laws.

Revaluation surpluses may not be distributed, but may be wholly or partially capitalized.

The Shareholders' Meeting may resolve to distribute funds deducted from available reserves by specifically identifying the reserve line items from which such withholdings are to be distributed.

The manner in which dividends will be paid is determined by the Shareholders' Meeting or, failing such determination, by the Management Board. Dividends must be paid no later than nine months after the end of the fiscal year, unless extended by court order.

The Annual Shareholders' Meeting has the right to grant each shareholder the option to receive all or part of the annual dividend or interim dividend distributed in the form of cash, shares, or payment in kind.

Dividends which remain unclaimed five years after the date of such dividend payment are no longer distributable.

2.1.6. PROVISIONS HAVING THE EFFECT OF DELAYING, DEFERRING OR PREVENTING A CHANGE IN CONTROL

Vivendi's by-laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change in control of the company.

2.1.7. PROVISIONS GOVERNING THE OWNERSHIP THRESHOLD ABOVE WHICH SHAREHOLDER OWNERSHIP MUST BE DISCLOSED

Pursuant to Article 5 of Vivendi's by-laws, the company may, at any time and in accordance with applicable laws and regulations, request the relevant central depository for financial instruments to provide it with information in relation to any of the company's securities that confer a right to vote (either immediately or in the future) at Shareholders' Meetings.

Any personal data or information obtained are used solely for the purpose of identifying the owners of bearer shares and analyzing Vivendi's share ownership structure on any given date. In accordance with the provisions of the French Law of January 6, 1978, owners of securities have the right to access, amend and delete any personal information about themselves. To do so, a request must be submitted to Vivendi's legal department or to the following e-mail address: tpi@vivendi.com.

Failure by shareholders or their intermediaries to disclose such information may, under the conditions stipulated by law, lead to the suspension or forfeiture of dividends or voting rights attached to such shares.

Any person, acting alone or in concert, who becomes the direct or indirect holder of a fraction of the share capital, voting rights or securities giving rights to the share capital of the company which are equivalent to or in excess of 0.5%, or a multiple thereof, shall send a notice to the company, by registered letter with acknowledgment of receipt, within 15 calendar days of crossing any of these thresholds. This notice shall specify the aggregate number of shares, voting rights or securities giving rights to the share capital of the company that such person directly or indirectly holds, whether alone or in concert.

A person who fails to comply with this notification requirement is, upon request by one or more shareholders holding at least 0.5% of the company's share capital, subject to penalties in accordance with applicable law.

Any person, acting alone or in concert, is also required to inform the company within 15 calendar days if the percentage of share capital or voting rights that such person holds falls below any of the above-mentioned thresholds.

2.1.8. PROVISIONS GOVERNING CHANGES IN SHARE CAPITAL WHERE SUCH CONDITIONS ARE MORE STRINGENT THAN REQUIRED BY LAW

Not applicable.

2.2. Share Capital

2.2.1. AMOUNT OF ISSUED SHARE CAPITAL

As of December 31, 2015, the company's share capital amounted to €7,525,774,135.00 divided into 1,368,322,570 shares with a par value of €5.50 per share.

Since February 22, 2016, the share capital has amounted to €7,526,302,888.50 divided into 1,368,418,707 shares with a par value of €5.50 each.

All shares may be held in registered or bearer form and are transferable. The shares are traded on Euronext Paris (Compartment A) (ISIN code: FR0000127771).

2.2.2. SHARES NOT REPRESENTING CAPITAL

Not applicable.

2.2.3. AUTHORIZED BUT NON-ISSUED SHARE CAPITAL

Details of delegations of authority and authorizations approved by the Combined Shareholders' Meetings of June 24, 2014 and April 17, 2015, and submitted to the Combined Shareholders' Meeting of April 21, 2016 are presented below.

Issues of securities with preferential subscription rights

Transactions	Resolution number – year	Duration of the authorization (expiry date)	Maximum nominal amount of share capital increase
Capital increase (ordinary shares and marketable securities giving right to the share capital)	**17 – 2016** * 15 – 2015	**26 months (June 2018)** 26 months (June 2017)	(a) **750 million, i.e. ≈ 10% of the share capital** 750 million, i.e. 10% of the share capital
Capital increase by incorporation of reserves and grant of free shares to shareholders	19 – 2015	26 months (June 2017)	375 million, i.e. ≈ 5% of the share capital

Issues of securities without preferential subscription rights

Transactions	Resolution number – year	Duration of the authorization (expiry date)	Maximum nominal amount of share capital increase
Contributions in kind to the company	**18 – 2016** * 16 – 2015	**26 months (June 2018)** 26 months (June 2017)	(b) **5% of the share capital** 10% of the share capital

Issues reserved to employees of Vivendi

Transactions	Resolution number – year	Duration of the authorization (expiry date)	Main Terms
Share capital increase reserved to employees that are members of the group's Savings Plan (PEG)	**20 – 2016** (c) 17 – 2015	**26 months (June 2018)** 26 months (August 2017)	(b) **Maximum of 1% of the share capital on the Management Board's decision date**
	21 – 2016 18 – 2015	**18 months (Oct 2017)** 18 months (Oct 2016)	
Grant of existing or future performance shares**	**19 – 2016** (d) 14 – 2014	**38 months (June 2019)** 38 months (August 2017)	(b) Maximum of 1% of the share capital on the grant date

(a) Aggregate maximum amount for capital increases, all transactions included.

(b) This amount is applied to the maximum aggregate amount of €750 million, set in the 17th resolution of the 2016 Shareholders' Meeting.

(c) Used for 0.3% in July 2015.

(d) No annual grants in 2014. Used in 2015 for 0.11% of the share capital.

* Resolution rejected by the Shareholders' Meeting held on April 17, 2015.

** Renewed early to take account of the new provisions of the Macron Law.

Share repurchase program

Transactions	Resolution number – year	Duration of the authorization (expiry date)	Main Terms
	15 – 2016	**18 months (Oct. 2017)**	**10% of the share capital Maximum purchase price: €20 (136.9 million shares)**
Share repurchases	(e) 13 – 2015	18 months (Oct. 2016)	10% of the share capital Maximum purchase price: €20 (135.30 million shares)
	16 – 2016	**18 months (Oct. 2017)**	**10% of the share capital over a 24-month period**
Share cancellations	(f) 14 – 2015	18 months (Oct. 2016)	10% of the share capital over a 24-month period

(e) Used for 6.30% of capital as of February 29, 2016 (86.1 million shares).

(f) No share cancellations over the last 24 months.

2.2.4. SHARES HELD BY THE COMPANY

2.2.4.1. Summary of the Previous Share Repurchase Program (2014/2015)

By a resolution of the Management Board at its meeting held on October 20, 2014, a share repurchase program was implemented on that same date, under the authorization given pursuant to the 12th resolution of the Ordinary Shareholders' Meeting held on June 24, 2014.

The maximum authorized repurchase price was within the statutory limitations, at a maximum price of €20 per share, which is below the upper limit of €24 set by the Shareholders' Meeting.

The objectives of this repurchase program were as follows:

- the continuation of the liquidity agreement in compliance with the AMAFI Code of Ethics; and
- the repurchase by the company of a maximum of 2.7 million shares on the market to cover the granting of performance shares, the rights to which were to be acquired by beneficiaries in 2015, provided they meet the performance conditions under the performance share plans. Vivendi has not implemented this second objective, as the performance share plans were covered by the granting of new shares.

2.2.4.2. Aggregate Number of Purchases and Sales/Transfers of Shares from January 1 to December 31, 2014 (Other than Shares Purchased under the Liquidity Agreement)

	Purchases	Sale/Transfer
Number of shares held as of January 1, 2014: 50,639		
Number of shares	1,602,149	1,603,220
Average price per share (in euros)	20.04	19.90
Total value (in euros)	32,103,809.96	31,909,025.57

na: not applicable.

Number of shares canceled during the last 24 months: None.

As of December 31, 2014, Vivendi directly held 49,568 of these treasury shares with a par value of €5.50 per share, i.e. 0.004% of the share capital, allocated to covering the award of performance share plans.

2.2.4.3. Current Share Repurchase Program (2015/2016)

On October 6, 2015, under the authorization given pursuant to Resolution 13 of the Combined General Shareholders' Meeting held on April 17, 2015, a share repurchase program was implemented by way of a resolution of the Management Board passed at its meeting held on August 26, 2015.

The maximum authorized repurchase percentage is 10% of the share capital (statutory limit), at a maximum price of €20 per share, as fixed by the above-mentioned Combined General Shareholders' Meeting.

The objective of the share repurchase program is as follows:

- acquisition under market conditions of a maximum of 136.7 million shares for cancellation by reduction in share capital pursuant to Resolution 14 of the Combined General Shareholders' Meeting of April 17, 2015.

To benefit from the exemption provided for in Article 6 §3 of European Commission Regulation No. 2273/2003 regarding authorization to acquire treasury shares during a negative window period, the specific conditions for implementing this objective are the following:

- implementation of purchases starting November 11, 2015 through an irrevocable and independent mandate initially granted on October 6, 2015 to a banking establishment acting as an investment services provider and holding successive mandates to execute the current share purchase program.

2.2.4.4. Aggregate Number of Purchases and Sales/Transfers of Shares from January 1 to December 31, 2015 (other than Shares Purchased under the Liquidity Agreement)

	Purchases	Sale/Transfer
Number of shares held as of January 1, 2015: 49,568		
Number of shares	25,978,246	42,849*
Average price per share (in euros)	19.515	20.57
Total value (in euros)	506,965,819.32	881,232.53
Number of shares canceled over the past 24 months: None.		

* Transfer to certain beneficiaries of performance share plans.

2.2.4.5. Treasury Shares (Other than Shares Held Pursuant to the Liquidity Agreement)

Position as of December 31, 2015

As of December 31, 2015, Vivendi directly held 25,984,965 of its own shares with par value of €5.50 each, representing 1.90% of the share capital, including 6,719 allocated to the grant of performance shares and 25,978,246 subject to cancellation by reduction of share capital. As of December 31, 2015, the book value of the portfolio totaled €507.1 million, representing a market value of €516.0 million as of the same date.

2.2.4.6. Aggregate Number of Purchases and Sales/Transfers of Shares from January 1 to February 29, 2016 (other than Shares Purchased under the Liquidity Agreement)

	Purchases	Sale/Transfer
Number of shares	60,096,455	(a) 6,719
Average price per share (in euros)	18.47	20.49
Total value (in billions of euros)	1,110	0

na: not applicable.

(a) Shares transferred on February 22, 2016 to a beneficiary of a February 2014 performance share plan.

Position as of February 29, 2016

As of February 29, 2016, Vivendi SA held 86,074,701 of its own shares, comprising 6.3% of its share capital, of which 47,894,655 shares (3.5% of the share capital) will be allocated to remittances or exchanges as part of external growth acquisitions, subject to adoption of Resolution No. 14 submitted to the General Shareholders’ Meeting to be held on April 21, 2016.

2.2.4.7. Liquidity Agreement

Since January 3, 2005, Vivendi has entered into a liquidity agreement which is established in compliance with the AMAFI Code of Ethics. The term of this agreement is one year, renewable by tacit agreement.

In 2015, pursuant to this liquidity agreement, Vivendi repurchased an aggregate of 325,000 shares, representing 0.02% of the share capital of the company, for €6.6 million, and sold a total 325,000 shares for €6.6 million.

As of December 31, 2015, the following sources were held in a liquidity account pursuant to its liquidity agreement: 0 shares and €53 million. In 2015, the company recognized capital gains under this liquidity agreement totaling €25,325.

For 2015, the company’s management fees for the liquidity agreement did not result in any expenditure.

2.2.4.8. Treasury Shares Held by the Group

As of December 31, 2015, Vivendi's subsidiaries held 465 shares of the company.

2.2.4.9. Open Positions on Derivative Financial Instruments as of December 31, 2015

None.

2.2.5. CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR WARRANT SECURITIES

2.2.5.1. Bonds Convertible into New Shares and/or Exchangeable for Existing Shares (OCEANE)

No OCEANEs are outstanding.

2.2.5.2. Bonds Mandatorily Redeemable in Shares (ORA)

No ORAs are outstanding.

2.2.5.3. Warrants (BSA)

No BSAs are outstanding.

2.2.6. STOCK OPTION PURCHASE OR SUBSCRIPTION PLANS (STOCK-OPTIONS)

Since 2013, Vivendi has not granted any stock options.

2.2.6.1. Grant Criteria

Between 2002 and 2012, only stock subscription option plans were established by the company. These plans have a ten-year term.

Grants of stock subscription option plans were based on three criteria: (i) level of responsibility; (ii) individual performance; and (iii) rewarding the loyalty of high-potential managers. They were granted annually during the same period prior to the distribution of dividends, in order to avoid windfall effects.

The strike price of the stock options was set, without discount, to reflect the average share price over the 20 trading days prior to the grant date.

As of December 31, 2015, 31,331,489 options were outstanding under all existing stock subscription option plans (after deducting the number of stock options exercised or canceled, in application of partial fulfillment of the performance conditions governing the plans, as the case may be, or pursuant to the termination of employment of certain beneficiaries). These options represent a maximum nominal share capital increase of €172.32 million, or 2.29% of the company's share capital.

As a result of the termination of Vivendi's ADR (American Depositary Receipt) program on the New York Stock Exchange in 2006, any stock options that were exercisable into ADRs and had been granted to a number of officers and employees of the group residing in the United States were converted into Stock Appreciation Rights (SARs). SARs are instruments that settle in cash only and therefore have no dilutive effect. The trading value of the SARs is the average of the high and low prices of Vivendi's ordinary shares as quoted on Euronext Paris on that trading day, multiplied by the euro/US dollar exchange rate as published by the European Central Bank on the date of exercise of the SAR. As of December 31, 2015, there were 2,877,930 SARs (formerly ADRs) outstanding (maturing in 2016 and 2017).

2.2.6.2. Key Features of the Plans Granted up to 2012

Rights resulting from the grant of stock options are fully acquired after a three-year vesting period, and may be exercised on one or more occasions. Shares received upon exercise of the options can be freely transferred, subject to, for beneficiaries who are French tax residents, the expiration of the beneficial holding period applicable under French tax law (currently four years). In the event of a tender offer for Vivendi shares, the options under any of the plans will immediately vest and become exercisable.

For Corporate Officers and all beneficiaries, the definitive grant of stock subscription options was subject to the same performance criteria and quantitative methods of grant as those set for the grant of performance shares, which were assessed once (until 2014) at the end of a consecutive two-year period following the grant (see Section 3.4).

2.2.7. PERFORMANCE SHARE GRANTS

Grants of performance shares are subject to the achievement of internal financial targets (weighting 80%) and the performance of Vivendi shares against two trading indices (weighting 20%) (see Section 3.4 of this chapter).

In 2015, 1,620,419 shares were definitively granted to beneficiaries under the 2013 plans. Taking into account the rate of partial fulfillment of performance conditions for these plans assessed over the 2013 and 2014 fiscal years, the final grant was reduced as a result, ranging from 62% to 80% depending on the operating entity in question. 828,127 rights were therefore canceled. In addition, 91,742 rights were canceled upon the termination of employment of certain beneficiaries. 919,869 rights were canceled in total. Under the 2011 plans (British, American and Brazilian beneficiaries), 348,439 shares were definitively granted to beneficiaries,

For more details, please refer to the Appendix of this Section.

2.2.8. ACQUISITION RIGHTS OR OBLIGATIONS IN RESPECT OF AUTHORIZED BUT NON-ISSUED CAPITAL

Not applicable.

2.2.9. CONDITIONAL OR UNCONDITIONAL OPTIONS OR AGREEMENTS ON A GROUP MEMBER

Not applicable.

2.2.10. CHANGES IN SHARE CAPITAL OVER THE LAST FIVE YEARS

Transactions	Date	Amount: Par value (in euros)	Amount: Premium (*) (in euros)	Number of issued shares	Share capital amounts: In shares	Share capital amounts: In euros
Share capital as of December 31, 2010					1,237,337,108	6,805,354,094.00
Stock option exercise	01/31/2011	5.50	9.26	207,991	1,237,545,099	6,806,498,044.50
Stock option exercise	02/28/2011	5.50	7.89	3,657	1,237,548,756	6,806,518,158.00
Stock option exercise	03/31/2011	5.50	7.89	13,971	1,237,562,727	6,806,594,998.50
Stock option exercise	04/20/2011	5.50	7.89	82,111	1,237,644,838	6,807,046,609.00
Stock option exercise	05/31/2011	5.50	7.89	1,736	1,237,646,574	6,807,056,157.00
Stock option exercise	06/30/2011	5.50	7.89	216,086	1,237,862,660	6,808,244,630.00
2011 Group Savings Plan	07/21/2011	5.50	9.77	9,371,605	1,247,234,265	6,859,788,457.50
Stock option exercise	08/31/2011	5.50	7.89	2,689	1,247,236,954	6,859,803,247.00
Stock option exercise	12/31/2011	5.50	7.89	26,106	1,247,263,060	6,859,946,830.00
Bonus share award (1 for 30)	05/09/2012	5.50	na	41,575,435	1,288,838,495	7,088,611,722.50
2012 Group Savings Plan	07/19/2012	5.50	4.81	12,288,690	1,301,127,185	7,156,199,517.50
Stock option exercise	07/31/2012	5.50	7.46	2,000	1,301,129,185	7,156,210,517.50
Bolloré Média contributions	09/27/2012	5.50	9.55	22,356,075	1,323,485,260	7,279,168,930.00
Stock option exercise	09/30/2012	5.50	7.46	8,333	1,323,493,593	7,279,214,761.50
Stock option exercise	10/31/2012	5.50	7.46	43,334	1,323,536,927	7,279,453,098.50
Stock option exercise	11/30/2012	5.50	7.46	59,411	1,323,596,338	7,279,779,859.00
Stock option exercise	12/31/2012	5.50	7.46	366,078	1,323,962,416	7,281,793,288.00
Stock option exercise	01/31/2013	5.50	7.46	144,662	1,324,107,078	7,282,588,929.00
Stock option exercise	02/28/2013	5.50	7.46	14,264	1,324,121,342	7,282,667,381.00
Stock option exercise	03/31/2013	5.50	7.46	286,362	1,324,407,704	7,284,242,372.00
Stock option exercise	04/23/2013	5.50	7.46	566,370	1,324,974,074	7,287,357,407.00
Stock option exercise	04/30/2013	5.50	7.46	27,467	1,325,001,541	7,287,508,475.50
Stock option exercise	05/31/2013	5.50	6.68	1,733,628	1,326,735,169	7,297,043,429.50
2013 Group Savings Plan	07/25/2013	5.50	6.602	12,285,542	1,339,020,711	7,364,613,910.50
Stock option exercise	10/31/2013	5.50	11.91	6,861	1,339,027,572	7,364,651,646.00
Stock option exercise	11/30/2013	5.50	11.75	416,063	1,339,443,635	7,366,939,992.50
Stock option exercise	12/31/2013	5.50	11.58	166,296	1,339,609,931	7,367,854,620.50
Stock option exercise	01/31/2014	5,50	11.90	1,623,713	1,341,233,644	7,376,785,042.00
Stock option exercise	02/28/2014	5.50	11.76	733,446	1,341,967,090	7,380,818,995.00
Stock option exercise	03/31/2014	5.50	11.92	1,806,245	1,343,773,335	7,390,753,342.50
Stock option exercise	04/30/2014	5.50	12.00	937,756	1,344,711,091	7,395,911,000.50
Stock option exercise	05/31/2014	5.50	11.97	3,082,646	1,347,793,737	7,412,865,553.50
Stock option exercise	06/30/2014	5.50	11.33	57,915	1,347,851,652	7,413,184,086.00
AGA 50 – July 17, 2014	07/17/2014	5.50	na	727,118	1,348,578,770	7,417,183,235.00
Stock option exercise	07/31/2014	5.50	10.47	34,357	1,348,613,127	7,417,372,198.50
Stock option exercise	08/31/2014	5.50	12.91	54,328	1,348,667,455	7,417,671,002.50
Stock option exercise	09/30/2014	5.50	10.61	829,272	1,349,496,727	7,422,231,998.50
Stock option exercise	11/30/2014	5.50	12.75	1,255,310	1,350,752,037	7,429,136,203.50
Stock option exercise	12/31/2014	5.50	12.63	848,601	1,351,600,638	7,433,803,509.00
Stock option exercise	01/31/2015	5.50	12.59	2,838,894	1,354,439,532	7,449,417,426.00
Performance share plans 2013-02	03/03/2015	5.50	na	1,481,884	1,355,921,416	7,457,567,788.00
Stock option exercise	03/31/2015	5.50	12.95	4,737,259	1,360,658,675	7,483,622,712.50
Stock option exercise	04/15/2015	5.50	13.55	1,638,138	1,362,296,813	7,492,632,471.50
Performance share plans (United States, Great Britain, Brazil) 2011-04	04/14/2015	5.50	na	270,925	1,362,567,738	7,494,122,559.00

na: not applicable.

(*) Weighted average premium in euros.

Transactions	Date	Amount			Share capital amounts	
		Par value (in euros)	Premium (*) (in euros)	Number of issued shares	In shares	In euros
Performance share plan 2011-04 (3)	04/22/2015	5.50	na	77,514	1,362,645,252	7,494,548,886.00
Stock option exercise	04/30/2015	5.50	13.45	66,124	1,362,711,376	7,494,912,568.00
Stock option exercise	05/31/2015	5.50	13.03	407,926	1,363,119,302	7,497,156,161.00
Stock option exercise	06/19/2015	5.50	11.24	641,484	1,363,760,786	7,500,684,323.00
Stock option exercise	06/30/2015	5.50	6.26	1,021	1,363,761,807	7,500,689,938.50
2015 Group Savings Plan	07/16/2015	5.50	13,707	3,914,166	1,367,675,973	7,522,217,851.50
Stock option exercise	07/31/2015	5.50	13.82	487,112	1,368,163,085	7,524,896,967.50
Stock option exercise	08/31/2015	5.50	10.30	260	1,368,163,345	7,524,898,397.50
Stock option exercise	09/30/2015	5.50	9.57	37,638	1,368,200,983	7,525,105,406.50
Performance share plan 2013-10	10/22/2015	5.50	na	39,577	1,368,240,560	7,525,323,080.00
Stock option exercise	10/31/2015	5.50	7.20	5,378	1,368,245,938	7,525,352,659.00
Stock option exercise	11/30/2015	5.50	10.50	20,523	1,368,266,461	7,525,465,535.50
Performance share plan 2013-12 (1)	12/14/2015	5.50	na	56,109	1,368,322,570	7,525,774,135.00

na: not applicable.

(*) Weighted average premium in euros.

As of December 31, 2015, the potential share capital of the company totaled €7,712,094,516.50, divided into 1,402,199,003 shares after taking into account 31,331,489 stock options and 2,544,944 performance shares, which may give rise to the issuance of 33,876,433 shares.

2.2.11. MARKET INFORMATION

2.2.11.1. Places of Listing – Stock Exchange Price

Source: Euronext Paris.

Stock exchange price for Vivendi ordinary shares – Euronext Paris

Compartment A (code FR0000127771) (in euros)	Average price	High	Low	Number of shares traded	Transactions
2014					
January	19.2068	20.1000	18.4400	114,441,854	2,206,292,818
February	20.3673	21.3100	19.1700	115,256,846	2,344,692,479
March	20.0845	21.0000	19.5500	161,023,146	3,235,624,461
April	20.0168	21.0250	19.2950	104,541,347	2,098,146,140
May	19.0310	19.4050	18.4350	99,841,377	1,897,190,307
June	19.0167	19.4750	17.8500	97,380,681	1,845,406,342
July	18.0250	19.1150	17.2600	111,140,508	2,010,607,906
August	19.4367	20.2900	18.4900	102,522,715	1,989,975,641
September	19.4250	20.0200	18.9450	95,685,430	1,860,435,176
October	18.4791	19.5200	17.3200	138,721,211	2,550,368,644
November	19.8765	20.5000	19.2350	96,218,944	1,911,542,432
December	20.3650	20.8600	19.0450	98,122,094	1,979,904,041
2015					
January	20.6295	21.4300	19.7300	118,717,877	2,448,092,393
February	21.0613	21.8650	20.3350	87,936,967	1,851,996,331
March	22.1034	23.1900	20.3200	231,070,768	5,062,543,984
April	23.3635	24.4200	22.0700	125,370,247	2,926,392,460
May	22.7040	23.7200	21.6200	108,962,126	2,482,120,080

Compartment A (code FR0000127771) (in euros)	Average price	High	Low	Number of shares traded	Transactions
June	23.6357	24.7450	22.6000	158,583,599	3,750,836,090
July	23.6200	24.8300	21.7650	108,017,671	2,539,485,019
August	23.1467	24.6450	20.2000	112,133,625	2,548,684,591
September	21.2320	22.1700	20.2700	127,529,434	2,719,977,174
October	21.7091	22.7250	20.3250	108,098,696	2,339,122,201
November	20.6345	22.0000	19.3700	108,731,003	2,224,476,280
December	19.4543	20.3800	18.8050	108,782,658	2,120,835,932
2016					
January	19.1733	20.3150	18.0950	130,534,174	2,500,928,304
February	17.9924	19.1900	16.2950	155,903,010	2,797,896,313

2.2.11.2. Financial securities intermediary

BNP Paribas Securities Services
GCT - Service Émetteurs
Les Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex

2.2.12. ADR (AMERICAN DEPOSITARY RECEIPT) PROGRAM

Vivendi does not sponsor any American Depositary Receipt (ADR) program for its shares. Any currently existing ADR program is “unsponsored” and is not connected in any way to Vivendi. Vivendi denies any responsibility or liability in relation to any such program.

2.3. Major Shareholders

2.3.1. SHARE OWNERSHIP AND VOTING RIGHTS

As of December 31, 2015, the company’s share capital amounted to €7,525,774,135, divided into 1,368,322,570 shares, and the number of voting rights, taking into consideration treasury shares held on the same date, totaled 1,342,337,140.

As of February 29, 2016, the company’s share capital totaled €7,526,302,888.50 and the number of voting rights totaled 1,282,343,541 shares.

As of February 29, 2016, to the Management Board’s knowledge, the major shareholders who held shares in registered form or had sent a share ownership notice to the company were as follows:

Groups	% of share capital	% of voting rights	Number of shares	Number of voting rights
Groupe Bolloré	14.35	15.32	196,426,839	196,426,839
BlackRock Inc.	5.03	5.37	68,883,372	68, 883,372
CDC-BPI/DFE	3.41	3.64	46,624,217	46,624,217
PEG Vivendi	3.32	3.55	45,491,710	45,491,710
Amundi (Crédit Agricole AM/Société Générale AM)	2.98	3.18	40,759,304	40,759,304
State Street Corporation (SSC)	2.21	2.36	30,283,853	30,283,853
Newton	1.97	2.10	26,914,447	26,914,447
NBIM (Norges Bank Investment Management)	1.53	1.63	20,908,621	20,908,621
ORBIS Investment Management Ltd	1.50	1.60	20,547,011	20,547,011
UBS Investment Bank	1.26	1.35	17,253,929	17,253,929
Mason Capital Management LLC	1.07	1.14	14,653,671	14,653,671
Crédit Suisse Securities (Europe) Limited	1.05	1.12	14,383,636	14,383,636
Rothschild - Asset Management	1.01	1.08	13,822,821	13,822,821
Treasury shares	6.29	0.00	86,075,166	0
Other shareholders	53.01	56.57	725,390,110	725,390,110
TOTAL	**100.00**	**100.00**	**1,368,418,707**	**1,282,343,541**

2.3.2. PLEDGE OF COMPANY SHARES HELD IN REGISTERED FORM

As of December 31, 2015, 157,092,241 shares, representing 11.48% of the share capital of the company, are held under pledge in registered form.

2.3.3. CONTROL OF THE COMPANY – SHAREHOLDERS' AGREEMENTS

As of December 31, 2015, to the company's knowledge, no shareholder other than those listed in the table above held 5% or more of the company's share capital or voting rights, and there were no Shareholders' agreements, whether publicly disclosed or not, which related to Vivendi's securities.

2.3.4. NOTICES MADE TO THE COMPANY IN RELATION TO THE CROSSING OF LEGAL THRESHOLDS

In 2015, the company received several notices in relation to the crossing of legal thresholds (upwards) from the Bolloré Group and (upwards and downwards) from BlackRock, Inc. The company also received notices, as required pursuant to the company's by-laws, in relation to the crossing of shareholding thresholds (being 0.5% or any multiple of this percentage), whether by rising above or falling below the threshold, including notices from Abu Dhabi Investment Authority (ADIA), Allianz Global Investors, Amundi AM, AXA SA, AXA Investment Management, BNPPARISBAS AM, The Baupost Group, LLC., Citigroup Global Markets Ltd, Crédit Suisse Securities (Europe) Limited, CDC-BPI/DFE, DNCA Finance, Dimensional Fund Advisors LP, First Eagle Investment Management, Lone Pine Capital LLC, Mason Capital Management LLC, Natixis Asset Management, Newton, NBIM (Norges Bank Investment Management), ORBIS Investment Management Ltd, PSAM, Schroders plc, Southeastern Asset Management Inc and Threadneedle Investments.

2.3.5. CHANGES IN SHARE OWNERSHIP OVER THE LAST THREE YEARS (AS OF DECEMBER 31)

	2015			2014			2013		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Groupe Bolloré	196,426,839	14.36	14.63	69,448,825	5.14	5.14	67,577,281	5.04	5.04
Black Rock Inc.	66,041,345	4.83	4.92	66,612,364	4.93	4.93	66,974,092	5.00	5.00
CDC-BPI/DFE	46,624,217	3.41	3.47	46,636,819	3.45	3.45	46,636,819	3.48	3.48
Salariés Vivendi	45,161,226	3.30	3.36	41,998,171	3.11	3.11	47,463,985	3.54	3.54
Amundi	40,759,304	2.98	3.04	46,527,497	3.44	3.44	60,096,182	4.49	4.49
State Street Corporation (SSC)	30,283,853	2.21	2.26	30,283,853	2.24	2.24			
Newton	26,914,447	1.97	2.01	20,935,571	1.55	1.55			
UBS Investment Bank	17,253,929	1.26	1.29						
Mason Capital Management LLC	14,653,671	1.07	1.09						
ORBIS Investment Management Ltd	14,025,127	1.02	1.04						
Rothschild – Asset Management	13,822,821	1.01	1.03						
NBIM (Norges Bank Investment Management)	13,786,664	1.01	1.03	26,754,689	1.98	1.98	26,754,689	2.00	2.00
Natixis Asset Management	13,610,809	0.99	1.01						
Treasury shares	25,985,430	1.90	0.00	50,033	0.00	0.00	51,104	0.00	0.00
Other shareholders	802,972,888	58.69	59.82	885,546,415	65.52	65.52	997,237,072	74.45	74.45
TOTAL	**1,368,322,570**	**100**	**100**	**1,351,600,638**	**100**	**100**	**1,339,609,931**	**100**	**100**

Appendix: Stock Subscription Option Plans and Performance Share Plans

Details of Stock Subscription Option Plans and Performance Share Plans

Stock Subscription Option Plans (in euros)

			Number of options granted							Number of options		
			Total number		of which, number granted to members of governing bodies							
Date of the Shareholders' Meeting	Date of the Supervisory Board's or the Management Board's Meeting	Grant date	of beneficiaries	of options	Number of beneficiaries	Number of options	Vesting date for options	Expiration date	Adjusted exercise price	exercised in 2015 (*)	canceled in 2015 (*)	outstanding as of Dec. 31, 2015 (*)
04/29/2003	03/09/2005	04/26/2005	472	7,284,600	11	2,595,000	04/27/2007	04/26/2015	18.95	6,196,315	480,646	0
04/28/2005	02/28/2006	04/13/2006	11	2,008,000	10	1,880,000	04/14/2008	04/13/2016	22.88			2,504,759
04/28/2005	03/21/2006	04/13/2006	495	3,473,520	0	0	04/14/2008	04/13/2016	22.88	376,652		3,475,730
04/28/2005	09/22/2006	09/22/2006	33	58,400	0	0	09/23/2008	09/22/2016	22.88	18,980		36,630
04/28/2005	12/12/2006	12/12/2006	3	24,000	0	0	12/13/2008	12/12/2016	23.59			19,954
04/28/2005	03/06/2007	04/23/2007	6	1,304,000	6	1,304,000	04/24/2010	04/23/2017	24.70			1,625,525
04/28/2005	02/27/2007	04/23/2007	570	4,414,220	5	528,000	04/24/2010	04/23/2017	24.70			4,830,352
04/28/2005	09/17/2007	09/17/2007	7	42,400	0	0	09/18/2010	09/17/2017	24.70			42,893
04/28/2005	10/25/2007	10/25/2007	4	63,200	0	0	10/26/2010	10/25/2017	24.70			58,844
04/28/2005	02/26/2008	04/16/2008	646	4,839,200	3	304,000	04/17/2011	04/16/2018	20.15	772,023		4,414,427
04/28/2005	02/28/2008	04/16/2008	7	732,000	7	732,000	04/17/2011	04/16/2018	20.15	309,298		603,626
04/28/2005	02/28/2008	04/16/2008	7	732,000	7	732,000	04/17/2011	04/16/2018	20.15	269,390		643,534
04/28/2008	02/26/2009	04/16/2009	6	1,240,000	6	1,240,000	04/17/2012	04/16/2019	16.06	279,236		867,623
04/28/2008	02/24/2009	04/16/2009	707	5,321,120	4	368,000	04/17/2012	04/16/2019	16.06	969,415		3,746,586
04/28/2008	10/23/2009	10/23/2009	12	40,000	0	0	10/24/2012	10/23/2019	16.60	2,246		36,679
04/28/2008	02/25/2010	04/15/2010	5	1,148,000	5	1,148,000	04/16/2013	04/15/2020	15.80	279,435		728,525
04/28/2008	02/24/2010	04/15/2010	775	4,149,200	4	368,000	04/16/2013	04/15/2020	15.80	963,676		3,063,238
04/28/2008	04/28/2010	06/04/2010	11	40,000	0	0	06/05/2013	06/04/2020	16.99	3,484		34,231
04/28/2008	09/21/2010	09/21/2010	1	5,000	0	0	09/22/2013	09/21/2020	16.34			5,800
04/28/2008	02/28/2011	04/13/2011	5	717,500	5	717,500	04/14/2014	04/13/2021	17.19			701,439
04/28/2008	02/22/2011	04/13/2011	556	1,809,200	5	270,000	04/14/2014	04/13/2021	17.19	232,363		1,631,336
04/21/2011	08/30/2011	08/30/2011	3	36,600	0	0	08/31/2014	08/30/2021	17.19			42,439
04/21/2011	10/25/2011	10/25/2011	2	2,000	0	0	10/26/2014	10/25/2021	17.19			1,162
04/21/2011	02/29/2012	04/17/2012	5	633,625	5	633,625	04/18/2015	04/17/2022	11.76			549,371
04/21/2011	02/28/2012	04/17/2012	544	1,880,259	5	270,000	04/18/2015	04/17/2022	11.76	209,244	28,456	1,531,935
04/21/2011	07/16/2012	07/16/2012	1	1,600	0	0	07/17/2015	07/16/2022	12.80			1,580
04/21/2011	09/27/2012	09/27/2012	4	135,000	4	135,000	09/28/2015	09/27/2022	13.88			133,271
									TOTAL	**10,881,757**	**509,102**	**31,331,489**

(*) Adjustment following payment in 2010 of the dividend for fiscal year 2009 by withholding from reserves, by granting one new share for 30 old shares in 2012, by payment in 2013 of the dividend for fiscal year 2012 by withholding from reserves, and by the ordinary distribution of €1 per share in 2014 from additional paid-in capital.

Performance share plans

			Number of performance shares granted						Adjusted number of rights to performance shares		
			Total number		of which, number granted to members of governing bodies						
Date of the Shareholders' Meeting	Date of the Supervisory Board's or the Management Board's Meeting	Grant date	of beneficiaries	of performance shares	Number of beneficiaries	Number of rights to performance shares	Acquisition date (*)	Date of availability	Number of rights canceled in 2015	Number of issued shares at the end of the acquisition period in 2015	Number of rights outstanding as of December 31, 2015, after adjustments
04/28/2008	02/28/2011	04/13/2011	6	225,000	6	225,000	04/15/2013	04/16/2015		25,836	0
04/28/2008	02/22/2011	04/13/2011	787	1,454,200	5	75,900	04/15/2013	04/16/2015		245,089	0
04/28/2008	04/21/2011	04/21/2011	1	75,000	1	75,000	04/22/2013	04/23/2015		77,514	0
04/21/2011	02/29/2012	04/17/2012	6	201,007	6	201,007	04/18/2014	04/19/2016			(a) 47,004
04/21/2011	02/28/2012	04/17/2012	793	1,617,470	5	75,000	04/18/2014	04/19/2016			(b) 244,259
04/21/2011	02/22/2013	02/22/2013	2	160,000	2	160,000	02/23/2015	02/24/2017	26,931	85,284	0
04/21/2011	02/18/2013	02/22/2013	773	2,413,444	6	200,000	02/23/2015	02/24/2017	770,966	1,396,600	(c) 330,007
04/21/2011	05/13/2013	05/13/2013	9	8,190	0	0	05/14/2015	05/15/2017	3,489	5,713	0
04/21/2011	06/18/2013	06/18/2013	2	26,390	0	0	06/19/2015	06/20/2017	10,311	17,519	0
04/21/2011	07/22/2013	07/22/2013	1	30,000	0	0	07/23/2015	07/24/2017	12,022	19,617	0
04/21/2011	07/22/2013	07/22/2013	4	17,816	0	0	07/23/2015	07/24/2017	3,920		(d) 12,018
04/21/2011	10/21/2013	10/21/2013	3	56,000	1	20,000	10/22/2015	10/23/2017	19,492	39,577	0
04/21/2011	12/11/2013	12/11/2013	1	70,000	1	70,000	12/14/2015	12/15/2017	17,718	56,109	0
04/21/2011	01/29/2014	01/29/2014	1	100,000	0	0	01/01/2017	01/31/2018			(e) 105,462
04/21/2011	01/29/2014	01/29/2014	1	50,000	0	0	01/02/2019	01/03/2019			(f) 52,731
04/21/2011	01/29/2014	01/29/2014	1	100,000	0	0	01/30/2016	01/31/2018			(g) 105,462
04/21/2011	02/19/2014	02/19/2014	1	30,000	0	0	02/22/2016	02/23/2018			31,644
04/21/2011	02/21/2014	02/21/2014	1	100,000	1	100,000	02/22/2016	02/23/2018			105,497
06/24/2014	02/27/2015	02/27/2015	3	170,000	3	170,000	02/28/2018	02/03/2020			170,000
06/24/2014	02/11/2015	02/27/2015	245	857,680	2	75,000	02/28/2018	02/03/2020	39,530		818,150
06/24/2014	02/11/2015	02/27/2015	86	319,040	0	0	02/28/2018	02/03/2020	15,490		(h) 303,550
06/24/2014	02/11/2015	02/27/2015	2	102,080	0	0	02/28/2018	02/03/2020			(i) 102,080
06/24/2014	05/05/2015	05/05/2015	1	100,000	0	0	05/06/2018	05/07/2020			(j) 100,000
06/24/2014	07/06/2015	07/06/2015	9	12,000	0	0	07/09/2018	07/10/2020			12,000
06/24/2014	07/06/2015	07/06/2015	1	2,080	0	0	07/07/2018	07/08/2020			(k) 2,080
06/24/2014	08/26/2015	08/26/2015	1	3,000	0	0	08/27/2018	08/28/2020			3,000
								TOTAL	**919,869**	**1,968,858**	**2,544,944**

(*) First day of trading after the end of a two-year acquisition period (three years starting 2015).
(a) Granted to a US- and a Brazil-resident beneficiary to be registered in an account in 2016.
(b) Granted to US-, UK- and Brazil-resident beneficiaries to be registered in an account in 2016.
(c) Granted to US-, UK- and Brazil-resident beneficiaries to be registered in an account in 2017.
(d) Granted to UK- and Brazil-resident beneficiaries to be registered in an account in 2017.
(e) Granted to a Brazil-resident beneficiary to be registered in an account in 2018.
(f) Granted to a Brazil-resident beneficiary to be registered in an account in 2019.
(g) Granted to a US-resident beneficiary to be registered in an account in 2018.
(h) Granted to US- and UK-resident beneficiaries to be registered in an account in 2020.
(i) Granted to Brazil-resident beneficiaries to be registered in an account in 2020.
(j) Granted to a Brazil-resident beneficiary to be registered in an account in 2020.
(k) Granted to a US-resident beneficiary to be registered in an account in 2020.

SAR and ex-ADS plans converted into SAR plans (in US dollars)

Date of the Shareholders' Meeting	Date of the Supervisory Board's or the Management Board's Meeting	Grant date	Number of SAR granted: Total number: of beneficiaries	Number of SAR granted: Total number: of SAR	Number of SAR granted: of which, number granted to members of governing bodies: Number of beneficiaries	Number of SAR granted: of which, number granted to members of governing bodies: Number of SAR	Vesting date of SAR	Expiry date	Adjusted exercise price	Number of SAR: exercised in 2015 (adjusted)	Number of SAR: rights canceled or withdrawn in 2015 (adjusted)	Number of SAR: outstanding as of Dec. 31, 2015 (adjusted)
04/29/2003	03/09/2005	04/26/2005	184	1,786,400	1	125,000	04/27/2007	04/26/2015	24.57	1,287,687	260,888	0
04/28/2005	02/28/2006	04/13/2006	2	192,000	1	112,000	04/14/2008	04/13/2016	27.74			239,345
04/28/2005	03/21/2006	04/13/2006	154	1,058,320	0	0	04/14/2008	04/13/2016	27.74			1,126,312
04/28/2005	09/22/2006	09/22/2006	1	24,000	0	0	09/23/2008	09/22/2016	27.74			29,920
04/28/2005	03/06/2007	04/23/2007	1	112,000	1	112,000	04/24/2010	04/23/2017	33.17			139,588
04/28/2005	02/27/2007	04/23/2007	177	1,168,660	0	0	04/24/2010	04/23/2017	33.17			1,342,765
									TOTAL	**1,287,687**	**260,888**	**2,877,930**

SECTION 3
CORPORATE GOVERNANCE

Since 2005, Vivendi has chosen a two-tier governance structure consisting of a Supervisory Board and a Management Board. This structure allows Vivendi to separate the management function from the controlling function.

Since 2008, Vivendi has referred to and applied the AFEP/MEDEF Code of Corporate Governance for Publicly Traded Companies, as amended in November 2015 (hereinafter the "AFEP/MEDEF Code").

3.1. Directors, Senior Management and Supervisory Bodies

3.1.1. SUPERVISORY BOARD

The Supervisory Board is a collegiate body. All of its members may participate in its deliberations and must keep them confidential.

The Supervisory Board, taken as a whole, may make any public statement outside the company in the form of press releases to inform the market.

3.1.1.1. General Provisions

The Supervisory Board can comprise a maximum of 18 members. Each member serves for a four-year term (Article 7 of Vivendi's by-laws). The Supervisory Board may appoint one or more non-voting members (*censeurs*) (Article 10-6 of Vivendi's by-laws). Non-voting members participate in an advisory capacity at meetings of the Supervisory Board and may attend meetings of the committees set up by the Supervisory Board. They are appointed for a maximum term of four years.

Each member of the Supervisory Board must own a minimum of 1,000 shares for the term of his or her mandate (Article 7-2 of Vivendi's by-laws).

At the end of each Annual Shareholders' Meeting, the number of members of the Supervisory Board over the age of 70, as of the closing date of the previous fiscal year, must not exceed one-third of the acting members currently in office. If this limit is exceeded, the oldest members are deemed to have resigned at the end of the Annual Shareholders' Meeting (Article 7-3 of Vivendi's by-laws).

The Supervisory Board is comprised of a majority of independent members. A member is deemed independent if he or she has no direct or indirect relationship of any kind (other than a non-substantial shareholding in the company), with the company, its group or its management that could affect his or her independent judgment (as defined in the AFEP/MEDEF Code).

Classification of an independent member, and the criteria used to determine whether a Director meets such classification, are reviewed by the Corporate Governance, Nominations and Remuneration Committee when considering and discussing the appointment of members to the Supervisory Board. The Corporate Governance, Nominations and Remuneration Committee examines, as required, any change in the situation of a Supervisory Board member during his or her term of office.

Each member of the Supervisory Board undertakes to regularly attend Supervisory Board meetings and Shareholders' Meetings. Members of the Supervisory Board may attend meetings in person or via videoconference or other forms of telecommunication (Article 10 of Vivendi's by-laws).

3.1.1.2. Composition of the Supervisory Board

As of the date of publication of this Annual Report, the Supervisory Board has 14 members, including one member representing employee shareholders and one member representing employees. Other than these two members, the Supervisory Board has 12 members, including 10 independent Directors (83.3%). One member of the Supervisory Board is a foreign national and six members are women (46%) (the employee representative is not counted in calculating this percentage, pursuant to Law No. 2011-103 of January 27, 2011 concerning gender parity on boards of Directors and Supervisory Boards, and professional equality). In addition, there are currently two non-voting members.

Detailed information about the current members of the Supervisory Board is provided below in the Section entitled "Main Activities of Current Members of the Supervisory Board".

List of Supervisory Board Members and Non-Voting Directors: Dates of Appointment and Number of Shares Held

Supervisory Board members	Position	Age	Date of initial appointment and most recent reappointment to the Supervisory Board	Committee member	End of term	Number of shares held
Vincent Bolloré	Chairman of the Supervisory Board Member of the Supervisory Board	63	CS 06/24/2014 CS 12/13/2012 OGM 04/30/2013		OGM 2017	6,000
Philippe Bénacin	(a) Vice-Chairman Member of the Supervisory Board	57	CS 06/24/2014 OGM 06/24/2014	B	OGM 2018	14,100
Tarak Ben Ammar	(a) Member of the Supervisory Board	66	OGM 04/17/2015	B	OGM 2019	- *
Nathalie Bricault	(c) Member of the Supervisory Board	50	OGM 04/30/2013	A	OGM 2017	11,165
Pascal Cagni	(a) Member of the Supervisory Board	54	OGM 04/30/2013	A	OGM 2017	12,200
Paulo Cardoso	(d) Member of the Supervisory Board	42	CE 10/16/2014	B	10/15/2017	na
Yseulys Costes	(a) Member of the Supervisory Board	43	OGM 04/30/2013		OGM 2017	3,500
Dominique Delport	Member of the Supervisory Board	48	AG 04/17/2015	B	AG 2019	- *
Philippe Donnet (1)	(a) Member of the Supervisory Board	55	OGM 04/24/2008 OGM 04/19/2012	A	OGM 2016	5,166
Aliza Jabès	(a) Member of the Supervisory Board	53	OGM 04/29/2010 OGM 06/24/2014	B	OGM 2018	7,833
Alexandre de Juniac	(a) Member of the Supervisory Board	53	OGM 04/30/2013	A	OGM 2017	1,000
Cathia Lawson-Hall (2)	(a) Member of the Supervisory Board	44	CS 09/02/2015	A	OGM 2018	- *
Virginie Morgon	(a) Member of the Supervisory Board	46	OGM 06/24/2014	B	OGM 2018	2,000
Katie Stanton	(a) (b) Member of the Supervisory Board	46	OGM 06/24/2014	A	OGM 2018	1,000
Non-Voting Directors						
Claude Bébéar	(a) Non-Voting Director	80	CS 04/19/2012 CS 06/24/2014		04/18/2016	6,074
Pierre Rodocanachi	(a) Non-Voting Director	77	CS 05/12/2015		04/18/2016	46,625

na: not applicable.

* Since their appointment in 2015, due to the periods of abstention or prohibition from trading Vivendi shares, new members of the Supervisory Board have been unable to purchase the number of shares stipulated in Article 7-2 of the by-laws on the market,. Compliance with the number of shares to be held by each of them will be required in 2016, as soon as they are allowed to trade in company shares.

(1) Member whose renewal of term is proposed to the General Shareholders' Meeting of April 21, 2016.

(2) Member whose approval of appointment by cooptation by the Supervisory Board of September 2, 2015 is proposed to the General Shareholders' Meeting of April 21, 2016.

(a) Independent member.

(b) Foreign member.

(c) Employee shareholder representative.

(d) Employee representative.

A: Audit Committee.

B: Corporate Governance, Nominations and Remuneration Committee.

Main Activities of the Current Supervisory Board Members

VINCENT BOLLORÉ

Chairman of the Supervisory Board

French citizen.

Vivendi - 42, avenue de Friedland
75008 Paris - France

EXPERTISE AND EXPERIENCE

Mr. Vincent Bolloré was born on April 1, 1952. He holds a master's degree in law and is the Chairman and Chief Executive Officer of the Bolloré Group. In 1970, he began his career as a representative at Banque de l'Union Européenne before joining Compagnie Financière Edmond de Rothschild in 1976.

In 1981, he became Chairman and Chief Executive Officer of the Bolloré Group and its paper business. Under Mr. Bolloré's management, the group became one of the world's 500 largest companies. As a listed company, the Bolloré Group holds a strong position in each of its businesses, which are organized into three divisions: Transport and Logistics, Communication and Media, and Electricity Storage. The group also manages a long-term investment portfolio.

POSITIONS CURRENTLY HELD

Vivendi Group

- Canal+ Group, Chairman of the Supervisory Board,
- Studiocanal, Member of the Supervisory Board

Bolloré Group (in France)

- Bolloré (*), Chairman and Chief Executive Officer
- Bolloré Participations, Chairman and Chief Executive Officer
- Financière de l'Odet (*), Chairman of the Board of Directors (separate management)
- Blue Solutions (*), Chairman of the Board of Directors (separate management)
- Somabol, Chairman
- Omnium Bolloré, Chief Executive Officer and Director
- Financière V, Chief Executive Officer and Director
- Financière Moncey (*), Director
- Société Industrielle et Financière de l'Artois (*), permanent representative of Bolloré Participations on the Board of Directors
- Compagnie du Cambodge (*), permanent representative of Bolloré Participations on the Supervisory Board

Bolloré Group (outside France)

- Nord-Sumatra Investissements, Chairman and Deputy Director
- Financière du Champ de Mars, Chairman and Deputy Director
- BB Group, Director
- Plantations des Terres Rouges, Director
- Bolloré Africa Logistics Congo (formerly SDV Congo), permanent representative of Bolloré Participations on the Board of Directors

OTHER POSITIONS AND FUNCTIONS

- SAFA Cameroun (*), permanent representative of Bolloré Participations on the Board of Directors
- Fred & Farid Group, permanent representative of Bolloré
- Société des Caoutchoucs de Grand Bereby (SOGB) (*), Vice-Chairman
- Bereby Finances, Vice-Chairman
- Socfinaf (*) (formerly Intercultures), Director
- Liberian Agricultural Company (LAC), Director
- Plantations Nord-Sumatra Ltd, Director
- Socfin (*) (formerly Socfinal), Director
- Socfinasia (*), Director
- Socfindo, Director
- Socfin KDC, Director
- Bereby Finances, permanent representative of Bolloré Participations on the Board of Directors
- Société Camerounaise de Palmeraies (Socapalm) (*), permanent representative of Bolloré Participations on the Board of Directors
- Société des Caoutchoucs de Grand Bereby (SOGB) (*), permanent representative of Bolloré Participations on the Board of Directors
- Brabanta, Permanent representative of Bolloré Participations on the Board of Directors
- SOGB, Director
- COVIPHAMA, Director
- Plantations Socfinaf Ghana, Director
- Socfin Agricultural Company, Director
- Socfinco FR, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Generali, Vice-Chairman
- Havas, Chairman of the Board of Directors (separate management)
- Natixis, Director
- Sofibol, Chief Executive Officer
- Socfinco, Director
- Direct 8, Director
- Direct Soir, Director
- Palmeraies du Cameroun (Palmcam), permanent representative of Bolloré Participations on the Board of Directors
- Bolloré Média, permanent representative of Bolloré on the Board of Directors
- Matin Plus, Director
- Mediobanca, Director
- Société de Gestion pour le Caoutchouc and les Oléagineux (Sogescol), Director
- Société des Chemins de Fer et Tramways du Var et du Gard, permanent representative of Bolloré Participations on the Board of Directors
- Société Bordelaise Africaine, permanent representative of Bolloré Participations on the Board of Directors
- Compagnie des Tramways de Rouen, permanent representative of Bolloré Participations on the Board of Directors
- Fred & Farid Paris, France, permanent representative of Bolloré
- Havas Media France, Director
- Champ de Mars Investissements, Chairman of the Board of Directors
- Financière Nord-Sumatra, Chairman of the Board of Directors
- Bolloré Africa Logistics Gabon (formerly SDV Gabon), Director
- Bolloré Africa Logistics Sénégal (formerly SDV Sénégal), Director
- Bolloré Africa Logistics Cameroun (formerly Saga Cameroun), permanent representative of Bolloré Participations on the Board of Directors
- Société Anonyme Forestière et Agricole (SAFA), permanent representative of Bolloré Participations on the Board of Directors
- Brabanta, Co-Manager
- Centrages, Director

(*) *Listed companies.*

Pursuant to Recommendation 19 of the AFEP/MEDEF Code of November 2015, "a corporate Director must not serve in the position of Director in more than two other listed companies outside his or her group, including foreign companies."

The AFEP/MEDEF Code Application Guide of November 2015 provides that "the limit of two positions does not apply to those held by a corporate Director of a company whose principal activity is to acquire and manage subsidiaries and equity interests in these same subsidiaries and interests, held alone or jointly."

All positions held by Mr. Bolloré within listed companies are:

- firstly, within the Bolloré Group, which is controlled by Mr. Bolloré **(1)** (Financière de l'Odet, Bolloré SA, Blue Solutions, Financière Moncey, Société Industrielle et Financière de l'Artois and Compagnie du Cambodge); and
- Secondly, within equity interests **(2)** of Bolloré SA (Vivendi, Socfin and its subsidiaries), the main activity of which is to acquire or manage its subsidiaries and interests and where Mr. Bolloré serves as corporate Director (Chairman-CEO of Bolloré SA).

These positions, held outside the Bolloré Group but in interests held by Bolloré SA, meet the required conditions to benefit from the exemption and therefore need not be subject to application of the rules on the accumulation of positions.

Thus Mr. Bolloré's situation is consistent with the provisions of the AFEP/MEDEF Code concerning the accumulation of positions, since the positions he holds in listed companies are either within his group, or are subject to the exemption provided for in the AFEP/MEDEF Code.

(1) Through the group company Bolloré Participations, of which Mr. Bolloré is Chairman-Chief Executive Officer.

(2) Pursuant to Article L.233-2 of the French Commercial Code (Code de Commerce) the definition as "interest" results from the holding of between 10% and 50% of the share capital.

PHILIPPE BÉNACIN

Vice-Chairman of the Supervisory Board and Chairman of the Corporate Governance Nominations and Remuneration Committee

French citizen.

Interparfums - 4, rond-point des Champs-Élysées
75008 Paris - France

EXPERTISE AND EXPERIENCE

Philippe Bénacin was born on January 15, 1959. He graduated from Essec in 1983, the year in which he founded the company Interparfums with Jean Madar. As Chairman and Chief Executive Officer of the company, Philippe Bénacin developed the company's portfolio of licensed brands, supply chain, international distribution and, more generally, the company's strategy and growth, including its IPO in 1995.

Interparfums is a major player in the Perfume and Cosmetics market and manages, among others, the brands Lanvin, Montblanc, Jimmy Choo, Karl Lagerfeld, Boucheron, Van Cleef & Arpels, Repetto, and Balmain.

Regularly recognized for the quality of its Financial Reporting, the Interparfums Group has earned a number of awards and prizes, including the prestigious *Prix Cristal de la transparence de l'information financière* and the *Prix de l'Audace Créatrice* for creativity, awarded to Philippe Bénacin by French Prime Minister François Fillon.

POSITIONS CURRENTLY HELD

- Interparfums SA, Co-Founder and Chairman-Chief Executive Officer
- Interparfums Holding, Chairman of the Board of Directors
- Interparfums Inc. (United States), Chief Executive Officer and Vice-Chairman of the Board of Directors
- Interparfums Luxury Brands (United States), President (non-executive) and Vice-Chairman of the Board of Directors
- Inter España Parfums & Cosmetiques SL (Spain), Director
- Interparfums Srl (Italy), Director
- Interparfums Switzerland, Director and Manager
- Interparfums Singapore Pte Ltd, Director

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Interparfums Ltd (Great Britain), Director
- Interparfums Luxury Brands (United States), Director

TARAK BEN AMMAR

Member of the Supervisory Board

French citizen.

Quinta Communications - 32-34, rue Poussin
75016 Paris - France

EXPERTISE AND EXPERIENCE

Mr. Tarak Ben Ammar was born on June 12, 1949 in Tunis. He is a cultural entrepreneur, working in audiovisual media both in Europe and worldwide.

He began his career in 1974 by convincing a number of American producers to produce parts of their films in Tunisia. In this way he participated in the production of a number of international films, including the blockbusters *Star Wars* (George Lucas) and *Raiders of the Lost Ark* (Steven Spielberg). He has produced or co-produced more than 70 movies, including the prestigious *La Traviata* (Franco Zeffirelli), *Pirates* (Roman Polanski), *The Passion of Christ* (Mel Gibson) and *L'Or Noir* (Jean-Jacques Annaud).

Concomitantly, he developed a group presence in several countries, including France, Italy, North Africa and the United States:

- in France, through his company Quinta Communications, he participated with the Caisse des Dépôts in the recovery and development of a leading post-production group, based on the restructuring of Les Laboratoires Eclair, an emblematic company within the French film industry. He also partnered with Luc Besson to develop the Cité du Cinéma project;
- in Italy, his subsidiary Prima TV has rapidly established its position as the fourth-largest multimedia group, behind Mediaset, RAI and Sky, primarily through Société Eagle, the largest independent distributor in the country. In 2013, the telecommunications group Nabil Sawiris purchased a stake in Prima;
- in North Africa, he founded and developed the TV channel Nessma, which has become the leading television channel in Tunisia, Algeria, and Libya and the second biggest channel in Morocco. Through its democratic positioning and independence, this channel played a central role in the Arab Spring. He is also a shareholder in the Egyptian TV channel ONTV; and
- in the United States, with the Weinstein brothers and Goldman Sachs, he co-founded the independent studio "The Weinstein Company", which has produced, among other films, *The King's Speech* and *The Artist*.

Mr. Tarak Ben Ammar is a corporate Director of several companies, including The Weinstein Company in the United States and Mediobanca in Italy where he serves as an independent corporate Director.

He graduated from Georgetown University in Washington, D.C. with a degree in international economics.

POSITIONS CURRENTLY HELD

- Quinta Communications SA (France), Chairman of the Board of Directors and Managing Director
- A Prime Group SAS (France), Member of the Supervisory Board
- Téléclair SARL (France), Manager
- Edison SAS (France), Member of the Management Board
- Holland Coordinator & Service Company B.V. (Netherlands), Shareholder and Director
- A1 International Investment B.V. (Pays-Bas), Supervisory Director
- Nessma SA (Luxembourg), Director
- Andromeda Tunisie SA (Tunisia), Chairman and Managing Director
- Quinta Communications Distribution Tunisie SARL (Tunisia), Manager
- Quinta Communications LTC Gammarth SARL (Tunisia), Manager
- Carthago Films Services SARL (Tunisia), Manager
- Empire Productions SARL (Tunisia), Manager
- Holland Coordinator & Service Company Italia SpA (Italy), Chairman of the Board of Directors and Director
- Eagle Pictures SpA (Italy), Chairman of the Board of Directors and Director
- Europa Network Srl (Italy), Director
- Prima TV SpA (Italy), Chairman of the Board of Directors and Director
- Delta Films Limited (UK), Director
- Delta (The Last Legion) Limited (UK), Director
- Delta (Young Hannibal) Limited (UK), Director
- The Weinstein Company Holdings LLC (USA), Board Member

OTHER POSITIONS AND OFFICES

- Telecom Italia SpA (*) (Italy), Director
- La Centrale Finanziare Generale SpA (Italy), Vice-Chairman of the Board of Directors and Director
- Mediobanca SpA (*) (Italy), Member of the Supervisory Board

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Ex Machina SAS (France), Chairman
- Promotions et Participations International SA (Luxembourg), Chairman of the Board of Directors and Director
- Lux Vide Finanziaria per iniziative audiovisive e telematiche SpA (Italy), Director
- Europa TV SpA (Italy), Chairman of the Board of Directors and Director
- Quinta Communications USA, Inc. (USA), Director
- Quinta Communications Italia Srl (Italy), Chairman of the Board of Directors and Director
- Imperium SpA (Italy), Chairman of the Board of Directors and Director

(*) *Listed companies.*

NATHALIE BRICAULT

Member of the Supervisory Board Representing Employee Shareholders

French citizen.

Vivendi - 42, avenue de Friedland - 75008 Paris - France

EXPERTISE AND EXPERIENCE

Ms. Nathalie Bricault was born on August 3, 1965, and is a graduate of EDHEC.

From 1988 to 1998, she worked for Sodexo, first as a budget controller, then as a business manager, and subsequently as management controller for a subsidiary. In 1998, she joined 9 Telecom as Network Management Controller and took part in the Boucle Locale Radio (BLR) project. From 2002 to 2006, she was appointed Chief Controller for the consumer and corporate business units following which she was put in charge of cross-product lines at Neuf Cegetel. In 2006, she was involved in the IPO of Neuf Cegetel and, as part of a natural progression, joined the Investor Relations department created after the IPO. Since mid-2008, following the acquisition of Neuf Cegetel by SFR, she has been Marketing and Logistics Manager in Vivendi's Investor Relations department. She is a member of the Supervisory Board of the group's collective investment fund "Vivendi Group Épargne", and an associate member of the French Federation of Associations of Employee and Former Employee Shareholders (FAS). She is an employee of Vivendi SA.

POSITIONS CURRENTLY HELD

None

OTHER POSITIONS AND FUNCTIONS

- Collective Investment Fund "Vivendi Groupe Épargne", member of the Supervisory Board
- FAS, Associate Member

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

None

PASCAL CAGNI

Member of the Supervisory Board

French citizen.

C4 Ventures - 9 Queen's Gate Place Mews
London SW7 5BG - United Kingdom

EXPERTISE AND EXPERIENCE

Mr. Pascal Cagni was born on October 28, 1961, and is a specialist in the European digital economy. He advises and invests in startups and growth companies and contributes to their international development. Recruited by Steve Jobs in the early 2000s as General Manager and Vice Chairman of Apple Europe, Middle East, India and Africa (EMEIA), he led a region of 130 countries for 12 years, in which revenues grew from $1.2 billion to over $37 billion. After starting his career as a consultant at Booz & Co, he joined Compaq Computers, established Software Publishing France (SPC), and then led Packard Bell NEC as the number one home PC manufacturer in Europe. Mr. Cagni holds a master's degree in Business Law and is a graduate of the Institut d'Études Politiques (IEP) in Paris. He also holds an MBA from the HEC Group and is a graduate of the Executive Program of Stanford University (EPGC). He is also auditor for the 63rd national session of IHEDN

POSITIONS CURRENTLY HELD

- Kingfisher Plc (*), Non-executive Director
- Banque Transatlantique, Independent Director
- Style.com (Conde Nast eCommerce), Independent Director
- C4 Ventures, Chairman, Chief Executive Office and Founder

OTHER POSITIONS AND FUNCTIONS

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Apple EMEIA, Chief Executive Officer and Vice-Chairman
- Vivendi, Non-Voting Director
- Institut Aspen, Member of the Supervisory Board

(*) *Listed companies.*

PAULO CARDOSO

Employee Representative on the Supervisory Board

French citizen.

Vivendi - 42, avenue de Friedland - 75008 Paris - France

EXPERTISE AND EXPERIENCE

Mr. Paulo Cardoso was born on October 18, 1973.

Trained as an accountant, he joined Compagnie Générale des Eaux in 1997 as administrative manager in the Communications department.

In 2001, he joined the Finance department in the accounting unit. In 2002, he moved to the Treasury department, where he is responsible for the Canal+ Group's cash management and the group's network systems.

POSITIONS CURRENTLY HELD

None

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Member and Treasurer of Vivendi's Works Council

YSEULYS COSTES

Member (elect) of the Supervisory Board

French citizen.

1000mercis - 28, rue de Châteaudun - 75009 Paris - France

EXPERTISE AND EXPERIENCE

Ms. Yseulys Costes was born on December 5, 1972, and holds a master's degree in Management Science and a postgraduate degree in Marketing and Strategy from Paris IX Dauphine University. Ms. Costes attended Harvard Business School (United States) as a guest researcher in interactive marketing and teaches interactive marketing at several institutions (HEC, ESSEC and Paris IX Dauphine University).

Since February 2000, Ms. Costes has been the Chairwoman, Chief Executive Officer and founder of 1000mercis.

Ms. Costes is the author of numerous books and articles about online marketing and database management. For two years, she was the coordinator of the Interactive Advertising Bureau France (IAB) before founding 1000mercis in February 2000. 1000mercis, which specializes in advertising and interactive marketing, has offices in Paris, London, San Francisco, New York and Dubai.

1000mercis is listed on Alternext by Euronext Paris.

Ms. Costes, who, in 2001, was voted "Internet Woman of the Year", was a member of the Entrepreneurs Council (*Conseil des Entrepreneurs*), which reports to the French Secretary of State for Business and Foreign Trade (*Secrétariat d'État aux Entreprises et au Commerce Extérieur*), and is a member of the Council for the Development of Economic Literacy (*Conseil pour la Diffusion de la Culture Économique*), of the Digital Relations Experts Group (*Groupe d'Experts de la Relation Numérique*) and of the Steering Committee of France's Strategic Investment Fund (*Fonds Stratégique d'Investissement*), and is a member of the Council for Simplification of the State and of the City of Paris Strategic Council.

POSITIONS CURRENTLY HELD

- 1000mercis, Chairwoman and Chief Executive Officer

OTHER POSITIONS AND FUNCTIONS

- Kering (*), Director and member of the Audit Committee, of the Compensation Committee, and of the Strategy and Development Committee
- SEB (*), Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Numergy, member of the Supervisory Board

(*) *Listed companies.*

PHILIPPE DONNET

Member of the Supervisory Board

French citizen.

Generali Italia SpA - Via Marocchesa 14
31021 Mogliano Veneto - Italy

EXPERTISE AND EXPERIENCE

Mr. Philippe Donnet was born on July 26, 1960 in France, and is a graduate of the École Polytechnique and a certified member of the Institut des Actuaires Français (IFA). In 1985, he joined AXA in France. From 1997 to 1999, he served as Deputy Managing Director of AXA Conseil (France), before becoming Deputy Director of AXA Assicurazioni in Italy in 1999 and, in 2001, joining the AXA Executive Committee as Senior Vice President for the Mediterranean region, Latin America and Canada. In March 2002, he was appointed as Chairman-CEO of AXA Re and President of AXA Corporate Solutions. In March 2003, Mr. Donnet was appointed Chief Executive Officer of AXA Japan. In October 2006, Mr. Donnet was appointed Chairman of AXA Japan and Chief Executive Officer for the Asia-Pacific region. In April 2007, he joined the Wendel group, where he formed investment operations in the Asia-Pacific region. On October 7, 2013, after participating in the creation of the investment company HLD, he was appointed the Chief Executive Officer of Generali Italy.

POSITIONS CURRENTLY HELD

- Generali (*) (Italy), Chief Executive Officer and Deputy Managing Director
- Genagricola (Italy), Chairman
- Alleanza Assicurazioni (Italy), Chairman
- Genertel, Vice-Chairman
- Banca Generali, Director
- Genertel Life, Director

OTHER POSITIONS AND FUNCTIONS

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Gecina, Director
- La Financière Miro (Albania), member of the Supervisory Board
- Pastel and Associés, Director

DOMINIQUE DELPORT

Member of the Supervisory Board

French citizen.

Havas Media - 2 bis, rue Godefroy
92800 Puteaux - France

EXPERTISE AND EXPERIENCE

Mr. Dominique Delport was born on November 21, 1967. He is a graduate of the EM Lyon (*École Supérieure de Commerce de Lyon*) and a winner of the MBA Moot Corp International Challenge hosted by the University of Texas, Austin, and also the recipient of an Emmy Award.

He has had three distinct professional careers: television journalist, Internet entrepreneur, and head of a media agency, which gives him expertise in content, digital and media at the international level.

Mr. Delport began his career as Deputy Chief Editor for the television channel M6 Lyon, and then became Chief Editor at M6 Lille. In 1996, he was appointed Chief Editor at M6, the second largest private television channel in France.

From 1996 to 2000, he directed the news program "6 Minutes" (4 million daily viewers) and news reports (including "Zone Interdite" and "Capital").

In April 2000, he gave up his career in television to move into the world of start-ups, forming the young streaming multimedia company "Streampower", where he served as Chairman-CEO.

In October 2001, Streampower became a 75% subsidiary of the Rivaud Media group (Bolloré Group).

In 2003, Dominique Delport launched a daily program on Canal+, "Merci pour l'info", and in 2004 he created and produced for France 5 the program "C.U.L.T.", an interactive televised broadcast on urban cultures featuring live videos from bloggers.

After participating in the launch of Direct 8 (TNT), Dominique Delport hosted the weekly show titled "8-Fi", a live broadcast devoted to new media and technologies.

Dominique Delport joined Media Planning Group (MPG) on February 1, 2006 as Managing Director, while retaining his position as Chairman-CEO at Streampower. He was appointed Chief Executive of MPG France in June 2006 and then, in February 2007, Managing Director of Havas Media France.

In February 2008, he was promoted to the position of Chairman-Managing Director of Havas Media France, a position he held until the end of 2015.

In February 2009, he was elected to a two-year term as President of the Union of Media Consulting and Purchasing (UDECAM), the organization for all French media agencies.

Following the success of the integrated organization of Havas Media France, he was named CEO of the Havas Media group global network.

As a member of the Executive Committee of Havas Media group, today, he supervises all brands, customers, commercial activities, research and the economic watch for the group's 126 markets, under the direction of Yannick Bolloré, Chairman-CEO of Havas.

In November 2013, he was given direct responsibility for Havas Media group in the United Kingdom as Chairman.

He is also a member of the Facebook Client Council.

"Campaign" magazine ranked him in the "Top 3 UK Media Suit" in 2013, and according to the barometer TweetBosses he is one of the most followed Chairman-CEOs on social media in France.

CURRENT POSITIONS

- Vivendi Content SAS, President
- Havas Media group, Global Managing Director
- Arena Media Communications, Manager
- Havas Productions, Manager
- MFG R&D, Chairman of the Board of Directors
- Havas Media Africa, Chairman

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Havas Media France, Chairman-CEO
- Udecam, Chairman

(*) *Listed companies.*

ALIZA JABÈS

Member of the Supervisory Board

French citizen.

Groupe NUXE - 19, rue Péclet - 75015 Paris - France

EXPERTISE AND EXPERIENCE

Ms. Aliza Jabès was born in 1962, and is a graduate of the Paris Institut d'Études Politiques. She holds an MBA from New York University (NYU). Between 1986 and 1988, she was a financial analyst for the Eli Lilly Laboratory in Indianapolis (USA). At the start of the 1990s, she decided to move into entrepreneurship and took over NUXE, a small laboratory in Paris, from which she built a natural Cosmetics brand. This laboratory also served as the starting point of her company, which became a leader in the market for pharmaceutical beauty products in France. Today, the Nuxe group is active in 74 countries with 13 subsidiaries. Ms. Jabès has also developed a Spa Division which has 25 deluxe establishments, both in France and worldwide.

In 2007 and 2011, NUXE's strategy in innovation and industrial property was recognized and rewarded twice by the *Institut National de la Propriété Industrielle* (INPI).

In 2011, Ms. Jabès became one of the few women to receive the prestigious Entrepreneur of the Year award (*Prix de l'Entrepreneur de l'Année*), given by *EY-l'Express* at national level. In 2012, *Cosmetique Executive Women* (CEW) gave her the *Achiever Award* for her exceptional career in the cosmetics industry, and in 2014 she won the *Trophée Femmes en Or* (Havas International) in the category "Women in Business", which rewarded her for her creativity and entrepreneurial spirit.

After being promoted to the rank of "Knight of the Legion of Honor" in 2008, she was named "Officer of the National Order of Merit" in 2015.

POSITIONS CURRENTLY HELD

NUXE group (in France)

- NUXE Développement, Chairwoman
- NUXE Spa, Chairwoman

NUXE group (outside France)

- NUXE Inc. (USA), Chairwoman
- NUXE Hong Kong Limited, Director
- NUXE Australia Pty Ltd., Director
- NUXE GmbH (Germany), Manager
- NUXE Polska sp. z o.o. (Poland), Manager
- NUXE UK Ltd, Director
- NUXE Istanbul Kozmetik Ürünleri Ticaret Limited Sirketi (Turkey), Chairwoman
- Laboratoire NUXE Portugal UNIPESSOAL LDA, Manager
- Laboratoire NUXE España S.L., Manager
- NUXE Suisse SA, Director
- NUXE Belgium SA, Director
- Laboratoire Nuxe Italia S.r.l, Director
- NUXE Dubai Middle East FZE, Chairwoman

OTHER POSITIONS AND FUNCTIONS

- Fédération des entreprises de la beauté (FEBEA), Director
- Pharmaceutical Council of the French Syndicate of Cosmetic Products, Chairwoman
- Commission for the award of the "Palace Prize", Member

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- NUXE Polska sp. z o.o. (Poland), Manager
- NUXE UK Ltd, Manager
- NUXE Istanbul Kozmetik Urünleri Ticaret Limited Sirketi (Turkey), Manager
- Fondation PlaNet Finance, Ambassador

ALEXANDRE DE JUNIAC

Member of the Supervisory Board

French citizen.

Air France KLM, 45, rue de Paris - Tremblay-en-France
95747 Roissy Charles de Gaulle Cedex - France

EXPERTISE AND EXPERIENCE

Mr. Alexandre de Juniac was born on November 10, 1962, and is a graduate of the École Polytechnique de Paris and the École Nationale d'Administration. From 1990 to 1993, he served as a Counsel (*maître des requêtes*) and then as Under-Secretary of the French Council of State (*Conseil d'État*). From 1994 to 1995, he was Deputy Principal Private Secretary to Nicolas Sarkozy, who was then the Minister for the Budget, and government spokesperson, following which he was in charge of communications and the audiovisual sector. Until 1997, he was Director of Planning and Development at Thomson SA, until he joined Sextant Avionique, where he served as Sales Director for civil aircraft until 1998. He continued his career at Thalès as Company Secretary, then as Senior Executive Vice President in charge of aviation systems, and then as Managing Director for Asia, the Middle East, and Latin America.

In 2009, he was named Principal Private Secretary to Christine Lagarde (Minister of Economy, Industry and Employment), where he remained until 2011. Mr. Juniac is currently Chairman and Managing Director of Air France-KLM.

POSITIONS CURRENTLY HELD

- Air France KLM (*), Chairman and Managing Director

OTHER POSITIONS AND FUNCTIONS

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Air France, Chairman and CEO

(*) *Listed companies.*

CATHIA LAWSON-HALL

Member of the Supervisory Board and Chairwoman of the Audit Committee

French citizen.

Société Générale - 17, Cours Valmy
92800 Paris La Défense 7 - France

EXPERTISE AND EXPERIENCE

Ms. Cathia Lawson-Hall was born on July 11, 1971, and holds a postgraduate degree (DEA) in Finance from the University of Paris-Dauphine in France. Since 2015, she has been a Senior Banker at Société Générale, in charge of the overall relationship and strategic consulting with large corporates and financial institutions in Africa. Ms. Lawson-Hall is also Head of Financial Institutions Group for Africa at Société Générale.

Previously she was Managing Director, Co-Head of Debt Capital Markets for large corporates in France, Belgium and Luxembourg. Cathia Lawson-Hall joined Société Générale in 1999 as a sales-side credit analyst covering the telecommunications and media sectors before heading into financial advising. She has over 20 years' experience in the Corporate and Investments Banking business.

POSITIONS CURRENTLY HELD

None

OTHER POSITIONS AND FUNCTIONS

- Société Générale, Senior Banker and Head of Financial Institutions Group for Africa

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

None

VIRGINIE MORGON

Member of the Supervisory Board

French citizen.

Eurazeo - 1, rue Georges Berger - 75017 Paris - France

EXPERTISE AND EXPERIENCE

Ms. Virginie Morgon was born on November 26, 1969. She is a graduate of the Institut d'Études Politiques de Paris and holds a master's degree from Bocconi (Italy). From 1991 to 2008, she served as an advising banker with Lazard in New York, London and then Paris, where she was appointed Managing Partner in 2001. In 2006, she was promoted to Consumer Business Manager for Europe. In January 2008, she joined Eurazeo as a member of the Management Board, before becoming Managing Director in 2014. She defines the group's investment strategy and is responsible for monitoring investments made by Eurazeo.

CURRENT POSITIONS

- Eurazeo (*), Managing Director and member of the Management Board

OTHER POSITIONS AND OFFICES

- APCOA Group GmbH (Germany), Managing Director
- Eurazeo PME, Chairperson of the Supervisory Board
- Elis (*), Member of the Supervisory Board
- LH APCOA, Managing Director
- Legendre Holding 33, Chairperson of the Supervisory Board
- Moncler SpA (*) (Italy), Vice-Chairperson of the Board of Directors
- L'Oréal (*), Director
- Accor (*), Director
- Abasic SI (Spain), Director
- Legendre Holding 43, Chairperson
- Legendre Holding 44, Chairperson
- Legendre Holding 45, Chairperson
- Legendre Holding 46, Chairperson
- Legendre Holding 47, Chairperson

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Broletto 1 Srl (Italy), Chairperson of the Board of Directors
- Euraleo (Italy), Manager
- Elis, Chairperson of the Supervisory Board
- APCOA Parking AG (Germany), Chairperson of the Supervisory Board
- APCOA Parking Holdings GmbH (Germany), Chairperson of the Advisory Board
- Holdelis, Chairperson of the Board of Directors
- Legendre Holding 33, President
- Intercos SpA (Italy), Manager
- Women's Forum (WEFCOS), Director
- Edenred, Director
- Sportswear Industries Srl (Italy), Director
- LT Participations, permanent Eurazeo representative on the Board of Directors
- OFI Private Equity Capital (which became Eurazeo PME Capital), Chairperson of the Supervisory Board

(*) *Listed companies.*

KATIE STANTON

Member of the Supervisory Board

American citizen.

42, avenue de Friedland - 75008 Paris - France

EXPERTISE AND EXPERIENCE

Ms. Katie Stanton was born in 1969. She is a graduate of Rhodes College (1991) and holds a master's degree from the School of International Public Affairs (SIPA) at Columbia University.

Ms. Stanton is the founding partner of #Angels, a Silicon Valley-based investment group. Until 2016, she was Global Media Vice President for Twitter. Previously, she served as Vice President for International Market Development with Twitter, responsible for partnerships, user growth and key operations in the strategic markets of Europe, Latin America, the Middle East and Africa. She participated in the creation of a number of international offices, including in the United Kingdom, Japan, France, Spain, Brazil and Germany. Before joining Twitter, she worked at the White House, the State Department, Google and Yahoo.

CURRENT POSITIONS

None

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

Twitter, Global Media Vice President

CLAUDE BÉBÉAR

Non-Voting Director

French citizen.

AXA - 25, avenue Matignon - 75008 Paris - France

EXPERTISE AND EXPERIENCE

Mr. Claude Bébéar was born on July 29, 1935 and is a graduate of the École Polytechnique. His career, beginning in 1958, has been spent in the insurance sector. From 1975 to 2000, he headed a group of companies that became AXA in 1984. He served as Chairman of its Supervisory Board until 2008 and is currently the Honorary Chairman of the AXA group.

Long an interested and active participant in community affairs, Mr. Bébéar established and chairs the Institut du Mécénat de Solidarité, a humanitarian and social welfare organization, as well as the Institut Montaigne, an independent political think tank.

POSITIONS CURRENTLY HELD

AXA group

- AXA Assurances Vie Mutuelle, Director

OTHER POSITIONS AND FUNCTIONS

- *Institut Montaigne*, Honorary Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Schneider Electric SA, Non-Voting Director
- AXA, Chairman of the Supervisory Board
- Finaxa, Chairman and Managing Director
- AXA group, Director of various AXA companies
- Schneider Electric SA, Director
- Vivendi, Member of the Supervisory Board
- AXA Courtage Assurance Mutuelle, Director
- AXA Assurances IARD Mutuelle, Director
- BNP Paribas, Director
- *Institut du mécénat de solidarité*, Chairman
- Institut Montaigne, Chairman

PIERRE RODOCANACHI

Non-Voting Director

French citizen.

MP Conseil - 20, rue Quentin-Bauchart - 75008 Paris - France

EXPERTISE AND EXPERIENCE

Mr. Pierre Rodocanachi was born on October 2, 1938. He holds a postgraduate degree in physics from the Faculté des Sciences in Paris and is an Olympic medalist in fencing. He has been a member of the Board of Directors, and then the Supervisory Board of Vivendi, since 2004.

Pierre Rodocanachi is Chairman and Managing Director of Conseil Financier Management Patrimonial Conseil.

He began his career as a researcher at the French National Center for Scientific Research (CNRS), and then led the Planning department of the National Delegation for Scientific and Technical Research.

From 1969 to 1971, he served in roles as Technical Advisor for Scientific Affairs to the Minister of Industry, Deputy Director of the National Agency for Research Development (ANVAR) and a Director of the CNRS.

From 1973 to 2002, he successively held the offices of Vice President, Senior Vice President, Director and Managing Director for Southern Europe with the Booz, Allen & Hamilton group, a global leader in strategic consulting.

Pierre Rodocanachi has served on the boards of several not-for-profit organizations, including the American Chamber of Commerce in France, where he served as Chairman from 1997 to 2000, the Institut du Mécénat de Solidarité, where he currently serves as treasurer-founder, and the French Review of Corporate Governance.

POSITIONS CURRENTLY HELD

- Management Patrimonial Conseil, Chairman and Managing Director

OTHER POSITIONS AND OFFICES

- Enablon, Director
- Zephyrus Partners (United Kingdom), Non-Executive Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- SFR, Director
- The political and economic review *Commentaire*, Director
- LPCR, Chairman of the Supervisory Board
- ProLogis European Properties, Director and Member of the Audit Committee

3.1.1.3. Stock Trading Ethics

In compliance with the recommendations of the AFEP/MEDEF Code, hedging of transactions by means of short selling or using derivative financial instruments or options contracts of any kind is prohibited for all company officers and employees.

Any direct or indirect sale and purchase transactions by members of the Supervisory Board involving the company's securities, whether by way of open market or off-market trading, are forbidden during blackout periods, namely those communicated to the members of the Supervisory Board by the General Counsel, and during the period:

- from the date on which members of the Supervisory Board become aware of specific market information in relation to the company's day-to-day business or prospects which, if made public, would be likely to have a material impact on the company's share price, up to the date this information is made public; and
- of 30 calendar days preceding and including the day of publication of the company's quarterly, semi-annual and annual financial statements.

The Chairman of the Corporate Governance, Nominations and Remuneration Committee must be informed as soon as possible by any member of the Supervisory Board of any material purchase, subscription, sale or swap transaction involving securities issued by the company which, while not falling within the scope of the above paragraph, is entered into by any relative of, or entities connected with, such member or the member's relatives, and where such transaction was recommended by such member or where such member was informed of its existence. The General Counsel must also inform the Chairman of the Corporate Governance, Nominations and Remuneration Committee of any transactions declared pursuant to the above paragraph.

3.1.1.4. Family Relationships

To the company's knowledge, there are no family ties between members of the Supervisory Board or between any of them and any member of the Management Board.

3.1.1.5. Absence of Conflicts of Interest

To the company's knowledge, there are no actual or potential conflicts of interest between Vivendi and any member of the Supervisory Board with regard to their personal interests or other responsibilities.

Pursuant to the internal rules of the Supervisory Board, members of the Supervisory Board have a duty to inform the Supervisory Board of any actual or potential conflict of interest situation they have encountered, or might encounter in the future. When the Supervisory Board discusses any matter relating, directly or indirectly, to one of its members, the member concerned may be asked to leave the Supervisory Board meeting during the deliberation and voting process.

3.1.1.6. Absence of any Conviction for Fraud, Liability Associated with a Business Failure, Public Accusation and/or Sanction

Over the past five years, to the company's knowledge:

- no member of the Supervisory Board has been convicted of any fraud-related matter;
- no member of the Supervisory Board has been associated with bankruptcy, receivership or liquidation while serving on an administrative, management or supervisory body;
- no official public accusation or penalty has been brought against or imposed on any member of the Supervisory Board; and
- no member of the Supervisory Board has been prevented by a court from acting as a member of an administrative, management or supervisory body or from participating in the management of a public issuer.

On January 22, 2014, pursuant to Articles 187 *ter* and 187 *quinquies* of Italian Legislative Decree 58/1998 (*Testo Unico della Finanza*), Financière du Perguet and Financière de l'Odet as well as Mr. Vincent Bolloré, were jointly and severally ordered to pay an administrative fine of €1 million each in relation to the companies' acquisition of 3% of the capital of the Italian company Premafin (excluding any personal acquisition), and obligated not to hold Corporate Officer positions in Italy for a period of 18 months, which had no effect as the latter held no such officer positions on that date.

3.1.1.7. Agreements between the Company and Members of the Supervisory Board – Service Contracts

At its meeting on September 2, 2015, at the recommendation of the Governance, Nominations and Remuneration Committee, the Supervisory Board authorized a services provision agreement between Vivendi and Mr. Dominique Delport for five years starting October 1, 2015.

Under the terms of this service provision agreement, Mr. Dominique Delport will contribute his services and advice in the area of creating and using new digital content as part of the development of Vivendi Content and Dailymotion.

In the context of the development of digital strategy, which requires both internal Vivendi group resources and external services, particularly with regard to original and unique digital content formats, the Supervisory Board determined that it was in the company's interest to use Mr. Dominique Delport's services as he possesses vast experience in these fields.

Total annual fees were set at a fixed amount of €300,000, which may be increased, if applicable, by a variable amount of up to €200,000.

In 2015, the prorated amount paid was €75,000 for the fixed portion (*prorata temporis*). In 2015, there was no payment of the variable portion.

In addition, under this agreement, Mr. Delport benefits from a long-term incentive plan open to executives of the group most involved in the development of Dailymotion which is indexed on the growth of Dailymotion's enterprise value as it will stand as of June 30, 2020, based on a third-party appraisal, compared to its acquisition value (€271.25 million). In the case of an increase in the value of Dailymotion, the amount of his compensation under the incentive plan would be capped at 1% of the increase (See the Statutory Auditors' special report on related-party agreements and commitments contained in Chapter 4-Section IV.7 of this Annual Report.)

3.1.1.8. Loans and Guarantees Granted to Members of the Supervisory Board

The company has not granted any loans or issued any guarantees to any member of the Supervisory Board.

3.1.1.9. Internal Regulations and Jurisdiction of the Supervisory Board

Authority and Functions of the Supervisory Board pursuant to French Law and the Company's By-Laws

As required by law, the Supervisory Board continuously monitors the management of the company by the Management Board. It may proceed with any verification or control it deems appropriate and is provided with all documents it deems useful to the fulfillment of its purpose and functions.

Internal Regulations

The Internal Regulations of the Supervisory Board is a purely internal document intended to supplement the company's by-laws by setting forth the Supervisory Board's operational procedures and the rights and duties of its members. It is not enforceable against third parties and may not be invoked by them against members of the Supervisory Board.

Functions and Powers of the Supervisory Board under the Internal Regulations

Consistent with the opinion of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board has issued its opinions on the candidacies of Vivendi's corporate Directors for positions as Director or member of the Supervisory Board in third-party companies.

The following transactions require the prior approval of the Supervisory Board:

- disposals of real estate property or the sale of all or a portion of investments in companies, where any individual transaction exceeds €300 million;
- issues of securities that, directly or indirectly, give rights to the share capital of the company or issues of convertible bonds, in excess of €100 million;
- issues of non-convertible bonds in excess of €500 million, except for transactions for purposes of renewing debt obligations on more favorable terms than those initially granted to the company;
- share repurchase programs proposed to the Ordinary Shareholders' Meeting, and financings that are material or that may substantially alter the financial structure of the company, with the exception of financing to optimize the company's debt structure within previously approved thresholds;
- acquisitions, in any form, over €300 million;

- granting of sureties, endorsements and guarantees by the Management Board in favor of third parties, provided that each individual obligation does not exceed €100 million and that together all obligations do not exceed €1 billion. This authorization, which is given to the Management Board for 12 months, is reviewed every year;
- substantial internal restructuring transactions together with transactions falling outside the company's publicly disclosed strategy and strategic partnership agreements;
- setting up stock option plans or performance share plans or any other mechanisms with a similar purpose or effect;
- granting stock options or performance shares to members of the Management Board; and determining the number of shares they must own during their terms of office; and
- submitting proposals to the General Shareholders' Meeting to amend the company's by-laws, allocate profits and set the dividend.

3.1.1.10. Information Provided to the Supervisory Board

Members of the Supervisory Board receive all information necessary to perform their duties. Before any meeting, they may request any documents which they consider useful. Members of the Supervisory Board have the right to obtain information under the procedures set forth below.

Information Provided Prior to Meetings of the Supervisory Board

The Chairman of the Supervisory Board, with the assistance of the General Counsel, must send the appropriate information to the other members of the Supervisory Board, depending on the matters on the agenda.

Information Provided to the Supervisory Board on a Regular Basis

Members of the Supervisory Board are kept informed on a regular basis by either the Management Board or its Chairman of the company's financial position, cash flow and obligations, as well as any significant events and transactions relating to the company.

The Management Board must provide a quarterly report to the Supervisory Board on its activities and the group's operations.

In addition, on a monthly basis, the Management Board must provide information to the Supervisory Board on the company's operations and highlights.

Requests for information from members of the Supervisory Board relating to specific matters are sent to the Chairman and General Counsel who, along with the Chairman of the Management Board, are responsible for responding to such requests as soon as reasonably practicable. To supplement the information provided to them, members of the Supervisory Board are entitled to meet with the Management Board and the senior managers of the company, with or without the presence of members of the Management Board, after notice has been given to the Chairman of the Supervisory Board.

Collective Nature of the Supervisory Board's Decisions and Confidentiality of Information

The Supervisory Board acts as a body with collective responsibility. Its decisions are the responsibility of all its members. Members of the Supervisory Board and any person attending meetings of the Supervisory Board are bound by strict confidentiality obligations with respect to any company information they receive in the context of meetings of the Supervisory Board and any of its committees, or confidential information presented by the Chairman of the Supervisory Board or Management Board and identified as such.

If the Supervisory Board is aware of specific confidential information that, if made public, could have a material impact on the share price of the company or the companies under its control, as such term is defined under Article L.233-3 of the French Commercial Code, members of the Supervisory Board must refrain from both disclosing such information to any third party and dealing in the company's securities until such information has been made public.

3.1.1.11. Activities of the Supervisory Board in 2015

In 2015, the Supervisory Board met five times. The average rate of attendance at meetings was 97.2%.

Its work included the following:

- review of the consolidated and statutory financial statements for fiscal year 2014, the 2015 budget, information contained in the semi-annual and quarterly 2015 Consolidated Financial Statements prepared by the Management Board;
- review of the resolutions prepared by the Management Board and submitted to the General Shareholders' Meeting of April 17, 2015 and review of requests from minority shareholders concerning the increase in the total distribution to shareholders proposed for 2014 and payment of an extraordinary dividend, as well as neutralization of dual voting rights;
- the group's cash situation and the payment of two advances on the dividend;
- implementation of a share repurchase program;
- review of the quarterly business reports prepared by the Management Board;
- assessment of the quality and structure of the group's balance sheet;
- operational progress of the group's main business activities;
- the group's internal and external growth prospects, principal strategic initiatives and opportunities;
- monitoring of the "Co-Founders" seminars for the group's senior management;
- regular review of acquisition and disposal projects;
- disposal of the 20% interest in Numericable-SFR;
- completion of the sale of GVT to Telefonica;
- disposal of the residual interest in Telefonica Brasil;
- disposal of the Canal+ Group's interest in TVN in Poland;
- taking and increasing the equity interest in Telecom Italia;
- acquisition of 90% of the share capital of Dailymotion and implementation of a long-term incentive plan indexed to the value of Dailymotion;
- acquisition of shares in Ubisoft and Gameloft;
- creation of Vivendi Village, Vivendi Talents and Vivendi Content;
- review of various development axes and initiatives in Africa;
- tender offer and implementation of a squeeze-out on the shares of Société d'Édition de Canal Plus;
- implementation of a hedge against the group's residual interest in Activision Blizzard;
- monitoring of current investigations and legal proceedings, in particular the securities class action and Liberty Media dispute in the United States, litigation by shareholders in France and the agreement entered into as part of the legal proceedings filed by minority shareholders against Activision Blizzard, its Board of Directors and Vivendi;
- the composition of the Supervisory Board and its committees;
- review of succession plans;

- evaluation of the performance of the Supervisory Board and its committees;
- compensation of the Chairman of the Supervisory Board;
- setting the compensation of the Chairman of the Management Board;
- review and approval of a services contract signed with a member of the Supervisory Board;
- the composition of the Management Board and compensation of its members;
- the grant of performance shares to members of the Management Board;
- review of the company's equal opportunities policy;
- the employee shareholding policy and status; and
- share capital increases reserved to employees in 2015 and 2016.

3.1.1.12. Assessment of the Supervisory Board's Performance

On a regular basis, and at least once every three years, the Supervisory Board undertakes a formal assessment of its performance alongside the Corporate Governance, Nominations and Remuneration Committee. In February 2015, this assessment was completed on the basis of a questionnaire given to each member of the Supervisory Board and through individual interviews led by Vivendi's General Counsel. In addition, every year, one item on the agenda is dedicated to a discussion of the performance of the Supervisory Board.

The Supervisory Board meeting held on February 18, 2016 undertook a review of its functioning.

The review showed that all members of the Supervisory Board are satisfied with its diversity, its composition, and with organization of the work of the Board. Since 2015, each Management Board member acts as an advisor to one or more members of the Supervisory Board. Creating advisors, a move which was welcomed during the review, enables dialog and exchanges between members of the Supervisory Board and Management Board members to be developed further.

3.1.1.13. Committees of the Supervisory Board

Organization and Operating Procedures of the Committees

The Supervisory Board has created two specialized committees and has decided on their composition and functions: the Audit Committee and the Corporate Governance, Nominations and Remuneration Committee. The members of these committees are indicated below. The functions of the committees may not include delegating powers granted to the Supervisory Board by law or pursuant to the company's by-laws, or reducing or limiting the powers of the Management Board. Within the scope of the powers granted to it, each Committee issues proposals, recommendations or advice, as required.

The Supervisory Board has appointed a Chairman for each Committee. The two Committees of the Supervisory Board are comprised of Supervisory Board members, appointed by the Supervisory Board. The members are appointed on a personal basis and cannot be represented by a delegate. Each Committee determines the frequency of its meetings, which are held at the registered office of the company or in any other place that may be agreed by the Chairman of the Committee. Committee meetings can also be held using videoconferencing or other telecommunications technology.

The Chairman of each Committee sets the agendas for meetings after consultation with the Chairman of the Supervisory Board. Minutes of each Committee meeting are drafted by the General Counsel, under the authority of the Chairman of the relevant Committee, and are sent to the members of the relevant Committee and to all other members of the Supervisory Board. Information about the committees' work is included below.

Each Committee may request from the Management Board any document it deems useful to fulfill its purpose and functions. The Committee may carry out or commission surveys to provide information for the Supervisory Board's discussions, and may request external consulting expertise as required.

The Chairman of each Committee may invite all members of the Supervisory Board to attend a meeting of such Committee. However, only Committee members can take part in its deliberations. Each Committee may decide to invite any individual of its choice to its meetings, as needed.

In addition to permanent committees, the Supervisory Board may establish *ad hoc* committees comprised of all or some of its members, each for a limited term and for specific purposes, for exceptional operations or tasks based on their importance or nature.

Audit Committee

Composition

The Audit Committee is currently composed of six members, five of whom are independent and all of whom have finance or accounting expertise. Its members are: Cathia Lawson-Hall (Chairwoman), Nathalie Bricault, Pascal Cagni, Philippe Donnet, Alexandre de Juniac and Katie Stanton.

Functions

Following their appointment, members of the Committee are informed as required of the accounting, financial and operational standards used within the company and the group.

In 2015, the Audit Committee met five times, in the presence of the company's Statutory Auditors. The attendance rate at Committee meetings was 93.32%. The Audit Committee received information from, among other sources, the company's Statutory Auditors, the Chief Financial Officer, the General Counsel, the Deputy Chief Financial Officers, the Senior Vice President of Taxes and the Senior Vice President of Audit and Risks.

Its work primarily consisted of a review of:

- the financial statements for fiscal year 2014, the 2015 quarterly and semi-annual financial statements and the Statutory Auditors' Reports;
- the achievement rates for Corporate Officers in respect of the 2014 bonuses paid in 2015;
- the 2015 budget;
- the group's financial position and its debt and cash available;
- asset impairment tests;
- the process for monitoring return on capital employed (ROCE);
- the process for monitoring changes in accounting standards and the accounting impact resulting from sale transactions in progress or completed;
- detailed review of post-acquisition audits;
- the internal audit of the headquarters and subsidiaries, internal control procedures within the group and the 2015 and 2016 audit programs;
- analysis of risks and associated key audits;
- the report of the Chairman of the Supervisory Board on corporate governance and internal control and risk management procedures;
- tax risks and changes in France's tax laws and regulations;
- the insurance program;
- pension commitments;
- Statutory Auditors' mandates and fees;

- implementation and follow-up of compliance procedures as applied at the subsidiaries;
- the company's corporate social responsibility program (CSR); and
- current investigations and legal proceedings, in particular the securities class action and the Liberty Media dispute in the United States, as well as the legal proceedings brought by minority shareholders against Activision Blizzard, its Board of Directors and Vivendi, and the shareholders' proceedings in France.

Corporate Governance, Nominations and Remuneration Committee

Composition

The Corporate Governance, Nomination and Remunerations Committee currently comprises six members, four of whom are independent. Its members are: Philippe Bénacin (Chairman), Tarak Ben Ammar, Paulo Cardoso, Dominique Delport, Aliza Jabès and Virginie Morgon.

Functions

In 2015, the Corporate Governance, Nominations and Remuneration Committee met four times. The attendance rate was 91.30%.

Its work primarily focused on the following matters:

- the compensation of the Chairman of the Supervisory Board;
- the fixed and variable compensation of members of the Management Board and its Chairman;
- 2014 bonuses paid in 2015;
- the expenses of the company's officers;
- compensation policy for 2015;
- implementation in 2015 of an annual plan for awarding performance shares;
- implementation in 2015 of a capital increase reserved to employees;
- the principal features of the capital increase and the leveraged plan reserved to group employees for 2016;
- the composition of the Supervisory Board and its committees, and the appointment of new members;
- review of the independence of members of the Supervisory Board whose appointments were proposed to the General Shareholders' Meeting;
- signing of a services provision contract by Vivendi and a member of the Supervisory Board;
- assessment of the functioning of the Supervisory Board, the Management Board, and its Chairman;
- appointment of new members of the Management Board;
- review of performance criteria applicable to the supplemental defined-benefit retirement plan for members of the Management Board, pursuant to the Macron Law of August 6, 2015;
- review of the employment contracts of several executives of the group and its subsidiaries;
- review of the succession plans within the group and the retention of key talents;
- review of the company's policy on equal opportunity and gender equality; and
- follow-up of the "Co-Founders" seminars bringing together the group's chief executives.

3.1.1.14. Compensation of Supervisory Board Members and Chairman

Compensation of Mr. Vincent Bolloré, Chairman of the Supervisory Board

Since his appointment on June 24, 2014, the annual compensation of the Chairman of the Supervisory Board has been set at €400,000, which is entirely subject to performance conditions, at his request. On August 28, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to subject this compensation to the same performance conditions as those set for the members of the Management Board (see Section 3.3).

For 2015, at its meeting held on February 27, 2015 and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to re-establish the payment of an annual Director's fee of €60,000 to the Chairman of the Supervisory Board, and to offset it against his annual compensation fixed at €400,000, which was therefore reduced to €340,000 and remains subject to the same performance conditions used to calculate the 2015 variable compensation of the Management Board members.

On February 18, 2016, the Supervisory Board noted at its meeting that the performance conditions had been met (see Section 3.3.1.1 of this chapter). As a result, the compensation of the Chairman of the Supervisory Board was set at €340,000 for fiscal year 2015.

Directors' Fees

Within the overall limit of €1.5 million per year, unchanged since its approval by the Combined Shareholders' Meeting held on April 24, 2008, the payment of Directors' fees to members of the Supervisory Board is based on actual attendance at meetings and depends on the number of meetings held by the Supervisory Board and the committees. Payment of Directors' fees is made on a semi-annual basis, in arrears.

On June 24, 2014, the Supervisory Board resolved at its meeting, to distribute attendance fees, subject to an attendance condition and pro rata to this, as follows: each member receives a fixed annual Director's fee of €60,000, each member of the Audit Committee receives an annual attendance fee of €40,000 (€55,000 for its Chairman), and each member of the Corporate Governance, Nominations and Remuneration Committee receives an annual attendance fee of €30,000 (€45,000 for its Chairman).

The gross amount of Directors' fees (before tax and deduction at source) for 2015 was €1,191,666. The individual details are provided below.

Members of the Supervisory Board receive no other compensation from the company, with the exception of Mr. Dominique Delport, the holder of a service provision contract (see Section 3.1.1.7). Ms. Nathalie Bricault, representing employee shareholders, and Mr. Paulo Cardoso, representing employees, both hold employment contracts with Vivendi SA under the terms of which they receive compensation commensurate with their position in the company (salary, profit sharing and performance shares, as applicable).

Individual Amounts of Director's Fees and Other Compensation Received by Members of the Supervisory Board (in euros – rounded to the nearest euro) and Compensation of Non-Voting Directors (in euros – rounded to the nearest euro) (AMF Recommendations, Table 3)

Members of the Supervisory Board	Amounts paid for 2014	Amounts paid for 2015	Individual attendance rate at Supervisory Board meetings in 2015
Vincent Bolloré, Chairman (a)	41,429	60,000	100%
Philippe Bénacin, Deputy Chairman (b)	56,071	105,000	100%
Tarak Ben Ammar (c)	na	55,000	100%
Nathalie Bricault	110,000	100,000	100%
Pascal Cagni	81,429	100,000	100%
Daniel Camus (d)	110,000	57,500	100%
Paulo Cardoso (e)	10,000	90,000	100%
Yseulys Costes	75,000	60,000	100%
Dominique Delport (c)	na	47,500	100%
Philippe Donnet	28,214	65,833	80%
Dominique Hériard Dubreuil (f)	63,929	na	na
Aliza Jabès	83,333	90,000	100%
Alexandre de Juniac	48,096	90,000	100%
Cathia Lawson-Hall (g)	na	48,333	100%
Henri Lachmann (h)	105,000	30,000	100%
Virginie Morgon (b)	48,571	82,500	100%
Pierre Rodocanachi (h)	125,000	37,500	100%
Katie Stanton (b)	48,571	72,500	80%
Jacqueline Tammenoms Bakker (f)	55,357	na	na
TOTAL	**1,090,000**	**1,191,666**	**97.2%**

na: not applicable.

(a) Chairman of the Supervisory Board since June 24, 2014
(b) Member of the Supervisory Board since June 24, 2014.
(c) Member of the Supervisory Board since April 17, 2015.
(d) Member of the Supervisory Board until September 2, 2015.
(e) Member of the Supervisory Board representing employees since October 16, 2014.
(f) Member of the Supervisory Board until June 24, 2014.
(g) Member of the Supervisory Board since September 2, 2015.
(h) Member of the Supervisory Board until April 17, 2015.

Non-voting Directors	Amounts paid for 2014 (in euros)	Amounts paid for 2015 (in euros)
Claude Bébéar (a)	80,000	80,000
Pierre Rodocanachi (b)	na	56,575
TOTAL	**80,000**	**136,575**

(a) Non-voting Director since April 19, 2012.
(b) Non-voting Director since May 12, 2015.

3.2. Management Board

***Arnaud de Puyfontaine**, Chairman of the Management Board*

***Hervé Philippe**, Member of the Management Board and Chief Financial Officer*

***Stéphane Roussel**, Member of the Management Board and Chief Operating Officer*

***Frédéric Crépin**, Member of the Management Board and Group General Counsel*

***Simon Gillham**, Member of the Management Board, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi*

3.2.1. GENERAL PROVISIONS

In accordance with Vivendi's by-laws (Article 12), the Management Board may be composed of a minimum of two members and a maximum of seven members. Members of the Management Board are appointed by the Supervisory Board to serve four-year terms. The terms of office of members of the Management Board expire no later than upon completion of the Shareholders' Meeting held to approve the financial statements for the fiscal year during which the member reaches the age of 68. However, the Supervisory Board may prolong that member's term, on one or more occasions, for a period not exceeding two years in total (Article 12 of Vivendi's by-laws).

Pursuant to Vivendi's by-laws (Article 14), each Management Board member may choose to attend meetings by video-conferencing or telecommunication.

3.2.2. COMPOSITION OF THE MANAGEMENT BOARD

At its meeting held on June 24, 2014, the Supervisory Board resolved to appoint Mr. Arnaud de Puyfontaine, Mr. Hervé Philippe and Mr. Stéphane Roussel for a term of four years, until June 23, 2018. The Supervisory Board appointed Mr. Arnaud de Puyfontaine as Chairman of the Management Board for the term of his mandate as member of the Management Board.

At its meeting held on November 10, 2015, the Supervisory Board resolved to appoint Mr. Frédéric Crépin and Mr. Simon Gillham as members of the Management Board until June 23, 2018.

The Management Board is currently composed of five members. Detailed information about them is provided below in the Section entitled "Main Activities of Current Members of the Management Board".

List of Management Board members

Name	Primary Position	Number of shares held directly or through the PEG*	Individual attendance rate of Management Board members
Arnaud de Puyfontaine	Chairman of the Management Board	92,760	100%
Hervé Philippe	Member of the Management Board and Chief Financial Officer	9,075	100%
Stéphane Roussel	Member of the Management Board and Chief Operating Officer	93,619	100%
Frédéric Crépin	Member of the Management Board, Group General Counsel and Company Secretary	116,049	100%
Simon Gillham	Member of the Management Board, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi	92,113	100%

* Units held in the Group Savings Plan (PEG) are valued based on Vivendi's share price at the close of business on December 31, 2015, i.e. €19.860.

Main activities of current members of the Management Board

ARNAUD DE PUYFONTAINE

Chairman of the Management Board

French citizen.

Vivendi - 42, avenue de Friedland - 75008 Paris - France.

EXPERTISE AND EXPERIENCE

Mr. Arnaud de Puyfontaine was born on April 26, 1964 in Paris, France, and is a graduate of the ESCP (1988), the Multimedia Institute (1992) and Harvard Business School (2000).

In 1989, he started his career as a consultant at Arthur Andersen and then worked as a project manager at Rhône-Poulenc Pharma in Indonesia.

In 1990, he joined Figaro as Executive Director.

In 1995, as a member of the founding team of the Emap group in France, he headed Télé Poche and Studio Magazine, managed the acquisition of Télé Star and Télé Star Jeux, and started up the Emap Star Division, before becoming Chief Executive Officer of Emap France in 1998.

In 1999, he was appointed Chairman and Chief Executive Officer of Emap France, and, in 2000, joined the Executive Board of Emap Plc. He has led several M&A deals, and concomitantly, from 2000 to 2005, served as Chairman of EMW, the Emap/Wanadoo digital subsidiary.

In August 2006, he was appointed Chairman and Chief Executive Officer of Editions Mondadori France. In June 2007, he became General Head of all digital business for the Mondadori group.

In April 2009, Mr. Puyfontaine joined the US HEARST media group as Chief Executive Officer of its UK subsidiary, Hearst UK. In 2011, on behalf of the Hearst group, he led the acquisition of 102 magazines from the Lagardère group published abroad, and, in June 2011, was appointed Executive Vice President of Hearst Magazines International. In May 2012, he joined the Board of Directors of Schibsted. Then, in August 2013, he was appointed Managing Director of Western Europe. He was Chairman of ESCP Europe Alumni.

From January to June, 2014, Mr. Puyfontaine was a member of Vivendi's Management Board and Senior Executive Vice President in charge of its media and content operations. Since June 24, 2014, he has been Chairman of the Management Board.

POSITIONS CURRENTLY HELD

Vivendi group

- Universal Music France, Chairman of the Supervisory Board
- Canal+ Group, Member of the Supervisory Board
- Studiocanal, Member of the Supervisory Board

OTHER POSITIONS AND FUNCTIONS

- Telecom Italia SpA (*) (Italy), Director
- Banijay Group (SAS), permanent representative of Vivendi on the Supervisory Board
- Gloo Networks plc (*) (United Kingdom), Non-Executive Chairman
- Schibsted Media group, Independent Director
- Innit, member of the Advisory Committee
- French-American Foundation, Chairman

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Canal+ Group, Chairman of the Supervisory Board
- GVT Participaçoes SA (Brazil), Chairman of the Management Board
- Canal+ Group, Vice-Chairman of the Supervisory Board
- Kepler, Independent Director
- ESCP Europe Alumni, Chairman
- The National Magazine Company Limited (United Kingdom), Director
- Hearst-Rodale UK Limited (United Kingdom), Director
- Handbag.com Limited (United Kingdom), Director
- Hearst Magazines UK 2012-1 (United Kingdom), Director
- F.E.P. (UK) Limited (United Kingdom), Director
- COMAG (Condé Nast Magazine Distributors Limited) (United Kingdom), Director
- PPA (Professional Publishers Association) (United Kingdom), Director
- Compagnie Internationale de Presse and de Publicité (Monaco), Director
- Hearts Magazines, S.L. (Spain), Director
- Hearts Magazines Italia S.p.A (Italy), Director
- Melty group, Director
- Iceberg lux, member of the Advisory Committee

(*) *Listed companies.*

HERVÉ PHILIPPE

Member of the Management Board

French citizen.

Vivendi
42, avenue de Friedland
75008 Paris - France

EXPERTISE AND EXPERIENCE

Mr. Hervé Philippe was born on August 10, 1958 in Cheillé, France. He is a graduate of the *Institut d'Études Politiques* de Paris and holds a degree in economic sciences. He began his career with Crédit National in 1982 as account manager for business financing in the Île-de-France region.

In 1989, he joined the French market authority, the *Commission des opérations de bourse* (COB) as manager for the sector of French companies listed for trading. From 1992 to 1998, he served as Head of the Transactions and Financial Information department.

In 1998, he joined the Sagem group, where he held the positions of Director of Legal and Administrative Affairs at Sagem SA (1998-2000), Chief Administrative and Financial Officer at Sfim (1999-2000), and Director of Communication at Sagem SA (2000-2001). In 2001, he assumed the position of Chief Financial Officer and became a member of the Sagem SA Management Board in 2003.

Hervé Philippe was appointed Chief Financial Officer of the Havas group in November 2005 and, in May 2010, was named deputy Chief Executive Officer (*Directeur Général Délégué*) until December 31, 2013.

He has served as Vivendi's Chief Financial Officer since January 1, 2014 and as a member of its Management Board since June 24, 2014.

CURRENT POSITIONS

Vivendi Group

- Canal+ Group, Vice-Chairman of the Supervisory Board
- Compagnie Financière du 42, avenue de Friedland (SAS), Chairman
- Studiocanal, Member of the Supervisory Board
- Dailymotion, Director and member of the Audit Committee
- Universal Music France, Member of the Supervisory Board

Havas group

- Havas (*), permanent representative of Financière de Longchamp on the Board of Directors

OTHER POSITIONS AND FUNCTIONS

- Telecom Italia SpA (*), Director
- Harvest (**), Director
- Sifraba, Director
- Jean Bal, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- GVT Participações S.A. (Brazil), Director
- SFR, Director
- Maroc Telecom, member of the Supervisory Board
- Havas Life Paris, permanent representative of Havas on the Board of Directors
- Havas Media France, permanent representative of Havas on the Board of Directors
- Providence, permanent representative of Havas on the Board of Directors
- BETC, permanent representative of Havas
- on the Supervisory Board
- OPCI de la Seine et de l'Ourcq, Chairman of the Board of Directors
- LNE, Chairman of the Board of Directors
- HA Pôle Ressources Humaines, Chairman-CEO and Director
- Havas 04, Chairman and member of the Supervisory Board
- Havas 08, Chairman
- Rosapark (formerly Havas 11), Chairman
- Havas 12, Chairman
- Havas 14, Chairman
- Havas 16, Chairman
- Havas Immobilier, Chairman
- Havas Participations, Chairman
- Financière de Longchamp, Chairman
- Havas RH, Chairman
- Havas Worldwide Paris, Director
- W & Cie, Director
- Havas Finances Services, Joint Manager
- Havas Publishing Services, Joint Manager
- Havas IT, Manager
- Havas, Legal Representative
- MFG Leg, Chairman
- R&D, Vice-Chairman and member of the Supervisory Board
- GR.PO SA (Belgium), Director
- HR Gardens SA (Belgium), Director
- HR Gardens Belgium SA (Belgium), Director
- EMDS Group SA (Belgium), Director
- Banner Hills Systems Sprl (Belgium), Manager
- Field Research Corporation (United States), Chairman
- Havas Creative Inc. (United States), Senior Vice President and Director
- Havas North America Inc. (United States), Executive Vice President and Director
- Data Communique Inc. (United States), Director
- Havas Middle East FZ LLC (United Arab Emirates), Director
- Havas Management Portugal Unipessoal Lda (Portugal), Manager
- Havas Worldwide LLC (United States), Manager
- Washington Printing LLC (United States), Manager
- Havas Worldwide Brussels (Belgium), permanent representative of Havas on the Board of Directors

(*) Listed company.

(**) Listed on a nonregulated market.

STÉPHANE ROUSSEL

Member of the Management Board

French citizen.

Vivendi - 42, avenue de Friedland
75008 Paris - France

EXPERTISE AND EXPERIENCE

Stéphane Roussel was born on October 12, 1961, and is a graduate of the *École des Psychologues Praticiens de Paris*.

Mr. Roussel began his career working for the Xerox group from 1985 to 1997.

From 1997 to 2004, he held positions within the Carrefour group. He was first appointed Director of Human Resources for hypermarkets in France, before becoming Director of Human Resources Development for international business and then Director of Human Resources France for the entire Carrefour group.

From 2004-2009, he served as SFR's Vice President of Human Resources. From 2009 to 2012, Mr. Roussel held the position of Executive Vice President of Human Resources at Vivendi before being appointed Chairman-Chief Executive Officer of SFR in June 2012, a position he held until May 2013, at which time he joined Vivendi's General Management team.

Mr. Stéphane Roussel was appointed to the Vivendi Management Board on June 24, 2014. Since November 2015, he has been Vivendi's Chief Operating Offer, after serving as its Senior Executive Vice President, Development and Organization since October 2014.

CURRENT POSITIONS

Vivendi Group

- Canal+ Group, Member of the Supervisory Board
- Studiocanal, Member of the Supervisory Board
- Dailymotion, Director
- Universal Music France (SAS), Member of the Supervisory Board
- Vivendi Group Africa (SAS), Chairman

OTHER POSITIONS AND OFFICES

- Telecom Italia SpA (*), Director
- Banijay Group (SAS), Member of the Supervisory Board
- IMS, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- GVT Participações S.A. (Brazil), Director
- Numericable-SFR, permanent representative of Compagnie Financière 42 avenue de Friedland on the Management Board
- Fondation SFR, Member of the Board of Directors
- SFR, Chairman-Chief Executive Officer
- Fondation SFR, Chairman of the Board of Directors
- Activision Blizzard, Director
- Digitick S.A., Chairman of the Board of Directors
- See Group Limited (United Kingdom), Director
- UK Ticketing Ltd (United Kingdom), Director
- Arpejeh, President

(*) *Listed company.*

FRÉDÉRIC CRÉPIN

Member of the Management Board

French citizen.

Vivendi - 42, avenue de Friedland
75008 Paris - France

EXPERTISE AND EXPERIENCE

Frédéric Crépin was on born December 25, 1969. He is a graduate of the *Institut d'Études Politiques de Paris* (Sciences-Po), and holds a master's degree in European business law from the *Université Panthéon-Assas* (Paris II), a master's degree in labor and employment law from the *Université Paris Ouest Nanterre La Défense* (Paris X Nanterre), and an LLM degree (Master of Laws) from New York University School of Law.

Admitted to the bars of both Paris and New York, Mr. Crépin began his career working as an attorney at several law firms. From 1995 to 1998, he was an attorney at Siméon & Associés in Paris and then, from 1999 to 2000, he was an associate at Weil Gotshal & Manges LLP in New York.

From July 2000 to August 2005, Mr. Crépin served as a Special Advisor to the General Counsel and as a member of the legal department of Vivendi Universal before being appointed Senior Vice President and Head of the legal department of Vivendi in August 2005. In June 2014, he was named General Counsel and Company Secretary of the Vivendi group. In September 2015, he became General Counsel and Company Secretary of Canal+ Group,

He was appointed to the Vivendi Management Board on November 10, 2015.

Frédéric Crépin is as a lecturer at the *Institut d'Études Politiques de Paris*.

CURRENT POSITIONS

Vivendi Group

- Groupe Canal+, Member of the Supervisory Board
- Studiocanal, Member of the Supervisory Board
- Universal Music France (SAS), Member of the Supervisory Board
- Dailymotion, Director
- Wengo, Director
- Canal Olympia, Director
- L'Olympia, Director
- SIG 116 SAS, Chairman
- SIG 117 SAS, Chairman
- SIG 119 SAS, Chairman
- SIG 120 SAS, Chairman
- Vivendi Holding I LLC. (United States), Director

OTHER POSITIONS AND OFFICES

None

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Activision Blizzard, Inc. (United States), Director, Chairman of the Governance and Nominations Committee and Member of the Human Resources Committee
- Canal+ France, Member of the Supervisory Board
- SFR, Director
- SFR, Permanent Vivendi Representative on the Management Board
- SIG 50, Chairman-Chief Executive Officer and Director
- SIG 73, Chairman-Chief Executive Officer and Director
- SIG 108 SAS, Chairman
- SIG 114 SAS, Chairman
- SIG 115 SAS, Chairman

SIMON GILLHAM

Member of the Management Board

British citizen.

Vivendi - 42, avenue de Friedland - 75008 Paris - France

EXPERTISE AND EXPERIENCE

Simon Gillham was born on February 24, 1956, and holds degrees from both the University of Sussex and the University of Bristol. In 1981, Mr. Gillham began his career at Thomson where he was responsible for language and management training. In 1985 he formed his own training and communication company: York Consultants. In 1991 he was appointed Vice President Communictions of Thomson Consumer Electronics and subsequently joined the CarnaudMetalbox group in 1994. In early 1999, Simon Gillham became Vice President Global Communications of the Valeo group before assuming the position of Vice President Communications at Havas in April 2001. He joined Vivendi in 2007, serving as Senior Executive Vice President, Communications & CSR.

Simon Gillham is Chairman of Vivendi Village. In this capacity, he oversees the activities of Vivendi Ticketing (Digitik and See Tickets), MyBestPro (connecting individual consumers with professional service providers), Watchever (subscription video on demand), Radionomy (radio platform) and the legendary Paris theatre, L'Olympia, of which he is the Chairman, and the Théâtre de l'Œuvre. He is also responsible for the Talent Management and Live Events activities at Vivendi Village.

He was appointed to the Vivendi Management Board on November 10, 2015.

He is a Vice President of CA Brive Rugby Club.

In 2010, Simon Gillham was awarded the OBE (Officer of the British Empire) by Queen Elizabeth II.

CURRENT POSITIONS

Vivendi group

- Vivendi Village, Chairman
- Digitick, Chairman of the Board
- L'Olympia, Chairman
- See Group Limited (UK), Chairman of the Board
- The Way Ahead Group (UK), Chairman of the Board
- Watchever, Chairman of the Board
- Wengo, Chairman of the Board
- UK Ticketing Ltd (UK), Chairman of the Board
- UBU Productions, Chairman
- Groupe Canal+, Member of the Supervisory Board
- Vivendi Ticketing US LLC, Director
- Dailymotion, Director
- Universal Music France, Member of the Supervisory Board

OTHER POSITIONS AND FUNCTIONS

- CA Brive Rugby Club, Director

POSITIONS PREVIOUSLY HELD THAT HAVE EXPIRED DURING THE LAST FIVE YEARS

- Canal+ France, Member of the Supervisory Board
- SIG 100, President
- The Franco-British Chamber of Commerce, President

3.2.3. FAMILY RELATIONSHIPS

To the company's knowledge, no family relationships exist between any of the members of the Management Board, or between any of them and any member of the Supervisory Board.

3.2.4. ABSENCE OF CONFLICTS OF INTEREST

To the company's knowledge, there are no actual or potential conflicts of interest between Vivendi and the members of the Management Board with regard to their personal interests or other responsibilities.

3.2.5. ABSENCE OF ANY CONVICTION FOR FRAUD, LIABILITY ASSOCIATED WITH A BUSINESS FAILURE OR PUBLIC PROSECUTION AND/OR SANCTION

Over the past five years, to the company's knowledge, no member of the Management Board has been convicted of any fraud-related matter, no official public prosecution or sanction has been filed against any member of the Management Board, no member of the Management Board has been associated with a bankruptcy, receivership or liquidation while serving on an administrative, management or supervisory body of a public company, or has been prevented by a court from acting as a member of an administrative, management or supervisory body or from participating in the management of a public issuer.

3.2.6. AGREEMENTS BETWEEN THE COMPANY AND MEMBERS OF THE MANAGEMENT BOARD - SERVICE CONTRACTS

As Corporate Officers, members of the Management Board are bound by an employment contract with the company, with the exception of Mr. Arnaud de Puyfontaine, who, in line with the recommendations of the AFEP/MEDEF Code, waived the benefit of his employment contract at the time he was appointed Chairman of the Management Board by the Supervisory Board, at its meeting held on June 24, 2014.

No member of the Management Board is party to a service agreement entered into with Vivendi or any of its subsidiaries, pursuant to which such member may be entitled to receive any benefits.

3.2.7. LOANS AND GUARANTEES GRANTED TO MEMBERS OF THE MANAGEMENT BOARD

The company has not granted any loans or issued any guarantees to any member of the Management Board.

3.2.8. JURISDICTION AND INTERNAL REGULATIONS OF THE MANAGEMENT BOARD

Authority and Functions of the Management Board Pursuant to Law and the Company's By-Laws

With respect to third parties, the Management Board is granted the broadest powers to act in any circumstance on behalf of the company, subject to the scope of the company's corporate purpose and to those situations where such power is expressly granted by law to the Supervisory Board or the Shareholders' Meetings, and to matters that require the prior approval of the Supervisory Board.

Internal Regulations

The Internal Regulations of the Management Board is a purely internal document that aims to ensure that the company's Management Board functions properly and adheres to the most recent rules and regulations in furtherance of good corporate governance. Third parties cannot rely on the Internal Regulations when pursuing any claim against members of the Management Board.

The Management Board is responsible for the day-to-day management of the company and for the conduct of its business. Pursuant to applicable law, the company's by-laws and the Supervisory Board's internal rules, the Management Board must obtain prior authorization from the Supervisory Board in certain circumstances.

3.2.9. ACTIVITIES OF THE MANAGEMENT BOARD IN 2015

In 2015, the Management Board met a total of 18 times. The attendance rate at meetings of the Management Board was 100%. It considered, among others, the following matters:

- review and approval of the statutory and Consolidated Financial Statements for fiscal year 2014, the 2015 budget, and the quarterly and semi-annual 2015 financial statements;
- the calling of the General Shareholders' Meeting on April 17, 2015;
- review of requests by minority shareholders relating to the increase in the amount of the distribution proposed to shareholders for 2014 and payment of an extraordinary dividend, as well as neutralization of double voting rights;
- the group's financial communications;
- the group's financial position;
- assessment of the quality and structure of the group's balance sheet;
- the group's cash situation and payment of two advances on the dividend;
- implementation of a share repurchase program;
- preparation of quarterly Activity Reports for the Supervisory Board;
- the work of the group's Internal Audit department;
- the group's internal and external growth prospects;
- principal strategic opportunities and initiatives;
- activities of the group's main business units;
- the creation of Vivendi Village, Vivendi Talents and Vivendi Content;
- review of the various axes and development initiatives in Africa;
- disposal of the 20% equity interest in Numericable-SFR;
- finalization of the sale of GVT to Telefonica;
- sale of the residual interest in Telefonica Brasil;
- purchase and increase of the share capital of Telecom Italia;
- acquisition of 90% of the share capital of Dailymotion;
- acquisition of shares of the companies Ubisoft and Gameloft;
- taking of an interest in the Banijay Zodiak group;
- acquisition of Boulogne Studios;
- sale of the Canal+ Group's interest in TVN in Poland;
- tender offer and implementation of a squeeze out for the shares of Société d'Édition of Canal Plus (SECP);
- implementation of a hedge against the group's residual interest in Activision Blizzard;
- review of the opportunity for sale of the group's residual interest in Activision Blizzard;
- monitoring of current investigations and legal proceedings, in particular the securities class action and the Liberty Media dispute in the United States, the litigation by shareholders in France and the agreement reached in minority shareholders' proceedings against Activision Blizzard, its Board of Directors and Vivendi;
- the group's compensation policy;
- implementation in 2015 of an annual performance share plan and a capital increase reserved to group employees;
- the main features of the capital increase and the leveraged plan reserved to group employees for 2016;
- development and retention of key employees;
- gender parity within the group;
- review of the business report and the corporate social responsibility ("CSR") report; and
- review of the Compliance Program.

3.3. Compensation of Directors and Officers

General

The compensation policy for Corporate Officers is devised by the Corporate Governance, Nominations and Remuneration Committee and approved by the Supervisory Board.

Its purpose, in both the short-term and the long-term, is to better align the compensation of Corporate Officers and executives with shareholder interests. With this in mind, close attention has been paid to three major elements:

- the quantitative balance of the compensation, with attention given to variable and long-term factors to contribute to the group's development and growth;
- the quality of the criteria attached to setting the annual variable portion. These criteria are based on both quantitative and qualitative targets proposed by the Corporate Governance, Nominations and Remuneration Committee and set by the Supervisory Board, giving special consideration to the issues defined in the company's corporate social responsibility (CSR) policy; and
- the group's long-term development, through the grant of performance shares subject to internal criteria that differ from those applied to the variable portion of compensation, and external criteria to strengthen the alignment of management interests with those of shareholders.

This policy is supported by the setting of compensation for the management of the major subsidiaries, with distinct weightings and criteria adapted to their business operations.

Lastly, in accordance with the governance rules applied within the group, Corporate Officers and executives waive the payment of Directors' attendance fees in subsidiaries in which they hold Director's positions.

Compensation Elements

Fixed Portion

Each year, upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board sets the compensation of each Corporate Officer, taking into account his or her personal situation and comparative studies carried out by independent firms.

Annual Variable Portion

This is based on precise and adjusted quantitative and qualitative criteria. In order to provide dynamic support to the group's efforts, the weight assigned to the quantitative and qualitative criteria used in calculating the annual variable portion of compensation is set by the Corporate Governance, Nominations and Remuneration Committee as a reflection of the importance of and progress made in strategic efforts.

Quantitative Criteria

These are based on the financial indicators that the Corporate Governance, Nominations and Remuneration Committee has deemed most relevant to the assessment of the financial performance of the group and its major subsidiaries, whose businesses are based on a very similar economic model: the sale of content and services. These financial indicators are the adjusted net income of the group and its operating cash flow. They allow for the accurate measurement of the performance and income recorded by each business unit.

Qualitative Criteria

These are based on a series of priority actions assigned to corporate management. These priority actions are defined as a function of strategy at group level and the action plans approved for each business unit.

These criteria allow assessment of the ability of officers to implement and complete planned sales or acquisitions, undertake the necessary strategic realignments in an increasingly competitive environment, and identify new directions with regard to offerings of content and services.

The priority actions for Vivendi SA's corporate management in 2015 were as follows: maximizing the potential of the Telecom holdings, accelerating organic growth within each business unit and inter-business unit, and taking advantage of the opportunities for external growth within or at the periphery of the business units.

Lastly, these qualitative criteria take into account the extent of the group's commitments to corporate social responsibility (CSR), which are based on developing and certifying initiatives taken in relation to the group's societal challenges: promoting cultural diversity, furthering knowledge sharing, protecting and empowering young people, and reconciling the use of personal data with the protection of personal data. CSR activities are certified by an independent specialized agency.

Weighting of the Variable Portion

For 2015, the variable portion is equal to 100% of fixed compensation if the targets were achieved, with a maximum of 150% if the targets were substantially exceeded.

Calculation of the variable portion is based on the fulfillment of precise, demanding and verifiable criteria. These include financial targets and the implementation of priority initiatives. For 2015, the financial criteria was given a 60% weighting (35% linked to the group share of adjusted net income and 25% linked to operating cash flow), and priority initiatives were given a 40% weighting, distributed among several qualitative criteria (see above) at different percentages, including 5% linked to corporate social responsibility (CSR).

Grant of Performance Shares

Purpose

Annual compensation is supplemented by a deferred factor in the longer-term objectives: the granting of performance shares, which vest subject to internal and external performance criteria applicable to both corporate management as well as all other employee beneficiaries.

The Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, approves criteria for the final grant of performance shares and sets the limits (threshold, target and maximum) for calculating the level of performance to be achieved, to determine whether the shares are to vest completely or partially.

To better assess long-term performance, internal financial criteria different from those used in setting the variable portion of the compensation of senior management, and external criteria to take into account the alignment of the interests of management with those of the shareholders, have been applied.

For corporate management and the senior executives of Vivendi SA, the internal indicator (with a weighting of 70%) is the group's EBITA margin (adjusted operating income).

To address the need to motivate corporate management and the senior executives of each subsidiary to increase the income of their entities, the grant of performance shares has been linked to the EBITA margin of the subsidiary for which they work.

Until 2014 achievement of this financial objective was assessed once only, at the end of two cumulative fiscal years, in respect of the plans granted before June 24, 2014.

The external indicator (with a weighting of 30%) was Vivendi's stock price performance compared with the STOXX® Europe 600 Media index, assessed over two consecutive trading years.

In 2015, the internal indicators (weighting 80%) are the EBITA margin rate of the group for Vivendi Management Board members and its senior executives, and the EBITA margin rate of each entity for beneficiaries at the subsidiaries concerned (40%), the EBITA growth rate (10%), and *earning per share (EPS)* (30%). The external indicator (weighting 20%) is linked to changes in the Vivendi share price compared with the STOXX® Europe 600 Media (15%) index and the CAC 40 (5%).

Achievement of these targets is now assessed over three years, in line with the decision of the General Shareholders' Meeting held on June 24, 2014. This period of three years also applies in the context of the new authorization to be given to the Management Board to consent to the grant of performance shares, subject to approval of the General Shareholders' Meeting held on April 21, 2016.

Calculation

All performance shares vest after three years, provided the beneficiary is present at the end of that period, if the weighted sum of internal and external indicators meets or exceeds 100%. 50% of shares and options vest if the weighted sum of the indicators meets the value for the thresholds (50%). An arithmetic calculation is performed for interim results. For a calculation of the achievement rate of performance criteria set for the performance share plans granted in 2014, see Section 3.4.4.

Deferred Commitments

Long-Term Cash Incentive

No long-term cash incentive plan has been granted to members of the Vivendi SA Management Board.

Non-compete Payments

None of the members of Vivendi's Management Board or the corporate Directors of its major subsidiaries are entitled to receive non-compete payments.

Severance Payments

Corporate Directors also employed under employment contracts are not entitled to any type of severance payment resulting from the termination of their positions as Corporate Directors. Except for the Chairman of Vivendi SA's Management Board (see Section 3.3.1.2), corporate Directors are contractually entitled to severance payment in the event of termination of their employment contract at Vivendi's initiative. These payments are limited to 18 months' salary (fixed + target variable).

Supplemental Retirement Plan

As is the case with a number of other senior executives of the Vivendi group, the Chairman and members of the Management Board are eligible for the defined benefit supplemental retirement plan, as implemented in December 2005 and approved by the Combined General Shareholders' Meeting held on April 20, 2006.

The main terms of this retirement plan, approved by the General Shareholders' Meeting of April 20, 2006 include: (i) a minimum of three years' seniority with the company; (ii) progressive maximum acquisition of seniority rights, limited to 20 years, which, according to a sliding scale, is not to exceed 2.5% per year and is progressively reduced to 1%; (iii) a reference salary for calculating retirement payments equal to the average of the last three years with a dual upper limit: reference salary capped at 60 times the social security limit and the acquisition of rights limited to 30% of the reference salary; (iv) reversion to 60% in the event of death; (v) rights maintained in the event of retirement at the initiative of the company after the age of 55; and (vii) loss of the benefits in the event of a departure from the company, for any reason, before the age of 55.

At its meeting of November 10, 2015, the Supervisory Board appointed Mr. Frédéric Crépin and Mr. Simon Gillham as new members of the Management Board for terms expiring June 23, 2018, the date of the Management Board's renewal.

Pursuant to Article L.225-90-1 of the French Commercial Code, as amended by the Law of August 6, 2015 on Growth, Activity and Equal Economic Opportunity, known as the "Macron Law", the Supervisory Board resolved to submit the increase in the conditional rights of new members of the Management Board under the group defined-benefits supplemental retirement plan, for which they are eligible, to the following criteria, assessed each year: no increase in income shall apply if, for the year in consideration, the group's financial results (adjusted net income and operating cash flow) amount to less than 80% of the budget and if Vivendi's share performance is below 80% of the average performance of a composite index (1/2 CAC 40 and 1/2 Euro Stoxx Media).

The conditional rights described above, from which Frédéric Crépin and Simon Gillham benefit, are subject to the approval of the General Shareholders' Meeting due to occur on April 21, 2016, pursuant to Article L.255-88 of the French Commercial Code.

Upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, and with the consent of the interested parties, the Supervisory Board, at the same meeting on November 10, 2015, decided to apply in advance the same criteria for calculating the rate of increase in income under this supplemental retirement plan, which is enjoyed by Mr. Arnaud de Puyfontaine, Mr. Hervé Philippe and Mr. Stéphane Roussel, members of the Management Board in office before the official publication of the Macron Law and whose renewal of office will occur on June 23, 2018, the same date on which the law's provisions enter into force.

The information required by Article R.225-104-1 of the French Commercial Code, deriving from Decree No. 2016-182 of February 23, 2016, is shown below:

	Seniority within the group as of 2015 (in years)	Rate of increase in income (1) (%)	Total income earned in 2015 (in €)	Estimated income at the close of fiscal year 2015 (before tax and contributions- in €)	Replacement rate up to 11/09/2015 (2) (%)
Arnaud de Puyfontaine	2	2.5	54,563	90,000	3.99
Hervé Philippe	2	2.5	39,375	70,000	3.99
Stéphane Roussel	12	1.25	20,313	318,750	20.74
Frédéric Crépin	16	1.00	11,750	286,000	25.86
Simon Gillham	9	1.25	9,125	157,500	17.32

(1) 1 to 5 years: 2.5%; 6 to 15 years: 1.25%; 16 to 20 years: 1%; over 20 years: 0%.

(2) Final income replacement rate as of November 9, 2015, prior to the date of appointment of Messrs. Frédéric Crépin and Simon Gillham as members of the Management Board.

Calculation of the increase in income applicable to the defined benefits supplemental retirement plan – fiscal year 2015

At its meeting of February 18, 2016, the Supervisory Board acknowledged that the rate of increase in income in 2015 for each member of the Management Board and its Chairman was approved.

2015 goals		Vivendi Performance	% Goals
Indicators	**Goals**		
Financial goals (average / € millions)			
Adjusted net income	692	697	**101%**
Cash flow from operations	768	892	**116%**
Average stock market performance of the indices (1)	+13.6%	+4.4%	**32%**
CAC 40 performance	11.9%	+4.4%	
Stoxx Europe Media index performance	15.3%	+4.4%	

(1) Dividends reinvested. Composite index weighted CAC 40 (50%) and Stoxx Europe Media (50%).

The provision for 2015 under this retirement plan structure for acting members of the Management Board totaled €4,035,105. Under the current regulations, the amount of employer social security contributions on annuities paid is nil and the amount of employer taxes would amount to €95,625 (in aggregate) for annuities exceeding eight times the social security maximum.

3.3.1. STATUS AND COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD

3.3.1.1. Status and Compensation of the Chairman of the Management Board

Following the recommendations of the AFEP/MEDEF Code of Corporate Governance, Mr. Arnaud de Puyfontaine waived the benefit of his employment contract following his appointment as Chairman of the Management Board by the Supervisory Board, at its meeting held on June 24, 2014.

At its meeting held on February 27, 2015, the Supervisory Board determined the elements of Mr. Arnaud de Puyfontaine's compensation and benefits in kind:

- fixed compensation: €900,000 (unchanged from 2014);
- variable compensation: 100% of the target and a maximum of 150%;
- eligibility for performance share grants subject to achievement of the conditions set by the Supervisory Board, which will vest and be transferable in accordance with the plan's rules;
- availability of a company car;
- payment of travel and other expenses incurred in the performance of his duties;
- eligibility for the Social Security, AGIRC and ARRCO retirement plans, as well as accident insurance (mutual, disability and life insurance) under identical conditions as those subscribed to by other company employees; and
- a supplemental defined-benefit retirement plan under identical conditions as those subscribed to by other company employees set up in December 2005, as approved by the Combined Shareholders' Meeting held on April 20, 2006.

At its meeting on February 18, 2016, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, reviewed the achievement rate of the financial objectives and priority actions defined by the Supervisory Board on February 27, 2015 to calculate the variable portion for fiscal year 2015.

Determination of variable compensation rate 2015

Weighting (as %)		2015 objectives (in millions of €)				Fulfillment rate (as %)
At goals met	maximum	Indicators	2015 Restated*	Threshold	Target	
60	**90**	**Group financial goals**				**72**
35	52	Adjusted net income	**691**	657	**692**	34
25	38	Cash flow from operations	**878**	730	**768**	38
40	**60**	**Priority actions of the Vivendi Management team**				**53**
35	52	Best value for Telecom interests Accelerate organic growth within each business line and between lines Capture growth opportunities outside the core or at the periphery of the business lines				48
5	8	Develop and certify actions on group corporate stakes				5
100	**150**					**125**

* Results at constant exchange rate. Operating cash flow adjusted for a non-recurring item.

After verifying the levels of achievement of the quantitative criteria (72%), and the qualitative criteria (53%), representing a total of 125%, the percentage of variable compensation of the Chairman of the Management Board for 2015 was set at 125% of the amount of his fixed compensation. His variable compensation for 2015, paid in 2016, therefore amounted to €1,125,000 before taxes and social security contributions.

On February 27, 2015, upon the proposal of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board granted 70,000 performance shares to Mr. Arnaud de Puyfontaine. Vesting of these performance shares is subject to the fulfillment, over three consecutive fiscal years (2015, 2016 and 2017) of performance conditions, assessed at the completion of each period and based on criteria involving the following weighting: internal criteria (weighting 80%), including each entity's EBITA (40%) EBITA growth rate (10%) and earnings per share (EPS) (30%), and an external criteria (weighting 20%) measuring Vivendi's share performance compared to the STOXX® Europe Media 600 index (15%) and the CAC 40 (5%).

At its meeting of February 18, 2016 and on the proposal of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board set his fixed compensation at €950,000 for 2016.

3.3.1.2. Conditional Severance Package for the Chairman of the Management Board upon Termination of his Position

At its meeting held on February 27, 2015, the Supervisory Board, after noting that Mr. Arnaud de Puyfontaine no longer benefited from his employment contract, which was waived following his appointment as Chairman of the Management Board, or from any termination benefits in the event of dismissal, decided, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, that in the event of termination of his duties at the initiative of the company, he would be entitled, except in the case of gross negligence, to compensation, subject to performance conditions as recommended in the AFEP/MEDEF Code. This severance compensation would be capped at a gross amount equal to 18 months of target compensation (on the basis of the last fixed compensation and the last annual bonus earned over a full year).

If the bonus paid during the reference period (the 12-month period preceding notification of departure) is:

- greater than the target bonus, the calculation of the compensation will only take into account the amount of the target bonus; or
- less than the target bonus, the amount of the compensation will be capped in any event at two years' of the compensation actually received (in compliance with the AFEP/MEDEF Code), and may not exceed 18 months of the target compensation.

This indemnity would not be payable if the group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget over the two years prior to the departure, and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX® Media (50%)) over the last 24 months. At the same meeting, the Supervisory Board decided that, in the event of departure under the conditions defined above (giving a right to the indemnity), all rights to performance shares not yet vested on the departure date would be maintained, subject to the relevant performance conditions. This severance payment would not be payable in the event of resignation or retirement. This conditional commitment referred to in Article L.225-90-1 of the French Commercial Code was approved by the General Shareholders' Meeting on April 17, 2015 (Resolution 10).

3.3.1.3. Status and Compensation of Management Board Members

Other than the Chairman, the members of the Management Board hold employment contracts. On February 18, 2016, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, reviewed achievement of the financial objectives and priority actions defined by the Supervisory Board at its meeting held on February 27, 2015, in order to calculate the variable portion of Mr. Hervé Philippe and Mr. Stéphane Roussel's compensation (target 100%, capped at 150%) for fiscal year 2015.

After verifying the levels of achievement of the quantitative criteria (72%) and the qualitative criteria (53%), representing a total of 125%:

- the percentage of variable compensation of Mr. Hervé Philippe, for fiscal year 2015, was set at 125% of the amount of his fixed compensation. His variable compensation for 2015, to be paid in 2016, is €875,000 before taxes and social security contributions;

- the percentage of variable compensation of Mr. Stéphane Roussel, for fiscal year 2015, was set at 125% of the amount of his fixed compensation. His variable compensation for 2015, to be paid in 2016, is €885,417 before taxes and social security contributions;
- the percentage of variable compensation of Mr. Frédéric Crépin, for fiscal year 2015, was set at 125% of the amount of his fixed compensation. His variable compensation for 2015, to be paid in 2016 and prorated, is €114,584 before taxes and social security contributions; and
- the percentage of variable compensation of Mr. Simon Gillham, for fiscal year 2015, was set at 125% of the amount of his fixed compensation. His variable compensation for 2015, to be paid in 2016 and prorated, is €93,750 before taxes and social security contributions.

3.3.1.4. Summary of gross compensation paid (before taxes and social security contributions) and the value of stock options and performance shares granted to each member of the Management Board in fiscal year 2015 (AMF Recommendations, Table 1)

(in euros)	2014	2015
Arnaud de Puyfontaine (1) **Chairman of the Management Board**		
Gross compensation paid	950,973	2,204,366
Book value of stock options granted	na	na
Book value of performance shares granted (a)	1,713,000	1,188,600
Total	**2,663,973**	**3,392,966**
Hervé Philippe (2) **Member of the Management Board and Chief Financial Officer**		
Gross compensation paid	(3) 353,788	1,161,441
Book value of stock options granted	na	na
Book value of performance shares granted (a)	na	849,000
Total	**353,788**	**2,010,441**
Stéphane Roussel (2) **Member of the Management Board and Chief Operating Officer**		
Gross compensation paid	(3) 373,554	1,169,645
Book value of stock options granted	na	na
Book value of performance shares granted (a)	na	849,000
Total	**373,554**	**2,018,645**
Frédéric Crépin (4) **Member of the Management Board and Group General Counsel**		
Gross compensation paid	na	(3) 110,441
Book value of stock options granted	na	na
Book value of performance shares granted	na	na
Total		**110,441**
Simon Gillham (4) **Member of the Management Board, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi**		
Gross compensation paid (before taxes and social security contributions)	na	(3) 97,296
Book value of stock options granted	na	na
Book value of performance shares granted	na	na
Total		**97,296**

na: not applicable – no grant of stock options in 2014 and 2015.

(1) Member of the Management Board since January 1, 2014 and Chairman of the Management Board since June 24, 2014.

(2) Member of the Management Board since June 24, 2014 – data prorated.

(3) Amounts prorated.

(4) Member of the Management Board since November 10, 2015.

(a) The book value is calculated based on the adjusted number of stock options and performance shares. The applied value of the unit right is shown in the financial statements pursuant to IFRS standards (Note 22 to the Consolidated Financial Statements in Chapter 4 describes the valuation of securities settled through the issuance of shares). It is €17.13 for the performance shares granted in February 2014, and €16.98 for the performance shares granted in February 2015.

3.3.1.5. Summary table of compensation (before taxes and social security contributions) of members of the Management Board during fiscal years 2014 and 2015 (AMF Recommendations, Table 2)

	Fiscal year 2014		Fiscal year 2015	
(in euros)	Amounts paid	Amounts owed	Amounts paid	Amounts owed
Arnaud de Puyfontaine, Chairman of the Management Board (1)				
Fixed compensation	900,000	900,000	900,000	900,000
Variable compensation for 2014	-	1,282,500	1,282,500	-
Variable compensation for 2015	-	-	-	1,125,000
Other compensation	na	na	na	na
Director's fees	na	na	na	na
Benefits in kind (*)	50,973	50,973	21,866	21,866
Total	**950,973**	**2,233-,473**	**2,204,366**	**2,046,866**
Hervé Philippe, Member of the Management Board (2)				
Fixed compensation	(3) 350,000	(3) 350,000	700,000	700,000
Variable compensation for 2014	-	(3) 437,500	(3) 437,500	-
Variable compensation for 2015	-	-	-	875,000
Other compensation	na	na	na	na
Director's fees	na	na	na	na
Benefits in kind (**)	(3) 3,788	(3) 3,788	23,941	23,941
Total	**353,788**	**791,288**	**1,161,441**	**1,598,941**
Stéphane Roussel, Member of the Management Board (2)				
Fixed compensation	(3) 350,000	(3) 350,000	708,333	708,333
Variable compensation for 2014	-	(3) 437,500	(3) 437,500	-
Variable compensation for 2015	-	-	-	885,417
Other compensation	na	na	na	na
Director's fees	na	na	na	na
Benefits in kind (**)	23,554	23,554	23,812	23,812
Total	**373,554**	**811,054**	**1,169,645**	**1,617,562**
Frédéric Crépin, Member of the Management Board (4)				
Fixed compensation	na	na	(3) 91,667	(3) 91,667
Variable compensation for 2015	na	na	-	114,584
Other compensation	na	na	na	na
Director's fees	na	na	na	na
Benefits in kind (**)	na	na	18,774	18,774
Total			**110,441**	**225,025**
Simon Gillham, Member of the Management Board (4)				
Fixed compensation	na	na	(3) 75,000	(3) 75,000
Variable compensation for 2015	na	na	-	93,750
Other compensation	na	na	na	na
Director's fees	na	na	na	na
Benefits in kind (**)	na	na	22,296	22,296
Total			**97,296**	**191,046**

na: not applicable.

(1) Member of the Management Board since January 1, 2014 and Chairman of the Management Board since June 24, 2014.

(2) Member of the Management Board since June 24, 2014.

(3) Amounts prorated.

(4) Member of the Management Board since November 10, 2015.

(*) The amount of benefits in kind includes the use of a company car without driver, and profit sharing (*pro rata*), vacation pay for 2014 and provision of GSG coverage (job loss insurance for Executive Officers).

(**) The amount of benefits in kind includes the use of a company car without driver, and profit sharing.

3.3.1.6. Summary of Commitments Issued in Favor of the Chairman and Members of the Management Board (AMF Recommendations, Table 10)

	Employment Contract		Eligibility for supplemental retirement plan (1) (2)		Compensation or other benefits due or that may become due at the end of a term in office		Non-compete indemnity	
Corporate Directors	Yes	No	Yes	No	Yes	No	Yes	No
Arnaud de Puyfontaine Chairman of the Management Board Start of term: June 24, 2014		(3) X	X		(4) X			X
Hervé Philippe Member of the Management Board Start of term: June 24, 2014	X		X			X		X
Stéphane Roussel Member of the Management Board Start of term: June 24, 2014	X		X			X		X
Frédéric Crépin Member of the Management Board Start of term: November 10, 2015	X		X			X		X
Simon Gillham Member of the Management Board Start of term: November 10, 2015	X		X			X		X

(1) Subject to plan terms and conditions (see Section 3.3).

(2) The annual growth rate of pensions is subject to performance criteria (see Section 3.3).

(3) Mr. Arnaud de Puyfontaine waived the benefit of his employment contract at the time of his appointment as Chairman of the Management Board by the Supervisory Board on June 24, 2014.

(4) Commitment approved at the Shareholders' Meeting held on April 17, 2015.

3.3.1.7. Compensation elements owed or granted for fiscal year 2015 to members of the Management Board, subject to notice to the Combined General Shareholders' Meeting of April 21, 2016 (AFEP/MEDEF Code application guidelines)

Mr. Arnaud de Puyfontaine – Chairman of the Management Board

Compensation elements (fiscal year 2015)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation	€900,000	Gross fixed compensation approved by the Supervisory Board on June 24, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee. Unchanged in 2015.
2014 variable compensation paid in 2015	€1,282,500	At its meeting on February 27, 2015, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, approved for 2014 the elements of variable compensation of the Chairman of the Management Board, which totaled 142.5% of his fixed compensation (see Section 3.3.1.1).
2015 variable compensation paid in 2016	€1,125,000	At its meeting held on February 18, 2016, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of the Chairman of the Management Board in respect of 2015. It amounts to 125% of his fixed compensation (see Section 3.3).
Variable deferred compensation	na	The Chairman of the Management Board does not receive variable deferred compensation.
Multi-year variable compensation	na	The Chairman of the Management Board does not receive multi-year variable compensation.
Extraordinary compensation	na	The Chairman of the Management Board does not receive any extraordinary compensation.
Stock options	na	The company ceased awarding stock options in 2013.
Performance Shares	€1,188,600 (book value)	On February 27, 2015, upon the recommendation of the Human Resources Committee, the Supervisory Board granted 70,000 performance shares. The definitive grant of such performance shares is subject to the satisfaction of performance conditions over three consecutive years (2015-2017). In accordance with the plan regulations, they are based on three internal indicators (with a weighting of 80%): EBITA margin (40%), EBITA growth rate (10%), and earning per share (EPS) (30%), to be measured as of December 31, 2017 on the cumulative basis of fiscal years 2015, 2016 and 2017 and based on one external indicator (with a weighting of 20%): performance of Vivendi shares between January 1, 2015 and December 31, 2017 in comparison with two indices: the Stoxx® Europe 600 Media Index (15%) and the CAC 40 (5%).
Director's attendance fees	na	As for all corporate Directors at group headquarters, the Chairman of the Management Board receives no attendance fees.
Benefits in kind	€21,866	Company car without driver.

Deferred compensation elements owed or granted in 2015 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to related-party agreements and commitments	Amount	Description
Severance payment	None	Conditional commitment in the event of termination at the initiative of the company, subject to performance conditions (see Section 3.3.1.2).
Non-compete payment	None	The Chairman of the Management Board receives no payment of this kind.
Supplemental retirement plan	None	As is the case for a number of the Vivendi group's senior management, the Chairman of the Management Board is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting held on April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) capped at 60 times the social security maximum. Presence within the company required at time of retirement. Annuity growth rate in 2015, including a seniority-based increase within the group: 2.5%, subject to performance criteria. Amount of potential pension acquired in 2015: €54,563 (see Section 3.3).

na: not applicable.

Mr. Hervé Philippe – Member of the Management Board and Chief Financial Officer

Compensation elements (fiscal year 2015)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation	€700,000	Gross fixed compensation approved by the Supervisory Board on August 28, 2014, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee.
2014 variable compensation paid in 2015	€437,500	At its meeting held on February 27, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Hervé Philippe in respect of 2014, which totaled 125% of his fixed compensation (see Section 3.3.1.3).
2015 variable compensation payable in 2016	€875,000	At its meeting held on February 18, 2016, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Hervé Philippe in respect of 2015, which totaled 125% of his fixed compensation (see Section 3.3).
Variable deferred compensation	na	Mr. Hervé Philippe does not receive variable deferred compensation.
Multi-year variable compensation	na	Mr. Hervé Philippe does not receive multi-year variable compensation.
Extraordinary compensation	na	Mr. Hervé Philippe has not received any extraordinary compensation since his appointment as a member of the Management Board.
Stock options	na	The company ceased awarding stock options in 2013.
Performance Shares	€849,000 (book value)	Grant of 50,000 performance shares by the Supervisory Board on February 27, 2015 on the proposal of the Corporate Governance, Nominations and Remuneration Committee. The definitive grant of these performance shares is subject to the fulfillment of performance conditions over three consecutive fiscal years (2015-2017). These consist of plan fulfillment with regard to three internal indicators (80%): EBITDA margin (40%), EBITA growth rate (10%) and earnings per share (EPS) (30%), to be determined as of December 31, 2017 based on the cumulative fiscal years 2015, 2016 and 2017, and one external indicator (20%): Vivendi share performance between January 1, 2015 and December 31, 2017 compared with two indices: the Stoxx Europe Media 600 (15%) and the CAC 40 (5%).
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Hervé Philippe receives no attendance fees.
Benefits in kind	€23,941	Company car without driver and common profit-sharing (collective agreement in force at Vivendi).

Deferred compensation elements owed or granted in 2015 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to related-party agreements and commitments	Amount	Description
Severance payment	None	Hervé Philippe does not benefit from any commitment to receive a severance payment in respect of his corporate office. 18 months (fixed salary + target bonus) payable under his employment contract.
Non-compete payment	None	Mr. Hervé Philippe receives no payment of this kind.
Supplemental retirement plan	None	As is the case for a number of the Vivendi group's senior management, Mr. Hervé Philippe is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting of April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) capped at 60 times the social security maximum. Presence at the company at the time of retirement is necessary. Annuity growth rate in 2015, including a seniority-based increase within the group: 2.5% subject to performance criteria. Amount of potential income acquired in 2015: €39,375 (see Section 3.3).

na: not applicable.

Mr. Stéphane Roussel – Member of the Management Board and Senior Executive Vice President, Development and Organization

Compensation elements (fiscal year 2015)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation	€708,333	Gross fixed compensation approved by the Supervisory Board on August 28, 2014 upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, unchanged in 2015.
2014 variable compensation paid in 2015 (prorated)	€437,500	Upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board, at its meeting of February 27, 2015, set the variable elements of the compensation of Mr. Stéphane Roussel in respect of 2014, which totaled 125% of his fixed compensation (See Section 3.3.1.3).
2015 variable compensation owed in 2016	€885,417	At its meeting held on February 18, 2016, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Stéphane Roussel in respect of 2014, which totaled 125% of his fixed compensation (see Section 3.3).
Variable deferred compensation	na	Mr. Stéphane Roussel does not receive any variable deferred compensation.
Multi-year variable compensation	na	Mr. Stéphane Roussel does not receive any multi-year variable compensation.
Extraordinary compensation	na	Mr. Stéphane Roussel has not received any extraordinary compensation since his appointment as member of the Management Board.
Stock options	na	The company ceased awarding stock options in 2013.
Performance Shares	€849,000 (book value)	Grant of 50,000 performance shares by the Supervisory Board on February 27, 2015 at the proposal of the Corporate Governance, Nominations and Remuneration Committee. The definitive grant of these performance shares is subject to the fulfillment of performance conditions over three consecutive fiscal years (2015-2017). These consist of plan fulfillment with regard to three internal indicators (80%): EBITDA margin (40%), EBITA growth rate (10%) and earnings per share (EPS) (30%), to be determined as of December 31, 2017 based on the cumulative fiscal years 2015, 2016 and 2017; and an external indicator (20%): Vivendi share performance between January 1, 2015 and December 31, 2017 compared with two indices: the Stoxx Europe Media 600 (15%) and the CAC 40 (5%).
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Stéphane Roussel receives no attendance fees.
Benefits in kind	€23,812	Company car without driver and common profit-sharing (collective agreement in force at Vivendi).

Deferred compensation elements owed or granted in 2015 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to related-party agreements and commitments	Amount	Description
Severance payment	None	Mr. Stéphane Roussel does not benefit from any commitment to receive a severance payment in respect of his corporate office. 18 months (fixed salary + target bonus) payable under his employment contract.
Non-compete payment	None	Mr. Stéphane Roussel receives no payment of this kind.
Supplemental retirement plan	None	As is the case for a number of the Vivendi group's senior management, Mr. Stéphane Roussel is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting of April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) capped at 60 times the social security maximum. Presence at the company at the time of retirement is required. Annuity growth rate in 2015, including a seniority-based increase within the group: 1.25%, subject to performance criteria. Amount of potential income acquired in 2015: €20,313 (see Section 3.3).

na: not applicable.

Mr. Frédéric Crépin – Member of the Management Board since November 10, 2015 and Group General Counsel

Compensation elements (fiscal year 2015)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (prorated)	€91,667	Annual gross fixed compensation approved by the Supervisory Board on November 10, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, is set at €550,000.
2014 variable compensation paid in 2015	na	
2015 variable compensation owed in 2016 (prorated)	€114,584	At its meeting held on February 18, 2016, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Frédéric Crépin in respect of 2015, which totaled 125% of his fixed compensation) (see Section 3.3).
Variable deferred compensation	na	Mr. Frédéric Crépin does not receive any variable deferred compensation.
Multi-year variable compensation	na	Mr. Frédéric Crépin does not receive any multi-year variable compensation.
Extraordinary compensation	na	Mr. Frédéric Crépin has not received any extraordinary compensation since his appointment as a member of the Management Board.
Stock options	na	The company ceased awarding stock options in 2013.
Performance Shares	na	Mr. Frédéric Crépin has not been granted any performance shares since his appointment as a member of the Management Board.
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Frédéric Crépin received no attendance fees.
Benefits in kind	€18,774	Common profit sharing (collective agreement in force at Vivendi).

Deferred compensation elements owed or granted in 2015 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to related-party agreements and commitments	Amount	Description
Severance payment	None	Mr. Frédéric Crépin does not benefit from any commitment to receive a severance payment in respect of his corporate office. 18 months (fixed salary + target bonus) under his employment contract.
Non-compete payment	None	Mr. Frédéric Crépin receives no payment of this kind.
Supplemental retirement plan	None	As is the case for a number of the Vivendi group's senior management, Mr. Frédéric Crépin is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting of April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) capped at 60 times the social security maximum. Presence at the company at the time of retirement is required. Annuity growth rate in 2015, including a seniority-based increase within the group: 1.00%, subject to performance criteria. Amount of potential income acquired in 2015: €11,750 (see Section 3.3).

na: not applicable.

Mr. Simon Gillham – Member of the Management Board since November 10, 2015, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi

Compensation elements (fiscal year 2015)	Amounts or value (before taxes and social security contributions)	Description
Fixed compensation (prorated)	€75,000	Gross fixed compensation approved by the Supervisory Board on November 10, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, is set at €450,000.
2014 variable compensation paid in 2015	na	
2015 variable compensation payable in 2016 (prorated)	€93,750	At its meeting held on February 18, 2016, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the variable elements of the compensation of Mr. Simon Gillham in respect of 2015, which totaled 125% of his fixed compensation (see Section 3.3).
Variable deferred compensation	na	Mr. Simon Gillham does not receive variable deferred compensation.
Multi-year variable compensation	na	Mr. Simon Gillham does not receive multi-year variable compensation.
Extraordinary compensation	na	Mr. Simon Gillham has not received extraordinary compensation since his appointment as a member of the Management Board.
Stock options	na	The company ceased awarding stock options in 2013.
Performance Shares	na	Mr. Simon Gillham has not been granted any performance shares since his appointment as a member of the Management Board.
Director's attendance fees	na	As for all corporate Directors at group headquarters, Mr. Simon Gillham receives no attendance fees.
Benefits in kind	€22,296	Company car without driver and common profit-sharing (collective agreement in force at Vivendi).

Deferred compensation elements owed or granted in 2015 that were subject to prior approval of the General Shareholders' Meeting under the procedure applying to related-party agreements and commitments	Amount	Description
Severance payment	None	Mr. Simon Gillham does not benefit from any commitment to receive a severance payment in respect of his corporate office. 18 months (fixed salary + target bonus) under his employment contract.
Non-competition payment	None	Mr. Simon Gillham receives no payment of this kind.
Supplemental retirement plan	None	As is the case for a number of the Vivendi group's senior management, Mr. Simon Gillham is eligible for the defined-benefit supplemental retirement plan set up in December 2005, approved by the Combined General Shareholders' Meeting of April 20, 2006. Upper limit: 30% of reference salary (fixed + variable) capped at 60 times the social security maximum. Presence at the company at time of retirement is required. Annuity growth rate in 2014, including a seniority-based increase within the group: 1.25%. Presence necessary within the company at time of retirement. Annuity growth rate in 2015, including a seniority-based increase within the group: 1.25%, subject to performance criteria. Amount of potential pension acquired in 2015: €9,125 (see Section 3.3).

na: not applicable.

3.3.2. HIGHEST COMPENSATION PAID WITHIN THE GROUP

In fiscal year 2015, the compensation of the ten highest-paid Vivendi SA officers in France totaled €17.4 million, including benefits in kind. In 2015, the total compensation for the ten highest-paid officers in the group as a whole was €60,382 million, including benefits in kind.

Consistent with current rules of ethics in the Vivendi group, corporate Directors or executives have waived their receipt of attendance fees for meetings as Directors or as permanent representatives of company subsidiaries, as defined by Article L.233-16 of the French Commercial Code.

3.4. Performance Shares

In 2015, awards made under performance share plans consisted of 1,566 million shares, or 0.11% of the share capital. Performance shares granted to members of the Management Board, as of grant date, are presented in the table below. They represent 0,012% of share capital and 10.85% of the overall grant.

3.4.1. PERFORMANCE SHARES GRANTED TO MEMBERS OF THE MANAGEMENT BOARD IN 2015: PLAN 2015-02 – (1) OF FEBRUARY 27, 2015 (AMF RECOMMENDATIONS, TABLE 6)

	Number of rights to shares granted during the fiscal year	Value of rights under the method used for Consolidated Financial Statements (in euros) (a)	Vesting date of the rights	Date of availability of the shares	Performance conditions (c)
Arnaud de Puyfontaine	70,000	1,188,600	02/28/2018	03/02/2020	Yes
Hervé Philippe	50,000	849,000	02/28/2018	03/02/2020	Yes
Stéphane Roussel	50,000	849,000	02/28/2018	03/02/2020	Yes
Frédéric Crépin (b)	na	na	na	na	na
Simon Gillham (b)	na	na	na	na	na
TOTAL	**170,000**	**2,886,600**			

na: not applicable in 2015

(a) The retained value of the unit right, under IFRS standards, was €16.98 for the 2015 grant.
The definitive vesting of performance shares granted in 2015 will be reviewed in 2017, in accordance with the Plan Regulations, and these shares will not be available until 2020.

(b) Member of the Management Board since November 10, 2015.

(c) Assessed over three years.

3.4.2. HISTORY OF PERFORMANCE SHARES GRANTED (AMF RECOMMENDATIONS, TABLE 9)

	2015	2014 (adjusted)	2013 (adjusted)	2012 (adjusted)	2011 (adjusted)
Date of the Shareholders' Meeting approving the share grant	AGM of 06/24/2014	AGM of 04/21/2011	AGM of 04/21/2011	AGM of 04/21/2011	AGM of 04/24/2008
Date of the Supervisory Board meeting	02/27/2015	02/21/2014	02/22/2013	02/29/2012	02/28/2011
Grant date	02/27/2015	02/21/2014	02/22/2013	04/17/2012	04/13/2011
Maximum number of shares that may be granted pursuant to authorization by the Shareholders' Meeting	13,516,006	13,396,099	13,239,624	12,472,630	6,186,685
Maximum number of shares that may be granted during the year based on grants already made	4,460,282	4,420,712	4,369,075	4,115,968	4,514,175
Total number of shares granted	1,565,880	400,796	(a) 3,097,719	1,915,977	1,679,200
Number of rights canceled due to the departure of beneficiaries	55,020	0	102,378	35,289	31,890
Number of Shares Granted to Members of the Management Board					
Arnaud de Puyfontaine, Chairman	70,000	(b) 105,497	na	na	na
Hervé Philippe	50,000	0	na	na	na
Stéphane Roussel	50,000	0	na	na	na
Frédéric Crépin (1)	na	na	na	na	na
Simon Gillham (1)	na	na	na	na	na
Vesting date	02/28/2018	02/22/2016	02/23/2015	04/18/2014	04/15/2013
Date of availability	03/02/2020	02/23/2018	02/24/2017	04/19/2016	04/16/2015

na: not applicable.

(a) The definitive grant in 2015 amounts to 2,269,592 shares, given the percentage of achievement of the performance criteria linked to these plans (62% to 80% depending on the subsidiaries concerned, 76% for beneficiaries of Vivendi SA).

(b) Given the percentage of achievement of the performance criteria applicable to beneficiaries of Vivendi SA (75%), the definitive grant in 2016 amounts to 79,123 performance shares.

(1) Member of the Management Board since November 10, 2015.

3.4.3. PERFORMANCE SHARES THAT BECAME AVAILABLE IN 2015, FOR MEMBERS OF THE MANAGEMENT BOARD DURING THEIR TERM OF OFFICE (AMF RECOMMENDATIONS, TABLE 7)

Performance Shares that became available for each Management Board Member (plans of April 2011)	Plan number and date	Number of shares that became available	Conditions of Acquisition
Arnaud de Puyfontaine (a)	na	na	na
Hervé Philippe (b)	na	na	na
Stéphane Roussel (b)	04/2011 (2) 04/13/2011	11,575	yes
Frédéric Crépin (c)	na	na	na
Simon Gillham (c)	na	na	na

na: not applicable

(a) Member of the Management Board since January 1, 2014 and Chairman since June 24, 2014.

(b) Member of the Management Board since June 24, 2014.

(c) Member of the Management Board since November 10, 2015.

3.4.4. ASSESSMENT OF PERFORMANCE CRITERIA FOR FISCAL YEARS 2014 AND 2015 FOR DEFINITIVE GRANT IN 2016 OF THE 2014 PERFORMANCE SHARE PLANS

At its meeting held on February 18, 2016, the Supervisory Board, after review by the Corporate Governance, Nominations and Remuneration Committee, approved the level of satisfaction of objectives for the cumulative fiscal years 2014 and 2015 for the performance share plan granted to the Chairman of the Management Board on February 21, 2014. It confirmed that not all of the criteria that had been set were satisfied for fiscal year 2015. The definitive grant of the 2014 performance share plan represents 75% of the original grant, as adjusted. Consequently, 26,734 rights to performance shares granted in 2014 were canceled. The level of satisfaction of objectives for the cumulative fiscal years 2014 and 2015 is presented in the table below.

Cumulative objectives for fiscal years 2014 and 2015

Weight	Criteria	Threshold	Objective (100%)	Achieved	Success rate (%)
70%	**Group objectives**				
	Group EBITA margin (1)	8.7%	10.2%	10.3%	75
30%	**Average stock market performance for the 2013 and 2014 index (2)**	**Vivendi share performance**			
	Performance of the Stoxx® Europe Media index (2014 and 2015)	19.5%	27.9%	18.9%	0
TOTAL					**75**

(1) Adjusted for the impact of the classification of the assets sold or held for sale as of December 31, 2014 and 2015, and for some non-recurring items, in accordance with IFRS 5.

(2) Dividends reinvested.

3.4.5. CONDITIONS FOR ACQUIRING PERFORMANCE SHARES

Following the assessment of satisfaction of the performance criteria linked to the plans, performance shares vest at the end of a three-year period (since 2015), subject to presence of the beneficiaries in the company at the end of this period, and the shares must be held by the beneficiaries for an additional two-year period (retention period). Shares granted to US, British and Brazilian residents vest five years from the date on which the rights were granted.

In 2015, 348,439 shares were granted to beneficiaries following the vesting period (2011 plans for US, British and Brazilian, and 1,620,419 shares were granted to beneficiaries of the 2013 plans (other than US, British and Brazilian residents). In 2015, 91,742 rights were canceled following the departure of certain beneficiaries, and 828,127 rights under the 2013 plan were canceled due to the partial achievement of the performance criteria linked to these plan (see Section 3.4.3 of chapter 3 of the Annual Report for 2014).

3.4.6. LARGEST GRANTS OF PERFORMANCE SHARES AND EXERCISES OF STOCK OPTIONS IN 2015, EXCLUDING CORPORATE DIRECTORS (AMF RECOMMENDATIONS, TABLE 9)

The largest grants to beneficiaries other than corporate Directors totaled 496,220 performance shares, representing 31.60% of the total number of performance shares granted in 2015, and 0.036% of the share capital. The ten largest exercises of stock options, other than by corporate Directors, consisted of a total of 2,167,058 stock options at an average weighted price of €17.06.

3.4.7. GRANT OF STOCK OPTIONS TO MEMBERS OF THE MANAGEMENT BOARD

The company has not granted any stock options since 2013.

3.4.8. STOCK OPTIONS EXERCISED IN 2015 BY CORPORATE DIRECTORS (AMF RECOMMENDATIONS, TABLE 5)

In 2015, Mr. Stéphane Roussel exercised 87,327 stock options at a price of €18.95 (Plan 2005/04).

3.4.9. CONDITIONS FOR CORPORATE DIRECTORS TO HOLD SHARES RECEIVED FROM THE EXERCISE OF STOCK OPTIONS AND GRANTS OF PERFORMANCE SHARES

At its meeting held on March 6, 2007, pursuant to Articles L.225-185 and L.225-197-1 of the French Commercial Code, the Supervisory Board approved rules for members of the Management Board in relation to the holding of shares received from the exercise of stock options and performance shares granted since 2007.

Members of the Management Board must hold, until the end of their term of office, and in a registered account, a number of shares received from the exercise of stock options and the grant of performance shares since the implementation of the 2007 plan that is equal to at least 20% of the net capital gain recorded each year, if any, from exercise of the stock options or sale of the performance shares.

3.4.10. CONDITIONS SPECIFIC TO VIVENDI

At its meeting held on February 27, 2015, and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board decided to amend the rules on the obligation for Corporate Officers and senior executives of the group to hold shares of the company as follows:

Within a maximum of 5 years after they assume their positions:

- the Chairman and the members of the Management Board must retain a number of shares equal to one year of their fixed gross compensation and target bonus in a registered account until they leave their positions; and
- members of Management and the executives of each of the operational subsidiaries must retain a number of shares equal to six months of their fixed gross compensation and target bonus in a registered account until they leave their positions.

3.5. Trading in Company Securities

In compliance with the General Regulations of the AMF and the recommendations of the AFEP and MEDEF, purchase and sale transactions involving the company's securities are prohibited during the period from the date when a member of the Supervisory Board or Management Board becomes aware of precise market information concerning the company's day-to-day business or prospects which, if made public, would likely have a material impact on the company's share price, up to the date when this information is made public. In addition, pursuant to Vivendi's internal rules, such transactions are prohibited for a period of 30 calendar days up to and including the date of publication of the company's quarterly, semi-annual and annual financial statements. Vivendi prepares and distributes a summary schedule setting out the periods during which transactions involving the company's shares are prohibited ("blackout periods"). This schedule also makes clear that the periods indicated do not preclude the existence of other blackout periods that may apply, due to awareness of specific market information concerning developments in Vivendi's business or prospects which, if made public, would be likely to have a material impact on the company's share price.

At its meeting held on January 24, 2007, Vivendi's Management Board prohibited the use of all hedge transactions on stock options, shares resulting from the exercise of stock options, performance shares, and the company's securities in general, through the hedged purchase or sale of shares or the use of any other option mechanism. These prohibitions appear in the rules of the stock option and performance share plans, and beneficiaries of these plans are reminded of them in the individual grant letters. This prohibition also appears in the internal rules of the Supervisory Board and Management Board.

3.5.1. TRADING IN SECURITIES BY MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

Pursuant to Article 223-26 of the General Regulations of the AMF, the table below sets out transactions involving the company's securities in 2015 up to the date of registration of this Annual Report that were reported to the company and to the AMF:

	Purchases			Sales		
Name	Date	Quantity	Unit price (in euros)	Date	Quantity	Unit price (in euros)
Compagnie de Cornouaille (Groupe Bolloré)	02/17/2015	158,609	20.7980			
	03/02/2015	40,548,020	21.00			
	03/23/2015	9,273,413	22.5645			
	03/24/2015	8,348,698	22.9952			
	03/25/2015	8,000,000	23.0570			
	03/26/2015	2,049,275	22.6600			
	03/27/2015	3,000,000	22.6280			
	03/30/2015	5,500,000	23.0231			
	03/31/2015	10,000,000	23.0679			
	04/01/2015	6,100,000	23.3645			
	04/09/2015	34,000,000	23.9830			
Aliza Jabès	03/11/2015	910	21.7900			
Virginie Morgon	03/12/2015	1,000	21.9551			
Katie Stanton	03/10/2015	1,000	21.99			
Arnaud de Puyfontaine	03/04/2015	2,000	21.0386			
Hervé Philippe	03/03/2015	2,400	21.00			
Stéphane Roussel				03/05/2015*	87,327	21.5169
				07/09/2015	23,048	22.67
				07/09/2015	1,549	22.685

* Following the exercise of 87,327 stock options at a price of $18.95 per option (see Section 3.4.8).

3.6. Compliance Program

The purpose of the Compliance Program is to inform, train and raise the awareness of group employees in their activities, with a view to limiting exposure to liability risks.

The Compliance Program sets rules of conduct based on general principles of international law (including those established by the OECD, ILO and EU law) as well as prevailing legislation in various countries (principally France and common law countries) and European legislation.

The Compliance Program sets forth the general ethical rules applicable to all group entities. These rules are applied downstream, in each operational business unit in every country in which Vivendi is present, and are adapted to address the specific features of each subsidiary's business as well as those of national legislation. At its meeting held on March 16, 2004, the Board of Directors of Vivendi, upon recommendation of its Audit Committee, approved a Financial Code of Ethics. This Code has been maintained following the change in the company's organizational structure. The Code applies to the senior executives of Vivendi SA, particularly those responsible for communications and financial and accounting reporting (approximately 60 people).

The company's General Counsel, based at its headquarters, and the Compliance Officers of each business unit work to ensure overall consistency. An annual progress report is prepared and presented by Vivendi SA's legal department, in conjunction with the various operational divisions, to the Audit Committee, which then reports to the Supervisory Board and delivers the report to the Management Board.

3.6.1. REASONS FOR THE PROGRAM

The Compliance Program addresses the following main issues:

- the new national and international standards requiring companies to report on how they comply with their societal responsibilities; and
- the introduction of new extra-financial rating criteria aimed at assessing the policies that companies have set up to manage this responsibility.

3.6.2. OBJECTIVES

The Compliance Program has two major purposes:

- to raise the awareness of group employees and provide them with a clear and precise reference tool that guides them in determining appropriate courses of action; and
- to reduce the risks of civil and criminal liability by both the group's employees and its companies.

3.7. Financial Information and Communication Procedures Committee

Set up in 2002, this Committee is responsible for the regular assessment of the company's procedures for preparing and publishing financial data, and for reviewing the financial information published quarterly.

3.7.1. COMPOSITION

Committee members are nominated by the Chairman of the Management Board. At a minimum, the Committee is made up of the Vivendi executives holding the following positions:

- the group's General Counsel (Chairman of the Committee);
- the Chief Financial Officer;
- the Senior Executive Vice President, Communications of Vivendi;
- the Senior Vice President of Consolidation and Financial Reporting;
- the Senior Vice President of Financing and Treasury;
- the Senior Vice President of Senior Vice President, Audit & Risks; and
- the Executive Vice President of Investor Relations and Corporate Development.

Members of the Committee may appoint additional members, who are managers from the above-mentioned departments. The Committee is currently comprised of 15 regular attendees.

3.7.2. POWERS

The Committee assists the Chairman of the Management Board and the group's Chief Financial Officer in ensuring that Vivendi fulfills its disclosure requirements with respect to investors, the public and the regulatory and market authorities, specifically the *Autorité des marchés financiers* (AMF) and Euronext Paris, in France.

In pursuing its duties and objectives, the Committee ensures that Vivendi has established adequate controls and procedures so that:

- any financial information that must be disclosed to investors, the public or the regulatory authorities is reported within the deadlines set forth by applicable laws and regulations;
- all corporate communications are subject to appropriate verification in accordance with the procedures set up by the Committee;
- all information requiring disclosure to investors or appearing in the documents recorded or filed with any regulatory authority is communicated to the company's senior management, including the Chairman of the Management Board and the group's Chief Financial Officer, prior to disclosure so that decisions regarding such information can be made in a timely manner;
- assessments of Vivendi's procedures and those of its business units for controlling information as well as internal control procedures, are monitored under the supervision of the Chairman of the Management Board and the Group's Chief Financial Officer;
- the Chairman of the Management Board and the group's Chief Financial Officer are advised of any major procedural issues of which the Committee should be informed, and which are likely to affect Vivendi's procedures for controlling information and its internal control procedures. The Committee issues recommendations, where necessary, for changes to be made to these controls and procedures. The Committee monitors the implementation of changes approved by the Chairman of the Management Board and the group's Chief Financial Officer; and
- more generally, the Chairman of the Management Board and the group's Chief Financial Officer are assured that they will receive any information they might request.

3.7.3. ACTIVITY IN 2015

The Committee meets at the request of the Chairman of the Management Board, the Chief Financial Officer, the Chairman of the Committee or of one of its members. Meetings are held prior to each meeting of the Audit Committee, and are coordinated with the schedule for disclosing financial information on the group's results. In 2015, the Committee met five times. Its proceedings primarily consisted of:

- examining the annual and semi-annual account certification letters signed by the Chairman and Chief Financial Officer of each of the group's business units;
- reviewing the financial information published in the annual, semi-annual and quarterly Financial Reports and information published in the Annual Report – Reference Document; and
- reviewing the business report and the environmental, corporate, and societal data report.

The Committee reports on its work to the Chairman of the Management Board and informs the Audit Committee, as necessary.

3.8. Management Committees

Every month throughout the year, as part of a rigorous process instituted through review of the monthly closures, all of the group's operating entities make a presentation to the General Management team of their respective business. Such presentations consist of the results of the month, analysis of their operational and strategic positioning, their financial targets established in the budget and monitoring of their implementation, their action plans, and other matters of significant interest.

3.9. General Management

3.9.1. COMPOSITION

Next to Mr. Vincent Bolloré, the Chairman of the Supervisory Board, the General Management is made up of the following members:

- Arnaud de Puyfontaine, Chairman of the Management Board;
- Hervé Philippe, Member of the Management Board and Chief Financial Officer;
- Stéphane Roussel, Member of the Management Board and Chief Operating Officer;
- Frédéric Crépin, Member of the Management Board and Group General Counsel;
- Simon Gillham, Member of the Management Board, Chairman of Vivendi Village and Senior Executive Vice President of Communications of Vivendi.

From left to right :
Simon Gillham, Vincent Bolloré, Frédéric Crépin, Arnaud de Puyfontaine, Stéphane Roussel, Hervé Philippe

3.10. Management Committee

Within General Management, a Management Committee consisting of 15 members, six of whom are women (40% of the Management Committee), meets every month. Its members, each in his or her area of competence, assist General Management in implementing strategic activities and contribute to the action plans initiated at headquarters and in the principal operating units.

Its members are:

- Bernard Bacci, Senior Vice President, Head of Taxes;
- Corinne Bach, Vice President, Innovation Projects;
- François Bisiaux, Vice President, Securities and Corporate Law;
- Florent de Cournuaud, Vice President, Management and Business Plan Control;
- Laurence Daniel, Senior Vice President, Business Development;
- Stéphanie Ferrier, Vice President, Facilities;
- Audrey Jannin, Vice President, Business Development;
- Laurent Mairot, Executive Vice President, Investor Relations & Corporate Development;
- Caroline Le Masne, Vice President, Securities and Corporate Law, Mergers and Acquisitions;
- Laetitia Ménasé, Vice President, Securities and Corporate Law, Mergers and Acquisitions;
- Mathieu Peyceré, Executive Vice President, Group Human Resources;
- Marc Reichert, Group Financing & Treasury Director;
- Pierre Le Rouzic, Senior Vice President - Group Consolidation and Financial Reporting;
- Bruno Thibaudeau, Vice President, Business Innovation; and
- Vincent Vallejo, Senior Vice President, Audit & Special Projects.

SECTION 4

REPORT BY THE CHAIRMAN OF VIVENDI'S SUPERVISORY BOARD ON CORPORATE GOVERNANCE, INTERNAL AUDITS AND RISK MANAGEMENT – FISCAL YEAR 2015

This report will be presented at Vivendi's General Meeting of Shareholders to be held on April 21, 2016, pursuant to Article L.225-68 of the French Commercial Code. It was prepared with the assistance of General Management, the General Counsel and the Internal Audit and Risks department. It was presented to the Audit Committee prior to its approval by the Supervisory Board on February 18, 2016, in accordance with the recommendations of the AFEP and MEDEF Corporate Governance Code for publicly traded companies (hereinafter the AFEP/MEDEF Code).

Since 2005, Vivendi has been operating as a French corporation (*société anonyme*) with a two-tier Board consisting of a Management Board and a Supervisory Board to provide separate management and control functions.

Every month throughout the year, as part of a rigorous process instituted through review of the monthly closures, all of the group's operational entities make a presentation to the general management team of their respective businesses. Such presentations consist of the results of the month, analysis of their operational and strategic positioning, their financial targets, established in the budget and monitoring of their implementation, their action plans, and other matters of significant interest.

4.1. Corporate Governance

4.1.1. CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE WORK OF THE SUPERVISORY BOARD

In 2015, the Supervisory Board met five times. The attendance rate at meetings of the Supervisory Board was 97.2%. In 2015, the Management Board met 18 times. The attendance rate at meetings of the Management Board was 100%.

The composition as well as the conditions governing the preparation and organization of the work of the Supervisory Board and its committees are detailed in Sections 3.1.1.2, and 3.1.1.9 to 3.1.1.13 of Chapter 3 of this Annual Report.

4.1.2. 2015 ASSESSMENT OF GOVERNANCE BY SPECIAL AGENCIES

The group renewed its inclusion in the major SRI (Socially Responsible Investment) indices: the Global FTSE4Good and the FTSE4Good Europe (FTSE), the Ethibel Excellence investment registry (Ethibel), the Thomson Reuters CRI Europe ESG Index (Thomson Reuters), the Euronext Vigeo Eurozone 120 and Europe 120 indices and several indices established by Stoxx.

Vivendi was also ranked second among European companies in the media sector by the extra-financial rating agency Vigeo (January 2015). In 2013, Vivendi was positioned third in the latest ranking of CAC 40 companies in relation to taking into account the "Children's Rights and Business Principles," established in 2012 by UNICEF, the United Nations Global Compact and Save the Children NGO.

4.1.3. SETTING OF DEFERRED COMPENSATION AND BENEFITS GRANTED TO MEMBERS OF THE MANAGEMENT BOARD AND ITS CHAIRMAN

The Supervisory Board complies with all AFEP and MEDEF recommendations regarding the compensation of Directors and Corporate Officers of listed companies.

Compensation of members of the Management Board and of the company's senior executives is set by the Supervisory Board based on information provided by the Corporate Governance, Nominations and Remuneration Committee. The Corporate Governance, Nominations and Remuneration Committee uses comparative studies prepared by external and independent advisers covering a range of French, European and international companies operating in business sectors similar or identical to those of Vivendi and its subsidiaries. The compensation of Management Board members consists of both fixed and variable components and is subject to the satisfaction of performance conditions.

Since 2010, Vivendi's Supervisory Board has used corporate social responsibility (CSR) criteria to assess the compensation of the group's senior executives. Criteria that are relevant, measurable and verifiable have been set for each business unit based on their respective expertise and positioning. Accordingly, the calculation of bonuses for the relevant executives requires an assessment of their personal contribution to the group's CSR strategic issues, such as protecting and empowering young people in their media and cultural practices, promoting cultural diversity or protecting personal data.

For a full list of all principles and rules established by the Supervisory Board concerning deferred compensation and benefits of members of the Management Board and its Chairman, see Sections 3.3 and 3.4 of Chapter 3 of this Annual Report.

For a description of the performance criteria which determine increases in income under the Supplemental Defined-Benefit Retirement Plan or whether performance shares will vest, see Sections 3.3 and 3.4.4 of Chapter 3 of this Annual Report.

4.1.4. CONDITIONS FOR THE HOLDING OF VIVENDI SHARES BY MANAGEMENT BOARD MEMBERS AND CORPORATE OFFICERS

These conditions are detailed in Sections 3.4.9 and 3.4.10 of Chapter 3 of this Annual Report.

4.1.5. TERMS AND CONDITIONS GOVERNING SHAREHOLDER ATTENDANCE AT GENERAL MEETINGS

For a description of the terms and conditions governing shareholders' attendance at General Meetings, see Section 2.1.4 of Chapter 3 of this Annual Report.

4.2. Vivendi's Equal Opportunities Policy

At its meeting held on November 10, 2015, the Supervisory Board discussed gender equality within the group, following a review of the Corporate Governance, Nominations and Remuneration Committee's report on this issue.

In 2015, 48% of employees in the group were women (compared to 35% in 2014). The percentage of women in management positions of the company was 42%, slightly above their overall employment rate.

In October 2015, Vivendi participated in a study on the ratio of male to female Corporate Officers that was carried out among companies of the SBF 120 by *Ethics & Board*, an international observer of corporate governance of publicly traded companies. This study was performed under the sponsorship of the Ministry of Women's Rights in France (*Ministère des Droits des Femmes*). Vivendi was ranked 69th, compared with 78th in 2014.

At the Supervisory Board meeting held on December 14, 2011, the Supervisory Board approved the implementation of a two-fold initiative to improve gender equality within the group: mentoring and networking. A status report was prepared and presented to the Supervisory Board at its meetings held on December 13, 2012, December 11, 2013, November 14, 2014, and November 10, 2015.

Launched in 2012, the "Andiamo" network continued its activities in 2015, with meetings in dedicated sessions and personal development workshops. These activities gave women in the network the opportunity to discover inspiring role models and to learn from and share experiences with researchers, coaches and consultants in relation to issues relating to leadership positions. The network has approximately 32 members, composed entirely of women at the same seniority level.

4.3. Internal Control Procedures

Vivendi strives to maintain the highest standards of internal control and financial disclosure. In furtherance of this objective, the Financial Information and Communication Procedures Committee meets regularly (five times in 2015).

This Committee assists the Chairman of the Management Board and the Chief Financial Officer to ensure that Vivendi fully complies with its disclosure obligations to investors, the public and the French regulatory and market authorities. It is chaired by the General Counsel and is comprised of representatives of all the company's corporate operational departments.

This Committee is responsible for the assessment of information which Vivendi is required to make publicly available and which includes: (i) periodic information, including disclosure of documents to investors and financial markets in compliance with French financial market regulations, (ii) press releases related to quarterly financial results and (iii) presentations by investors and analysts.

For a description of the functions and activities of this Committee in 2015, see Section 3.7 of Chapter 3 of this Annual Report.

4.3.1. DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The company manages internal control through a set of procedures established by Vivendi's Management Board and implemented by its employees to ensure that the following objectives are met:

- compliance with laws and regulations as well as adherence to the group's corporate values;
- the implementation of guidelines and strategies established by the Management Board;
- the prevention and monitoring of operational and financial risks as well as the management of the risk of error, the risk of fraud, the risk to the company's reputation, or risks associated with corporate social responsibility;
- the optimization of internal processes to ensure effectiveness of operations and efficient use of resources; and
- completeness and accuracy of accounting, financial and management information.

To achieve each of these objectives, Vivendi has defined and implemented general principles of internal control based to a large degree on the framework established by the report of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) published in 1992 and updated in 2013, as well as the reference framework of internal monitoring processes and the recommendations of the French *Autorité des marchés financiers* (AMF).

These principles are based upon:

- a policy that contributes to promoting a culture of internal control and principles of integrity;
- identification and analysis of risk factors that may adversely impact achievement of the group's objectives;
- the organization and establishment of procedures aimed at ensuring the implementation of the goals set by the Management Board;
- periodic review of control measures and an ongoing search for areas of improvement; and
- the process of channeling information relating to internal control.

However, as with any system of control, the application of these principles cannot provide absolute certainty that all risks will be completely eliminated or controlled.

4.3.2. SCOPE OF INTERNAL CONTROL

Vivendi is currently organized into four business units (Canal+ Group, Universal Music Group, Vivendi Village **(1)** and Dailymotion). Each of these entities must implement the strategies set by the Management Board, including objectives in the area of internal control. As from the third quarter of 2014, GVT was classified as a business held for sale pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. The sale of GVT was completed on May 28, 2015. Each entity has a tailored set of internal control measures that includes both the implementation of the group's procedures and the definition and implementation of procedures specific to each business unit, depending on its organization, culture, risk factors and operational requirements. Vivendi, as the parent company, ensures that such internal control measures exist and adequately address the needs of each entity, particularly with respect to the accounting and financial procedures applied by group entities that are fully consolidated.

4.3.3. INTERNAL CONTROL COMPONENTS

Control Environment

Rules of Conduct and Ethics Applicable to All Employees

Vivendi ensures that all aspects of corporate responsibility are taken into account. Vivendi has therefore established a charter of the group's values that includes a focus on consumers, creativity, ethics, cultural diversity and corporate and social responsibility. Vivendi is a signatory to the United Nations Global Compact.

A Compliance Program also sets general rules of ethics applicable to all group employees regardless of their seniority and position. These rules, available on the Vivendi website at www.vivendi.com, cover the following areas: employees' rights, honesty and protection of information and personal data, prevention of conflicts of interest, commercial and financial ethics, protection of the group's assets and resources, respect for the environment and corporate social responsibility.

The Compliance Program has three major purposes:

- to raise awareness among the group's employees and provide them with a reference tool and guidance for determining appropriate courses of action;
- to minimize to the greatest extent the risk of civil and criminal liability for both the group's employees and companies; and
- the in-depth discussion of a cross-disciplinary theme each year. For this purpose, over the past five years, the following topics have been addressed: conflicts of interest, protection of personal data, preservation of tangible and intangible data, anti-corruption measures, and the proper use of digital media within social networks. The 2015 report is concerned with employee information and awareness initiatives within the Compliance Program, particularly in the Vivendi group's new businesses.

The Compliance Program establishes rules of conduct based on general principles of international law, including those established by the OECD, ILO and European Union law, as well as legislation in Europe and various countries, principally those of France and countries with legal systems based on common law. Following this approach, each operational business unit has also established its own Code of Ethics.

The group's General Counsel and the Compliance Officers of the principal business units work to ensure the overall consistency of the program. An annual Activity Report is presented to the Audit Committee, which then reports to the Supervisory Board.

The protection of personal data remains a major concern for Vivendi. Accordingly, the general counsels of the various business and legal departments within the group have been made aware of the updated charters on data and content protection and of the Good Practices Guidelines on matters of sensitive data protection. Inspections and audits are conducted on a regular basis to ensure that the safeguard procedures have been properly applied.

Responsibilities and Commitments of each Business Unit's General Management

Every six months, the Chairman and Chief Financial Officer of each business unit signs a representation letter certifying compliance with internal control procedures in connection with the preparation of financial statements and financial and industry-based information items, to ensure the accuracy, integrity and reliability of financial disclosure.

Upon the proposal of the Audit Committee, Vivendi established a Code of Financial Ethics. It applies to the senior executives of Vivendi SA responsible for communications and financial and accounting reporting.

Rules on Market Ethics

Vivendi complies with the General Regulations of the AMF as well as with the recommendations of the AFEP and MEDEF. Consequently, the purchase or sale of company securities is prohibited during the period from the date on which a member of the Supervisory Board or the Management Board becomes aware of precise market information concerning the company's day-to-day business or prospects which, if made public, would likely have a material impact on the company's share price, up to the date on which this information is made public. In addition, such transactions are prohibited for 30 calendar days preceding and including the day of publication of the company's quarterly, half-yearly

(1) Vivendi Village includes Vivendi Ticketing, MyBestPro, Watchever, Radionomy and L'Olympia.

and annual financial statements. The company prepares and distributes a summary schedule setting out the periods during which transactions involving Company shares are prohibited ("blackout periods"). Pursuant to the AFEP/MEDEF Code, hedging transactions of any kind on the company's securities following the exercise of stock options are prohibited.

Blackout periods are the subject of individual reminders sent via e-mail whenever necessary including before each identified Financial Reporting period.

Delegation of Powers

The delegation of operational powers, whether on a single occasion or on a recurring basis, is one of the responsibilities of the General Management of Vivendi and of the General Management of each of its business units. These delegations of powers are updated and formalized on a regular basis in accordance with the evolving role and responsibilities of the relevant delegates.

4.4. Risk Monitoring and Management

Vivendi's Management Board is responsible for identifying and reviewing measures to manage risks within business units that are likely to affect achievement of the group's objectives.

At the group level, risks are assessed based on a qualitative and quantitative approach in reference to each business unit. In 2015, the Audit and Risk department updated the risk mapping for Canal+ Group and Universal Music Group, based on interviews held with senior and operating managers. These mappings were then reviewed by the business unit managers, the Vivendi Management Board and the Statutory Auditors and presented to the Vivendi Audit Committee on December 10, 2015.

The principal risks faced by the company are described in Chapter 1, Risk Factors of this Annual Report and in Chapter 4, Note 19 to the Consolidated Financial Statements relating to market risk management and derivative instruments.

Vivendi's General Counsel and legal department are responsible for the prevention and management of risks relating to ethics, competition and conflicts of interest. The management of financial risks, including liquidity, interest and exchange rates, is carried out by Vivendi's Finance, Risk Management and Treasury departments through a centralized organization at the company's headquarters.

Operational risks are managed by the business units, taking into account specific aspects of their operations (e.g. regulatory risks in the pay-TV businesses, risks associated with infringement of intellectual property rights in the music business and risks associated with piracy and counterfeiting in the film and music businesses).

The policy of covering insurable risks, such as (risk of damage and operating losses from accidents or natural disasters, civil liability risks) is monitored by Vivendi's Risk Management department in collaboration with the Finance department and the General Counsel. For a description of the current insurance programs, see Chapter 1 of this Annual Report.

4.4.1. INTERNAL CONTROL OPERATIONS

Control operations are primarily performed by the functional and operational management teams in accordance with existing reference procedures.

The following bodies ensure the monitoring of internal control measures:

Audit Committee

The Audit Committee is comprised of independent members of the Supervisory Board. Pursuant to the powers conferred upon it, the Audit Committee prepares decisions of the Supervisory Board and provides recommendations or issues opinions to the Supervisory Board on a wide range of matters. In December 2015, the Audit Committee established a multi-year program, reviewed and reinforced by its members. This program specifically covers:

- a review of the quarterly Consolidated Financial Statements and annual financial statements of Vivendi SA, prepared by the Management Board;
- a review of impairment tests;
- monitoring of the company's financial management (debt, investments, foreign exchange) and pension commitments;
- a review of the assessment and coverage of operational and financial risks;
- changes in accounting standards, methods and accounting principles, the company's scope of consolidation and the company's off-balance sheet commitments;
- the consistency and effectiveness of internal control measures and a review of this report;
- a review of tax-related risks;
- a review of major legal proceedings including legal and regulatory issues;
- a review of the insurance program;
- a review of the CSR policy;
- a review of material internal control weaknesses and, if applicable, a review of corruption and fraud cases;
- a review of the Annual Report on the Compliance Program, the proposal of any measure likely to improve its effectiveness and, if applicable, the formulation of an opinion on this review; and
- appointment and compensation of the Statutory Auditors. A report is systematically presented by the Chairman of the Audit Committee to the Vivendi Supervisory Board and sent to every member of the Audit Committee and Supervisory Board.

In 2015, Vivendi's Audit Committee met five times with an attendance rate of 93.32%. For a description of its work, see Section 3.1.1.13 of Chapter 3 of this Annual Report.

Audit and Risk Department

The internal audit department of the Canal+ Group has been added to Vivendi's Audit and Risk department in order to create a group internal audit team (made up of 13 auditors for financial audits and external auditors for IT audits). This new organization makes it possible for the resources of the group's internal audit to be reinforced and pooled, in particular through joint planning. It reports to the Chief Financial Officer of the Vivendi group and is responsible for independently assessing the quality of internal controls at every level of the organization. The operations of the Internal Audit department are governed by a Charter approved by the Audit Committee.

The Risk department is responsible for performing an independent assessment of the effectiveness of internal control processes, based on an annual audit plan approved by the group's Management Board and presented to the Audit Committee. This plan stems from both an independent analysis of the operational, IT, legal and financial risks of each business unit and consultation with the general management of each business unit. Reports on the audit work carried out are sent to Vivendi's General Management, as well as to operational and functional management and their superiors. Summary reports are presented at each Audit Committee meeting along with any comments made by the group's Statutory Auditors. Follow-up audits are generally performed within 12 months to ensure that recommended action plans and agreed corrective measures (if any) have been implemented. A status report on the implementation of the recommendations following an audit is presented to the Audit Committee. A semi-annual internal audit report is presented to the Management Board and the Supervisory Board.

The group may encounter cases of fraud in connection with its operations, which – as soon as they are identified – are systematically reported to the Audit Committee and may be the subject of special investigations and, where applicable, may result in the imposition of penalties.

4.4.2. INTERNAL CONTROL MONITORING

The work performed by the Statutory Auditors in relation to the review and assessment of internal control is contained in a detailed presentation to the general management and the Audit Committees of the business units concerned. A summary of their conclusions was presented to Vivendi's Audit Committee.

4.5. Key Procedures for Financial and Accounting Information

The procedures listed below help reinforce internal controls over the treatment of financial and accounting information disclosed by Vivendi. Provisions of the guide on applying internal control procedures in relation to financial disclosures, contained in the internal control standards published by the AMF, were taken into account when updating these procedures.

Consolidation and Financial Reporting: the group's Consolidated Financial Statements and its Financial Reports are prepared in accordance with IFRS accounting standards (International Financial Reporting Standards), based on accounting data prepared by the management for each business unit. The IFRS standards used are those adopted by the European Union, published by the IASB (International Accounting Standards Board) and are compulsory, except in the event of early application. The principal aspects linked to the preparation of the Consolidated Financial Statements and the Financial Report are subject to specific procedures. These include, in particular, an impairment test on assets held by the company, carried out during the 4th quarter of each fiscal year, an assessment of liquidity risk, valuation of employee benefits, duties and taxes (see below) and off-balance sheet commitments. The Consolidated Financial Statements and the Financial Report are closed and approved by the Management Board quarterly and are then reviewed by the Audit Committee. The annual and half yearly Consolidated Financial Statements and Financial Report are reviewed by the Supervisory Board, which relies on advice from the Audit Committee. The group's financial statements and Financial Report are published quarterly. The Consolidated Financial Statements are subject to an annual audit and a limited semi-annual review by the group's Board of Statutory Auditors.

Budget and management control: every year, each business unit presents its strategy and annual budget for the following year to the group's Senior Management. After approval by Vivendi's Management Board, a summary is then presented to the Supervisory Board and to the Audit Committee. Quantitative and qualitative targets used as a basis to assess annual performance are then set for each business unit's management. Budgets are reviewed each month and updated three times per year.

Investments/divestments: any investments or divestments exceeding €15 million must receive prior approval from the Management Committee chaired by the Chairman of the Management Board. This procedure applies to all transactions, including the acquisition of equity interests and the launch of new businesses, whatever the amount, and to any other financial commitment, including, among others, the purchase of rights and property contracts, that were not provided for in the annual budget. The Management Committee meets as often as necessary. The analysis of documents and preparation of reports is done by the Development and Organization department at the company. Any transaction involving amounts greater than €100 million and €300 million must receive the prior approval of the Management Board and the Supervisory Board, respectively, pursuant to their Internal Regulations.

Monitoring of investment transactions: in connection with the regular follow-up of value creation, Vivendi's Management Board has strengthened the process of post-completion analysis of investment transactions, supplementing the existing budgetary reviews and quarterly Financial Reporting. The purpose of this analysis is to validate the implementation of controls as well as actual financial performance pursuant to the business plan approved for the acquisition. It takes into account both the progressive integration of companies acquired by the business units and the impact of changing market conditions following the acquisition date. Vivendi's Internal Audit department reviews the conclusions, which are then presented to Vivendi's Senior Management and, if there are any major issues, to the Management Board. An annual summary is presented to Vivendi's Audit Committee.

Monitoring of financial commitments: as part of the Financial Reporting process, the business units prepare a list of commitments given and received on a quarterly basis. These commitments are presented by the legal and finance officers of the business units at meetings held with Vivendi's Management, which take place as part of the closing process for the annual financial statements. They are also presented to the Audit Committee once a year.

Sureties, endorsements and guarantees: pursuant to the company's by-laws and the Internal Regulations of the Supervisory Board, the granting of sureties, endorsements and guarantees by Vivendi to its subsidiaries is subject to prior approval in accordance with the following dual limitation:

- any commitment for less than €100 million, which is part of an aggregate commitment for €1 billion is subject to the approval of the Management Board, which may delegate such power. The approval requires the signatures of both the Chief Financial Officer and the General Counsel, who may delegate this power; and
- any commitment over €100 million and any commitment, regardless of the amount, where the cumulative amount of commitments is over €1 billion is subject to the approval of the Supervisory Board. The approval requires the signature of the Chairman of the Management Board.

Cash flow, financing and liquidity: Vivendi SA has an international cash pooling arrangement which enables it to centralize cash surpluses and cover cash shortages of its controlled subsidiaries on a daily or weekly basis. Vivendi's investment management policy is aimed at minimizing and diversifying its exposure to counterparty risk with low-risk mutual funds (fonds commun de placements) and commercial banks that have high credit ratings. Vivendi SA also centralizes hedge transactions (foreign currency and exchange rates) for all its controlled subsidiaries. The liquidity position at the business unit level, as well as exposure to foreign exchange and interest rate risks, are monitored on a bi-monthly basis by a Treasury Committee. The majority of medium and long-term financing transactions occur at the head office and such operations are subject to the prior approval of the Management Board and Supervisory Board, in accordance with their Internal Regulations. A financial management presentation is made to the Audit Committee at least once a year. Monthly reporting on the net financial cash position, intended for the Chairman of the Supervisory Board and for the Management Board, is supplemented by regular budget forecasting of cash flow for the year. As part of the quarterly procedure for approving the Vivendi group's consolidated accounts, the Financing and Treasury department reviews and approves all the notes to the Consolidated Financial Statements relating to cash, debt and financial risks.

Duties and taxes: Vivendi SA's Tax department also provides advice to the group's subsidiaries and is responsible for tax audit defense before local tax authorities, with the exception of the companies within the GVT business unit, for which it only carried out the review and audit of duties and taxes as part of the preparation of the Vivendi group's Consolidated Financial Statements, before these companies left the group.

Litigation: major disputes are monitored directly or coordinated by the group's General Counsel. A report relating to litigation involving Vivendi and its business units is prepared by the group's legal department in collaboration with the general counsels and heads of the legal departments of the main business units. A summary litigation report is provided to the Management Board on a monthly basis. A table of current litigation and disputes is updated for each quarterly closing date based on information provided by each business unit; a summary of this table is included in the Management Board's quarterly business report to the Supervisory Board. The Audit Committee, Supervisory Board and Management Board are kept informed of material ongoing litigation matters by the General Counsel at all times.

4.6. Information and Communication

The group's values, Compliance Program, Data and Content Protection Charter and CSR policy are made available to employees and to the public on the Vivendi website at www.vivendi.com.

Group procedures designed to assist with the preparation of financial and accounting information are updated once a year and are available in French and English on the group's Intranet site. These procedures, which must be applied by each of the business units and headquarters, include: the IFRS accounting principles and the chart of accounts for the Vivendi group; the principles and procedures applicable to treasury transactions (banking relationships, foreign exchange, finance / investment); the procedures applicable to investment transactions; sales of assets; short-term and long-term financing transactions; the monitoring of disputes; the monitoring of sureties; endorsements and guarantees; and the rules relating to the prior approval of assignments given to the Statutory Auditors of Vivendi SA.

Training materials relating to the application of IFRS standards within the group are available online and are accessible to all employees. Training is organized each year by the Corporate Consolidation and Financial Reporting department.

4.7. Corporate Social Responsibility (CSR)

4.7.1. CSR, A SOURCE OF VALUE CREATION FOR VIVENDI AND ITS STAKEHOLDERS

Innovative Positioning

Vivendi, as a key player in the media sector, distinguishes itself with its approach and contribution to sustainable development. Through its businesses, the group enables present and future generations to:

- satisfy their need to communicate;
- develop their talent;
- feed their curiosity; and
- encourage intercultural living together and dialog.

As a publisher and distributor of content, the group exerts a human, intellectual and cultural influence on society. By setting the standard in the area of responsibility of companies in the media and culture industry, as early as 2003, Vivendi has defined the CSR issues that were directly related to the core focus of its activities and related them to human rights (see Chapter 1, Section 1.5.4 of this Annual Report).

Accordingly, Vivendi has based its social responsibility on four "core" strategic issues directly linked to the group's operations:

- promoting cultural diversity in content production and distribution while fostering the artistic creative process;
- empowering and protecting young people in their use of digital media;
- fostering knowledge sharing, which includes pluralism of content, access to media and awareness raising of sustainable development issues; and
- valuating and protecting personal data, in order to profit from the strong potential of utilizing digital technology while respecting the privacy of the group's customers.

Vivendi's Eight Priority CSR Issues

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

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

Vivendi makes its commitment clearly visible to all its stakeholders: clients, employees, shareholders, suppliers, public authorities, artists, and civil society. These eight priority issues are described in detail in the CSR section of Vivendi's website at www.vivendi.com. This section also includes all of Vivendi's extra-financial indicators for fiscal year 2015 as well as the cross-reference table for the various reporting guidelines, including the Global Reporting Initiative (GRI) and its Media Sector Supplement (MSS), the French Grenelle II law, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, and the UN Guiding Principles on Business and Human Rights.

Creating Shared Value

Societal priorities are at the forefront of Vivendi's concerns and commitments. This position is welcomed by all partners with whom the group maintains a regular and constructive dialogue.

The high rating of Vivendi's CSR policy gives investors comfort in their investment choices. Vivendi's commitments to favoring the diversity of musical and cinematographic expression, pluralism and content quality, intercultural dialog, access to media, and the empowering of young people, are what allow the group to gain market share. These trends and developments demonstrate that economic performance and corporate social responsibility are interconnected.

An Integrated Reporting Approach

Driven since 2003 by the determination to combine CSR and the creation of value with the choice of its strategic challenges and positioning, Vivendi has pursued this dynamic by engaging the various functional management teams of the headquarters and subsidiaries.

The decision to experiment, in part, with the reference framework issued by the IIRC (International Integrated Reporting Council) is consistent with Vivendi's ongoing determination to integrate its corporate social responsibility (analysis of risks and opportunities, dialog with stakeholders, monitoring of change) into a global outlook on performance.

The launch of the integrated reporting pilot project in 2013, devoted to cultural capital, made it possible to involve the Finance Directors (headquarters and subsidiaries) more directly in this reflection process. This pilot project showed that the production of rich, culturally diverse musical, cinematographic and audiovisual content satisfies general interest (societal value) and gives the group a competitive advantage over its competitors (financial value).

Expanded internationally in 2014 and included in an integrated analysis of the strategy, this pilot project gave rise in 2015 to a more in-depth analysis of Vivendi's contribution to the promotion of human rights in its business sectors and to the group's creation of value, benefitting its various stakeholders (see Chapter 1, Section 1.5. of this Annual Report).

4.7.2. INTEGRATION OF CSR INTO VIVENDI'S GOVERNANCE AND STRATEGY

Cross-mobilization

The CSR department reports to the Chief Operating Officer, a member of the Vivendi Management Board.

Consistent with its Internal Regulations, the Supervisory Board regularly reviews the group's social responsibility policy. Every quarter, the Supervisory Board receives a status report on the roll-out of the CSR policy. The Corporate Governance, Nominations and Remuneration Committee specifically assesses the achievement of CSR goals included in the variable compensation of group's senior executives and grants the corresponding bonuses. The Audit Committee reviews the group's CSR policy twice a year.

The CSR department defines strategic orientations and ensures cross-disciplinary assignments:

- it participates in defining the CSR criteria incorporated into the variable compensation of the group's senior executives, in collaboration with the Human Resources department and the Management Board;
- it carries out the integrated reporting process together with the Finance department;
- it organizes roadshows for investors, dedicated to the group's CSR, with the Investor Relations department;
- it prepares a risk map linking CSR to the Audit department which, in 2015, introduced CSR in the letter certifying the annual financial statements by the general management of the principal businesses applying the COSO (Committee of Sponsoring Organizations of the Treadway Commission) principles;
- it promotes the Compliance Program in collaboration with the Legal department;
- within the group, it maintains constructive and sustained contact with the subsidiaries' functional departments (CSR, legal finance and human resources) in order to implement CSR policy.

Since 2003, the CSR department has established a committee consisting of the subsidiary correspondents and representatives of several functional headquarters departments (legal, finance, audit and human resources). Each CSR Committee meeting is an opportunity to invite experts and representatives of civil society or national or European institutions to discuss topics relating to the group's eight priority issues.

CSR Criteria Included in Senior Executives' Variable Compensation

Since 2010, the Supervisory Board has incorporated into the variable compensation of senior executives some CSR criteria associated with the three strategic issues that apply to all subsidiaries and are directly related to their operations: promoting cultural diversity; protecting and empowering young people; and fostering knowledge sharing. The valuation and protection of personal data was added to these three historical CSR issues in 2015. The Supervisory Board has required these CSR criteria to be defined for each business based on its expertise and positioning.

The Corporate Governance, Nominations and Remuneration Committee, within the Supervisory Board, assesses performance against these criteria and determines the components which make up the variable compensation of executives.

Extra-Financial Reporting, a Management Tool

Vivendi's extra-financial reporting is a CSR management tool that enables the group to better control risks and capitalize on its opportunities. The incorporation of indicators linked to the group's strategic CSR issues is an innovative approach in the media and cultural industries sector.

The Reporting Protocol for Environmental, Social and Societal Data of the Vivendi Group Companies is subject to an annual update which gives rise to discussions with the subsidiaries. This update redefines the monitoring indicators to ensure better understanding by contributors, as well as adaptation to Vivendi's strategic changes. It meets the reporting requirements of Article 225 of the Grenelle II Law and incorporates the GRI Media Sector Supplement, to which Vivendi actively contributed. A pilot committee consisting of members of the Management Board and the functional departments (legal, human resources and CSR) regularly assesses reporting changes within the group.

The Statutory Auditors have reviewed the extra-financial indicators and information posted and defined in the Vivendi reporting protocol for relevance and materiality. To this end, for fiscal year 2015, one-third of this data was presented in Chapter 2 of the Annual Report, and audited by the accounting firm of Ernst & Young.

In the cultural industries and media sector, Vivendi has pioneered the reporting and verification of societal indicators directly linked to its operations.

Strategic Issues which pertain to Human Rights

Vivendi has placed its strategic issues within the scope of human rights concerning the media and creative industries sector. This position has been applauded by the group's stakeholders and especially by the Worldwide Movement for Human Rights (FIDH). Following approval by the independent ethics Committee of the *Libertés et Solidarité* socially responsible investment fund, FIDH added Vivendi in its investment fund portfolio in November 2014. Its inclusion is primarily the result of the "innovative efforts undertaken by Vivendi to better understand, evaluate and improve its impact on human rights". Vivendi is the first and only French media group to have been selected by this fund, which has been managed by La Banque Postale Asset Management since 2001.

The link between these sectoral issues and human rights allows Vivendi to address the growing expectations of its stakeholders, including investors, who are paying increasing attention to company performance in this regard. This transparency requirement for economic players is also supported by the development of increasingly demanding domestic regulations, including the Grenelle II Law, and international regulations, such as the United Nations Guiding Principles on Business and Human Rights, as well as the European directive on non-financial reporting by major companies, which require them to release information on human rights compliance in their activities.

The table in Chapter 1 (Section 1.5.4) illustrates how the strategic CSR issues are enshrined in the main international reference texts, in particular those of the United Nations.

4.8. Prospects

In 2016, Vivendi continues to assist and promote the responsibility of operating entities with regard to internal control; three principal themes (client experience, fraud and digital security) will be the focus of a cross-disciplinary initiative by the Audit and Risks department.

The approach implemented to combine value creation and corporate social responsibility will be maintained and strengthened, as it enables Vivendi to continue its drive to establish itself as an integrated industrial group and a leader in media and content.

Paris, February 18, 2016

Vincent Bolloré

Chairman of the Supervisory Board

SECTION 5

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF VIVENDI SA

To the Shareholders,

In our capacity as Statutory Auditors of Vivendi, and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-68 of the French Commercial Code (*Code de commerce*) for the financial year ended 31 December 2015.

It is the Chairman's responsibility to prepare and submit to the Supervisory Board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by Article L.225-68 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to confirm that the report also includes the other information required by Article L.225-68 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of the French Commercial Code (*Code de commerce*).

OTHER INFORMATION

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by Article L.225-68 of the French Commercial Code (*Code de commerce*).

Paris-La Défense, February 18, 2016

The Statutory Auditors

French original signed by

KPMG Audit	ERNST & YOUNG
Département de KPMG S.A.	et Autres
Baudouin Griton	Jacques Pierres
Associé	Associé

Nota:

In accordance with European Commission Regulation (EC) 809/2004 (Article 28) which sets out the disclosure obligations for issuers of securities listed on a regulated market within the European Union (implementing Directive 2003/71/EC, the "Prospectus Regulation"), the following items are incorporated by reference into this report:

- *2014 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2014, prepared under IFRS and the related Statutory Auditors' Report presented on pages 158 to 293 of the "Document de référence" No. D.15-0135, filed with the French Autorité des marchés financiers (AMF) on March 13, 2015, and on pages 158 to 293 of the English translation of this "Document de référence"; and*
- *2013 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013, prepared under IFRS and the related Statutory Auditors' Report presented on pages 172 to 324 of the "Document de référence" No. D.14-0355, filed with the French Autorité des marchés financiers (AMF) on April 14, 2014, and on pages 172 to 324 of the English translation of this "Document de référence".*

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Selected key consolidated financial data

PRELIMINARY COMMENTS

Vivendi deconsolidated GVT, SFR, Maroc Telecom group and Activision Blizzard as from May 28, 2015, November 27, 2014, May 14, 2014, and October 11, 2013, respectively, i.e., the date of their effective sale by Vivendi. In compliance with IFRS 5, these businesses have been reported in Vivendi's Consolidated Financial Statements as discontinued operations for all relevant periods as set out in the table of selected key consolidated financial data below in respect of data contained in the Consolidated Statement of Earnings and Consolidated Statement of Cash Flows.

	Year ended December 31,				
	2015	2014	2013	2012	2011
Consolidated data					
Revenues	10,762	10,089	10,252	9,597	9,064
EBIT	1,231	736	637	(1,131)	1,269
Earnings attributable to Vivendi SA shareowners	1,932	4,744	1,967	179	2,681
of which earnings from continuing operations attributable to Vivendi SA shareowners	699	(290)	43	(1,565)	571
Income from operations (a)	1,061	1,108	1,131	na	na
EBITA (a)	942	999	955	1,074	1,086
Adjusted net income (a)	697	626	454	318	270
Net Cash Position/(Financial Net Debt) (a)	6,422	4,637	(11,097)	(13,419)	(12,027)
Total equity	21,086	22,988	19,030	21,291	22,070
of which Vivendi SA shareowners' equity	20,854	22,606	17,457	18,325	19,447
Cash flow from operations (CFFO) (a)	892	843	894	846	897
Cash flow from operations after interest and income tax paid (CFAIT) (a)	(69)	421	503	772	826
Financial investments	(3,927)	(1,244)	(107)	(1,689)	(289)
Financial divestments	9,013	17,807	3,471	201	4,205
Dividends paid by Vivendi SA to its shareholders	(b) 2,727	(c) 1,348	1,325	1,245	1,731
Per share data					
Weighted average number of shares outstanding	1,361.5	1,345.8	1,330.6	1,298.9	1,281.4
Adjusted net income per share	**0.51**	**0.46**	**0.34**	**0.24**	**0.21**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,342.3	1,351.6	1,339.6	1,322.5	1,287.4
Equity per share, attributable to Vivendi SA shareowners	15.54	16.73	13.03	13.86	15.11
Dividends per share paid	(b) **2.00**	(c) **1.00**	**1.00**	**1.00**	**1.40**

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

na: not applicable.

(a) The non-GAAP measures of Income from operations (a measure of the operating performance of business segments recently applied by Vivendi Management), EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), Cash flow from operations (CFFO) and Cash flow from operations after interest and income tax paid (CFAIT) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report or in its Appendix. In addition, it should be noted that other companies may have different definitions and calculations for these indicators from Vivendi, thereby affecting comparability.

(b) Relates to the ordinary dividend paid on April 23, 2015 with respect to fiscal year 2014 (€1 per share, i.e., €1,363 million), and the interim dividend paid on June 29, 2015 with respect to fiscal year 2015 (€1 per share, i.e., €1,364 million).

(c) On June 30, 2014, Vivendi SA paid an ordinary dividend of €1 per share to its shareholders from additional paid-in capital, treated as a return of capital distribution to shareholders.

I - 2015 FINANCIAL REPORT

PRELIMINARY COMMENTS

- On February 10, 2016, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2015. Upon the recommendation of the Audit Committee, which met on February 11, 2016, the Supervisory Board, at its meeting held on February 18, 2016, reviewed the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2015, as approved by the Management Board on February 10, 2016.
- The Consolidated Financial Statements for the year ended December 31, 2015 have been audited and certified by the Statutory Auditors without qualified opinion. The Statutory Auditors' Report on the Consolidated Financial Statements is included in the preamble to the Financial Statements.

OVERVIEW

ACCELERATION OF INTERNATIONAL EXPANSION

In 2015, Vivendi continued to develop its international activities which now account for close to 60% of its revenues.

The group is the world leader in recorded music holding a 34% global market share in 2014 **(1)**. The launch of new offerings by global, regional and local players as well as new entrants in digital music provide Universal Music Group with opportunities to expand into new markets.

Vivendi has 11.2 million pay-TV individual subscribers, of which 5.5 million are located outside mainland France. In particular, Canal+ Group now has more than 2 million individual subscribers in over 30 countries in Africa where, after launching the African entertainment channel A+ in October 2014, it continued to expand its offer by adding 25 additional channels in 2015.

The film and television production and distribution activities are driven in particular by Studiocanal, the leading European studio, which continues its geographical expansion by entering into agreements in the United Kingdom and in Scandinavia in 2015, and by strengthening its presence in the North American market.

In addition, with the acquisition of Dailymotion, one of the world's largest video platforms (3.5 billion videos viewed each month), Vivendi increased its digital distribution capacity, resulting in an acceleration of its international development.

In recent months, Vivendi also confirmed its willingness to invest in Southern Europe, a market that shares its Latin culture and roots. As of December 31, 2015, it held 21.4% of Telecom Italia's common shares and 0.95% of Telefonica. In December 2015, as a long-term shareholder, the group successfully proposed the appointment of four members to the Board of Directors of the Italian telecoms operator, of which three are Vivendi representatives and one is an independent member.

The investment in Telecom Italia represents an opportunity for the group to be present and to expand in a market with significant growth prospects and a very strong appetite for quality content. In pursuit of its investment strategy in Latin content, Vivendi is exploring opportunities to invest in several production companies in Southern Europe.

DEVELOPMENT OF ORIGINAL CONTENT PRODUCTION

The development of original content production, which reduces Vivendi's dependence on third-parties, is being achieved by the continuous investment in artists and talent, by multiplying original production projects and by the acquisition of interests in production companies.

Vivendi relies on its own in-house production capabilities: Canal+ (the *Création originale* label), Studiocanal (cinema and series), Flab Prod, Studio+ and Can't Stop, companies acquired in the first half of 2015 (non- scripted television shows), Studio Bagel (short web-based content) and Universal Music Group labels.

Vivendi will acquire a 26.2% interest in Banijay Zodiak, one of the largest independent producers and distributors of television programs in the world, resulting from the combination of Banijay Group and Zodiak Media. The transaction will be finalized shortly. The group also acquired a 30% interest in Mars Films, a French leader in film production and distribution.

(1) Source : Music & Copyright.

THE NEED TO STOP LOSSES OF CANAL+ CHANNELS IN FRANCE

The six Canal+ channels **(2)** have been losing money in France for the last four years. With a subscriber base that has been severely eroded since 2012, the channels recorded a negative EBITA of €264 million in 2015, a €76 million loss increase compared to 2014. The arrival of new national and international players in the areas of sports and fiction caused a surge in the price of content broadcasting rights and has increased the number of competing offers, leading to greater losses.

This situation threatens the entire Canal+ Group, which employs 8,200 people and is a major player in the financing and development of the movie industry, in which it invests globally close to €800 million per year both in France (French cinema agreements renewed in spring 2015) and internationally.

The priority for the new management team put in place last summer is to implement a major transformation plan in order to return to break-even. This plan must ensure that the subscriber's perceived value of the group's offers is restored by increasing investment in original content production and premium content as well as by improving significantly the user experience, all in an essential cost-efficient manner.

Vivendi cannot on a long term basis continue to finance the losses of Canal+ channels in France. Over the past two years, the group has already invested €1.5 billion in Canal+ in France (acquisition in October 2013 of the 20% interest in Canal+ France held by Lagardère and public tender offer for Société d'Edition de Canal Plus (SECP) shares in May 2015) and investments will remain substantial in the medium term, both in content and in technology.

For a detailed description of the significant events that occurred in 2015, as well as the subsequent events, please refer to Notes 2 and 27, respectively, to the Consolidated Financial Statements for the year ended December 31, 2015.

(2) Relates to the six premium channels: Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.

SECTION 1
EARNINGS ANALYSIS: GROUP AND BUSINESS SEGMENTS

PRELIMINARY COMMENTS

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

  Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they provide a better illustration of the underlying performance of continuing operations by excluding most non-recurring and non- operating items:
  - 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, 2015;
  - as defined by Vivendi, income from operations is calculated as EBITA as presented in the Adjusted Statement of Earnings, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.

  Moreover, it should be noted that other companies may have different definitions and calculations for these non-GAAP measures from Vivendi, thereby affecting comparability.

- In compliance with IFRS 5, SFR and Maroc Telecom group (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations. In practice, income and charges from these businesses have been reported as follows:
  - their contribution, until their effective divestiture, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations";
  - any capital gain recognized as a result of a completed divestiture is recorded under the line "Earnings from discontinued operations"; and
  - their share of net income and the capital gain recognized as a result of a completed divestiture have been excluded from Vivendi's adjusted net income.

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1.1. Consolidated Statement of Earnings and Adjusted Statement of Earnings

Consolidated statement of earnings	Year ended December 31,		Year ended December 31,		Adjusted statement of earnings
	2015	2014	2015	2014	
Revenues	**10,762**	**10,089**	**10,762**	**10,089**	**Revenues**
Cost of revenues	(6,555)	(6,121)	(6,555)	(6,121)	Cost of revenues
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,163)	(2,865)	(3,146)	(2,860)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
			1,061	**1,108**	**Income from operations**
Restructuring charges	(102)	(104)	(102)	(104)	Restructuring charges
			(17)	(5)	Other operating charges and income
Amortization of intangible assets acquired through business combinations	(408)	(344)			
Impairment losses on intangible assets acquired through business combinations	(3)	(92)			
Other income	745	203			
Other charges	(45)	(30)			
EBIT	**1,231**	**736**	**942**	**999**	**EBITA**
Income from equity affiliates	(10)	(18)	(10)	(18)	Income from equity affiliates
Interest	(30)	(96)	(30)	(96)	Interest
Income from investments	52	3	52	3	Income from investments
Other financial income	16	19			
Other financial charges	(73)	(751)			
Earnings from continuing operations before provision for income taxes	**1,186**	**(107)**	**954**	**888**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(441)	(130)	(199)	(200)	Provision for income taxes
Earnings from continuing operations	**745**	**(237)**			
Earnings from discontinued operations	1,233	5,262			
Earnings	**1,978**	**5,025**	**755**	**688**	**Adjusted net income before non-controlling interests**
of which					*of which*
Earnings attributable to Vivendi SA shareowners	**1,932**	**4,744**	**697**	**626**	**Adjusted net income**
Continuing operations	**699**	**(290)**			
Discontinued operations	1,233	5,034			
Non-controlling interests	46	281	58	62	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.42**	**3.52**	**0.51**	**0.46**	**Adjusted net income per share - basic** (in euros)
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.41**	**3.51**	**0.51**	**0.46**	**Adjusted net income per share - diluted** (in euros)

In millions of euros, except per share amounts.

1.2. Earnings analysis: group

1.2.1. ANALYSIS OF ADJUSTED NET INCOME AND EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS

In 2015, **adjusted net income** was a €697 million profit (or €0.51 per share), compared to €626 million in 2014 (or €0.46 per share), a €71 million increase (+11.3%). The change in adjusted net income mainly resulted from the decrease in interest expense (+€66 million) and the increase in income from investments (+€49 million), partially offset by the decrease in EBITA (-€57 million). As a reminder, pursuant to the application of IFRS 5 to SFR and Maroc Telecom group (businesses sold in 2014), as well as GVT (sold on May 28, 2015), the Adjusted Statement of Earnings includes the results of Canal+ Group, Universal Music Group, Vivendi Village and New Initiatives' operations, as well as Corporate costs.

Adjusted net income per share

	Year ended December 31,			
	2015		2014	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	697	697	626	626
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,361.5	1,361.5	1,345.8	1,345.8
Potential dilutive effects related to share-based compensation	-	5.3	-	5.5
Adjusted weighted average number of shares	**1,361.5**	**1,366.8**	**1,345.8**	**1,351.3**
Adjusted net income per share (in euros)	**0.51**	**0.51**	**0.46**	**0.46**

(a) Net of the average number of treasury shares: 1.6 million shares in 2015, compared to 0.4 million in 2014.

In 2015, **earnings attributable to Vivendi SA shareowners** were a €1,932 million profit (or €1.42 per share), compared to €4,744 million (or €3.52 per share) in 2014.

1.2.2. RECONCILIATION OF EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS TO ADJUSTED NET INCOME

	Year ended December 31,	
(in millions of euros)	2015	2014
Earnings attributable to Vivendi SA shareowners (a)	**1,932**	**4,744**
Adjustments		
Amortization of intangible assets acquired through business combinations	408	344
Impairment losses on intangible assets acquired through business combinations (a)	3	92
Other income (a)	(745)	(203)
Other charges (a)	45	30
Other financial income (a)	(16)	(19)
Other financial charges (a)	73	751
Earnings from discontinued operations (a)	(1,233)	(5,262)
of which capital gain on the divestiture of GVT, after taxes paid in Brazil	*(1,423)*	-
capital loss on the divestiture of Telefonica Brasil	*294*	-
capital gain on the divestiture of SFR	-	*(2,378)*
capital gain on the divestiture of Maroc Telecom group	-	*(786)*
capital gain on the sale of 41.5 million Activision Blizzard shares	-	*(84)*
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	229	37
Non-recurring items related to provision for income taxes	145	5
Provision for income taxes on adjustments	(132)	(112)
Non-controlling interests on adjustments	(12)	219
Adjusted net income	**697**	**626**

(a) As reported in the Consolidated Statement of Earnings.

1.2.3. DETAILED ANALYSIS OF THE MAIN ITEMS FROM THE STATEMENT OF EARNINGS

Revenues were €10,762 million, compared to €10,089 million in 2014 (+6.7%, or +1.4% at constant currency and perimeter (1)). As a result of the appreciation of the U.S. dollar (USD) and the British pound (GBP) against the euro (EUR) in 2015, revenues included a €473 million favorable impact, primarily attributable to Universal Music Group, as well as the litigation settlement proceeds in the United States at Universal Music Group (+€56 million).

Income from operations was €1,061 million, compared to €1,108 million in 2014, a €47 million decrease (-4.3%). At constant currency and perimeter, income from operations decreased by €65 million (-5.9%).

The decline of Canal+ Group (-€76 million), notably reflecting increased investment in contents and a positive non-recurring impact in 2014 related to a litigation settlement, and the impact of the integration of developing activities within New Initiatives (-€18 million), were partially offset by the improved operating performance of Vivendi Village (+€44 million), mainly associated with Watchever's return to break-even thanks to the transformation plan implemented during the second half of 2014.

Cost of revenues amounted to €6,555 million (compared to €6,121 million in 2014).

Selling, general and administrative expenses reported in the Adjusted Statement of Earnings amounted to €3,146 million, compared to €2,860 million in 2014, a €286 million increase (+10.0%).

Depreciation and amortization of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses. Depreciation and amortization, excluding amortization of intangible assets acquired through business combinations, amounted to €305 million (compared to €307 million in 2014), and were notably related to Canal+ Group's set-top boxes, as well as Studiocanal's catalogs, films and television programs.

EBITA amounted to €942 million, compared to €999 million in 2014, a €57 million decrease (-5.7%). At constant currency and perimeter, EBITA decreased by €74 million (-7.4%). This decline reflected the unfavorable change in income from operations and the impact of other operating charges and income. EBITA notably included:

- **restructuring charges** for €102 million, primarily incurred by Universal Music Group (€51 million, stable compared to 2014) and Canal+ Group (€47 million, notably related to the new organization put in place during the second half of 2015). In 2014, restructuring charges amounted to €104 million and included, in addition to a €50 million charge incurred by Universal Music Group, an

(1) Constant perimeter reflects the impacts of the acquisitions of Thema (October 28, 2014) and Dailymotion (June 30, 2015).

exceptional provision of €44 million intended as part of Watchever's transformation plan in Germany; and

- **other operating charges and income** excluded from income from operations for a net charge of €17 million, compared to a €5 million net charge in 2014. In 2015, they notably comprised : on the one hand, Universal Music Group's income from litigation settlement proceeds in the United States (+€29 million), as well as reversals of reserves at Canal+ Group (+€22 million) and at Corporate (+€19 million), and on the other hand, accruals of reserves related to litigation at Canal+ Group (-€61 million) and charges related to equity-settled share-based compensation plans (-€16 million). In 2014, they notably included reversals of reserves at Universal Music Group (+€24 million) and non-recurring profits related to pensions at Corporate (+€25 million), partially offset by transition costs at Canal+ Group (-€15 million), EMI's integration costs at Universal Music Group (-€13 million) and charges related to equity-settled share-based compensation plans (-€9 million).

EBIT amounted to €1,231 million, compared to €736 million in 2014, a €495 million increase (+67.2%). In this amount:

- **other income and charges** were a €700 million net income, compared to a €173 million net income in 2014. In 2015, they primarily comprised the capital gain on the divestiture of the 20% interest in Numericable-SFR (€651 million, before taxes) and a reversal of reserve related to the impairment of Canal+ Group's interest in TVN in Poland (€54 million), sold on July 1, 2015. In 2014, other income in EBIT mainly included a capital gain on the divestiture of Universal Music Group's interest in Beats (€179 million); and
- **amortization and depreciation of intangible assets acquired through business combinations** amounted to €411 million in 2015; amortization increased by €64 million notably as a result of the appreciation of the U.S. dollar (USD) against the euro at Universal Music Group. In 2014, amortization and depreciation of intangible assets acquired through business combinations amounted to €436 million and notably included the impairment of goodwill losses attributable to Digitick and MyBestPro (Wengo) for €92 million.

Reconciliation of EBIT to EBITA and to income from operations

	Year ended December 31,	
(in millions of euros)	2015	2014
EBIT (a)	**1,231**	**736**
Adjustments		
Amortization of intangible assets acquired through business combinations	408	344
Impairment losses on intangible assets acquired through business combinations (a)	3	92
Other income (a)	(745)	(203)
Other charges (a)	45	30
EBITA	**942**	**999**
Adjustments		
Restructuring charges (a)	102	104
Charges related to equity-settled share-based compensation plans	16	9
Other non-current operating charges and income	1	(4)
Income from operations	**1,061**	**1,108**

(a) As reported in the Consolidated Statement of Earnings.

Income from equity affiliates was a €10 million loss, compared to a €18 million loss in 2014.

Interest was an expense of €30 million, compared to €96 million in 2014, a €66 million decrease (-68.7%). In this amount:

- interest expense on borrowings amounted to €65 million (compared to €283 million in 2014). This €218 million decrease was attributable for €216 million, to the decrease in the average outstanding borrowings to €2.2 billion in 2015 (compared to €9.7 billion in 2014). In 2015, the average interest rate on borrowings was 2.91% (compared to 2.94% in 2014). The redemption of bonds for an aggregate amount of €5.6 billion, including €0.9 billion at maturity date of the redeemable bonds in January 2014 and €4.7 billion in December 2014 following the sale of SFR, resulted in interest savings of €175 million in 2015. The outstanding bonds remaining in the Statement of Financial Position (€1,950 million as of December 31, 2015) generated a €59 million interest expense in 2015.

  In addition, pursuant to the application of IFRS 5 to GVT and SFR, interest expense was reported net of interest received by Vivendi SA from financing provided to these entities, on an arm's-length basis. The interest received from GVT amounted to €4 million in 2015, compared to €172 million received from SFR and GVT in 2014, a €168 million decrease, primarily attributable to the sale of SFR at the end of November 2014; and

- interest income earned on Net Cash Position amounted to €31 million, compared to €15 million in 2014. This change resulted from the increase in the average Net Cash Position to €8.8 billion in 2015 (compared to €2.1 billion in 2014) following the divestitures occurred in 2014 (SFR, Maroc Telecom) and in 2015 (GVT, Numericable-SFR).

Income from investments amounted to €52 million, compared to €3 million in 2014. In 2015, €26 million was attributable to interest generated between May 6 and August 19, 2015 by the €1,948 million receivable from Altice related to the deferred payment for the sale of a 10% interest in Numericable-SFR. They also included dividends received from Activision Blizzard (€8 million, in cash) and from Telefonica (€16 million, in shares).

Other financial charges and income were a €57 million net charge, compared to a €732 million net charge in 2014. In 2015, this amount included the unfavorable change in the time value component of the collar hedge denominated in USD on Vivendi's remaining interest in Activision Blizzard during the second half of 2015 (-€16 million). In 2014, it mainly included the premium paid (-€642 million) with respect to the early redemption of bonds in December 2014 (€4.7 billion) following the sale of SFR.

Provision for income taxes reported to adjusted net income was a net charge of €199 million, stable compared to 2014. The effective tax rate reported to adjusted net income was 20.6% in 2015 (compared to 22.0% in 2014), mainly reflecting the favorable impact on tax rates of Vivendi's French and U.S. Tax Group Systems, as well as the favorable impact of Watchever's return to break-even in Germany, thanks to cost management implemented since the second half of 2014.

In addition, **provision for income taxes reported to net income** was a €441 million net charge, compared to a €130 million net charge in 2014. This €311 million increase mainly reflected the income tax payable by Vivendi SA in France related to the sale of the interests in Numericable-SFR, GVT and Telefonica Brasil (-€187 million, net of the tax savings related to Vivendi SA's Tax Group System), as well as the 3% tax on Vivendi SA's dividends (-€122 million, with respect to dividends of €4.1 billion). As a reminder, in addition to the ordinary dividend of €1 with respect to fiscal year 2014 approved by the Shareholders' Meeting of April 17, 2015, Vivendi's Management Board, in furtherance of its commitment, approved the distribution of two interim ordinary dividends of €1 each with respect to fiscal year 2015, following the sales of GVT on May 28, 2015 and of the 20% interest in Numericable-SFR on May 6, 2015. The first interim dividend was paid on June 29, 2015; the second one was paid on February 3, 2016.

Earnings from continuing operations after provision for income taxes were a €745 million profit, compared to a €237 million loss in 2014, a favorable change of €982 million. In 2015, this change notably included the capital gain on the sale of the 20% interest in Numericable-SFR (+€651 million, before taxes), partially offset by the increase in provision for income taxes (-€311 million) as a result of the income tax paid in France related to the sale of the interests in Numericable-SFR, GVT and Telefonica Brasil (-€187 million), as well as the 3% tax on the dividends paid in France (-€122 million). In 2014, this change mainly included the premium paid (-€642 million) with respect to the early redemption of bonds in December 2014 following the sale of SFR.

Earnings from discontinued operations amounted to €1,233 million, compared to €5,262 million in 2014. In 2015, they included (i) the capital gain on the sale of GVT on May 28, 2015 for €1,818 million, before taxes of €395 million paid in Brazil, (ii) the capital loss on Telefonica Brasil shares (-€294 million), and (iii) GVT's net earnings up until its sale for €179 million, including the impact related to the discontinuation of the amortization of tangible and intangible assets since September 1, 2014, in compliance with IFRS 5 (+€153 million in 2015). They also comprised the remaining impact related to the sale of the 80% interest in SFR to Numericable (-€69 million). In 2014, they included the capital gains on the sale of SFR (€2,378 million, after taxes), of Maroc Telecom (+€786 million, after taxes) and of the interest in Activision Blizzard (+€84 million), as well as GVT, SFR and Maroc Telecom's net earnings, before non-controlling interests, for an aggregate amount of €2,010 million, including the impact of the discontinuation of amortization of tangible and intangible assets, in compliance with IFRS 5 (+€1,385 million in 2014). Please refer to Note 2.11 to the Consolidated Financial Statements for the year ended December 31, 2015.

Earnings attributable to non-controlling interests amounted to €46 million, compared to €281 million in 2014, a €235 million decrease mainly attributable to the sale of Maroc Telecom group on May 14, 2014. **Adjusted net income attributable to non-controlling interests** amounted to €58 million, compared to €62 million in 2014, and included non-controlling interests of Société d'Edition de Canal Plus (SECP; prior to their full acquisition by Vivendi from mid-August to the end of September 2015), Canal+ Overseas and nc+ in Poland.

1.3. Performance analysis: business segments

(in millions of euros)	Year ended December 31, 2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Canal+ Group	5,513	5,456	+1.1%	+0.5%	+0.2%
Universal Music Group	5,108	4,557	+12.1%	+2.5%	+2.7%
Vivendi Village	100	96	+3.5%	-0.2%	-9.6%
New Initiatives	43	-			
Elimination of intersegment transactions	(2)	(20)			
Total Vivendi	**10,762**	**10,089**	**+6.7%**	**+2.0%**	**+1.4%**
Income from operations					
Canal+ Group	542	618	-12.2%	-12.3%	-13.1%
Universal Music Group	626	606	+3.2%	-0.9%	-0.6%
Vivendi Village	10	(34)	na	na	na
New Initiatives	(18)	-			
Corporate	(99)	(82)			
Total Vivendi	**1,061**	**1,108**	**-4.3%**	**-6.3%**	**-5.9%**
EBITA					
Canal+ Group	454	583	-22.1%	-22.2%	-23.0%
Universal Music Group	593	565	+5.0%	+0.8%	+1.0%
Vivendi Village	9	(79)	na	na	na
New Initiatives	(20)	-			
Corporate	(94)	(70)			
Total Vivendi	**942**	**999**	**-5.7%**	**-7.9%**	**-7.4%**

na: not applicable.

(a) Constant perimeter reflects the impacts of the acquisitions of Thema by Canal+ Group on October 28, 2014, and Dailymotion (included within New Initiatives) on June 30, 2015, as well as the transfer of L'Olympia from UMG to Vivendi Village as from January 1, 2015.

1.3.1. CANAL+ GROUP

	Year ended December 31,				
(in millions of euros)	2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Pay-TV in Mainland France	3,383	3,454	-2.1%	-2.1%	-2.1%
of which Canal+ channels (b)	*1,743*	*1,779*	*-2.0%*	*-2.0%*	*-2.0%*
Free-to-air TV in Mainland France	203	196	+3.3%	+3.3%	+3.3%
International Pay-TV	1,364	1,273	+7.2%	+6.2%	+4.7%
Poland	*500*	*515*	*-2.8%*	*-2.5%*	*-2.5%*
Overseas	*413*	*406*	*+1.7%*	*+1.9%*	*+1.9%*
Africa	*400*	*312*	*+28.2%*	*+26.1%*	*+20.0%*
Vietnam	*51*	*40*	*+29.3%*	*+11.1%*	*+11.1%*
Studiocanal	563	533	+5.7%	+2.3%	+2.3%
Total Revenues	**5,513**	**5,456**	**+1.1%**	**+0.5%**	**+0.2%**
Income from operations	**542**	**618**	**-12.2%**	**-12.3%**	**-13.1%**
Income from operations' margin	*9.8%*	*11.3%*	*-1.5 pt*		
Charges related to equity-settled share-based compensation plans	(3)	(3)			
Other special items excluded from income from operations (including transition and restructuring costs)	(85)	(32)			
EBITA	**454**	**583**	**-22.1%**	**-22.2%**	**-23.0%**
EBITA margin	*8.2%*	*10.7%*			
of which Canal+ channels' EBITA (b)	*(264)*	*(188)*			
Canal+ Group's Pay-TV					
Individual subscribers (in thousands)					
Mainland France	5,746	6,062	-316		
International	5,495	4,986	+509		
Poland	*2,119*	*2,146*	*-27*		
Overseas	*499*	*494*	*+5*		
Africa	*2,073*	*1,552*	*+521*		
Vietnam	*804*	*794*	*+10*		
Total Canal+ Group	**11,241**	**11,048**	**+193**		
Subscriptions (in thousands)					
Mainland France (c)	9,072	9,463	-391		
Subscriptions with commitment (d)	*8,459*	*8,864*	*-405*		
Canalplay subscriptions (e)	*613*	*599*	*+14*		
International	6,677	5,886	+791		
Total Canal+ Group	**15,749**	**15,349**	**+400**		
Mainland France Pay-TV					
Churn, per individual subscriber with commitment	14.9%	14.5%	+0.4 pt		
Net ARPU, in euros per individual subscriber with commitment	44.7	44.0	+1.6%		
Mainland France Free-to-air TV's audience shares (f)					
D8	3.4%	3.3%	+0.1 pt		
D17	1.2%	1.2%	-		
iTélé	1.0%	0.9%	+0.1 pt		
Total	**5.6%**	**5.4%**	**+0.2 pt**		

(a) Constant perimeter reflects the impact of the acquisition of Thema on October 28, 2014.

(b) Relates to the six premium channels: Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Décalé, Canal+ Family and Canal+ Séries. In 2013 and 2012, Canal+ channels' revenue amounted to €1,832 million and €1,840 million, respectively, and its EBITA to -€130 million and -€21 million, respectively.

(c) Includes individual and collective subscriptions.

(d) 9,199 thousand subscriptions with commitment (Canal+ and Canalsat) as of December 31, 2013, and 9,563 thousand as of December 31, 2012.

(e) 335 thousand Canalplay subscriptions as of December 31, 2013, and 156 thousand as of December 31, 2012.

(f) Source: Médiamétrie. Population four years and older.

Canal+ Group's revenues amounted to €5,513 million, up 1.1% (+0.2% at constant currency and perimeter) compared to 2014.

At year-end 2015, Canal+ Group had a total of 15.7 million subscriptions, a year-on-year increase of 400,000, driven by international markets. The total number of individual subscribers also grew to 11.2 million compared to 11 million at the end of 2014, notably driven by Africa, where, for the first time, the number of individual subscribers exceeded 2 million at year-end 2015.

Revenues from pay-TV operations in mainland France were down 2.1% year-on-year due to fewer subscriptions. International pay-TV revenues grew significantly (+7.2%) compared to 2014, thanks to growth in the subscriber base, in particular in Africa.

Advertising revenues from free-to-air channels, up 3.3% compared to 2014, benefited from the continuously growing audience of D8, which is once again the leading DTT channel in France and the fifth most watched French channel with a 3.4% audience share. For the population aged 25-49 years old, D8 is the fourth most watched French channel with a 4.3% audience share.

Studiocanal's revenues grew significantly year-on-year (+5.7%, +2.3% at constant currency), thanks to the sale of film rights for recent box-office hits such as *Paddington*, *Imitation Game* and *Shaun the Sheep*, as well as the build-up of the TV series production business.

Canal+ Group's income from operations was €542 million compared to €618 million in 2014, and EBITA was €501 million (excluding reorganization costs) compared to €583 million in 2014. This change mainly resulted from increased investment in programs, as well as non-recurring items.

1.3.2. UNIVERSAL MUSIC GROUP (UMG)

	Year ended December 31,				
(in millions of euros)	2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Recorded music	4,113	3,688	+11.5%	+2.2%	+2.4%
Physical sales	*1,410*	*1,417*	*-0.5%*	*-6.7%*	*-6.7%*
Digital sales	*1,975*	*1,640*	*+20.5%*	*+8.6%*	*+8.6%*
of which streaming and subscriptions	*954*	*610*	*+56.2%*	*+43.2%*	*+43.2%*
License and other	*728*	*631*	*+15.3%*	*+5.4%*	*+7.1%*
Music publishing	756	673	+12.4%	+3.0%	+3.0%
Merchandising and other	276	232	+19.1%	+3.5%	+3.5%
Elimination of intersegment transactions	(37)	(36)			
Total Revenues	**5,108**	**4,557**	**+12.1%**	**+2.5%**	**+2.7%**
Income from operations	**626**	**606**	**+3.2%**	**-0.9%**	**-0.6%**
Income from operations' margin	*12.3%*	*13.3%*	*-1.0 pt*		*-0.4 pt*
Charges related to equity-settled share-based compensation plans	(5)	(2)			
Special items excluded from income from operations (including integration and restructuring costs)	(28)	(39)			
EBITA	**593**	**565**	**+5.0%**	**+0.8%**	**+1.0%**
EBITA margin	*11.6%*	*12.4%*			
Recorded music revenues by geographical area					
Europe	38%	41%			
North America	42%	39%			
Asia	11%	11%			
Rest of the world	9%	9%			
	100%	**100%**			

(a) Constant perimeter reflects the impacts of the transfer of L'Olympia from UMG to Vivendi Village as from January 1, 2015.

Recorded music best sellers, by value (Source: *MusicMart*)

Year ended December 31, 2015	
Artist	Title
Taylor Swift	1989
Justin Bieber	Purpose
Sam Smith	In The Lonely Hour
The Weeknd	Beauty Behind The Madness
Various Artists	Fifty Shades Of Grey
The Beatles	1+
Dreams Come True	Dreams Come True The Best! Watashino Dorikamu
Maroon 5	V
Drake	If You're Reading This It's Too Late
Helene Fischer	Weihnachten

Year ended December 31, 2014	
Artist	Title
Various Artists	Frozen
Taylor Swift	1989
Sam Smith	In The Lonely Hour
Ariana Grande	My Everything
Katy Perry	PRISM
Lorde	Pure Heroine
Imagine Dragons	Night Visions
5 Seconds Of Summer	5 Seconds Of Summer
Maroon 5	V
Iggy Azalea	The New Classic

Universal Music Group's (UMG) revenues were €5,108 million, up 2.7% at constant currency and perimeter compared to 2014 (+12.1% on an actual basis), driven by growth across all divisions.

Recorded music revenues grew 2.4% at constant currency and perimeter thanks to growth in subscription and streaming revenues (+43.2%) and the recognition of legal settlement income (+€56 million), which more than offset the decline in both digital download and physical sales.

Music publishing revenues grew 3.0% at constant currency, also driven by increased subscription and streaming revenues. Merchandising and other revenues were up 3.5% at constant currency thanks to stronger retail activity.

In the United States, UMG had seven of the Top 10 albums of the year, including two of the top three with Taylor Swift's *1989* and Justin Bieber's *Purpose*. In the United Kingdom, UMG had nine of the Top 20 albums of the year, including the debut from the U.K.'s biggest breakthrough artist of 2015, James Bay, and nine of the Top 20 singles, including Hozier's *Take Me To Church*. In Germany, UMG artist Helene Fischer was the best-selling artist of the year for the third time in four years.

Globally, recorded music best sellers for the year included strong carryover sales from Taylor Swift and Sam Smith, new releases from Justin Bieber, The Weeknd, Drake, the *Fifty Shades of Grey* soundtrack, a compilation from The Beatles, as well as the Japanese band Dreams Come True.

UMG's income from operations was €626 million, marginally down 0.6% at constant currency and perimeter compared to 2014 (+3.2% on an actual basis). Income from operations excluded restructuring charges as well as a legal settlement income in 2015 (+€29 million), and a reversal of provisions in 2014.

UMG's EBITA was €593 million, up 1.0% at constant currency and perimeter compared to 2014 (+5.0% on an actual basis), thanks to revenue growth, even with 2014 benefit of a reversal of provisions.

1.3.3. VIVENDI VILLAGE

	Year ended December 31,				
(in millions of euros)	2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Vivendi Ticketing	52	51	+0.6%	-6.5%	-6.5%
Watchever	16	26	-36.9%	-36.9%	-36.9%
MyBestPro	22	19	+14.4%	+14.4%	+14.4%
Olympia	10	-			
Radionomy	-	-			
Total Revenues	**100**	**96**	**+3.5%**	**-0.2%**	**-9.6%**
Income from operations	10	(34)			
EBITA	9	(79)			

(a) Constant perimeter reflects the impacts of the transfer of L'Olympia from UMG to Vivendi Village as from January 1, 2015.

Vivendi Village's revenues were €100 million, up 3.5% compared to 2014.

Vivendi Village's income from operations, at €10 million, and EBITA, at €9 million, became positive in 2015 largely thanks to the transformation plan implemented by Watchever, the subscription video-on-demand service in Germany.

MyBestPro, which connects individuals with professionals from various business sectors, continued to record a very steady progress of its activities, driven in particular by JuriTravail.com, a French leading online legal content platform also providing legal information and conflict resolution services to third parties.

Vivendi Ticketing, which provides ticketing services in the United Kingdom, France and the United States, recorded a satisfactory year in 2015.

L'Olympia was affected by the events that occurred on November 13 in Paris, which resulted in the rescheduling or cancellation of concerts and shows.

In the coming months, the group plans to open 10 CanalOlympia concert venues in Africa.

On December 17, 2015, Vivendi announced the acquisition of 64.4% interest in Radionomy Group, a major global player in the digital radio industry, which was integrated within Vivendi Village. With this investment, Vivendi expands its presence in content creation and distribution to the growing sector of digital audio, driven by a dynamic advertising market.

1.3.4. CORPORATE

Corporate's income from operations was a net charge of €99 million, compared to €82 million in 2014, a €17 million increase, primarily due to the decrease in management fees, the increase in fees related to certain litigation, as well as the set-up costs for the new businesses. Moreover, recurring personnel costs were stable.

Corporate's EBITA was a net charge of €94 million, compared to €70 million in 2014. In addition to the items included in income from operations, this €24 million increase in the net charge in EBITA was notably linked to fewer positive non-recurring items (related to pensions in 2014 and litigation in 2015).

SECTION 2
TREASURY AND CAPITAL RESOURCES

2.1. Net Cash Position and equity portfolio

PRELIMINARY COMMENTS

- Vivendi considers Net Cash Position, a non-GAAP measure, to be a relevant indicator in measuring Vivendi's treasury and capital resources. The Net Cash Position is calculated as the sum of:
  - i. cash and cash equivalents as reported on the Consolidated Statement of Financial Position, corresponding to cash in banks, money market funds, complying with the criteria set forth in AMF position No. 2011-13, and other highly liquid short-term investments with initial maturities of generally three months or less, as required by IAS 7 (please refer to Note 1.3.5.11 to the Consolidated Financial Statements for the year ended December 31, 2015);
  - ii. cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", corresponding to financial investments which do not comply with the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the criteria set forth in AMF position No. 2011-13; and
  - iii. derivative financial instruments in assets, and cash deposits backing borrowings, included in the Consolidated Statement of Financial Position under "financial assets"; less
  - iv. long-term and short-term borrowings and other financial liabilities as reported on the Consolidated Statement of Financial Position.
- Net Cash Position should be considered in addition to, and not as a substitute for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as any other measures of indebtedness reported in accordance with GAAP, and Vivendi considers it to be a relevant indicator of treasury and capital resources of the group. Vivendi Management uses this indicator for reporting, management, and planning purposes, as well as to comply with certain covenants.

2.1.1. NET CASH POSITION AS OF DECEMBER 31, 2015

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31, 2015	December 31, 2014
Cash and cash equivalents (a)	14	8,225	6,845
of which Vivendi SA's money market funds		*5,550*	*4,754*
Vivendi SA's term deposits, interest-bearing current accounts, and MTN		*2,372*	*1,770*
Cash management financial assets	14	581	-
Cash position		**8,806**	**6,845**
Derivative financial instruments in assets	19	115	139
Cash deposits backing borrowings	12	439	-
Borrowings and other financial liabilities	19	(2,938)	(2,347)
of which long-term (a)		*(1,555)*	*(2,074)*
short-term (a)		*(1,383)*	*(273)*
Borrowings and other financial items		**(2,384)**	**(2,208)**
Net Cash Position		**6,422**	**4,637**

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

As of December 31, 2015, Vivendi's Net Cash Position was €6,422 million (compared to €4,637 million as of December 31, 2014). This amount included the group's cash position of €8,806 million as of December 31, 2015, of which €8,508 million was held by Vivendi SA and invested as follows:

- €5,550 million invested in money market funds;
- €2,638 million invested in term deposits, interest-bearing current accounts and MTN, of which €2,372 million is classified as "cash and cash equivalents" and the remaining balance (€266 million) as "financial assets"; and
- €315 million invested in bond funds and classified as "financial assets".

As of December 31, 2015, Vivendi's borrowings and other financial liabilities net of derivative financial instruments in assets and cash deposits amounted to €2,384 million, compared to €2,208 million as of December 31, 2014, a €176 million increase. They primarily comprised three Vivendi SA bonds for an aggregate amount of €1,950 million, maturing in December 2016, March 2017 and December 2019, respectively, as well as the share repurchase program in place as of December 31, 2015 (€193 million).

In addition, Vivendi SA has a €2 billion bank credit facility, undrawn as of December 31, 2015. On October 30, 2015, the maturity of this credit facility was extended for one year, to October 31, 2020.

As of February 10, 2016, the date of the Management Board Meeting that approved Vivendi's Consolidated Financial Statements for the year ended December 31, 2015, after taking into account (i) the cash proceeds from the sale of Activision Blizzard shares and the unwinding of the related hedging instrument on January 13, 2016 (+€1.4 billion), (ii) the payment of the second interim dividend on February 3, 2016 with respect to fiscal year 2015 (-€1.3 billion), and (iii) the repurchase of treasury shares (-€0.5 billion), Vivendi's Net Cash Position would be approximately €6 billion.

2.1.2. EQUITY PORTFOLIO

As of December 31, 2015, Vivendi held a portfolio of quoted and unquoted non-controlling equity interests, mainly in Telecom Italia, Activision Blizzard, Telefonica, Ubisoft and Gameloft. At this date, this equity portfolio represented an aggregate market value of approximately €6 billion (before taxes): please refer to Notes 11 and 12 to the Consolidated Financial Statements for the year ended December 31, 2015.

As of February 10, 2016, the date of the Management Board Meeting that approved Vivendi's Consolidated Financial Statements for the year ended December 31, 2015, the market value of Vivendi's portfolio of non-controlling equity interests amounted to approximately €3.8 billion. This change included the sale of the interest in Activision Blizzard and fluctuations in stock market prices.

2.2. Changes in Net Cash Position

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Net Cash Position
Net Cash Position as of December 31, 2014	**6,845**	**(2,208)**	**4,637**
Outflows/(inflows) related to continuing operations:			
Operating activities	87	-	87
Investing activities	4,854	1,011	5,865
Financing activities	(3,564)	(603)	(4,167)
Foreign currency translation adjustments of continuing operations	3	-	3
Outflows/(inflows) related to continuing operations	**1,380**	**408**	**1,788**
Outflows/(inflows) related to discontinued operations	-	(3)	(3)
Net Cash Position as of December 31, 2015	**8,225**	**(1,803)**	**6,422**

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

2.3. Cash flow from operations analysis

PRELIMINARY COMMENTS

- The non-GAAP measures cash flow from operations (CFFO) and cash flow from operations after interest and taxes (CFAIT) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.
- In compliance with IFRS 5, SFR and Maroc Telecom (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations. In practice, cash flows from these businesses have been reported as follows:
  - their contribution until their effective sale, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations"; 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, as presented below.

	Year ended December 31,		
(in millions of euros)	2015	2014	% Change
Revenues	10,762	10,089	+6.7%
Operating expenses excluding depreciation and amortization	(9,429)	(8,646)	-9.1%
	1,333	***1,443***	***-7.7%***
Restructuring charges paid	(84)	(84)	-0.5%
Content investments, net	157	19	x 8.3
of which film and television rights, net at Canal+ Group:			
Acquisition paid	*(633)*	*(604)*	*-4.7%*
Consumption	*753*	*713*	*+5.6%*
	120	*109*	*+10.7%*
of which sports rights, net at Canal+ Group:			
Acquisition paid	*(719)*	*(818)*	*+12.1%*
Consumption	*815*	*801*	*+1.7%*
	96	*(17)*	*na*
of which payments to artists and repertoire owners, net at UMG:			
Payments	*(635)*	*(554)*	*-14.6%*
Recoupment and other	*675*	*613*	*+10.2%*
	40	*59*	*-31.4%*
Neutralization of change in provisions included in operating expenses	(47)	(154)	+69.9%
Other cash operating items	(9)	(22)	+59.9%
Other changes in net working capital	(226)	(123)	-83.5%
Net cash provided by/(used for) operating activities before income tax paid	***1,124***	***1,079***	***+4.2%***
Dividends received from equity affiliates and unconsolidated companies	14	7	x 2.2
Capital expenditures, net (capex, net)	(246)	(243)	-1.2%
Cash flow from operations (CFFO)	**892**	**843**	**+5.9%**
Interest paid, net	(30)	(96)	+68.7%
Other cash items related to financial activities	106	(606)	na
Income tax (paid)/received, net	(1,037)	280	na
Cash flow from operations after interest and income tax paid (CFAIT)	**(69)**	**421**	**na**

na: not applicable.

2.3.1. CHANGES IN CASH FLOW FROM OPERATIONS (CFFO)

In 2015, cash flow from operations (CFFO) generated by the business segments was €892 million (compared to €843 million in 2014), a €49 million increase (+5.9%). This change mainly reflected Universal Music Group's favorable change (+€142 million), notably resulting from improved operating performance, the receipt of a litigation settlement income in the United States (+€82 million) and the appreciation of the U.S. dollar (USD) and the British pound (GBP) against the euro (EUR) in 2015, partially offset by the phasing of advances received by UMG from major digital platforms, as well as the decline of Canal+ Group (-€59 million), notably related to content investments. In addition, restructuring charges (€84 million) and capital expenditures, net (€246 million) were stable.

2.3.2. CASH FLOW FROM OPERATIONS (CFFO) BY BUSINESS SEGMENT

	Year ended December 31,		
(in millions of euros)	2015	2014	% Change
Cash flow from operations (CFFO)			
Canal+ Group	472	531	-11.1%
Universal Music Group	567	425	+33.3%
Vivendi Village	(10)	(44)	+78.6%
New Initiatives	(22)	-	
Corporate	(115)	(69)	
Total Vivendi	**892**	**843**	**+5.9%**

2.3.3. CASH FLOW FROM OPERATIONS AFTER INTEREST AND INCOME TAX PAID (CFAIT)

In 2015, cash flow from operations after interest and income tax paid (CFAIT) represented a net outflow of -€69 million, compared to a net €421 million inflow in 2014, a €490 million decrease. Despite the increase in CFFO (+€49 million), this change mainly reflected the unfavorable change in cash flow related to income taxes (-€1,317 million) partially offset by the favorable change in net cash inflows from financial activities (+€712 million) and the decrease in interest paid, net (+€66 million).

Cash flow related to income taxes represented a -€1,037 million outflow in 2015, compared to a €280 million inflow in 2014. In 2015, they notably included the tax installment paid in France with respect to fiscal year 2015 (-€233 million), income taxes paid by Vivendi SA in Brazil related to the capital gain on the sale of GVT on May 28, 2015 (-€395 million), as well as the payment made in France on March 31, 2015 by Vivendi SA (-€321 million), related to an ongoing litigation with tax authorities for the final assessment of the income tax payable by Vivendi SA with respect to fiscal year 2012 (please refer to Note 6 to the Consolidated Financial Statements for the year ended December 31, 2015). This payment was partially offset by the receipt on January 16, 2015 by Vivendi SA of moratorium interest (+€43 million), related to the refund received on December 23, 2014 with respect to the 2011 Consolidated Global Profit Tax System (+€366 million). In addition, in 2015, income tax paid included the 3% tax on dividends paid by Vivendi SA in April and June 2015 (-€82 million).

In 2015, financial activities generated a net €106 million inflow, compared to a net -€606 million outflow in 2014. In 2015, they mainly included cash inflows generated by foreign exchange risk hedging instruments (+€86 million), as well as the interest (+€26 million) received between May 6 and August 19, 2015 from the €1,948 million receivable from Altice related to the deferred payment for the sale of a 10% interest in Numericable-SFR. In 2014, they mainly included the premium paid (-€642 million) with respect to early redemption of bonds in December 2014 following the sale of SFR, partially offset by a net foreign exchange gain (+€47 million). In addition, net interest paid was €30 million in 2015, compared to €96 million in 2014.

2.3.4. RECONCILIATION OF CFAIT TO NET CASH PROVIDED BY/(USED FOR) OPERATING ACTIVITIES OF CONTINUING OPERATIONS

	Year ended December 31,	
(in millions of euros)	2015	2014
Cash flow from operations after interest and income tax paid (CFAIT)	**(69)**	**421**
Adjustments		
Capital expenditures, net (capex, net)	246	243
Dividends received from equity affiliates	(14)	(7)
Interest paid, net	30	96
Other cash items related to financial activities	(106)	606
Net cash provided by/(used for) operating activities of continuing operations (a)	**87**	**1,359**

(a) As presented in the Consolidated Statement of Cash Flows.

2.4. Analysis of investing and financing activities

2.4.1. INVESTING ACTIVITIES

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended December 31, 2015
Financial investments		
Acquisitions of Telecom Italia common shares	2	(2,008)
Acquisition of Dailymotion	2	(246)
Acquisitions of Ubisoft shares	2	(351)
Acquisitions of Gameloft shares	2	(122)
Acquisition of Boulogne Studios	2	(40)
Acquisition of a 64% interest in Radionomy	2	(24)
Acquisition of cash management financial assets	14	(584)
Cash deposits backing borrowings	12	(431)
Other		(121)
Total financial investments		***(3,927)***
Financial divestments		
Cash proceeds from the sale of GVT	2	4,178
Cash proceeds from the sale of the 20% interest in Numericable-SFR	2	3,896
Proceeds from the sale of the 4% interest in Telefonica Brasil	2	800
Cash proceeds from the sale of the interest in TVN	2	273
Additional price adjustment related to the sale of SFR paid by Vivendi	2	(116)
Other		(18)
Total financial divestments		***9,013***
Dividends received from equity affiliates and unconsolidated companies		14
Capital expenditures, net	3	(246)
Investing activities (a)		**4,854**

(a) As presented in the Consolidated Statement of Cash Flows.

2.4.2. FINANCING ACTIVITIES

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended December 31, 2015
Transactions with shareowners		
Distribution to Vivendi SA's shareowners	15	(2,727)
Sales/(purchases) of Vivendi SA's treasury shares	15	(492)
Acquisition of SECP's non-controlling interests	2	(522)
Exercise of stock options by executive management and employees	18	202
Capital increase subscribed by employees as part of the Stock Purchase Plan	18	75
Other		(62)
Total transactions with shareowners		***(3,526)***
Transactions on borrowings and other financial liabilities		
Interest paid, net	5	(30)
Other		(8)
Total transactions on borrowings and other financial liabilities		***(38)***
Financing activities (a)		**(3,564)**

(a) As presented in the Consolidated Statement of Cash Flows.

SECTION 3
OUTLOOK

Amid the economic transition of our businesses, the group met its announced 2015 outlook and, apart from Canal+ channels **(1)** in France, the results reflected the good operating performances of all businesses. Revenues increased 6.7% compared to 2014 (+1.4% at constant currency and perimeter) to €10,762 million; the operating margin amounted to 10.2% at constant currency and perimeter, and adjusted net income increased by 11.3% to €697 million.

For Universal Music Group, Vivendi continues to see a positive momentum in the business, driven by ongoing growth in streaming and subscription and tempered by declines in download and physical sales, leading to a reasonable increase in results this year and enhanced results from 2017 onwards.

For Canal+ Group, Vivendi needs to stop the losses of Canal+ channels in France which could lead to a significant decline in the operating results in 2016, by implementing a transformation plan with the objective, for the Canal+ channels in France, of reaching breakeven in 2018 and of achieving a level of profitability similar to that of the best European players in the sector in the medium term.

It will be proposed to the Annual Shareholders' Meeting to be held on April 21, 2016, that an ordinary dividend of €3 per share be paid with respect to 2015, representing a total of €4.0 billion distributed to shareholders and comprising a €0.20 distribution related to the group's business performance and a €2.80 return to shareholders. Two interim dividends of €1 each were paid on June 29, 2015 and February 3, 2016, and the balance will be paid on April 28, 2016 (coupon detachment on April 26, 2016).

In addition to these distributions, the group also repurchased shares amounting to €1,386 million (73 million shares) as of February 17, 2016 as part of the program approved by the General Shareholders' Meeting of April 17, 2015. Vivendi has committed to return an additional €1.3 billion to shareholders by mid-2017 at the latest. This should take the form of an ordinary dividend of €1 per share or share repurchases depending on the overall economic environment.

(1) Relates to the six premium channels: Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.

SECTION 4
FORWARD-LOOKING STATEMENTS

Cautionary note

This Financial Report, notably in Section 3, contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including the impact of certain transactions and the payment of dividends and distributions as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals, and to any other approvals which may be required in connection with certain transactions, as well as the risks described in the documents of the group filed by Vivendi with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), and in its press releases, if any, which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, readers are cautioned against relying on such forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SECTION 5
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 solely for the convenience of English speaking readers. 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 - APPENDIX TO THE FINANCIAL REPORT: UNAUDITED SUPPLEMENTARY FINANCIAL DATA

1. Quarterly revenues, income from operations and EBITA by business segment

	2015			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended Sept. 30,	Three months ended Dec. 31,
Revenues				
Canal+ Group	1,370	1,364	1,300	1,479
Universal Music Group	1,097	1,214	1,181	1,616
Vivendi Village	25	26	22	27
New Initiatives	-	1	17	25
Elimination of intersegment transactions	-	(2)	-	-
Total Vivendi	**2,492**	**2,603**	**2,520**	**3,147**
Income from operations				
Canal+ Group	154	214	186	(12)
Universal Music Group	88	91	99	348
Vivendi Village	4	4	1	1
New Initiatives	-	(1)	(9)	(8)
Corporate	(28)	(26)	(20)	(25)
Total Vivendi	**218**	**282**	**257**	**304**
EBITA				
Canal+ Group	165	223	162	(96)
Universal Music Group	82	89	88	334
Vivendi Village	4	4	-	1
New Initiatives	-	(1)	(9)	(10)
Corporate	(33)	(17)	(22)	(22)
Total Vivendi	**218**	**298**	**219**	**207**

	2014			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended Sept. 30,	Three months ended Dec. 31,
Revenues				
Canal+ Group	1,317	1,350	1,300	1,489
Universal Music Group	984	1,019	1,094	1,460
Vivendi Village	21	25	23	27
Elimination of intersegment transactions	(5)	(5)	(5)	(5)
Total Vivendi	**2,317**	**2,389**	**2,412**	**2,971**
Income from operations				
Canal+ Group	179	246	208	(15)
Universal Music Group	66	93	131	316
Vivendi Village	(20)	(17)	-	3
Corporate	(21)	(19)	(15)	(27)
Total Vivendi	**204**	**303**	**324**	**277**
EBITA				
Canal+ Group	175	245	206	(43)
Universal Music Group	56	97	121	291
Vivendi Village	(20)	(67)	-	8
Corporate	(26)	(5)	(17)	(22)
Total Vivendi	**185**	**270**	**310**	**234**

III - CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Statutory Auditors' Report on the Consolidated Financial Statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you for the year ended December 31, 2015, on:

- the audit of the accompanying Consolidated Financial Statements of Vivendi;
- the justification of our assessments; and
- the specific verification required by law.

These Consolidated Financial Statements have been approved by your Management Board. Our role is to express an opinion on these Consolidated Financial Statements, based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- At each financial year end, your company systematically performs impairment tests on goodwill and assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in Note 1.3.5.7 to the Financial Statements. We examined the methods used to perform these impairment tests, as well as the main assumptions and estimates, and ensured that Notes 1.3.5.7 and 9 to the Financial Statements provide appropriate disclosures thereon;
- Note 1.3.9 to the Financial Statements describes the accounting principles applicable to deferred tax and Note 1.3.8 describes the methods used to assess and recognize provisions. We verified the correct application of these accounting principles and also examined the assumptions underlying the positions as at December 31, 2015. We ensured that Note 6 to the Financial Statements gives appropriate information on tax assets and liabilities and on your company's tax positions; and
- Notes 1.3.8 and 23 to the Financial Statements describe the methods used to assess and recognize provisions for litigation. We examined the methods used within the company to identify, calculate, and determine the accounting for such litigation. We also examined the assumptions and data underlying the estimates made by the company. As stated in Note 1.3.1 to the Financial Statements, some facts and circumstances may lead to changes in estimates and assumptions which could have an impact upon the reported amount of provisions.

Our assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standard applicable in France, the information presented in the group's management report.

We have no matters to report as its fair presentation and its consistency with the Consolidated Financial Statements.

Paris-La Défense, February 18, 2016

The Statutory Auditors
French original signed by

KPMG AUDIT	ERNST & YOUNG ET AUTRES
Département de KPMG S.A.	Jacques Pierres
Baudouin Griton	

Consolidated Statement of Earnings

	Note	Year ended December 31, 2015	2014
Revenues	4	**10,762**	**10,089**
Cost of revenues	4	(6,555)	(6,121)
Selling, general and administrative expenses		(3,571)	(3,209)
Restructuring charges	3	(102)	(104)
Impairment losses on intangible assets acquired through business combinations	3	(3)	(92)
Other income	4	745	203
Other charges	4	(45)	(30)
Earnings before interest and income taxes (EBIT)	3	**1,231**	**736**
Income from equity affiliates		(10)	(18)
Interest	5	(30)	(96)
Income from investments		52	3
Other financial income	5	16	19
Other financial charges	5	(73)	(751)
Earnings from continuing operations before provision for income taxes		**1,186**	**(107)**
Provision for income taxes	6	(441)	(130)
Earnings from continuing operations		**745**	**(237)**
Earnings from discontinued operations	2	1,233	5,262
Earnings		**1,978**	**5,025**
of which			
Earnings attributable to Vivendi SA shareowners		**1,932**	**4,744**
*of which **earnings from continuing operations attributable to Vivendi SA shareowners***		***699***	***(290)***
earnings from discontinued operations attributable to Vivendi SA shareowners	2	*1,233*	*5,034*
Non-controlling interests		46	281
of which earnings from continuing operations		*46*	*53*
earnings from discontinued operations	2	-	*228*
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.51	(0.22)
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.51	(0.22)
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	7	0.91	3.74
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	7	0.90	3.73
Earnings attributable to Vivendi SA shareowners per share - basic	7	**1.42**	**3.52**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	1.41	3.51

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

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR and Maroc Telecom (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations.

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

Consolidated Statement of Comprehensive Income

(in millions of euros)	Note	Year ended December 31, 2015	2014
Earnings		**1,978**	**5,025**
Actuarial gains/(losses) related to employee defined benefit plans, net		(21)	(68)
Items not reclassified to profit or loss		**(21)**	**(68)**
Foreign currency translation adjustments		1,513	778
Unrealized gains/(losses), net		(371)	936
Other impacts, net		31	(94)
Items to be subsequently reclassified to profit or loss		**1,173**	**1,620**
Charges and income directly recognized in equity	8	**1,152**	**1,552**
Total comprehensive income		**3,130**	**6,577**
of which			
Total comprehensive income attributable to Vivendi SA shareowners		**3,089**	**6,312**
Total comprehensive income attributable to non-controlling interests		41	265

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

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2015	December 31, 2014
ASSETS			
Goodwill	9	10,177	9,329
Non-current content assets	10	2,286	2,550
Other intangible assets		224	229
Property, plant and equipment		737	717
Investments in equity affiliates	11	3,435	306
Non-current financial assets	12	4,132	6,144
Deferred tax assets	6	622	710
Non-current assets		**21,613**	**19,985**
Inventories		117	114
Current tax receivables	6	653	234
Current content assets	10	1,088	1,135
Trade accounts receivable and other	13	2,139	1,983
Current financial assets	12	1,111	49
Cash and cash equivalents	14	8,225	6,845
		13,333	**10,360**
Assets of discontinued businesses		-	5,393
Current assets		**13,333**	**15,753**
TOTAL ASSETS		**34,946**	**35,738**
EQUITY AND LIABILITIES			
Share capital		7,526	7,434
Additional paid-in capital		5,343	5,160
Treasury shares		(702)	(1)
Retained earnings and other		8,687	10,013
Vivendi SA shareowners' equity		**20,854**	**22,606**
Non-controlling interests	2	232	382
Total equity	15	**21,086**	**22,988**
Non-current provisions	16	2,679	2,888
Long-term borrowings and other financial liabilities	19	1,555	2,074
Deferred tax liabilities	6	705	657
Other non-current liabilities		105	121
Non-current liabilities		**5,044**	**5,740**
Current provisions	16	363	290
Short-term borrowings and other financial liabilities	19	1,383	273
Trade accounts payable and other	13	6,737	5,306
Current tax payables	6	333	47
		8,816	**5,916**
Liabilities associated with assets of discontinued businesses		-	1,094
Current liabilities		**8,816**	**7,010**
Total liabilities		**13,860**	**12,750**
TOTAL EQUITY AND LIABILITIES		**34,946**	**35,738**

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

Consolidated Statement of Cash Flows

(in millions of euros)	Note	Year ended December 31, 2015	2014
Operating activities			
EBIT	4	1,231	736
Adjustments	20	(38)	447
Content investments, net		157	19
Gross cash provided by operating activities before income tax paid		***1,350***	***1,202***
Other changes in net working capital		(226)	(123)
Net cash provided by operating activities before income tax paid		***1,124***	***1,079***
Income tax (paid)/received, net	6.2	(1,037)	280
Net cash provided by operating activities of continuing operations		**87**	**1,359**
Net cash provided by operating activities of discontinued operations		**153**	**2,234**
Net cash provided by operating activities		**240**	**3,593**
Investing activities			
Capital expenditures	3	(247)	(249)
Purchases of consolidated companies, after acquired cash	2	(359)	(100)
Investments in equity affiliates		(19)	(87)
Increase in financial assets	12	(3,549)	(1,057)
Investments		***(4,174)***	***(1,493)***
Proceeds from sales of property, plant, equipment and intangible assets	3	1	6
Proceeds from sales of consolidated companies, after divested cash	2	4,032	16,929
Disposal of equity affiliates	11	268	-
Decrease in financial assets	12	4,713	878
Divestitures		***9,014***	***17,813***
Dividends received from equity affiliates		5	4
Dividends received from unconsolidated companies		9	2
Net cash provided by/(used for) investing activities of continuing operations		**4,854**	**16,326**
Net cash provided by/(used for) investing activities of discontinued operations		**(262)**	**(2,034)**
Net cash provided by/(used for) investing activities		**4,592**	**14,292**

Please refer to the next page for the end of this table.

Continued from previous page.

(in millions of euros)	Note	Year ended December 31, 2015	2014
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	18	273	197
Sales/(purchases) of Vivendi SA's treasury shares	15	(492)	(32)
Distributions to Vivendi SA's shareowners	15	(2,727)	(1,348)
Other transactions with shareowners	2	(534)	(2)
Dividends paid by consolidated companies to their non-controlling interests		(46)	(34)
Transactions with shareowners		***(3,526)***	***(1,219)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	19	8	3
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	19	(2)	(1,670)
Principal payment on short-term borrowings	19	(126)	(7,680)
Other changes in short-term borrowings and other financial liabilities	19	6	140
Interest paid, net	5	(30)	(96)
Other cash items related to financial activities		106	(606)
Transactions on borrowings and other financial liabilities		***(38)***	***(9,909)***
Net cash provided by/(used for) financing activities of continuing operations		**(3,564)**	**(11,128)**
Net cash provided by/(used for) financing activities of discontinued operations		**69**	**(756)**
Net cash provided by/(used for) financing activities		**(3,495)**	**(11,884)**
Foreign currency translation adjustments of continuing operations		3	10
Foreign currency translation adjustments of discontinued operations		(8)	(4)
Change in cash and cash equivalents		**1,332**	**6,007**
Reclassification of discontinued operations' cash and cash equivalents		48	(203)
Cash and cash equivalents			
At beginning of the period	14	6,845	1,041
At end of the period	14	8,225	6,845

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR and Maroc Telecom (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations.

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

Consolidated Statements of Changes in Equity

YEAR ENDED DECEMBER 31, 2015

		Capital					Retained earnings and other			
		Common shares								
(in millions of euros, except number of shares)	Note	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury shares	Sub-total	Retained earnings	Other comprehensive income	Sub-total	Total equity
BALANCE AS OF DECEMBER 31, 2014		**1,351,601**	**7,434**	**5,160**	**(1)**	**12,593**	**10,611**	**(216)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners		*1,351,601*	*7,434*	*5,160*	*(1)*	*12,593*	*10,210*	*(197)*	*10,013*	*22,606*
Attributable to non-controlling interests		-	-	-	-	-	*401*	*(19)*	*382*	*382*
Contributions by/distributions to Vivendi SA shareowners		**16,722**	**92**	**183**	**(701)**	**(426)**	**(4,033)**	**-**	**(4,033)**	**(4,459)**
Sales/(purchases) of treasury shares	15	-	-	-	(702)	(702)	-	-	-	(702)
Distribution to shareowners	15	-	-	-	-	-	(4,044)	-	(4,044)	(4,044)
Dividend paid on April 23, 2015 with respect to 2014 fiscal year (€1 per share)		-	-	-	-	-	*(1,363)*	-	*(1,363)*	*(1,363)*
First interim dividend paid on June 29, 2015 with respect to 2015 fiscal year (€1 per share)		-	-	-	-	-	*(1,364)*	-	*(1,364)*	*(1,364)*
Second interim dividend paid on February 3, 2016 with respect to 2015 fiscal year (€1 per share)		-	-	-	-	-	*(1,318)*	-	*(1,318)*	*(1,318)*
Capital increase related to share-based compensation plans		16,722	92	183	1	276	11	-	11	287
of which Vivendi Employee Stock Purchase Plans (July 16, 2015)	18	*3,914*	*22*	*53*	-	*75*	-	-	-	*75*
exercise of stock-options by executive management and employees		*10,882*	*60*	*140*	-	*200*	-	-	-	*200*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**(382)**	**-**	**(382)**	**(382)**
of which acquisition of SECP's non-controlling interests	2.5	-	-	-	-	-	*(375)*	-	*(375)*	*(375)*
Changes in equity attributable to Vivendi SA shareowners (A)		**16,722**	**92**	**183**	**(701)**	**(426)**	**(4,415)**	**-**	**(4,415)**	**(4,841)**
Contributions by/distributions to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**(41)**	**-**	**(41)**	**(41)**
Dividends paid by subsidiaries to non-controlling interests		-	-	-	-	-	(41)	-	(41)	(41)
Changes in non-controlling interests that do not result in a gain/(loss) of control		**-**	**-**	**-**	**-**	**-**	**(150)**	**-**	**(150)**	**(150)**
Acquisition of SECP's non-controlling interests	2.5	-	-	-	-	-	(150)	-	(150)	(150)
Changes in equity attributable to non-controlling interests (B)		**-**	**-**	**-**	**-**	**-**	**(191)**	**-**	**(191)**	**(191)**
Earnings		**-**	**-**	**-**	**-**	**-**	**1,978**	**-**	**1,978**	**1,978**
Charges and income directly recognized in equity	8	**-**	**-**	**-**	**-**	**-**	**31**	**1,121**	**1,152**	**1,152**
Total comprehensive income (C)		**-**	**-**	**-**	**-**	**-**	**2,009**	**1,121**	**3,130**	**3,130**
Total changes over the period (A+B+C)		***16,722***	***92***	***183***	***(701)***	***(426)***	***(2,597)***	***1,121***	***(1,476)***	***(1,902)***
Attributable to Vivendi SA shareowners		*16,722*	*92*	*183*	*(701)*	*(426)*	*(2,446)*	*1,120*	*(1,326)*	*(1,752)*
Attributable to non-controlling interests		-	-	-	-	-	*(151)*	*1*	*(150)*	*(150)*
BALANCE AS OF DECEMBER 31, 2015		**1,368,323**	**7,526**	**5,343**	**(702)**	**12,167**	**8,014**	**905**	**8,919**	**21,086**
Attributable to Vivendi SA shareowners		*1,368,323*	*7,526*	*5,343*	*(702)*	*12,167*	*7,764*	*923*	*8,687*	*20,854*
Attributable to non-controlling interests		-	-	-	-	-	*250*	*(18)*	*232*	*232*

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

YEAR ENDED DECEMBER 31, 2014

(in millions of euros, except number of shares)	Capital					Retained earnings and other			
	Common shares								
	Number of shares (in thousands)	Share capital	Additional paid-in capital	Treasury shares	Sub-total	Retained earnings	Other comprehensive income	Sub-total	Total equity
BALANCE AS OF DECEMBER 31, 2013	**1,339,610**	**7,368**	**8,381**	**(1)**	**15,748**	**5,194**	**(1,912)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	*1,339,610*	*7,368*	*8,381*	*(1)*	*15,748*	*3,563*	*(1,854)*	*1,709*	*17,457*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*1,631*	*(58)*	*1,573*	*1,573*
Contributions by/distributions to Vivendi SA shareowners	**11,991**	**66**	**(3,221)**	**-**	**(3,155)**	**1,986**	**-**	**1,986**	**(1,169)**
Sales/(purchases) of treasury shares	-	-	-	(32)	(32)	-	-	-	(32)
Allocation of 2013 result	-	-	(2,004)	-	(2,004)	2,004	-	2,004	-
Distribution to shareowners (€1 per share)	-	-	(1,348)	-	(1,348)	-	-	-	(1,348)
Capital increase related to share-based compensation plans	11,991	66	131	32	229	(18)	-	(18)	211
of which exercise of stock options by executive management and employees	*11,264*	*62*	*135*	*-*	*197*	*-*	*-*	*-*	*197*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**6**	**6**
Changes in equity attributable to Vivendi SA shareowners (A)	**11,991**	**66**	**(3,221)**	**-**	**(3,155)**	**1,992**	**-**	**1,992**	**(1,163)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(107)**	**-**	**(107)**	**(107)**
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(107)	-	(107)	(107)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(1,394)**	**48**	**(1,346)**	**(1,346)**
Sale of the 53% interest in Maroc Telecom group	-	-	-	-	-	(1,376)	48	(1,328)	(1,328)
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(4)**	**-**	**(4)**	**(4)**
Changes in equity attributable to non-controlling interests (B)	**-**	**-**	**-**	**-**	**-**	**(1,505)**	**48**	**(1,457)**	**(1,457)**
Earnings	**-**	**-**	**-**	**-**	**-**	**5,025**	**-**	**5,025**	**5,025**
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	**(94)**	**1,647**	**1,552**	**1,552**
Total comprehensive income (C)	**-**	**-**	**-**	**-**	**-**	**4,930**	**1,647**	**6,577**	**6,577**
Total changes over the period (A+B+C)	***11,991***	***66***	***(3,221)***	***-***	***(3,155)***	***5,417***	***1,696***	***7,113***	***3,958***
Attributable to Vivendi SA shareowners	*11,991*	*66*	*(3,221)*	*-*	*(3,155)*	*6,647*	*1,657*	*8,304*	*5,149*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*(1,230)*	*39*	*(1,191)*	*(1,191)*
BALANCE AS OF DECEMBER 31, 2014	**1,351,601**	**7,434**	**5,160**	**(1)**	**12,593**	**10,611**	**(216)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	*1,351,601*	*7,434*	*5,160*	*(1)*	*12,593*	*10,210*	*(197)*	*10,013*	*22,606*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*401*	*(19)*	*382*	*382*

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

Notes to the Consolidated Financial Statements

Vivendi is a limited liability company (*société anonyme*) incorporated under French law and subject to French commercial company law including the French Commercial Code (*Code de commerce*). Vivendi was incorporated on December 18, 1987, for a term of 99 years expiring on December 17, 2086, except in the event of an early dissolution or unless its term is extended. Its registered office is located at 42 avenue de Friedland - 75008 Paris (France). Vivendi is listed on Euronext Paris (Compartment A).

Vivendi is an integrated media and content group. The company operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content. Canal+ Group is engaged in pay-TV in France, as well as in Africa, Poland and Vietnam. Its subsidiary Studiocanal is a leading European player in production, sales and distribution of cinema films and TV series. Universal Music Group is engaged in recorded music, music publishing and merchandising. It owns more than 50 labels covering all music genres. Vivendi Village brings together Vivendi Ticketing (ticketing in the United Kingdom, the United States and France), MyBestPro (expert counseling), Watchever (subscription video-on-demand) and L'Olympia (the Paris-based music hall). Within New Initiatives, Dailymotion is one of the biggest video-content aggregation and distribution platforms in the world.

The Consolidated Financial Statements reflect the financial and accounting situation of Vivendi and its subsidiaries (the "group") together with interests in equity affiliates. Amounts are reported in euros and all values are rounded to the nearest million.

On February 10, 2016, at a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2015. They were reviewed by the Audit Committee at its meeting held on February 11, 2016 and the Supervisory Board, at its meeting held on February 18, 2016.

On April 21, 2016, the Consolidated Financial Statements for the year ended December 31, 2015 will be submitted for approval at Vivendi's Annual General Shareholders' Meeting.

Note 1. Accounting policies and valuation methods

1.1. Compliance with accounting standards

The 2015 Consolidated Financial Statements of Vivendi SA have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and in accordance with IFRS published by the International Accounting Standards Board (IASB) with mandatory application as of December 31, 2015.

In addition and as a reminder, Vivendi applied, from January 1, 2014, IFRIC 21 interpretation – *Levies*, which clarifies IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, and specifically addresses the accounting for a liability to pay a levy imposed by public authorities on entities in accordance with laws or regulations, except for income tax and value-added taxes. Thus, its application has led to changes, where applicable, in the analysis of the obligating event triggering recognition of the liability. This interpretation, which mandatorily applies to accounting periods beginning on or after January 1, 2014, and retrospectively as from January 1, 2013, did not have any material impact on Vivendi's Financial Statements.

1.2. Presentation of the Consolidated Financial Statements

1.2.1. CONSOLIDATED STATEMENT OF EARNINGS

The main line items presented in Vivendi's Consolidated Statement of Earnings are revenues, income from equity affiliates, interest, provision for income taxes, earnings from discontinued or held for sale operations, and earnings. The Consolidated Statement of Earnings presents a subtotal of Earnings Before Interest and Tax (EBIT) equal to the difference between charges and income (excluding those financing activities, equity affiliates, discontinued or held for sale operations, and income taxes).

The charges and income related to financing activities consist of interest, income from investments, as well as other financial charges and income as defined in paragraph 1.2.3 and presented in Note 5.

1.2.2. CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash provided by operating activities

Net cash provided by operating activities is calculated using the indirect method based on EBIT. EBIT is adjusted for non-cash items and changes in net working capital. Net cash provided by operating activities excludes the cash impact of financial charges and income and net changes in working capital related to property, plant and equipment, and intangible assets.

Net cash used for investing activities

Net cash used for investing activities includes changes in net working capital related to property, plant and equipment, and intangible assets as well as cash from investments (particularly dividends received from equity affiliates). It also includes any cash flows arising from the gain or loss of control of subsidiaries.

Net cash used for financing activities

Net cash used for financing activities includes net interest paid on borrowings, cash and cash equivalents, bank overdrafts, as well as the cash impact of other items related to financing activities such as premiums from the early redemption of borrowings and the settlement of derivative instruments. It also includes cash flows from changes in ownership interests in a subsidiary that do not result in a loss of control (including increases in ownership interests).

1.2.3. OPERATING PERFORMANCE OF EACH OPERATING SEGMENT AND THE GROUP

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), income from operations, Adjusted Net Income (ANI), and cash flow from operations (CFFO), non-GAAP measures, to be relevant indicators of the group's operating and financial performance.

EBITA

Vivendi considers EBITA, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. It enables Vivendi to compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions. To calculate EBITA, the accounting impact of the following elements is excluded from the income from EBIT:

- the amortization of intangible assets acquired through business combinations;
- impairment losses on goodwill and other intangibles acquired through business combinations; and
- other income and charges related to transactions with shareowners and to financial investing transactions, which include gains and losses recognized in business combinations, capital gains or losses related to divestitures, or the depreciation of equity affiliates and other financial investments, as well as gains or losses incurred from the gain or loss of control in a business.

Income from operations

Vivendi considers income from operations, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data. As defined by Vivendi, income from operations is calculated as EBITA, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.

Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. Vivendi Management uses adjusted net income because it provides a better illustration of the underlying performance of continuing operations by excluding most non-recurring and non-operating items. Adjusted net income includes the following items:

- EBITA (**);
- income from equity affiliates (*);
- interest (*), equal to interest expense on borrowings net of interest income earned on cash and cash equivalents;
- income from investments (*), including dividends and interest received from unconsolidated companies; and
- taxes and non-controlling interests related to these items.

It does not include the following items:

- amortization of intangibles acquired through business combinations (**) as well as impairment losses on goodwill and other intangibles acquired through business combinations (*) (**);
- other income and charges related to financial investing transactions and to transactions with shareowners (*), as defined above;
- other financial charges and income (*), equal to the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in the fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in the EBIT), as well as the effect of undiscounting assets and liabilities, and the financial components of employee benefits (interest cost and expected return on plan assets);
- earnings from discontinued operations (*); and
- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SA's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period).

Cash flow from operations (CFFO)

Vivendi considers cash flow from operations (CFFO), a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance. The CFFO includes net cash provided by operating activities, before income tax paid, as presented in the Statement of Cash Flows, as well as dividends received from equity affiliates and unconsolidated companies. It also includes capital expenditures, net that relate to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

The difference between CFFO and net cash provided by operating activities, before income tax, consists of dividends received from equity affiliates and unconsolidated companies and capital expenditures, net, which are included in net cash used for investing activities and of income tax paid, net, which are excluded from CFFO.

(*) Items as presented in the Consolidated Statement of Earnings.

(**) Items as reported by each operating segment as reported in the segment data.

1.2.4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets and liabilities that are expected to be realized, or intended for sale or consumption, within the entity's normal operating cycle (generally 12 months), are recorded as current assets or liabilities. If their maturity exceeds this period, they are recorded as non-current assets or liabilities. Moreover, certain reclassifications have been made to the 2014 and 2013 Consolidated Financial Statements to conform to the presentation of the 2015 and 2014 Consolidated Financial Statements.

1.3. Principles governing the preparation of the Consolidated Financial Statements

Pursuant to IFRS principles, notably IFRS 13 – *Fair Value Measurement* relating to measurement and disclosures, the Consolidated Financial Statements have been prepared on a historical cost basis, with the exception of certain assets and liabilities detailed below.

The Consolidated Financial Statements include the financial statements of Vivendi and its subsidiaries after eliminating intragroup items and transactions. Vivendi has a December 31 year-end. Subsidiaries that do not have a December 31 year-end prepare interim financial statements at that date, except when their year-end falls within the three months prior to December 31.

Acquired subsidiaries are included in the Consolidated Financial Statements of the group as of the date of acquisition.

1.3.1. USE OF ESTIMATES

The preparation of Consolidated Financial Statements in compliance with IFRS requires the group's management to make certain estimates and assumptions that they consider reasonable and realistic. Although these estimates and assumptions are regularly reviewed by Vivendi Management, based in particular on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions which could have an impact on the reported amount of group assets, liabilities, equity or earnings.

The main estimates and assumptions relate to the measurement of:

- revenue: estimates of provisions for returns and price guarantees (please refer to Note 1.3.4);
- provisions: risk estimates, performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1.3.8 and 16);
- employee benefits: assumptions are updated annually, such as the probability of employees remaining within the group until retirement, expected changes in future compensation, the discount rate and inflation rate (please refer to Notes 1.3.8 and 17);
- share-based compensation: assumptions are updated annually, such as the estimated term, volatility and the estimated dividend yield (please refer to Notes 1.3.10 and 18);
- deferred taxes: estimates concerning the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1.3.9 and 6);
- goodwill and other intangible assets: valuation methods adopted for the identification of intangible assets acquired through business combinations (please refer to Notes 1.3.5.2);
- goodwill, intangible assets with indefinite useful lives and assets in progress: assumptions are updated annually relating to impairment tests performed on each of the group's Cash-Generating Units (CGUs), future cash flows and discount rates (please refer to Notes 1.3.5.7 and 9);
- UMG content assets: estimates of the future performance of beneficiaries who were granted advances are recognized in the Statement of Financial Position (please refer to Notes 1.3.5.3 and 10); and
- certain financial instruments: valuation method at fair value defined according to the three following classification levels (please refer to Notes 1.3.5.8, 1.3.7, 12, 14 and 19):
  - level 1: fair value measurement based on quoted prices in active markets for identical assets or liabilities;
  - level 2: fair value measurement based on observable market data (other than quoted prices included within Level 1); and
  - level 3: fair value measurement based on valuation techniques that use inputs for the asset or liability that are not based on observable market data.

  The fair value of trade accounts receivable and other, cash and cash equivalents, and trade accounts payable is a reasonable approximation of fair value, due to the short maturity of these instruments.

1.3.2. PRINCIPLES OF CONSOLIDATION

A list of Vivendi's major subsidiaries, joint ventures and associated entities is presented in Note 24.

Consolidation

All companies in which Vivendi has a controlling interest, namely those in which it has the power to govern financial and operational policies in order to obtain benefits from their operations, are fully consolidated.

The Control defined by IFRS 10 is based on the following three criteria to be fulfilled simultaneously to conclude that the parent company exercises control:

- a parent company has power over a subsidiary when the parent company has existing rights that give it the current ability to direct the relevant activities of the subsidiary, i.e., the activities that significantly affect the subsidiary's returns. Power may arise from existing or potential voting rights, or contractual arrangements. Voting rights must be substantial, i.e., they shall be exercisable at any time without limitation, particularly during decision making related to significant activities. The assessment of the exercise of power depends on the nature of the subsidiary's relevant activities, the internal decision-making process, and the allocation of rights among the subsidiary's other shareowners;
- the parent company is exposed, or has rights, to variable returns from its involvement with the subsidiary which may vary as a result of the subsidiary's performance. The concept of returns is broadly defined and includes, among other things, dividends and other economic benefit distributions, changes in the value of the investment in the subsidiary, economies of scale, and business synergies; and
- the parent company has the ability to use its power to affect the returns. Exercising power without having any impact on returns does not qualify as control.

Consolidated Financial Statements of a group are presented as if the group was a single economic entity with two categories of owners: (i) the owners of the parent company (Vivendi SA shareowners) and (ii) the owners of non-controlling interests (minority shareholders of the subsidiaries). A non-controlling interest is defined as the interest in a subsidiary that is not attributable, directly or indirectly, to a parent. As a result, changes to a parent company's ownership interest in a subsidiary that do not result in a loss of control only impact equity, as control does not change within the economic entity. Hence, in the event of the acquisition of an additional interest in a consolidated entity after January 1, 2009, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners. Conversely, any acquisition of control achieved in stages or a loss of control gives rise to profit or loss in the statement of earnings.

Accounting for joint arrangements

IFRS 11 – *Joint Arrangements* establishes principles for Financial Reporting by parties to a joint arrangement.

In a joint arrangement, parties are bound by a contractual arrangement, giving these parties joint control of the arrangement. An entity that is a party to an arrangement shall assess whether the contractual arrangement gives all the parties or a group of the parties, control of the arrangement collectively. Once it has been established that all the parties or a group of the parties collectively control the arrangement, joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement.

Joint arrangements are classified into two categories:

- joint operations: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint operator shall recognize 100% of wholly-owned assets/liabilities, expenses/revenues of the joint operation, and its share of any of those items held jointly; and
- joint ventures: these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. Each joint venturer shall recognize its interest in a joint venture as an investment, and shall account for that investment using the equity method in accordance with IAS 28 (please refer below).

Equity accounting

Entities over which Vivendi exercises significant influence as well as joint ventures are accounted for under the equity method.

Significant influence is presumed to exist when Vivendi holds, directly or indirectly, at least 20% of the voting rights in an entity unless it can be clearly demonstrated that Vivendi does not exercise a significant influence. Significant influence can be evidenced through other criteria, such as representation on the Board of Directors or the entity's equivalent governing body, participation in policy-making of financial and operational processes, material transactions with the entity or the interchange of managerial personnel.

1.3.3. FOREIGN CURRENCY TRANSLATION

The Consolidated Financial Statements are presented in millions of euros. The functional currency of Vivendi SA and the presentation currency of the group is the euro.

Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency of the entity at the exchange rate prevailing at the date of the transaction. At the closing date, foreign currency monetary assets and liabilities are translated into the entity's functional currency at the exchange rate prevailing on that date. All foreign currency differences are expensed, with the exception of differences resulting from borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These differences are allocated directly to charges and income directly recognized in equity until the divestiture of the net investment.

Financial statements denominated in a foreign currency

Except in cases of significant exchange rate fluctuation, financial statements of subsidiaries, joint ventures or other associated entities for which the functional currency is not the euro are translated into euros as follows: the Consolidated Statement of Financial Position is translated at the exchange rate at the end of the period, and the Consolidated Statement of Earnings and the Consolidated Statement of Cash Flows are translated using average monthly exchange rates for the period. The resulting translation gains and losses are recorded as foreign currency translation differences in charges and income directly recognized in equity. In accordance with IFRS 1, Vivendi elected to reverse the accumulated foreign currency translation differences against retained earnings as of January 1, 2004. These foreign currency translation differences resulted from the translation into euros of the financial statements of subsidiaries that use foreign currencies as their functional currencies. Consequently, these adjustments are not applied to earnings on the subsequent divestiture of subsidiaries, joint ventures or associates whose functional currency is not the euro.

1.3.4. REVENUES FROM OPERATIONS AND ASSOCIATED COSTS

Revenues from operations are recorded when it is probable that future economic benefits will be obtained by the group and when they can be reliably measured. Revenues are reported net of discounts.

1.3.4.1. Canal+ Group

Pay and free-to-air television

Revenues from television subscription services for terrestrial, satellite or cable pay-television platforms are recognized over the service period, net of gratuities granted. Revenues from advertising are recognized over the period during which the advertising commercials are broadcast. Revenues from ancillary services (such as interactive or video-on-demand services) are recognized when the service is rendered. Subscriber management and acquisition costs, as well as television distribution costs, are included in selling, general and administrative expenses.

Equipment rentals

IFRIC 4 - *Determining Whether an Arrangement Contains a Lease*, applies to equipment for which a right of use is granted. Equipment lease revenues are generally recognized on a straight-line basis over the life of the lease agreement.

Film and television programming

Theatrical revenues are recognized as the films are screened. Revenues from film distribution and from video and free-to-air or pay television licensing agreements are recognized when the films and television programs are available for telecast and all other conditions of sale have been met. Home video product revenues, less a provision for estimated returns (please refer to Note 1.3.4.3) and rebates, are recognized upon shipment and availability of the product for retail sale. Amortization of capitalized film and television production and acquisition costs, theatrical print costs, home video inventory costs and television and home video marketing costs are included in costs of revenues.

1.3.4.2. Universal Music Group (UMG)

Recorded music

Revenues from the physical sale of recorded music, net of a provision for estimated returns (please refer to Note 1.3.4.3) and rebates, are recognized upon shipment to third parties, at the shipping point for products sold Free On Board (FOB) and on delivery for products sold free on destination.

Revenues from the digital sale of recorded music, for which UMG has sufficient, accurate, and reliable data from certain distributors, are recognized based on their estimate at the end of the month in which those sales were made to the final customer. In the absence of such data, revenues are recognized upon notification by the distribution platform (on-line or mobile music distributor) to UMG of a sale to the final customer.

Music publishing

Revenues from third-party use of copyright on musical compositions owned or administered by UMG are recognized when royalty statements are received and collectability is assured.

Costs of revenues

Costs of revenues include manufacturing and distribution costs, royalty and copyright expenses, artists' costs, recording costs, and direct overheads. Selling, general and administrative expenses primarily include marketing and advertising expenses, selling costs, provisions for doubtful receivables and indirect overheads.

1.3.4.3. Other

Provisions for estimated returns and price guarantees are deducted from sales of products to customers through distributors. The provisions are estimated based on past sales statistics and take into account the economic environment and product sales forecast to final customers.

Selling, general and administrative expenses primarily include salaries and employee benefits, rent, consulting and service fees, insurance costs, travel and entertainment expenses, administrative department costs, provisions for receivables and other operating expenses.

Advertising costs are expensed when incurred.

Slotting fees and cooperative advertising expenses are recorded as a reduction in revenues. However, cooperative advertising at UMG is treated as a marketing expense and expensed when its expected benefit is individualized and can be estimated.

1.3.5. ASSETS

1.3.5.1. Capitalized financial interest

When appropriate, Vivendi capitalizes financial interest incurred during the construction and acquisition period of intangible assets, and property, plant and equipment, these interests being included in the cost of qualifying assets.

1.3.5.2. Goodwill and business combinations

Business combinations from January 1, 2009

Business combinations are recorded using the acquisition method. Under this method, upon the initial consolidation of an entity over which the group has acquired exclusive control:

- the identifiable assets acquired and the liabilities assumed are recognized at their fair value on the acquisition date; and
- non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This option is available on a transaction-by-transaction basis.

On the acquisition date, goodwill is initially measured as the difference between:

(i) the fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; and

(ii) the net fair value of the identifiable assets and liabilities assumed on the acquisition date.

The measurement of non-controlling interests at fair value results in an increase in goodwill up to the extent attributable to these interests, thereby leading to the recognition of a "full goodwill". The purchase price allocation shall be performed within 12 months after the acquisition date. If goodwill is negative, it is recognized in the Statement of Earnings. Subsequent to the acquisition date, goodwill is measured at its initial amount less recorded accumulated impairment losses (please refer to Note 1.3.5.7 below).

In addition, the following principles are applied to business combinations:

- on the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination;
- contingent consideration in a business combination is recorded at fair value on the acquisition date, and any subsequent adjustment occurring after the purchase price allocation period is recognized in the Statements of Earnings;
- acquisition-related costs are recognized as expenses when incurred;
- in the event of the acquisition of an additional interest in a subsidiary, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners; and
- goodwill is not amortized.

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Vivendi elected not to restate business combinations that occurred prior to January 1, 2004. IFRS 3, as published by the IASB in March 2004, retained the acquisition method. However, its provisions differed from those of its revised standard in respect of the main following items:

- minority interests were measured at their proportionate share of the acquiree's net identifiable assets as there was no option for measurement at fair value;
- contingent consideration was recognized in the cost of acquisition only if the payment was likely to occur and the amounts could be reliably measured;
- transaction costs that were directly attributable to the acquisition formed part of acquisition costs; and
- in the event of the acquisition of an additional interest in a subsidiary, the difference between the acquisition cost and the carrying value of minority interests acquired was recognized as goodwill.

1.3.5.3. Content assets

Canal+ Group

Film, television or sports broadcasting rights

When entering into contracts for the acquisition of film, television or sports broadcasting rights, the rights acquired are classified as contractual commitments. They are recorded in the Statement of Financial Position and classified as content assets as follows:

- film and television broadcasting rights are recognized at their acquisition cost when the program is available for screening and are expensed over their broadcasting period;
- sports broadcasting rights are recognized at their acquisition cost at the opening of the broadcasting period of the related sports season or upon the first payment and are expensed as they are broadcast; and
- expensing of film, television or sports broadcasting rights is included in cost of revenues.

Theatrical films and television rights produced or acquired to be sold to third parties

Theatrical films and television rights produced or acquired before their initial exhibition to be sold to third parties, are recorded as a content asset at capitalized cost (mainly direct production and overhead costs) or at their acquisition cost. The cost of theatrical films and television rights are amortized, and other related costs are expensed, pursuant to the estimated revenue method (i.e., based on the ratio of the current period's gross revenues to estimated total gross revenues from all sources on an individual production basis). Vivendi considers that amortization pursuant to the estimated revenue method reflects the rate at which the entity plans to consume the future economic benefits related to the asset.

Where appropriate, estimated losses in value are provided in full against earnings for the period in which the losses are estimated, on an individual product basis.

Film and television rights catalogs

Catalogs comprise film rights acquired for a second television screening, or produced or acquired film and television rights that are sold to third parties after their first television screening (i.e., after their first broadcast on a free terrestrial channel). They are recognized as an asset at their acquisition or transfer cost and amortized as groups of films, or individually, based respectively on the estimated revenue method.

UMG

Music rights and catalogs include music catalogs, artists' contracts and music publishing rights, acquired through business combinations, amortized in selling, general and administrative expenses over a period not exceeding 15 years.

Royalty advances to artists, songwriters, and co-publishers are capitalized as an asset when their current popularity and past performances provide a reasonable basis to conclude that the probable future recoupment of such royalty advances against earnings otherwise payable to them is reasonably assured. Royalty advances are recognized as an expense as subsequent royalties are earned by the artist, songwriter or co-publisher. Any portion of capitalized royalty advances not deemed to be recoverable against future royalties is expensed during the period in which the loss becomes evident. These expenses are recorded in cost of revenues.

Royalties earned by artists, songwriters, and co-publishers are recognized as an expense in the period during which the sale of the product occurs, less a provision for estimated returns.

1.3.5.4. Research and Development costs

Research costs are expensed when incurred. Development expenses are capitalized when the feasibility and, in particular, profitability of the project can reasonably be considered certain.

Cost of internal use software

Direct internal and external costs incurred for the development of computer software for internal use, including website development costs, are capitalized during the application development stage. Application development stage costs generally include software configuration, coding, installation and testing. Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized. These capitalized costs are amortized over 5 to 10 years. Maintenance, minor upgrade, and enhancement costs are expensed as incurred.

1.3.5.5. Other intangible assets

Intangible assets separately acquired are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date. The historical cost model is applied to intangible assets after they have been recognized. Assets with an indefinite useful life are not amortized but are subject to an annual impairment test. Amortization is accrued for assets with a finite useful life. Useful life is reviewed at the end of each reporting period.

Other intangible assets include trade names, customer bases and licenses. By contrast, music catalogs, trade names, subscribers' bases and market shares generated internally are not recognized as intangible assets.

1.3.5.6. Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Historical cost includes the acquisition cost or production cost, costs directly attributable to transporting an asset to its physical location and preparing it for its operational use, the estimated costs relating to the demolition and the collection of property, plant and equipment, and the rehabilitation of the physical location resulting from the incurred obligation.

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately. Amortization is calculated using the straight-line method based on the estimated useful life of the assets. Useful lives of the main components are reviewed at the end of each reporting period and are as follows:

- buildings: 5 to 40 years;
- equipment and machinery: 3 to 8 years;
- set-top boxes: 5 to 7 years; and
- other: 2 to 10 years.

Assets financed by finance lease contracts are capitalized at the lower of the fair value of future lease payments and of the market value and the related debt is recorded as "Borrowings and other financial liabilities". In general, these assets are amortized on a straight-line basis over their estimated useful life, corresponding to the duration applicable to property, plant and equipment from the same category. Amortization expenses on assets acquired under such leases are included in amortization expenses.

After initial recognition, the cost model is applied to property, plant and equipment.

Vivendi has elected not to apply the option available under IFRS 1, involving the remeasurement of certain property, plant and equipment at their fair value as of January 1, 2004.

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to apply IFRIC Interpretation 4 - *Determining whether an arrangement contains a lease*, which mainly applies to commercial supply agreements for the Canal+ Group satellite capacity, which are commercial service agreements that, in general, do not convey a right to use a specific asset. Contract costs under these agreements are consequently expensed as operational costs for the period.

1.3.5.7. Asset impairment

Each time events or changes in the economic environment indicate a risk of impairment of goodwill, other intangible assets, property, plant and equipment, and assets in progress, Vivendi re-examines the value of these assets. In addition, in accordance with the applicable accounting standards, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year. This impairment test is performed to compare the recoverable amount of each cash-generating unit (CGU) or, if necessary, groups of CGU to the carrying value of the corresponding assets (including goodwill). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Vivendi group operates through different communication businesses. Each business offers different products and services that are marketed through various channels. CGUs are independently defined at each business level, corresponding to the group operating segments. Vivendi CGUs and groups of CGUs are presented in Note 9.

The recoverable amount is determined as the higher of: (i) the value in use; or (ii) the fair value (less costs to sell) as described hereafter, for each individual asset. If the asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for the group of assets. In particular, an impairment test of goodwill is performed by Vivendi for each CGU or group of CGUs, depending on the level at which Vivendi Management measures return on operations.

The value in use of each asset or group of assets is determined as the discounted value of future cash flows (Discounted Cash Flow method (DCF)) by using cash flow projections consistent with the budget of the following year and the most recent forecasts prepared by the operating segments.

Applied discount rates are determined by reference to available external sources of information, usually based on financial institutions' benchmarks, and reflect the current assessment by Vivendi of the time value of money and risks specific to each asset or group of assets.

Perpetual growth rates used for the evaluation of CGUs are those used to prepare budgets for each CGU or group of CGUs, and beyond the period covered, are consistent with growth rates estimated by the business by extrapolating growth rates used in the budgets, without exceeding the long-term average growth rate for the markets in which the group operates.

The fair value (less costs to sell) is the price that would be received from the sale of an asset or group of assets in an orderly transaction between market participants at the measurement date, less costs to sell. These values are determined on the basis of market data (stock market prices or comparison with similar listed companies, with the value attributed to similar assets or companies in recent transactions) or, in the absence of such data, on the basis of discontinued cash flows.

If the recoverable amount is lower than the carrying value of an asset or group of assets, an impairment loss equal to the difference is recognized in EBIT. In the case of a group of assets, this impairment loss is first recorded against goodwill.

The impairment losses recognized in respect of property, plant and equipment, and intangible assets (other than goodwill) may be reversed in a later period if the recoverable amount becomes greater than the carrying value, within the limit of impairment losses previously recognized. Impairment losses recognized in respect of goodwill cannot be reversed at a later date.

1.3.5.8. Financial assets

Financial assets consist of financial assets measured at fair value and financial assets recognized at amortized cost. Financial assets are initially recognized at fair value corresponding, in general, to the consideration paid, which is best evidenced by the acquisition cost (including associated acquisition costs, if any).

Financial assets at fair value

Financial assets at fair value include available-for-sale securities, derivative financial instruments with a positive value (please refer to Note 1.3.7) and other financial assets measured at fair value through profit or loss. Most of these financial assets are actively traded in organized public markets, their fair value being calculated by reference to the published market price at period end. Fair value is estimated for financial assets which do not have a published market price on an active market. As a last resort, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market, the group values financial assets at historical cost, less any impairment losses.

Available-for-sale securities consist of unconsolidated interests and other securities that cannot be classified in the other financial asset categories described below. Unrealized gains and losses on available-for-sale securities are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in another way, or until there is objective evidence that the investment is impaired, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is expensed in other financial charges and income.

Other financial assets measured at fair value through profit or loss mainly consist of assets held for trading which Vivendi intends to sell in the near future (primarily marketable securities). Unrealized gains and losses on these assets are recognized in other financial charges and income.

Financial assets at amortized cost

Financial assets at amortized cost consist of loans and receivables (primarily loans to affiliates and associates, current account advances to equity affiliates and unconsolidated interests, cash deposits, securitized loans and receivables, and other loans and receivables, and debtors) and held-to-maturity investments (financial assets with fixed or determinable payments and fixed maturity). At the end of each period, these assets are measured at amortized cost using the effective interest method. If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial asset's carrying value and its recoverable amount (equal to the present value of estimated future cash flows discounted at the financial asset's initial effective interest rate), is recognized in profit or loss. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

1.3.5.9. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost comprises purchase costs, production costs and other supply and packaging costs. They are usually calculated using the weighted average cost method. Net realizable value is the estimated selling price in the normal course of business, less estimated completion costs and selling costs.

1.3.5.10. Trade accounts receivable

Trade accounts receivable are initially recognized at fair value, which is generally equal to their nominal value. Provisions for the impairment of receivables are specifically valued in each business unit, generally using a default percentage based on the unpaid amounts during one reference period. For the group's businesses which have an economic model based partly or fully on subscription (Canal+ Group), the depreciation rate of trade account receivables is assessed on the basis of historical account receivables from former customers, primarily on a statistical basis. In addition, account receivables from customers subject to insolvency proceedings or customers with whom Vivendi is involved in litigation or a dispute are generally impaired in full.

1.3.5.11. Cash and cash equivalents

The "cash and cash equivalents" category, defined in accordance with IAS 7, consists of cash in banks, monetary UCITS, which satisfy AMF position No. 2011-13, and other highly liquid investments with initial maturities of generally three months or less. Investments in securities, investments with initial maturities of more than three months without the possibility of early termination and bank accounts subject to restrictions (blocked accounts), other than restrictions due to regulations specific to a country or activity sector (e.g., exchange controls), are not classified as cash equivalents but as financial assets. Moreover, the historical performances of the investments are monitored regularly to confirm their cash equivalents accounting classification.

1.3.6. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset or a group of assets and liabilities is held for sale when its carrying value may be recovered principally through its divestiture and not by its continued utilization. To meet this definition, the asset must be available for immediate sale and the divestiture must be highly probable. These assets and liabilities are recognized as assets held for sale and liabilities associated with assets held for sale, without offset. The related assets recorded as assets held for sale are valued at the lowest value between the fair value (net of divestiture fees) and the carrying value, or cost less accumulated depreciation and impairment losses and are no longer depreciated.

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for sale have been met or when Vivendi has sold the asset. Discontinued operations are reported on a single line of the Statement of Earnings for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to divest the assets and liabilities of the discontinued operations. In addition, cash flows generated by discontinued operations are reported on a separate line of the Statement of Consolidated Cash Flows for the relevant periods.

1.3.7. FINANCIAL LIABILITIES

Long-term and short-term borrowings and other financial liabilities include:

- bonds and credit facilities, as well as various other borrowings (including commercial paper and debt related to finance leases) and related accrued interest;
- obligations arising out of commitments to purchase non-controlling interests;
- bank overdrafts; and
- the negative value of other derivative financial instruments. Derivatives with positive values are recorded as financial assets in the Statement of Financial Position.

Borrowings

All borrowings are initially accounted for at fair value net of transaction costs directly attributable to the borrowing. Borrowings bearing interest are subsequently valued at amortized cost, applying the effective interest method. The effective interest rate is the internal yield rate that discounts future cash flows over the term of the borrowing. In addition, where the borrowing comprises an embedded derivative (e.g., an exchangeable bond) or an equity instrument (e.g., a convertible bond), the amortized cost is calculated for the debt component only, after separation of the embedded derivative or equity instrument. In the event of a change in expected future cash flows (e.g., redemption occurs earlier than initially expected), the amortized cost is adjusted against earnings to reflect the value of the new expected cash flows, discounted at the initial effective interest rate.

Commitments to purchase non-controlling interests

Vivendi has committed to purchase the non-controlling interests of some of the minority shareowners of its fully consolidated subsidiaries. These purchase commitments may be optional (e.g., put options) or mandatory (e.g., forward purchase contracts).

The following accounting treatment has been applied in respect of commitments made on or after January 1, 2009:

- upon initial recognition, the commitment to purchase non-controlling interests is recognized as a financial liability for the present value of the purchase price under the put option or forward purchase contract, mainly offset by the book value of non-controlling interests and the remaining balance through equity attributable to Vivendi SA shareowners;
- subsequent changes to the value of the commitment are recognized as a financial liability through an adjustment to equity attributable to Vivendi SA shareowners; and
- upon maturity of the commitment, if the non-controlling interests are not purchased, the previously recognized entries are reversed; if the non-controlling interests are purchased, the amount recognized in financial liabilities is reversed, offset by the cash outflow relating to the purchase of the non-controlling interests.

Derivative financial instruments

Vivendi uses derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates, and foreign currency exchange rates. All instruments are either listed on organized markets or traded over-the-counter with highly-rated counterparties. These instruments include interest rate and currency swaps, and forward exchange contracts. All these derivative financial instruments are used for hedging purposes.

When these contracts qualify as hedges for accounting purposes, gains and losses arising on these contracts are offset in earnings against the gains and losses relating to the hedged item. When the derivative financial instrument hedges exposures to fluctuations in the fair value of an asset or a liability recognized in the Statement of Financial Position or of a firm commitment which is not recognized in the Statement of Financial Position, it is a fair value hedge. The instrument is remeasured at fair value in earnings, with the gains or losses arising on remeasurement of the hedged portion of the hedged item offset on the same line of the Statement of Earnings, or, as part of a forecasted transaction relating to a non-financial asset or liability, at the initial cost of the asset or liability. When the derivative financial instrument hedges cash flows, it is a cash flow hedge. The hedging instrument is remeasured at fair value and the portion of the gain or loss that is determined to be an effective hedge is recognized through charges and income directly recognized in equity, whereas its ineffective portion is recognized in earnings, or, as part of a forecasted transaction on a non-financial asset or liability, they are recognized at the initial cost of the asset or liability. When the hedged item is realized, accumulated gains and losses recognized in equity are released to the Statement of Earnings and recorded on the same line as the hedged item. When the derivative financial instrument hedges a net investment in a foreign operation, it is recognized in the same way as a cash flow hedge. Derivative financial instruments which do not qualify as a hedge for accounting purposes are remeasured at fair value and resulting gains and losses are recognized directly in earnings, without remeasurement of the underlying instrument.

Furthermore, income and expenses relating to foreign currency instruments used to hedge highly probable budget exposures and firm commitments contracted pursuant to the acquisition of editorial content rights (including sports, audiovisual and film rights) are recognized in EBIT. In all other cases, gains and losses arising on the fair value remeasurement of instruments are recognized in other financial charges and income.

1.3.8. OTHER LIABILITIES

Provisions

Provisions are recognized when, at the end of the reporting period, Vivendi has a legal obligation (legal, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be reliably estimated. Where the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. If the amount of the obligation cannot be reliably estimated, no provision is recorded and a disclosure is made in the Notes to the Consolidated Financial Statements.

Employee benefit plans

In accordance with the laws and practices of each country in which it operates, Vivendi participates in, or maintains, employee benefit plans providing retirement pensions, post-retirement health care, life insurance and post-employment benefits to eligible employees, former employees, retirees and such of their beneficiaries who meet the required conditions. Retirement pensions are provided for substantially all employees through defined contribution plans, which are integrated with local social security and multi-employer plans, or defined benefit plans, which are generally managed via group pension plans. The plan funding policy implemented by the group is consistent with applicable government funding requirements and regulations.

Defined contribution plans

Contributions to defined contribution and multi-employer plans are expensed during the year.

Defined benefit plans

Defined benefit plans may be funded by investments in various instruments such as insurance contracts or equity and debt investment securities, excluding Vivendi shares or debt instruments.

Pension expenses and defined benefit obligations are calculated by independent actuaries using the projected unit credit method. This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan. The assumptions adopted in 2014 and 2015, and the means of determining these assumptions, are presented in Note 17. A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, and includes past service cost and actuarial gains and losses.

The cost of defined benefit plans consists of three components recognized as follows:

- the service cost is included in selling, general and administrative expenses. It comprises current service cost, past service cost resulting from a plan amendment or a curtailment, immediately recognized in profit and loss, and gains and losses on settlement;
- the financial component, recorded in other financial charges and income, consists of the undiscounting of the obligation, less the expected return on plan assets determined using the discount rate retained for the valuation of the benefit obligation; and
- the remeasurements of the net defined benefit liability (asset), recognized in items of other comprehensive income not reclassified to profit and loss, mainly consist of actuarial gains and losses, i.e., changes in the present value of the defined benefit obligation and plan assets resulting from changes in actuarial assumptions and experience adjustments (representing the differences between the expected effect of some actuarial assumptions applied to previous valuations and the effective impact).

Where the value of plan assets exceeds benefit obligations, a financial asset is recognized up to the present value of future refunds and the expected reduction in future contributions.

Some other post-employment benefits, such as life insurance and medical coverage (mainly in the United States) are subject to provisions which are assessed through an actuarial calculation comparable to the method used for pension provisions.

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to record unrecognized actuarial gains and losses against consolidated equity.

1.3.9. DEFERRED TAXES

Differences existing at closing between the tax base value of assets and liabilities and their carrying value in the Consolidated Statement of Financial Position give rise to temporary differences. Pursuant to the liability method, these temporary differences result in the accounting of:

- deferred tax assets, when the tax base value is greater than the carrying value (expected future tax saving); and
- deferred tax liabilities, when the tax base value is lower than the carrying value (expected future tax expense).

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor tax income or loss.

For deductible temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that a taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the group proved to differ significantly from those expected, the group would be required to increase or decrease the carrying value of deferred tax assets with a potentially material impact on the Statement of Financial Position and Statement of Earnings of the group.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from goodwill or initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, tax income or loss.

For taxable temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Current tax and deferred tax shall be charged or credited directly to equity, and not earnings, if the tax relates to items that are credited or charged directly to equity.

1.3.10. SHARE-BASED COMPENSATION

With the aim of aligning the interests of its executive management and employees with its shareholders' interests by providing them with an additional incentive to improve the company's performance and increase its share price on a long-term basis, Vivendi maintains several share-based compensation plans (share purchase plans, performance share plans and bonus share plans) or other equity instruments based on the value of the Vivendi share price (stock options), which are settled either in equity instruments or in cash. Grants under these plans are approved by the Management Board and the Supervisory Board. In addition, the definitive grant of stock options and performance shares is contingent upon the achievement of specific performance objectives set by the Management Board and the Supervisory Board. Moreover, all granted plans are conditional upon active employment at the vesting date.

In addition, Universal Music Group maintained Equity Long-Term Incentive Plans. Under these plans, certain key executives were awarded equity units, which were settled in cash. These equity units were phantom stock units whose value is intended to reflect the value of Universal Music Group.

Please refer to Note 18 for details of the features of these plans.

Share-based compensation is recognized as a personnel cost at the fair value of the equity instruments granted. This expense is spread over the vesting period, i.e., three years for stock option plans and for performance share plans (two years for performance shares granted before June 24, 2014), and two years for Vivendi's bonus share plans, other than in specific cases.

Vivendi use a binomial model to assess the fair value of such instruments. This method relies on assumptions updated at the valuation date such as the calculated volatility of the relevant shares, the discount rate corresponding to the risk-free interest rate, the expected dividend yield, and the probability of relevant managers and employees remaining employed within the group until the exercise of their rights.

However, depending on whether the instruments granted are equity-settled or cash-settled, the valuation and recognition of the expense will differ:

Equity-settled instruments:

- the expected term of the option granted is deemed to be the mid-point between the vesting date and the end of the contractual term;
- the value of the instruments granted is estimated and fixed at grant date; and
- the expense is recognized with a corresponding increase in equity.

Cash-settled instruments:

- the expected term of the instruments granted is deemed to be equal to one-half of the residual contractual term of the instrument for vested rights, and to the average of the residual vesting period at the remeasurement date and the residual contractual term of the instrument for unvested rights;
- the value of instruments granted is initially estimated at grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted pro rata taking into account the vested rights at each such reporting date;
- the expense is recognized as a provision; and
- moreover, as plans settled in cash are primarily denominated in US dollars, the value fluctuates based on the EUR/USD exchange rate.

Share-based compensation cost is allocated to each operating segment, pro rata to the number of equity instruments or equivalent instruments granted to their managers and employees.

The dilutive effect of stock options and performance shares settled in equity through the issuance of Vivendi shares which are in the process of vesting is reflected in the calculation of diluted earnings per share.

In accordance with IFRS 1, Vivendi elected to retrospectively apply IFRS 2 as of January 1, 2004. Consequently, all share-based compensation plans for which rights remained to be vested as of January 1, 2004 were accounted for in accordance with IFRS 2.

1.4. Related parties

Group related parties are those companies over which the group exercises exclusive control, joint control or significant influence, shareholders exercising joint control over group joint ventures, non-controlling interests exercising significant influence over group subsidiaries, Corporate Officers, group management and directors and companies over which the latter exercise exclusive control, joint control, or significant influence.

The transactions realized with subsidiaries over which the group exercises control are not included in the intersegment operations (a list of the group's major consolidated entities is presented in Note 24).

Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's-length basis on terms and conditions similar to those which would be offered by third parties. The operating costs of Vivendi SA's headquarters, after the allocation of a portion of these costs to each of the group's businesses, are included in the Corporate operating segment.

1.5. Contractual obligations and contingent assets and liabilities

Once a year, Vivendi and its subsidiaries prepare detailed reports on all material contractual obligations, commercial and financial commitments and contingent obligations, for which they are jointly and severally liable. These detailed reports are updated by the relevant departments and reviewed by senior management on a regular basis. To ensure completeness, accuracy and consistency of these reports, some dedicated internal control procedures are carried out, including (but not limited to) the review of:

- minutes of meetings of the shareholders, Management Board, Supervisory Board and committees of the Supervisory Board in respect of matters such as contracts, litigation, and authorization of asset acquisitions or divestitures;
- pledges and guarantees with banks and financial institutions;
- pending litigation, claims (in dispute) and environmental matters as well as related assessments for unrecorded contingencies with internal and/or external legal counsels;
- tax examiner's reports and, if applicable, notices of reassessments and tax expense analyses for prior years;
- insurance coverage for unrecorded contingencies with the Risk Management department and insurance agents and brokers with whom the group contracted;
- related-party transactions for guarantees and other given or received commitments; and more generally;
- major contracts and agreements.

1.6. New IFRS standards and IFRIC interpretations that have been published but are not yet effective

Among IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC as of the date of approval of these Consolidated Financial Statements, but which are not yet effective, and for which Vivendi has not elected for an earlier application, the main standards which may have an impact on Vivendi are the following:

- the amendments to IAS 38 – *Intangible Assets*, related to clarification of acceptable methods of depreciation and amortization, which apply mandatorily from January 1, 2016 and endorsed in the EU. Vivendi expects no significant impact deriving from the application of these amendments. Indeed, within its film production and television rights activities, Vivendi considers that the amortization method based on revenue generated by these activities (according to the estimated revenue method described in Note 1.3.5.3) is appropriate because revenue is highly correlated with the consumption of the economic benefits embodied in the intangible assets; and
- IFRS 15 – *Revenue from Contracts with Customers*, which applies mandatorily from January 1, 2018, and is still to be endorsed in the EU. Vivendi is currently assessing the potential impact on the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements in applying this standard.

Note 2. Major changes in the consolidation scope and the equity portfolio

2.1. Acquisition of a 90% interest in Dailymotion

On June 30, 2015, Vivendi completed the acquisition of an 80% interest in Dailymotion from Orange for a cash consideration of €217 million, based on a full enterprise value of €265 million. Limited representations and warranties, customary for this type of transaction, were granted by Orange.

On July 30, 2015, Vivendi purchased an additional 10% interest in Dailymotion from Orange for a cash consideration of €28.7 million. In addition, Orange was granted a put option on its remaining 10% interest, exercisable within two months following the General Shareholders' Meeting held to approve Dailymotion's Financial Statements for the year ended December 31, 2016. At the end of this period, Vivendi will have a call option, exercisable within two months.

As from June 30, 2015, Vivendi has consolidated Dailymotion under the full goodwill method and performed a preliminary allocation of the purchase price for 100% of Dailymotion. The allocation of the purchase price will be finalized within the 12-month period following the acquisition date, as required by accounting standards. The provisional goodwill amounted to €262 million. The final amount of goodwill may differ from the amount initially recorded.

2.2. Acquisition of an interest in Telecom Italia

On June 24, 2015, Vivendi announced that it had become the largest shareholder of Telecom Italia, holding 14.9% of Telecom Italia common shares. As of December 31, 2015, Vivendi held 21.4% of Telecom Italia common shares and 14.8% of the diluted capital, pursuant to the following transactions:

- on June 24, 2015, pursuant to the agreement entered into with Telefonica for the sale of GVT, Vivendi swapped a 4.5% interest in Telefonica Brasil with Telefonica in exchange for a block of 1,110 million shares, representing 8.24% of Telecom Italia common shares;
- between June 10 and June 18, 2015, Vivendi acquired 1.90% of Telecom Italia common shares directly on the stock market (256 million shares) and, on June 22, 2015, Vivendi acquired a block of 642 million shares representing 4.76% of Telecom Italia common shares from a financial institution; and
- during the second half of 2015, Vivendi acquired 880 million Telecom Italia common shares directly on the stock market.

On June 22, 2015, Vivendi entered into a hedge transaction involving 5.6% of Telecom Italia common shares, through a three-year zero-premium collar (consisting of a put option acquired by Vivendi and a call option sold by Vivendi). On June 30, 2015, to benefit from favorable market conditions, Vivendi unwound this collar in cash and entered into a three-month cash-settled swap on 4.7% of Telecom Italia common shares, pursuant to which Vivendi would have to pay the positive difference between the Telecom Italia stock market price and the share price at the unwinding of the collar, if applicable. At the end of August 2015, Vivendi unwound this swap for a net payment of approximately €26 million given the evolution of the Telecom Italia stock market price.

Accounting for the investment in Telecom Italia

On December 15, 2015, Telecom Italia's Extraordinary General Shareholders' Meeting appointed Mr. Arnaud de Puyfontaine, chairman of Vivendi's Management Board, as well as Mr. Hervé Philippe and Mr. Stéphane Roussel, members of Vivendi's Management Board, as members of Telecom Italia's Board of Directors. As from that date, Vivendi has the power to participate the financial and operating policy decisions of Telecom Italia, according to IAS 28, and, consequently, it considers exercising a significant influence over Telecom Italia.

- Between June 24 and December 14, 2015, Vivendi's investment in Telecom Italia was accounted for as "available-for-sale securities", revalued at the stock market price and the change in value was recognized as "charges and income directly recognized in equity", in accordance with IAS 39.
- As from December 15, 2015, the interest in Telecom Italia has been accounted for under the equity method, in accordance with IAS 28. On that date, this interest was revalued at the stock market price and the change in value was a gain of €30 million recycled to the Statement of Earnings, as "Other income".
- As of December 31, 2015, Vivendi held 2,888 million (21.4%) Telecom Italia common shares (14.8% of the diluted capital), valued at €3,319 million given the share purchases since December 15, 2015. This amount included €2,008 million paid in cash. The average purchase price amounted to €1.14 per share. The market value of this interest amounted to €3,393 million.
- As of February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2015, Telecom Italia's Consolidated Financial Statements were not publicly reported, which prevented Vivendi in 2015 to meet the requirements set forth in IFRS 12 regarding the financial information related to Telecom Italia. In 2016, Vivendi will rely on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method.

2.3. Divestment of Telefonica Brasil and entry into Telefonica's share capital

On July 29, 2015, Vivendi sold a 4.0% interest in Telefonica Brasil on the stock market, for a consideration of US$877 million (i.e., €800 million). This transaction was carried out after the preferred shares were converted into American Depositary Receipts (ADR).

On July 29, 2015, Vivendi entered into an agreement with Telefonica to swap a 3.5% interest in Telefonica Brasil in exchange for a 0.95% interest in Telefonica (46 million shares). After obtaining the approval of the Brazilian competition authority (CADE), this swap transaction was completed on September 16, 2015, and the value of the interest amounted to €538 million as of this date. In December 2015, Vivendi received 1.4 million additional Telefonica shares with respect to the dividend in shares, representing a value of €16 million.

As of December 31, 2015, Vivendi held 47.4 million Telefonica shares (a 0.95% interest). This interest was accounted for as "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position and, in accordance with IAS 39, is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity. On that date, the interest in Telefonica was valued at €485 million, representing an unrealized capital loss of €70 million.

2.4. Acquisition of interests in Ubisoft and Gameloft

Ubisoft

As of December 31, 2015, Vivendi held 15.7 million Ubisoft Entertainment ("Ubisoft") shares, i.e., 13.98% of the share capital and 12.35% of the voting rights, representing acquisitions on the stock market for €351 million.

On October 26, 2015, Vivendi made the following declaration of intent:
Vivendi's acquisitions were financed using its available cash. Vivendi is not acting in concert with any third party in connection with its investments in Ubisoft and has not entered into a temporary sale agreement for Ubisoft shares or voting rights. It does not hold instruments and is not a party to agreements such as those referred to in paragraphs 4° and 4° bis of Article L.233-9 of the French Commercial Code (*Code de commerce*).
The group contemplates continuing the acquisition of shares depending on market conditions. These acquisitions were not specifically designed as a preparatory step for a plan to takeover Ubisoft; nonetheless, over the six coming months, Vivendi cannot rule out the possibility of considering such a plan. Vivendi plans to request, in due time, to be represented on the company's Board of Directors.
Vivendi's investment in Ubisoft's business sector is part of a strategic vision of operational convergence between, Vivendi's contents and platforms, and Ubisoft's productions in video games. Since this strategy does not require any modification to Ubisoft's legal or financial organization, Vivendi does not contemplate implementing any of the transactions referred to in Article 223-17, I, 6° of the AMF *Règlement Général* (General Regulations).

As of December 31, 2015, this interest was accounted for as "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position and, in accordance with IAS 39, is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity.

As of February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2015, Vivendi held 16.7 million Ubisoft Entertainment shares, i.e., 14.89% of the share capital and 13.15% of the voting rights.

Gameloft

As of December 31, 2015, Vivendi held 24.5 million Gameloft S.E. ("Gameloft") shares, i.e., 28.65% of the share capital and 25.50% of the voting rights, representing acquisitions on the stock market for €122 million. This interest was accounted for as "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position as of December 31, 2015, in accordance with IAS 39, and is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity.

As of February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements for the year ended December 31, 2015, Vivendi held 25.4 million Gameloft shares, i.e., 29.75% of the share capital and 26.49% of the voting rights. At this meeting, Vivendi's Management Board decided to submit to the Supervisory Board, at its meeting to be held on February 18, 2016, the project of public tender offer for all Gameloft shares.

2.5. Vivendi's public tender offer for the shares of Société d'Édition de Canal Plus (SECP)

On May 12, 2015, Vivendi announced its intention to file a public tender offer ("the offer") with the *Autorité des marchés financiers* (the French securities regulator) for the shares of SECP, 48.5% of which were owned by Canal+ Group SA, a wholly-owned subsidiary of Vivendi.

The offer periods lasted from July 9 until August 12, 2015, and from August 31 until September 11, 2015, at a price of €8.00 per share (compared to the €7.60 price initially announced). Following completion of the offer, Vivendi directly and indirectly held 122,982,460 SECP shares, representing 97.07% of the share capital and voting rights of SECP.

In accordance with applicable laws and regulations, Vivendi launched a squeeze-out procedure for the SECP shares not directly or indirectly held by Vivendi. On September 29, 2015, the squeeze-out for the 3,708,308 SECP shares not held by Vivendi, representing a 2.93% interest, was made at the same price as the tender offer price.

Upon completion of these transactions, Vivendi acquired a 51.5% interest in SECP, at a price of €8.00 per share (€522 million), and SECP is now wholly-owned, directly and indirectly, by Vivendi. In accordance with IFRS standards, the difference between the acquisition price paid and the carrying value of the acquired non-controlling interest was recorded as a deduction from equity attributable to Vivendi SA shareowners for €375 million.

2.6. Other acquisitions

Radionomy

On December 17, 2015, Vivendi purchased a 64.4% interest in Radionomy Group for a €24 million cash consideration, based on a full enterprise value of €40 million. In addition, Vivendi and the minority shareholders were granted call options and put options, respectively, on the interest held by the minority shareholders. The call options are exercisable by Vivendi in June 2018. At the end of this period, the minority shareholders will have put options, exercisable the following month.

As from December 17, 2015, Vivendi has consolidated Radionomy under the full goodwill method. The purchase price and its allocation will be finalized within the 12-month period following the acquisition date, as required by accounting standards. The provisional goodwill amounted to €41 million. The final amount of goodwill may differ from the amount initially recorded.

Boulogne Studios

On September 9, 2015, Vivendi acquired a company called Boulogne Studios for €40 million.

2.7. Acquisition in progress of an interest in Banijay Zodiak

Vivendi's project to invest in the future Banijay Zodiak group ("BZ"), which will be born out of the combination between Banijay Group and Zodiak Media, two of the largest audiovisual production companies in Europe, is expected to be completed before the end of the first quarter of 2016, subject to the satisfaction of several conditions precedent. In this respect, all approvals by the relevant competition authorities (and notably the European Commission) were granted. There are three components to this investment:

i. a €100 million investment to obtain a 26.2% interest in the future combined entity BZ;
ii. the subscription to a €100 million bond ("ORAN1") redeemable in shares or cash issued by BZ. Upon maturity of ORAN1, BZ would have the option of either redeeming the bond in cash or converting it into a number of BZ shares which, in addition to the shares already held by Vivendi, would bring Vivendi's interest in the company to a maximum of 49.9%; and
iii. the subscription to a €90 million bond ("ORAN2") redeemable in shares or cash issued by Lov-Banijay, a holding company controlled by Financière Lov. Upon maturity of ORAN2, Lov Banijay would have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay.

Both bonds have a 7-year maturity.

Vivendi would have the right to appoint two representatives to BZ's Board of Directors, and would be granted certain veto and tag-along rights.

2.8. Sale of the 20% interest in Numericable-SFR

As a reminder, on November 27, 2014, Vivendi completed the combination between SFR and Numericable. Pursuant to this transaction, Vivendi received net cash proceeds of €13,050 million, which takes into account the €250 million final price adjustment (including an additional €116 million paid by Vivendi on May 6, 2015), as well as Vivendi's €200 million contribution to the financing of the acquisition of Virgin Mobile by Numericable-SFR. In addition to the cash proceeds, Vivendi received a 20% interest in the new entity Numericable-SFR as well as an earn-out right of €750 million contingent upon Numericable-SFR's operating performance. Vivendi granted specific guarantees to Numericable-SFR which are limited in amount, and issued certain undertakings to the French Competition Authority.

On February 27, 2015, after review by the Management Board, Vivendi's Supervisory Board unanimously decided to accept the offer received on February 17, 2015 from Numericable-SFR and Altice, to purchase the Numericable-SFR shares held by Vivendi, which represented 20% of the share capital of Numericable-SFR. The purchase offer was as follows:

a. Repurchase by Numericable-SFR of 10% of its own shares:

In accordance with the Share Repurchase Agreement signed on February 27, 2015, at Numericable-SFR General Shareholders' Meeting held on April 28, 2015, the shareholders approved the repurchase of 48,693,922 of the company's own shares held by Vivendi (i.e., a 10% interest) at a purchase price of €40 per share, for an aggregate consideration of €1,948 million, paid on May 6, 2015.

b. Purchase by Altice of a 10% interest in Numericable-SFR:

On May 6, 2015, the closing date of the share repurchase, Altice acquired 48,693,923 shares at a price of €40 per share, for an aggregate consideration of €1,948 million, payable no later than April 7, 2016, with an early payment option for the full amount. Payment was received by Vivendi on August 19, 2015 for €1,974 million.

The capital gain on the sale of the 20% interest in Numericable-SFR amounted to €651 million (before taxes), classified as "other income" in EBIT.

This transaction permitted Vivendi to complete its divestment of SFR under financial conditions which resulted in it receiving, with respect to this minority interest, a 20% premium over the closing price of Numericable-SFR shares on November 27, 2014. The low liquidity level of Numericable-SFR shares made an exit under optimal conditions uncertain. In total, net proceeds received by Vivendi from the sale of SFR amounted to approximately €17 billion, in line with the valuation projected by Vivendi in April 2014.

The completion of these transactions resulted in the termination of: (i) the agreements pursuant to which Vivendi was entitled to receive a potential earn-out payment of €750 million and a specific guarantee given by Vivendi; (ii) the Shareholders' agreement including in particular a non-compete provision relating to Canal+ Group in specific sectors and territories; and (iii) discussions over a sale price adjustment of SFR based on its level of debt at the closing date, which resulted in the payment by Vivendi of €116 million.

In addition, Vivendi was informed that the tax authorities are challenging the validity of the merger completed in December 2011 between SFR and Vivendi Telecom International (VTI) and, consequently, intend to contest the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011. The tax authorities plan to require that SFR be carved-out from Vivendi's tax group for that fiscal year and to make a claim against SFR for a total amount of €1,374 million, representing a principal tax amount of €711 million plus default interest and penalties of €663 million.

As part of the agreement entered into on February 27, 2015 among Vivendi, Altice and Numericable-SFR, Vivendi agreed to return to SFR, if applicable, taxes and contributions that could be borne by SFR for fiscal year 2011 and that SFR would have already paid at that time to Vivendi, up to a maximum amount of €711 million (including €154 million corresponding to the use by SFR of VTI's tax losses in 2011 or 2012) covering the entire period within which SFR belonged to the Vivendi tax group, if the 2011 merger of SFR and VTI were to be ultimately invalidated for tax purposes. Vivendi and Altice/Numericable-SFR have agreed to cooperate in order to challenge the position of the tax authorities.

Vivendi Management believes that it has solid legal grounds on which to defend the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011 or, failing that, its consolidation by applying the Consolidated Global Profit Tax System in respect of such fiscal year. Therefore, Vivendi believes that the agreement entered into on February 27, 2015 between Vivendi and Altice/Numericable-SFR should not have a materially adverse impact on the financial position or liquidity of the company.

2.9. Sale of GVT

On May 28, 2015, pursuant to the agreements entered into on September 18, 2014, Vivendi sold 100% of GVT, its Brazilian telecommunications subsidiary, to Telefonica for an enterprise value of €7.5 billion (based on the stock market value and foreign exchange rates on that date). The main terms of this transaction are described below.

Cash proceeds	€4,178 million (before taxes), corresponding to a contractual gross amount of €4,663 million in cash, net of the sale price adjustments (€485 million), including, among other things, exceptional changes in net working capital, GVT's bank debt at the closing date, as well as certain restatements as contractually defined by the parties. After taxes paid in Brazil (€395 million), the net cash proceeds received by Vivendi amounted to €3,783 million. This amount will be further decreased by the income tax payable in France, estimated at approximately €237 million, which will bring the net sale proceeds to approximately €3.6 billion.
Consideration shares	12% interest in Telefonica Brasil. Pursuant to the agreements entered into with Telefonica, Vivendi subsequently swapped a 4.5% interest in Telefonica Brasil in exchange for 8.24% of Telecom Italia common shares (please refer to Note 2.2 above).
Commitments given	Representations and warranties, limited to specifically identified tax matters, capped at BRL 180 million. Vivendi gave a commitment to CADE to progressively exit from Telefonica Brasil.
Liquidity	With respect to Vivendi's interest in Telefonica Brasil: ◆ lock-up period until July 28, 2015; and ◆ tag-along rights.
Governance	No specific governance rights in Telefonica Brasil nor in Telecom Italia.

Deconsolidation of GVT as from May 28, 2015

As from the third quarter of 2014, GVT had been presented in Vivendi's Consolidated Statement of Earnings, Statement of Cash Flows and Statement of Financial Position as a discontinued operation. On May 28, 2015, Vivendi sold 100% of GVT to Telefonica and received €4,178 million in cash (before taxes) and a 12% interest in Telefonica Brasil. On that date, Vivendi deconsolidated GVT.

The capital gain on the sale of GVT amounted to €1,818 million, before taxes amounting to €634 million (of which €395 million paid in Brazil), and was recorded in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations". Excluding the discontinuation **(1)** of amortization since the third quarter of 2014, in accordance with IFRS 5, the capital gain after taxes on the sale of GVT would have amounted to €1,453 million.

On July 29, 2015, Vivendi divested its entire 7.5% interest in Telefonica Brasil (please refer to Note 2.3 above).

2.10. Sale of the interest in TVN in Poland

On July 1, 2015, Canal+ Group and ITI Group sold their controlling interest in TVN (Poland's free-to-air TV) to Southbank Media Ltd., a London-based subsidiary of Scripps Networks Interactive Inc. Group.

Pursuant to the terms of the transaction, N-Vision B.V., which held a 52.7% controlling interest in TVN, was acquired by Southbank Media Ltd. for an aggregate cash consideration of €584 million (i.e., €273 million for Canal+ Group).

SouthBank Media Ltd. took over the bond issued by Polish Television Holding B.V. (€300 million nominal value).

(1) When an operation is discontinued, IFRS 5 requires the discontinuation of the amortization of the operation's tangible and intangible assets. Therefore, for GVT, Vivendi discontinued the amortization of tangible and intangible assets as from the third quarter of 2014, resulting in a positive impact of €269 million on earnings from discontinued operations from September 1, 2014 to May 28, 2015.

2.11. Earnings from discontinued operations

In compliance with IFRS 5, the line"Earnings from discontinued operations" presented in Vivendi's Consolidated Statement of Earnings includes, until their respective sale dates, GVT (sold on May 28, 2015), SFR (sold on November 27, 2014), Maroc Telecom group (sold on May 14, 2014), as well as the capital gains realized upon completion of the divestitures of these operations.

	2015 year contributions		
(in millions of euros)	GVT	Other	Total
Revenues	738	-	738
EBITDA	292	-	292
Adjusted earnings before interest and income taxes (EBITA)	138	-	138
EBITA after discontinuation of amortization (a)	291	-	291
Earnings before interest and income taxes (EBIT)	289	-	289
Earnings before provision for income taxes	195	-	195
Provision for income taxes	(16)	-	(16)
Earnings	**179**	**-**	**179**
Capital gain on the divestiture of GVT	1,818	-	1,818
Taxes paid in Brazil related to the divestiture of GVT	(395)	-	(395)
Capital loss on the divestiture of Telefonica Brasil	-	(294)	(294)
Other	-	(b) (75)	(75)
Earnings from discontinued operations	**1,602**	**(369)**	**1,233**
of which attributable to Vivendi SA shareowners	*1,602*	*(369)*	*1,233*
non-controlling interests	-	-	-

	2014 year contributions				
(in millions of euros)	GVT	SFR	Maroc Telecom Group	Other	Total
Revenues	1,765	8,981	969	-	11,715
EBITDA	702	2,129	530	-	3,361
Adjusted earnings before interest and income taxes (EBITA)	367	689	360	-	1,416
EBITA after discontinuation of amortization (a)	478	1,732	531	-	2,741
Earnings before interest and income taxes (EBIT)	457	1,676	531	-	2,664
Earnings before provision for income taxes	393	1,487	527	-	2,407
Provision for income taxes	(89)	(188)	(120)	-	(397)
Earnings	**304**	**1,299**	**407**	**-**	**2,010**
Capital gains on completed divestitures	na	2,378	786	(c) 84	3,248
Other	(2)	-	-	6	4
Earnings from discontinued operations	**302**	**3,677**	**1,193**	**90**	**5,262**
of which attributable to Vivendi SA shareowners	*302*	*3,663*	*979*	*90*	*5,034*
non-controlling interests	-	*14*	*214*	-	*228*

na: not applicable.

(a) In compliance with IFRS 5, Vivendi discontinued the amortization of tangible and intangible assets of GVT as from September 1, 2014, SFR as from April 1, 2014 and Maroc Telecom group as from July 1, 2013.

(b) Included the €69 million remaining impact related to the sale of an 80% interest in SFR to Numericable, notably the final sale price adjustment.

(c) Included the capital gain on the divestiture of 41.5 million Activision Blizzard shares on May 22, 2014.

Note 3. Segment data

3.1. Operating segment data

Vivendi Management evaluates the performance of its business segments and allocates necessary resources to them based on certain operating performance indicators (segment earnings and cash flow from operations). Income from operations and EBITA reflect the earnings of each business segment.

The operating segments presented hereunder are strictly identical to the information given to Vivendi's Management Board.

Vivendi's main businesses are aggregated within the following operating segments:

- **Canal+ Group:** publishing and distribution of premium and thematic pay-TV channels, as well as free-to-air channels in France, Poland, Africa and Vietnam, as well as production, sales and distribution of cinema films and TV series.
- **Universal Music Group:** sale of recorded music (physical and digital media), exploitation of music publishing rights, as well as artist services and merchandising.
- **Vivendi Village:** Vivendi Ticketing (with See Tickets and Digitick), MyBestPro (formerly Wengo, expert counseling), Watchever (subscription video-on-demand), L'Olympia (the Paris-based music hall), Radionomy (acquired on December 17, 2015), as well as CanalOlympia (business in the process of being developed in Africa).
- **New Initiatives:** Dailymotion (acquired on June 30, 2015, please refer to Note 2.1), Vivendi Content's businesses (created in February 2015, bringing together notably Flab Prod and Studio+), Boulogne Studios, as well as Group Vivendi Africa (business in the process of being developed).
- **Corporate:** central services.

Intersegment commercial operations are conducted on an arm's-length basis, on terms and conditions similar to those which would be offered by third parties.

MAIN AGGREGATES OF THE STATEMENT OF EARNINGS

	Year ended December 31,	
(in millions of euros)	2015	2014
Revenues		
Canal+ Group	5,513	5,456
Universal Music Group	5,108	4,557
Vivendi Village	100	96
New Initiatives	43	-
Elimination of intersegment transactions	(2)	(20)
	10,762	**10,089**
Income from operations		
Canal+ Group	542	618
Universal Music Group	626	606
Vivendi Village	10	(34)
New Initiatives	(18)	-
Corporate	(99)	(82)
	1,061	**1,108**
Restructuring charges		
Canal+ Group	(47)	-
Universal Music Group	(51)	(50)
Vivendi Village	(1)	(44)
New Initiatives	-	-
Corporate	(3)	(10)
	(102)	**(104)**
Charges related to equity-settled share-based compensation plans		
Canal+ Group	(3)	(3)
Universal Music Group	(5)	(2)
Vivendi Village	-	(1)
New Initiatives	-	-
Corporate	(8)	(3)
	(16)	**(9)**
Other non-current operating charges and income		
Canal+ Group	(38)	(32)
Universal Music Group	23	11
Vivendi Village	-	-
New Initiatives	(2)	-
Corporate	16	25
	(1)	**4**
Adjusted earnings before interest and income taxes (EBITA)		
Canal+ Group	454	583
Universal Music Group	593	565
Vivendi Village	9	(79)
New Initiatives	(20)	-
Corporate	(94)	(70)
	942	**999**

RECONCILIATION OF EBIT TO EBITA AND TO INCOME FROM OPERATIONS

	Year ended December 31,	
(in millions of euros)	2015	2014
EBIT (a)	**1,231**	**736**
Adjustments		
Amortization of intangible assets acquired through business combinations	408	344
Impairment losses on intangible assets acquired through business combinations (a)	3	92
Other income (a)	(745)	(203)
Other charges (a)	45	30
EBITA	**942**	**999**
Adjustments		
Restructuring charges (a)	102	104
Charges related to equity-settled share-based compensation plans	16	9
Other non-current operating charges and income	1	(4)
Income from operations	**1,061**	**1,108**

(a) As reported in the Consolidated Statement of Earnings.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	December 31, 2015	December 31, 2014
Segment assets (a)		
Canal+ Group	7,575	7,829
Universal Music Group	9,242	8,677
Vivendi Village	216	154
New Initiatives	387	-
Corporate	8,026	5,896
	25,446	**22,556**
Segment liabilities (b)		
Canal+ Group	2,615	2,609
Universal Music Group	3,552	3,463
Vivendi Village	117	129
New Initiatives	50	-
Corporate	3,550	2,404
	9,884	**8,605**

(a) Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, investments in equity affiliates, financial assets, inventories and trade accounts receivable, and other.

(b) Segment liabilities include provisions, other non-current liabilities, and trade accounts payable and other.

Additional operating segment data is presented in the following Notes: Note 9 "Goodwill" and Note 10 "Content assets and commitments".

DEPRECIATIONS AND AMORTIZATIONS

(in millions of euros)	Year ended December 31, 2015	2014
Capital expenditures, net (capex, net) (a)		
Canal+ Group	181	190
Universal Music Group	53	46
Vivendi Village	7	7
New Initiatives	4	-
Corporate	1	-
	246	**243**
Increase in tangible and intangible assets		
Canal+ Group	175	205
Universal Music Group	53	47
Vivendi Village	7	7
New Initiatives	5	-
Corporate	1	-
	241	**259**
Depreciation of tangible assets		
Canal+ Group	163	170
Universal Music Group	67	58
Vivendi Village	2	3
New Initiatives	2	-
Corporate	-	1
	234	**232**
Amortization of intangible assets excluding those acquired through business combinations		
Canal+ Group	70	72
Universal Music Group	-	-
Vivendi Village	-	3
New Initiatives	1	-
Corporate	-	-
	71	**75**
Amortization of intangible assets acquired through business combinations		
Canal+ Group	8	8
Universal Music Group	398	334
Vivendi Village	2	2
New Initiatives	-	-
Corporate	-	-
	408	**344**
Impairment losses on intangible assets acquired through business combinations		
Canal+ Group	1	-
Universal Music Group	2	1
Vivendi Village	-	91
New Initiatives	-	-
Corporate	-	-
	3	**92**

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

3.2. Geographic information

Revenues are broken down by customer location.

(in millions of euros)	Year ended December 31, 2015		2014	
Revenues				
France	4,464	*42%*	4,482	*44%*
Rest of Europe	2,567	*24%*	2,505	*25%*
United States	2,191	*20%*	1,748	*17%*
Rest of the world	1,540	*14%*	1,354	*14%*
	10,762	***100%***	**10,089**	***100%***

(in millions of euros)	December 31, 2015		December 31, 2014	
Segment assets				
France	9,568	*38%*	11,774	*52%*
Rest of Europe	6,109	*24%*	2,519	*11%*
United States	9,078	*36%*	7,660	*34%*
Rest of the world	691	*2%*	603	*3%*
	25,446	***100%***	**22,556**	***100%***

Note 4. EBIT

BREAKDOWN OF REVENUES AND COST OF REVENUES

(in millions of euros)	Year ended December 31, 2015	2014
Product sales, net	5,269	4,701
Services revenues	5,437	5,322
Other	56	66
Revenues	**10,762**	**10,089**
Cost of products sold, net	(2,658)	(2,365)
Cost of service revenues	(3,897)	(3,748)
Other	-	(8)
Cost of revenues	**(6,555)**	**(6,121)**

PERSONNEL COSTS AND AVERAGE EMPLOYEE NUMBERS

(in millions of euros)	Note	Year ended December 31, 2015	2014
Salaries		1,138	1,005
Social security and other employment charges		310	276
Capitalized personnel costs		(3)	(3)
Wages and expenses		**1,445**	**1,278**
Share-based compensation plans	18	19	(a) (8)
Employee benefit plans	17	40	10
Other		41	42
Personnel costs		**1,545**	**1,322**
Annual average number of full-time equivalent employees (in thousands)		16.6	15.7

(a) Notably included a €19 million reversal of reserve related to the departure of a key executive from Universal Music Group (please refer to Note 18.2).

ADDITIONAL INFORMATION ON OPERATING EXPENSES

Advertising costs amounted to €348 million in 2015 (compared to €407 million in 2014).

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €120 million in 2015 (compared to €115 million in 2014).

Net expense recorded in the Statement of Earnings, with respect to operating leases amounted to €113 million in 2015 (compared to €104 million in 2014).

TAXES ON PRODUCTION

Taxes on production amounted to €179 million in 2015 (compared to €173 million in 2014), of which €98 million related to taxes on television services (compared to €102 million in 2014) and €22 million related to the territorial economic contribution (unchanged compared to 2014).

OTHER INCOME AND OTHER CHARGES

(in millions of euros)	Year ended December 31, 2015	2014
Capital gain on financial investments	(a) 745	(b) 194
Other	-	9
Other income	**745**	**203**
Downside adjustment on financial investments	(7)	(17)
Other	(38)	(13)
Other charges	**(45)**	**(30)**
Net total	**700**	**173**

(a) Included the capital gain on the sale of the 20% interest in Numericable-SFR (€651 million, before taxes) and the reversal of the €54 million impairment reserve related to Canal+ Group's interest in TVN in Poland (please refer to Note 2.10).

(b) Included the capital gain of the sale of Universal Music Group's interest in Beats (€179 million).

Note 5. Financial charges and income

INTEREST

(in millions of euros)	Note	Year ended December 31, 2015	2014
(Charge)/Income			
Interest expense on borrowings	19	*(65)*	*(283)*
Interest income on SFR's loans		*na*	*159*
Interest income on GVT's loans		*4*	*13*
Interest expense net of borrowings		(61)	(111)
Interest income from cash, cash equivalents and investments		31	15
Interest from continuing operations		**(30)**	**(96)**
Premium paid and other costs related to the early redemptions of bonds		(4)	(a) (698)
		(34)	***(794)***

OTHER FINANCIAL INCOME AND CHARGES

(in millions of euros)	Note	Year ended December 31, 2015	2014
Expected return on plan assets related to employee benefit plans	17.2	12	12
Foreign exchange gain		4	7
Other financial income		**16**	**19**
Premium paid and other costs related to the early redemptions of bonds		(4)	(a) (698)
Effect of undiscounting liabilities (b)		(9)	(8)
Interest cost related to employee benefit plans	17.2	(29)	(31)
Foreign exchange loss		(7)	(8)
Change in value of derivative instruments		(17)	-
Other		(7)	(6)
Other financial charges		**(73)**	**(751)**
Net total		**(57)**	**(732)**

(a) Included net premium paid for €642 million related to the early redemption of bonds following completion of the sale of SFR in November 2014.

(b) In accordance with applicable accounting standards, when the effect of the time value of money is material, assets and liabilities are initially recorded on the Statement of Financial Position in an amount corresponding to the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time. As of December 31, 2015 and 2014, these adjustments only applied to liabilities (mainly trade accounts payable and provisions).

Note 6. Income taxes

6.1. French Tax Group and Consolidated Global Profit Tax Systems

Vivendi SA benefits from the French Tax Group System and considers that it benefited, until December 31, 2011 inclusive, from the Consolidated Global Profit Tax System, as authorized under Article 209 *quinquies* of the French Tax Code. Since January 1, 2012, Vivendi only benefits from the French Tax Group System.

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% owned directly or indirectly by it, and that are located in France: for 2015, this mainly applied to Universal Music in France and Canal+ Group.
- Until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned directly or indirectly by it, and located in France or abroad, i.e., other than the French companies that were at least 95% owned directly or indirectly by Vivendi: Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Edition de Canal Plus (SECP). As a reminder, on May 19, 2008, Vivendi lodged a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System and an authorization was granted by an order dated March 13, 2009, for a three-year period beginning with fiscal year 2009 and ending with fiscal year 2011.
- In addition, as a reminder, on July 6, 2011, Vivendi lodged a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014.
- The changes in French Tax Law in 2011 terminated the Consolidated Global Profit Tax System as of September 6, 2011 and capped the deduction for tax losses carried forward at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income and the deductibility of interest limited to 85% of financial charges, net (75% as from January 1, 2014).

The impact of the French Tax Group and Consolidated Global Profit Tax Systems on the valuation of Vivendi's tax attributes (tax losses and tax credits carried forward) are as follows:

- as Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, including fiscal year ending December 31, 2011, on November 30, 2012, Vivendi filed a request for a refund of €366 million with respect to the tax saving for fiscal year ended December 31, 2011. As this request was denied by the tax authorities, Vivendi accrued a €366 million provision for the associated risk in its Financial Statements for the year ended December 31, 2012. On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi. Pursuant to this ruling, on December 23, 2014, Vivendi received a €366 million refund and moratorium interest of €43 million, which was received on January 16, 2015. On December 2, 2014, the tax authorities appealed this ruling. As a result, in its Financial Statements for the year ended December 31, 2014, Vivendi maintained the provision related to the €366 million principal refund and increased it by €43 million to take into account the moratorium interest, for a total amount of €409 million, which remained unchanged as of December 31, 2015 (please refer to Note 6.5);
- moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due, under the French Tax Group System for the year ended December 31, 2012, i.e., €208 million, increased to €221 million in 2013 at the time of the tax return filing with respect to fiscal year ended December 31, 2012. On May 8, 2013, Vivendi received a €201 million refund related to the tax installment paid in 2012. This position was challenged by the tax authorities in the context of an audit and Vivendi provisioned the associated risk for a principal amount of €208 million in its Financial Statements for the year ended December 31, 2012, increased to €221 million as of December 31, 2013. In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €221 million principal refund and increased it by additional default interest of €11 million, for a total amount of €232 million as of December 31, 2014, decreased to €228 million as of December 31, 2015 after deduction of ordinary tax credits. As part of this process, Vivendi made a payment of €321 million on March 31, 2015, comprising the payment of taxes for €221 million due under the French Tax Group System for the year ended December 31, 2012, €11 million in default interest and additional penalties of €89 million. The audit being terminated, on June 29, 2015, Vivendi submitted a claim requesting a refund of the principal tax amount, the default interest, as well as penalties, for which no provision has been accrued, following the recommendation of the company's advisors;
- in the Financial Statements for the year ended December 31, 2015, the tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were estimated, and as a result, the amount of tax attributes as of December 31, 2015 could not be reliably determined. Taking into account the impact of the estimated 2015 tax results and before the effects of the ongoing tax audits (please refer to Note 6.5) on the amount of tax attributes, Vivendi SA may achieve €809 million in tax savings from tax attributes (based on the income tax rate applicable as from January 1, 2016, i.e., 34.43%); and
- as of December 31, 2015, Vivendi SA valued its tax attributes under the French Tax Group System on the basis of one year's forecasted results, taken from the following year's budget. On this basis, Vivendi may achieve tax savings from the French Tax Group System in an amount of €84 million (based on the income tax rate applicable as from January 1, 2016, i.e., 34.43%).

6.2. Provision for income taxes and income tax paid by geographic area

(in millions of euros)	Year ended December 31, 2015	2014
(Charge)/Income		
Current		
France	(339)	(44)
Rest of Europe	(28)	(12)
United States	-	5
Rest of the world	(25)	(43)
	(392)	***(94)***
Deferred		
France	(100)	(61)
Rest of Europe	34	(8)
United States	(30)	(58)
Rest of the world	47	91
	(49)	***(36)***
Provision for income taxes	**(441)**	**(130)**
Income tax (paid)/collected		
France	(613)	327
Rest of Europe	(8)	(11)
United States	(9)	(5)
Rest of the world	(a) (407)	(31)
Income tax (paid)/collected	**(1,037)**	**280**

(a) Included taxes paid in Brazil related to the sale of GVT for €395 million recorded in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations".

6.3. Effective tax rate

(in millions of euros, except %)	Year ended December 31, 2015	2014
Earnings (before non-controlling interests)	**1,978**	**5,025**
Eliminations:		
Income from equity affiliates	10	18
Earnings from discontinued operations	(1,233)	(5,262)
Provision for income taxes	441	130
Earnings from continuing operations before provision for income taxes	**1,196**	**(89)**
French statutory tax rate	**38.00%**	**38.00%**
Theoretical provision for income taxes based on French statutory tax rate	**(454)**	**34**
Reconciliation of the theoretical and effective provision for income taxes		
Earnings tax rate differences	39	36
Impacts of the changes in tax rates	(25)	-
Use of tax losses	231	112
Depreciation of tax losses	(112)	(176)
Changes in deferred tax assets related to Vivendi SA's French Tax Group and the Consolidated Global Profit Tax Systems	(42)	(37)
Adjustments to tax expense from previous years	64	(33)
Capital gain or loss on the divestiture of or downside adjustments on financial investments or businesses	21	(35)
3% tax on Vivendi SA's dividends	(122)	-
Other	(41)	(31)
Provision for income taxes	**(441)**	**(130)**
Effective tax rate	**36.9%**	**-146.1%**

6.4. Deferred tax assets and liabilities

CHANGES IN DEFERRED TAX ASSETS/(LIABILITIES), NET

(in millions of euros)	Year ended December 31, 2015	2014
Opening balance of deferred tax assets/(liabilities), net	**53**	**53**
Provision for income taxes	(49)	(a) (53)
Charges and income directly recorded in equity	(67)	54
Business combinations	-	9
Divestitures in progress or completed	-	(20)
Changes in foreign currency translation adjustments and other	(20)	10
Closing balance of deferred tax assets/(liabilities), net	**(83)**	**53**

(a) Included in 2014 income/(charges) related to taxes from discontinued operations: in accordance with IFRS 5, these amounts were reclassified to the line "Earnings from discontinued operations" in the Consolidated Statement of Earnings.

COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES

(in millions of euros)	December 31, 2015	December 31, 2014
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes - Vivendi SA - French Tax Group System (a) (b)	809	1,400
Tax attributes - US Tax Group (a) (c)	445	419
Tax attributes - Other (a)	573	656
Other	609	542
Of which non-deductible provisions	*107*	*117*
employee benefits	*193*	*185*
net working capital	*136*	*105*
Total gross deferred taxes	**2,436**	**3,017**
Deferred taxes, unrecognized		
Tax attributes - Vivendi SA - French Tax Group System (a) (b)	(725)	(1,274)
Tax attributes - US Tax Group (a) (c)	(445)	(419)
Tax attributes - Other (a)	(476)	(462)
Other	(168)	(152)
Total deferred tax assets, unrecognized	**(1,814)**	**(2,307)**
Recorded deferred tax assets	**622**	**710**
Deferred tax liabilities		
Asset revaluations (d)	(422)	(484)
Other	(283)	(173)
Recorded deferred tax liabilities	**(705)**	**(657)**
DEFERRED TAX ASSETS/(LIABILITIES), NET	**(83)**	**53**

(a) The amounts of tax attributes, as reported in this table, were estimated at the end of the relevant fiscal years. In jurisdictions which are significant to Vivendi, mainly France and the United States, tax returns are filed on May 1 and September 15 of the following year at the latest, respectively. The amounts of tax attributes reported in this table and the amounts reported to the tax authorities may therefore differ, and if necessary, may need to be adjusted at the end of the following year in the table.

(b) Related to deferred tax assets recognizable in respect of tax attributes by Vivendi SA as head of the French Tax Group, representing €809 million as of December 31, 2015 (please refer to Note 6.1), related only to tax losses, taking into account the estimated impact (-€507 million) of 2015 transactions (taxable income and use or expiration of tax credits) and the change in income tax rate in France which decreased from 38% to 34.43% as from January 1, 2016 (-€84 million), but before taking into account the effects of ongoing tax audits (please refer to Note 6.5). In France, tax losses can be carried forward indefinitely and Vivendi considers that tax credits can be carried forward for a minimum period of five years upon exit from the Consolidated Global Profit Tax System. In this respect, €285 million tax credits matured as of December 31, 2015.

(c) Related to deferred tax assets recognizable in respect of tax attributes by Universal Music Group, Inc. in the United States as head of the US Tax Group, representing $486 million as of December 31, 2015, taking into account the estimated impact (-$23 million) of 2015 transactions (taxable income, capital losses, and tax credits that expired, capital losses and tax credits generated, but before taking into account the final outcome of ongoing tax audits (please refer to Note 6.5). In the United States, tax losses can be carried forward for a period of up to 20-years and tax credits can be carried forward for a period of up to 10-years. No tax credit will mature prior to December 31, 2022 and $16 million tax credits matured in 2015.

(d) These tax liabilities, generated by asset revaluations following purchase allocations were terminated upon the amortization or divestiture of the underlying asset and generated no current tax charge.

6.5. Tax audits

The fiscal year ended on December 31, 2015 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations. Various tax authorities have proposed adjustments to the taxable income reported for prior years. It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of these audits. Vivendi Management believes that these tax audits should not have a material unfavorable impact on the financial position or liquidity of the group.

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the tax audit for fiscal years 2006, 2007 and 2008 is still ongoing and, likewise, the tax audits for fiscal years 2009 and 2010 are still ongoing. Finally, the audit of Vivendi SA's Tax Group System for fiscal years 2011 and 2012 began in July 2013. As of December 31, 2015, all of these tax audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit. In any event, Vivendi has accrued a provision for the impact of the Consolidated Global Profit Tax System in 2011 (€409 million), notwithstanding the decision of the Administrative Court of Montreuil of October 6, 2014, subject to the appeal filed by the Tax Authorities (please refer to Note 6.1), as well as a provision for the impact in relation to the use of tax credits in 2012 (€228 million).

In respect of the US Tax Group, the fiscal years 2008, 2009 and 2010 are under audit and the final outcome has not materially impacted the amount of tax attributes reported. In June 2014, the US tax authorities began a tax audit for fiscal years 2011 and 2012, and in December 2014, they undertook a tax audit for fiscal year 2013. As of December 31, 2015, these audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

Note 7. Earnings per share

	Year ended December 31,			
	2015		2014	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners	699	699	(290)	(290)
Earnings from discontinued operations attributable to Vivendi SA shareowners	1,233	1,233	5,034	5,034
Earnings attributable to Vivendi SA shareowners	1,932	1,932	4,744	4,744
Number of shares (in millions)				
Weighted average number of shares outstanding **(a)**	1,361.5	1,361.5	1,345.8	1,345.8
Potential dilutive effects related to share-based compensation **(b)**	-	5.3	-	5.5
Adjusted weighted average number of shares	**1,361.5**	**1,366.8**	**1,345.8**	**1,351.3**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.51	0.51	(0.22)	(0.22)
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	0.91	0.90	3.74	3.73
Earnings attributable to Vivendi SA shareowners per share	1.42	1.41	3.52	3.51

(a) Net of the average number of treasury shares: 1.6 million shares in 2015, compared to 0.4 million in 2014 (please refer to Note 15).

(b) Do not include accretive instruments, which could be potentially dilutive; the overall balance of common shares in connection with Vivendi SA's share-based compensation plans is presented in Note 18.1.

Note 8. Charges and income directly recognized in equity

DETAILS OF CHANGES IN EQUITY RELATED TO OTHER COMPREHENSIVE INCOME

		Unrealized gains/(losses)				
(in millions of euros)	Actuarial gains/(losses) related to employee defined benefit plans (a)	Available-for-sale securities (b)	Hedging instruments (c)	Total	Foreign currency translation adjustments	Other comprehensive income
Balance as of December 31, 2013	**(85)**	**164**	**20**	**184**	**(2,011)**	**(1,912)**
Charges and income directly recognized in equity	(93)	912	(50)	862	706	1,475
Items to be reclassified to profit or loss	na	(d) (95)	9	(86)	72	(14)
Tax effect	25	31	(2)	29	-	54
Other	7	132	-	132	42	181
Balance as of December 31, 2014	**(146)**	**1,144**	**(23)**	**1,121**	**(1,191)**	**(216)**
Charges and income directly recognized in equity	(16)	461	(69)	392	580	956
Items to be reclassified to profit or loss	na	(e) (682)	(10)	(692)	(f) 933	241
Tax effect	(5)	(63)	1	(62)	-	(67)
Other	-	(8)	(1)	(9)	-	(9)
Balance as of December 31, 2015	**(167)**	**852**	**(102)**	**750**	**322**	**905**

na: not applicable.

(a) Please refer to Note 17.
(b) Please refer to Note 12.
(c) Please refer to Note 19.
(d) Related to the gain realized on the sale of the interest in Beats by UMG in August 2014.
(e) Included -€651 million related to the gain realized on the sale of the 20% interest in Numericable-SFR in May 2015 (please refer to Note 2.8).
(f) Attributable to the foreign currency translation EUR/BRL related to GVT, sold in May 2015 (please refer to Note 2.9).

Note 9. Goodwill

(in millions of euros)	December 31, 2015	December 31, 2014
Goodwill, gross	24,384	22,622
Impairment losses	(14,207)	(13,293)
Goodwill	**10,177**	**9,329**

9.1. Changes in goodwill

(in millions of euros)	Dec. 31, 2014	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	Dec. 31, 2015
Canal+ Group	4,573	-	3	-	6	4,582
Universal Music Group	4,656	-	3	-	(a) 513	5,172
Vivendi Village	100	-	(b) 41	-	19	160
New Initiatives	-	-	(c) 263	-	-	263
Total	**9,329**	**-**	**310**	**-**	**538**	**10,177**

(in millions of euros)	Dec. 31, 2013	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	Dec. 31, 2014
Canal+ Group	4,464	-	(d) 110	-	(1)	4,573
Universal Music Group	4,100	-	6	-	(a) 550	4,656
Vivendi Village	185	(e) (91)	-	-	6	100
GVT	1,676	-	-	(1,676)	-	-
SFR	6,722	-	77	(6,799)	-	-
Total	**17,147**	**(91)**	**193**	**(8,475)**	**555**	**9,329**

(a) Primarily attributable to foreign currency translation (EUR/USD) for €525 million in 2015 and €549 million in 2014.
(b) Related to the provisional goodwill attributable to Radionomy (please refer to Note 2.6).
(c) Included the provisional goodwill attributable to Dailymotion for €262 million (please refer to Note 2.1).
(d) Notably included goodwill attributable to Mediaserv and Thema, acquired by Canal+ Overseas on February 13, 2014 and October 28, 2014, respectively.
(e) Related to full impairment losses on the goodwill of Digitick and MyBestPro, formerly Wengo (€43 million and €48 million, respectively).

9.2. Goodwill impairment test

In 2015, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGUs) or groups of CGU applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU exceeded their carrying value (including goodwill). The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (Discounted Cash Flow method (DCF)) and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent transactions). For a description of the methods used for the impairment test, please refer to Note 1.3.5.7.

PRESENTATION OF CGU OR GROUPS OF CGU TESTED

Operating Segments	Cash-Generating Units (CGU)	CGU or groups of CGU tested
Canal+ Group	Pay-TV in Mainland France	Pay-TV and free-to-air TV in France, Poland, Africa and Vietnam (b)
	Canal+ Overseas (a)	
	nc+ (Poland)	
	Free-to-air TV	
	Studiocanal	Studiocanal
Universal Music Group	Recorded music	Universal Music Group
	Artist services and merchandising	
	Music publishing	
Vivendi Village	See Tickets	See Tickets
	Digitick	Digitick (c)
	MyBestPro	MyBestPro (c)
	Radionomy	Radionomy (d)
	L'Olympia	L'Olympia
	CanalOlympia	CanalOlympia
New Initiatives	Dailymotion	Dailymotion (d)
	Vivendi Content	Vivendi Content
	Group Vivendi Africa	Group Vivendi Africa

(a) Related to pay-TV in France overseas, Africa and Vietnam.

(b) The process of integrating free-to-air TV operations (D8/D17 channels acquired on September 27, 2012) with pay-TV operations in mainland France, as well as the development of pay-TV in Poland and Vietnam reflects the further convergence of pay-TV and free-to-air TV operations in countries in which Canal+ Group operates. As a result, as of December 31, 2015, Vivendi performed a goodwill impairment test related to pay-TV and free-to-air TV operations in France, Poland, Africa and Vietnam by aggregating the CGU of pay-TV in Mainland France, Canal+ Overseas, nc+ and free-to-air TV, which corresponds to the level of monitoring the return on such investments.

(c) Goodwill attributable to Digitick and MyBestPro (formerly Wengo) were fully impaired as of December 31, 2014.

(d) As of December 31, 2015, no goodwill impairment test attributable to Dailymotion and Radionomy were undertaken given that the acquisition dates of Dailymotion and Radionomy (June 30, 2015 and December 17, 2015, respectively) were close to the closing date.

During the fourth quarter of 2015, Vivendi performed a goodwill impairment test on each CGU or groups of CGU, on the basis of valuations of recoverable amounts determined with the assistance of third-party appraisers, for pay-TV and free-to-air TV in France, Africa and Vietnam as well as Universal Music Group and internal valuations for nc+ in Poland, Studiocanal and See Tickets. As a result, Vivendi Management concluded that, as of December 31, 2015, the recoverable amount for each CGU or groups of CGU tested exceeded their carrying value.

PRESENTATION OF KEY ASSUMPTIONS USED FOR THE DETERMINATION OF RECOVERABLE AMOUNTS

The value in use of each CGU or groups of CGU is determined as the discounted value of future cash flows by using cash flow projections consistent with the 2016 budget and the most recent forecasts prepared by the operating segments. These forecasts are prepared for each operating segment, on the basis of financial targets as well as the following main key assumptions: discount rate, perpetual growth rate and EBITA as defined in Note 1.2.3, capital expenditures, the competitive and regulatory environments, technological developments and level of commercial expenses. The recoverable amount for each CGU or groups of CGU was determined based on its value in use in accordance with the main key assumptions set out below.

Operating segments	CGU or groups of CGU tested	Valuation Method		Discount rate (a)		Perpetual growth rate	
		2015	2014	2015	2014	2015	2014
Canal+ Group	Pay-TV and free-to-air TV in France, Poland, Africa and Vietnam	DCF & comparables model (b)	DCF & comparables model (b)	(c)	(c)	(c)	(c)
	Studiocanal	DCF	DCF	9.25%	9.75%	0.50%	1.00%
Universal Music Group	Universal Music Group	DCF & comparables model	DCF & comparables model	8.50%	8.90%	1.125%	1.00%
Vivendi Village	See Tickets	DCF	DCF	11.00%	11.50%	2.00%	2.00%

DCF: Discounted Cash Flows.

(a) The determination of recoverable amounts using a post-tax discount rate applied to post-tax cash flows provides recoverable amounts consistent with the ones that would have been obtained using a pre-tax discount rate applied to pre-tax cash flows.

(b) Except for nc+ in Poland: comparables model in 2015 and DCF in 2014.

(c) Discount rates and perpetual growth rates applied to test this group of UGT were the following:

	Discount rate		Perpetual growth rate	
	2015	2014	2015	2014
Pay-TV				
Mainland France	7.56%	8.04%	1.20%	1.50%
France overseas	8.80%	9.04%	1.20%	1.50%
Poland	na	9.75%	na	3.00%
Africa	9.80%	10.04%	3.00%	3.14%
Vietnam	10.30%	10.88%	3.00%	4.50%
Free-to-air TV - Mainland France	8.26%	9.50%	1.50%	2.00%

na: not applicable.

SENSITIVITY OF RECOVERABLE AMOUNTS

	December 31, 2015				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay-TV and Free-to-air TV in France, Poland, Africa and Vietnam	(a)	+1.16 pt	(a)	-2.11 pts	-17%
Studiocanal	9.25%	+1.97 pt	0.50%	-2.81 pts	-21%
Universal Music Group	8.50%	+1.25 pt	1.125%	-1.55 pt	-15%

	December 31, 2014				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay-TV and Free-to-air TV in France, Africa and Vietnam	(a)	+0.28 pt	(a)	-0.39 pt	-4%
nc+	9.75%	+6.31 pts	3.00%	-10.25 pts	-49%
Studiocanal	9.75%	+1.66 pt	1.00%	-2.57 pts	-18%
Universal Music Group	8.90%	+0.62 pt	1.00%	-0.77 pt	-8%

(a) For a presentation of the applied rates, please refer to the table in reference c. above.

Note 10. Content assets and commitments

10.1. Content assets

	December 31, 2015		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	6,145	(5,483)	662
Sports rights	415	-	415
Music catalogs and publishing rights	8,756	(7,076)	1,680
Advances to artists and repertoire owners	611	-	611
Merchandising contracts and artists services	27	(23)	4
Other	6	(4)	2
Content assets	**15,960**	**(12,586)**	**3,374**
Deduction of current content assets	(1,102)	14	(1,088)
Non-current content assets	**14,858**	**(12,572)**	**2,286**

	December 31, 2014		
(in millions of euros)	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	6,003	(5,244)	759
Sports rights	411	-	411
Music catalogs and publishing rights	7,897	(6,031)	1,866
Advances to artists and repertoire owners	642	-	642
Merchandising contracts and artists services	27	(20)	7
Content assets	**14,980**	**(11,295)**	**3,685**
Deduction of current content assets	(1,155)	20	(1,135)
Non-current content assets	**13,825**	**(11,275)**	**2,550**

CHANGES IN CONTENT ASSETS

	Year ended December 31,	
(in millions of euros)	2015	2014
Opening balance	**3,685**	**3,772**
Amortization of content assets excluding those acquired through business combinations	(21)	(14)
Amortization of content assets acquired through business combinations	(398)	(334)
Impairment losses on content assets acquired through business combinations	(2)	-
Increase	2,354	2,339
Decrease	(2,465)	(2,352)
Business combinations	4	27
Changes in foreign currency translation adjustments and other	217	247
Closing balance	**3,374**	**3,685**

10.2. Contractual content commitments

COMMITMENTS GIVEN RECORDED IN THE STATEMENT OF FINANCIAL POSITION: CONTENT LIABILITIES

Content liabilities are mainly part of "Trade accounts payable and other" or part of "Other non-current liabilities" whether they are current or non-current, as applicable.

	Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
		Due in			
(in millions of euros)	Total	2016	2017-2020	After 2020	
Film and television rights (a)	196	196	-	-	193
Sports rights	455	455	-	-	400
Music royalties to artists and repertoire owners	1,848	1,822	26	-	1,721
Creative talent, employment agreements and others	90	43	43	4	119
Content liabilities	**2,589**	**2,516**	**69**	**4**	**2,433**

OFF BALANCE SHEET COMMITMENTS GIVEN/(RECEIVED)

	Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
		Due in			
(in millions of euros)	Total	2016	2017-2020	After 2020	
Film and television rights (a)	3,080	1,292	1,727	61	2,443
Sports rights	(b) 2,965	783	2,182	-	3,087
Creative talent, employment agreements and others (c)	790	354	413	23	807
Given commitments	**6,835**	**2,429**	**4,322**	**84**	**6,337**
Film and television rights (a)	(174)	(74)	(74)	(26)	(199)
Sports rights	(39)	(10)	(29)	-	(3)
Creative talent, employment agreements and others (c)			not available		
Received commitments	**(213)**	**(84)**	**(103)**	**(26)**	**(202)**
Total net	**6,622**	**2,345**	**4,219**	**58**	**6,135**

(a) Mainly included contracts valid over several years for the broadcast of cinema films and TV productions (mainly exclusivity contracts with major US studios), for the pre-purchases relating to the French cinema industry, for Studiocanal films production and co-production commitments (given and received), and for broadcasting rights of Canalsat and nc+ multichannel digital TV packages. They are recorded as content assets when the broadcast is available for initial release or after the initial significant payment. As of December 31, 2015, provisions recorded relating to these commitments amounted to €45 million (compared to €73 million as of December 31, 2014).

In addition, these amounts do not include commitments in relation to contracts of channel diffusion rights, ISP (Internet Service Provider) royalties and non-exclusive distribution of channels, under which Canal+ Group did not grant or receive minimum guarantees. The variable amount of these commitments cannot be reliably determined and is not reported in either the Statement of Financial Position or in the commitments and is instead recorded as an expense for the period in which it was incurred. Based on the estimation of the future subscriber base at Canal+ Group, the commitments would have increased by a net amount of €203 million as of December 31, 2015, compared to €342 million as of December 31, 2014.

Moreover, on May 7, 2015, Société d'Edition de Canal Plus (SECP) renewed its agreement with all the cinema professional organizations (ARP, BLIC, BLOC, UPF). This five-year agreement (2015/2019) confirmed the historical and strong partnership between Canal+ and the French cinema. Pursuant to this agreement, SECP is required to invest every year 12.5% of its annual revenues in the financing of European cinematographic works. With respect to audiovisual, in accordance with the agreements entered into with producers' and authors' organizations in France, Canal+ Group is required to invest 3.6% of its total net annual revenue in the financing of heritage works every year. Only films for which an agreement has been given in principle to producers are accounted for in the off-balance sheet commitments, as it is not possible to reliably determine a future and total estimate of commitments under agreements with cinema professional organizations and with producers' and authors' organizations.

(b) Notably included broadcasting rights held by Canal+ Group for the following sport events:
- the French professional Soccer League 1, for the four seasons 2016/2017 to 2019/2020, awarded on April 4, 2014 for the two premium lots (€2,160 million);
- the National French Rugby Championship's "TOP 14" matches, for the seasons 2016/2017 to 2018/2019 which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, awarded on January 19, 2015; and
- the Soccer Champions League, for the seasons 2016/2017 and 2017/2018, awarded on April 11, 2014 for one lot.

These commitments will be accounted for in the Statement of Financial Position either upon the start of every season or upon an initial significant payment.

(c) Primarily relates to UMG which routinely commits to pay agreed amounts to artists and other parties upon delivery of content or other products ("Creative talent and employment agreements"). Until the artist or the other party has delivered his or her content or the repayment of an advance, UMG discloses its obligation as an off-balance sheet given commitment. While the artist or the other party is obligated to deliver a content or other product to UMG (these arrangements are generally exclusive), this counterpart cannot be reliably determined and, thus, is not reported in received commitments.

Note 11. Investments in equity affiliates

	Voting interest		Value of equity affiliates	
(in millions of euros)	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Telecom Italia (a)	21.4%	-	3,319	-
VEVO	49%	48%	76	71
N-Vision (b)	na	49%	-	213
Other	na	na	40	22
			3,435	**306**

na: not applicable.

(a) Telecom Italia is accounted for under the equity method as from December 15, 2015 (please refer to Note 2.2).

(b) On July 1, 2015, Canal+ Group sold its interest in N-Vision B.V. (please refer to Note 2.9).

Note 12. Financial assets

	December 31, 2015			December 31, 2014		
(in millions of euros)	Total	Current	Non-current	Total	Current	Non-current
Financial assets at fair value						
Term deposits, interest-bearing current accounts, and MTN (a)	266	266	-	-	-	-
Level 1						
Bond funds (a)	315	315	-	-	-	-
Listed equity securities	2,520	-	2,520	4,676	-	4,676
Other financial assets (b)	979	5	974	980	5	975
Level 2						
Unlisted equity securities	331	-	331	162	-	162
Derivative financial instruments (c)	115	47	68	139	40	99
Level 3						
Other financial assets	71	1	70	51	-	51
Financial assets at amortized cost (d)	646	477	169	185	4	181
Financial assets	**5,243**	**1,111**	**4,132**	**6,193**	**49**	**6,144**

(a) Related to cash management financial assets, included in the cash position: please refer to Note 14.

(b) Included a cash deposit of €974 million as part of the appeal against the Liberty Media judgment (please refer to Note 19.3).

(c) These derivative financial instruments primarily comprised interest rate and foreign currency hedging instruments, as described in Note 19.

(d) As of December 31, 2015, these financial assets mainly included the following cash deposits:
- $480 million (€439 million as of December 31, 2015) related to the hedge of Activision Blizzard shares. This deposit was recovered following the unwinding of the hedge in January 2016 (please refer below); and
- $55 million (€50 million as of December 31, 2015) as part of the partial judgment entered in the securities class action (please refer to Note 23).

LISTED EQUITY PORTFOLIO

		December 31, 2015							
	Note	Number of held shares (in thousands)	Cumulated historical value (a)	Ownership interest	Stock market price (€/share)	Carrying value (in millions of euros)	Change in value in the period (b)	Cumulate of unrealized capital gain/loss (b)	Sensitivity at +/-10 pts (b)
Activision Blizzard		41,500	416	5.7%	35.41	(c) 1,470	(c) 781	(c) 1,054	(c)
Telefonica	2.3	47,353	554	0.95%	10.24	485	(70)	(70)	+49/-49
Ubisoft	2.4	15,659	352	13.98%	26.67	418	65	65	+42/-42
Gameloft	2.4	24,489	122	28.65%	6.06	148	26	26	+15/-15
Total						**2,520**	**803**	**1,076**	**+106/-106**

		December 31, 2014							
	Note	Number of held shares (in thousands)	Cumulated historical value (a)	Ownership interest	Stock market price (€/share)	Carrying value (in millions of euros)	Change in value on period (b)	Cumulate of unrealized capital gain/loss (b)	Sensitivity at +/-10 pts (b)
Activision Blizzard		41,500	416	5.7%	16.60	689	273	273	(c)
Numericable-SFR	2.8	97,388	3,244	20.0%	40.94	3,987	743	743	(d)
Total						**4,676**	**1,016**	**1,016**	

(a) These amounts include acquisition fees and taxes.

(b) As of December 31, 2015 and 2014, in accordance with IAS 39, these amounts, before taxes, were accounted for as charges and income directly recognized in equity, except for the remeasurement of the underlying instrument offsetting the intrinsic value of the hedge of Activision Blizzard shares (€467 million as of December 31, 2015, please refer to reference c. below).

(c) These shares were subject to a lock-up period, which expired on January 7, 2015.

On June 11, 2015, Vivendi entered into an agreement to hedge 100% of the value of these shares denominated in USD, through an 18-month zero premium collar (consisting of a put option acquired by Vivendi and a call option sold by Vivendi), enabling Vivendi to secure an unrealized capital gain between $427 million and $532 million during this period. In the Consolidated Financial Statements for the year ended December 31, 2015, this collar was accounted for as a fair value hedge, in accordance with IAS 39. As of December 31, 2015, pursuant to the credit support agreement related to the collar hedge, Vivendi established a cash deposit in favor of the counterparty, for $480 million, i.e., €439 million, corresponding to the fair market value of the collar hedge as of this date, net of a $50 million deductible. Given the appreciation of Activision Blizzard stock market price, the unfavorable change in time value of the collar hedge amounted to €16 million, classified as "other financial charges" in the Consolidated Statement of Earnings. On January 13, 2016, Vivendi entirely unwound this instrument and sold the shares that it held. The cash proceeds from these transactions amounted to $1,063 million (i.e., €976 million). The unwinding of these transactions also enabled Vivendi to recover the cash deposit of €439 million.

(d) Not applicable, as the Numericable-SFR shares were sold in May 2015.

EQUITY MARKET VALUE RISKS

In 2015, as part of a sustainable investing strategy, Vivendi created an equity portfolio comprising listed and non-listed French and European companies in the telecommunication and media sectors, which are leaders in the production and distribution of contents. As of December 31, 2015, this portfolio was mainly comprised of minority interests in Telecom Italia, Telefonica, Ubisoft, Gameloft and Activision Blizzard, and it represented an aggregate market value of approximately €6 billion (before taxes). Except for the remaining interest in Activision Blizzard sold on January 13, 2016 (please refer above), Vivendi is exposed to the risk of fluctuation in the value of these interests: as of December 31, 2015, the net unrealized gain with respect to the interests in Telecom Italia (please refer to Note 11), Telefonica, Ubisoft and Gameloft amounted to €95 million (before taxes). A uniform decrease of 10% in the value of all of these shares would have a cumulative negative impact of €370 million on Vivendi's financial position; a uniform decrease of 20% in the value of all of these shares would have a cumulative negative impact of €815 million on Vivendi's financial position.

Note 13. Net working capital

TRADE ACCOUNTS RECEIVABLE AND OTHER

(in millions of euros)	December 31, 2015	December 31, 2014
Trade accounts receivable	1,308	1,272
Trade accounts receivable write-offs	(153)	(228)
Trade accounts receivable, net	**1,155**	**1,044**
Other	984	939
Trade accounts receivable and other	**2,139**	**1,983**

Vivendi does not consider there to be a significant risk of non-recovery of trade accounts receivables for its business segments: the large individual customer base, the broad variety of customers and markets, as well as the geographic diversity of its business segments (mainly Canal+ Group and Universal Music Group), enable to minimize the risk of credit concentration related to trade accounts receivable.

TRADE ACCOUNTS PAYABLE AND OTHER

(in millions of euros)	Note	December 31, 2015	December 31, 2014
Trade accounts payable		2,224	2,215
Music royalties to artists and repertoire owners	10.2	1,822	1,699
Other		(a) 2,691	1,392
Trade accounts payable and other		**6,737**	**5,306**

(a) Notably included the second interim dividend, paid on February 3, 2016, for €1,318 million (please refer to Note 15).

Note 14. Cash position

Vivendi's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Vivendi, cash management financial assets relate to investments which do not meet the criteria for classification as cash equivalents set out in IAS 7, and, with respect to money market funds, the criteria set forth in AMF position No. 2011-13.

	December 31, 2015			December 31, 2014		
(in millions of euros)	Carrying value	Fair value	Level	Carrying value	Fair value	Level
Term deposits, interest-bearing current accounts, and MTN	266	na	na	-	-	
Bond funds	315	315	1	-	-	
Cash management financial assets	**581**			**-**		
Cash	256	na	na	240	na	na
Term deposits, interest-bearing current accounts, and MTN	2,419	na	na	1,851	na	na
Money market funds	5,550	5,550	1	4,754	4,754	1
Cash and cash equivalents	**8,225**			**6,845**		
Cash position	**8,806**			**6,845**		

na: not applicable.

In 2015, the average interest rate on Vivendi's investments was 0.35%.

INVESTMENT RISK AND COUNTERPARTY RISK

As of December 31, 2015, the group's cash position amounted to €8,806 million, of which €8,508 million was held by Vivendi SA. Vivendi SA centralizes daily cash surpluses (cash pooling) of all controlled entities (a) which are not subject to local regulations restricting the transfer of financial assets, or (b) which are not subject to other contractual agreements.

Vivendi's investment policy mainly aims to minimize its exposure to counterparty risk. Consequently, Vivendi allocates a portion of the amounts available within (i) mutual funds with a low risk class (1 or 2) as defined by the European Securities and Markets Authority's (ESMA) synthetic risk and reward indicator (SRRI) which comprises seven risk classes, and (ii) highly rated commercial banks (at least A-). Moreover, Vivendi allocates investments among selected banks and limits the amount of each such investment.

LIQUIDITY RISK

As of February 10, 2016, Vivendi considers that its Net Cash Position, the cash flows generated by its operating activities, as well as the amounts available through its current bank credit facility will be sufficient to cover its operating expenses and capital expenditures, service its debt (including redemption of bonds), pay its income taxes, dividends and share repurchases, if any, as well as to fund its investment projects, if any, for the next 12 months.

Note 15. Equity

SHARE CAPITAL OF VIVENDI SA

(in thousands)	December 31, 2015	December 31, 2014
Common shares outstanding (nominal value: €5.5 per share)	**1,368,323**	**1,351,601**
Treasury shares	(25,985)	(50)
Voting rights	**1,342,338**	**1,351,551**

During the fourth quarter of 2015, Vivendi's Management Board implemented the share repurchase program, authorized by the General Shareholders' Meeting on April 17, 2015: Vivendi purchased 25,978 thousand of its own shares at an average price of €19.56 per share, for an aggregate amount of €508 million. As of December 31, 2015, the 26 million shares owned by Vivendi were allocated as follows:

- 6,719 shares to cover performance share plans; and
- 25,978,246 shares acquired with the intent to cancel them.

Between the closing date and February 10, 2016 (the date of the Management Board Meeting that approved Vivendi's Financial Statements for the year ended December 31, 2015), Vivendi purchased 38,644 thousand treasury shares at an average price of €18.7 per share, representing an aggregate payment of €725 million, of which €193 million was accounted for in the Statement of Financial Position as of December 31, 2015 (please refer to Note 19). As of February 10, 2016, Vivendi held 64.6 million treasury shares, representing an aggregate payment of €1,233 million.

In addition, as of December 31, 2015, approximately 31.3 million stock options and 2.5 million performance shares were outstanding, representing a potential maximum nominal share capital increase of €186 million (i.e., 2.48%).

SHAREHOLDERS' DIVIDEND DISTRIBUTION POLICY

On April 17, 2015, Vivendi's Annual General Shareholders' Meeting notably approved the payment of an ordinary dividend of €1 per share with respect to fiscal year 2014, comprising a distribution of €0.20 based on the group's business performance and an €0.80 return to shareholders as a result of asset disposals. This dividend was paid in cash on April 23, 2015, following the coupon detachment on April 21, 2015, for an aggregate amount of €1,363 million.

The closing of the sales of GVT on May 28, 2015 and of the 20% interest in Numericable-SFR on May 6, 2015 enabled Vivendi's Management Board to approve the distribution of two interim ordinary dividends of €1 each with respect to fiscal year 2015:

- the first interim dividend of €1 per share, paid out of retained earnings available on May 31, 2015, was paid on June 29, 2015 (following the coupon detachment on June 25, 2015), for an aggregate amount of €1,364 million; and
- the second interim dividend, taken from the distributable income resulting from the positive earnings generated by the divestitures of GVT and SFR, was paid on February 3, 2016 (following the coupon detachment on February 1, 2016), for an aggregate amount of €1,318 million.

On February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Consolidated Financial Statements as of December 31, 2015 and the appropriation of earnings for the fiscal year then ended, the Management Board decided to propose to shareholders an ordinary dividend of €3 per share, representing a total distribution of €4.0 billion, comprising a €0.20 distribution related to the group's business performance and a €2.80 return to shareholders. Given the interim dividends already distributed, the balance will be paid on April 28, 2016 (following the coupon detachment on April 26, 2016). This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 18, 2016, and will be submitted to approval by the Annual General Shareholders' Meeting to be held on April 21, 2016.

Note 16. Provisions

(in millions of euros)	Note	December 31, 2015	December 31, 2014
Employee benefits (a)		674	654
Restructuring costs (b)		74	72
Litigations (c)	23	1,222	1,206
Losses on onerous contracts		91	124
Contingent liabilities due to disposal (d)		18	17
Other (e)		963	1,105
Provisions		**3,042**	**3,178**
Deduction of current provisions		(363)	(290)
Non-current provisions		**2,679**	**2,888**

(a) Included deferred employee compensation as well as provisions for defined employee benefit plans (€646 million as of December 31, 2015 and €608 million as of December 31, 2014; please refer to Note 17), but excluded employee termination reserves recorded under restructuring costs.

(b) As of December 31, 2015, mainly included provisions for restructuring at Canal+ Group (€24 million) and at UMG (€38 million). As of December 31, 2014, mainly related to provisions for restructuring at UMG (€38 million).

(c) Notably included the reserve accrual in relation to the Liberty Media Corporation litigation and securities class action in the United States for €945 million and €100 million, respectively (please refer to Note 23).

(d) Certain commitments given in relation to divestitures are the subject of provisions. These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi.

(e) Notably included the provisions with respect to the 2011 Consolidated Global Profit Tax System and to the 2012 French Tax Group System (€409 million and €228 million, respectively, as of December 31, 2015; please refer to Note 6.1), as well as litigation provisions for which the amount and nature are not detailed because such disclosure could be prejudicial to Vivendi.

CHANGES IN PROVISIONS

	Year ended December 31,	
(in millions of euros)	2015	2014
Opening balance	**3,178**	**3,523**
Addition	309	538
Utilization	(426)	(387)
Reversal	(127)	(163)
Business combinations	6	8
Divestitures, changes in foreign currency translation adjustments and other	102	(341)
Closing balance	**3,042**	**3,178**

Note 17. Employee benefits

17.1. Analysis of expenses related to employee benefit plans

The table below provides information about the cost of employee benefit plans excluding its financial component. The total cost of defined benefit plans is set forth in Note 17.2.2 below.

(in millions of euros)	Note	Year ended December 31, 2015	2014
Employee defined contribution plans		22	20
Employee defined benefit plans	17.2.2	18	(10)
Employee benefit plans		**40**	**10**

17.2. Employee defined benefit plans

17.2.1. ASSUMPTIONS USED IN THE EVALUATION AND SENSITIVITY ANALYSIS

Discount rate, expected return on plan assets, and rate of compensation increase

The assumptions underlying the valuation of defined benefit plans were made in compliance with the accounting policies presented in Note 1.3.8 and have been applied consistently for several years. Demographic assumptions (including notably the rate of compensation increase) are company specific. Financial assumptions (notably the discount rate) are determined by independent actuaries and other independent advisors and reviewed by Vivendi's Finance department. The discount rate is therefore determined for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices. The discount rates selected are therefore used, at year-end, to determine a best estimate by Vivendi's Finance department of expected trends in future payments from the first benefit payments.

In accordance with amended IAS 19, the expected return on plan assets is estimated using the discount rate used to value the obligations of the previous year.

In weighted average

	Pension benefits 2015	Pension benefits 2014	Post-retirement benefits 2015	Post-retirement benefits 2014
Discount rate (a)	2.8%	2.9%	3.9%	3.8%
Rate of compensation increase	1.8%	2.0%	3.1%	3.0%
Duration of the benefit obligation (in years)	14.1	14.7	10.1	10.8

(a) A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2015 discount rate would have led to a decrease of €1 million in pre-tax expense (or an increase of €1 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €70 million (or an increase of €75 million, respectively).

Assumptions used in accounting for pension benefits, by country

	United States 2015	United States 2014	United Kingdom 2015	United Kingdom 2014	Germany 2015	Germany 2014	France 2015	France 2014
Discount rate	4.00%	3.75%	3.75%	3.75%	1.75%	2.00%	1.75%	2.00%
Rate of compensation increase (weighted average)	na	na	3.75%	5.00%	1.75%	2.00%	3.50%	3.43%

na: not applicable.

Assumptions used in accounting for post-retirement benefits, by country

	United States		Canada	
	2015	2014	2015	2014
Discount rate	4.00%	3.75%	3.50%	3.75%
Rate of compensation increase	na	na	na	na

na: not applicable.

Allocation of pension plan assets

	December 31, 2015 (a)	December 31, 2014 (a)
Equity securities	3%	3%
Debt securities	35%	45%
Diversified funds	47%	36%
Insurance contracts	3%	4%
Real estate	1%	1%
Cash and other	11%	11%
Total	**100%**	**100%**

(a) Pension plan assets are mainly financial assets actively traded in organized financial markets.

Pension plan assets which were not transferred have a limited exposure to stock market fluctuations. These assets do not include occupied buildings or assets used by the group nor shares or debt instruments of Vivendi.

Cost evolution of post-retirement benefits

For the purpose of measuring post-retirement benefits, Vivendi assumed the annual growth in the *per capita* cost of covered health care benefits would slow down from 7.3% for the under 65 years of age and 65 years of age and older categories in 2015, to 4.5% in 2023 for these categories. In 2015, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €8 million and the pre-tax expense by €1 million. Conversely, a one-percentage-point decrease in the assumed cost evolution rates would have decreased post-retirement benefit obligations by €7 million and the pre-tax expense by €1 million.

17.2.2. ANALYSIS OF THE EXPENSE RECORDED AND OF THE AMOUNT OF BENEFITS PAID

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2015	2014	2015	2014	2015	2014
Current service cost	14	14	-	-	14	14
Past service cost	(1)	(a) (25)	1	-	-	(25)
(Gains)/losses on settlements	-	-	-	-	-	-
Other	4	1	-	-	4	1
Impact on selling, administrative and general expenses	**17**	**(10)**	**1**	**-**	**18**	**(10)**
Interest cost	23	25	6	6	29	31
Expected return on plan assets	(12)	(12)	-	-	(12)	(12)
Impact on other financial charges and income	**11**	**13**	**6**	**6**	**17**	**19**
Net benefit cost recognized in profit and loss	**28**	**3**	**7**	**6**	**35**	**9**

(a) Related to the change in part of the group's management team since June 2012.

In 2015, benefits paid amounted to (i) €40 million with respect to pensions (€45 million in 2014), of which €15 million paid by pension funds (€18 million in 2014), and (ii) €12 million paid with respect to post-retirement benefits (€9 million in 2014).

17.2.3. ANALYSIS OF NET BENEFIT OBLIGATIONS WITH RESPECT TO PENSIONS AND POST-RETIREMENT BENEFITS

Changes in value of benefit obligations, fair value of plan assets, and funded status

		Employee defined benefit plans		
		Year ended December 31, 2015		
		Benefit obligation	Fair value of plan assets	Net (provision)/ asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**1,005**	**404**	**(601)**
Current service cost		14		(14)
Past service cost		-		-
(Gains)/losses on settlements		-	-	-
Other		3	(1)	(4)
Impact on selling, administrative and general expenses				***(18)***
Interest cost		29		(29)
Expected return on plan assets			12	12
Impact on other financial charges and income				***(17)***
Net benefit cost recognized in profit and loss				**(35)**
Experience gains/(losses) (a)		29	19	(10)
Actuarial gains/(losses) related to changes in demographic assumptions		(8)		8
Actuarial gains/(losses) related to changes in financial assumptions		15		(15)
Adjustment related to asset ceiling		-	-	-
Actuarial gains/(losses) recognized in other comprehensive income				**(17)**
Contributions by plan participants		1	1	-
Contributions by employers			48	48
Benefits paid by the fund		(15)	(15)	-
Benefits paid by the employer		(37)	(37)	-
Business combinations		-	-	-
Divestitures of businesses		-	-	-
Transfers		-	-	-
Other (of which foreign currency translation adjustments)		49	27	(22)
Closing balance		**1,085**	**458**	**(627)**
of which wholly or partly funded benefits		*645*		
wholly unfunded benefits (b)		*440*		
of which assets related to employee benefit plans				*19*
provisions for employee benefit plans (c)	16			*(646)*

		Employee defined benefit plans		
		Year ended December 31, 2014		
		Benefit obligation	Fair value of plan assets	Net (provision)/ asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**966**	**356**	**(610)**
Current service cost		20		(20)
Past service cost		(26)		26
(Gains)/losses on settlements		-	(1)	(1)
Other		-	-	-
Impact on selling, administrative and general expenses				***5***
Interest cost		33		(33)
Expected return on plan assets			12	12
Impact on other financial charges and income				***(21)***
Net benefit cost recognized in profit and loss				**(16)**
Experience gains/(losses) (a)		-	24	24
Actuarial gains/(losses) related to changes in demographic assumptions		(7)		7
Actuarial gains/(losses) related to changes in financial assumptions		122		(122)
Adjustment related to asset ceiling		-	-	-
Actuarial gains/(losses) recognized in other comprehensive income				**(91)**
Contributions by plan participants		1	1	-
Contributions by employers			43	43
Benefits paid by the fund		(18)	(18)	-
Benefits paid by the employer		(36)	(36)	-
Business combinations		1	-	(1)
Divestitures of businesses (d)		(102)	-	102
Transfers		-	-	-
Other (of which foreign currency translation adjustments)		51	23	(28)
Closing balance		**1,005**	**404**	**(601)**
of which wholly or partly funded benefits		*558*		
wholly unfunded benefits (b)		*447*		
of which assets related to employee benefit plans				*7*
provisions for employee benefit plans (c)	16			*(608)*

(a) Included the impact on the benefit obligation resulting from the difference between actuarial assumptions at the previous year-end and effective benefits during the year, and the difference between the expected return on plan assets at the previous year-end and the actual return on plan assets during the year.

(b) In accordance with local laws and practices, certain plans are not covered by plan assets. As of December 31, 2015 and December 31, 2014, such plans principally comprised supplementary pension plans in the United States, pension plans in Germany and post-retirement benefit plans in the United States.

(c) Included a current liability of €62 million as of December 31, 2015 (compared to €48 million as of December 31, 2014).

(d) Related to the impact of the sale of SFR on November 27, 2014.

Benefit obligation, fair value of plan assets, and funded status detailed by country

	Pension benefits (a)		Post-retirement benefits (b)		Total	
	December 31,		December 31,		December 31,	
(in millions of euros)	2015	2014	2015	2014	2015	2014
Benefit obligation						
US companies	133	125	130	136	263	261
UK companies	330	296	1	1	331	297
German companies	208	209	-	-	208	209
French companies	202	157	-	-	202	157
Other	66	65	15	16	81	81
	939	**852**	**146**	**153**	**1,085**	**1,005**
Fair value of plan assets						
US companies	59	57	-	-	59	57
UK companies	298	252	-	-	298	252
German companies	3	3	-	-	3	3
French companies	55	54	-	-	55	54
Other	43	38	-	-	43	38
	458	**404**	**-**	**-**	**458**	**404**
Underfunded obligation						
US companies	(74)	(68)	(130)	(136)	(204)	(204)
UK companies	(32)	(44)	(1)	(1)	(33)	(45)
German companies	(205)	(206)	-	-	(205)	(206)
French companies	(147)	(103)	-	-	(147)	(103)
Other	(23)	(27)	(15)	(16)	(38)	(43)
	(481)	**(448)**	**(146)**	**(153)**	**(627)**	**(601)**

(a) No employee defined benefit plan individually exceeded 10% of the aggregate value of the obligations and of the underfunded obligation of these plans.

(b) Primarily related to medical coverage (hospitalization, surgery, doctor visits and drug prescriptions), post-retirement and life insurance benefits for certain employees and retirees in the United States. In accordance with the current regulation in relation to the funding policy of this type of plan, the plan is not funded. The main risks for the group related to changes in discount rates as well as the increase in the cost of benefits (please refer to the sensitivity analysis described in Note 17.2.1).

17.2.4. BENEFITS ESTIMATION AND FUTURE PAYMENTS

For 2016, hedge fund contributions and benefit payments by Vivendi to retirees are estimated to be €53 million in respect of pensions, of which €34 million relates to pension funds and €9 million relates to post-retirement benefits.

Estimates of future benefit payments to beneficiaries by the relevant pension funds or by Vivendi (in nominal value for the following 10 years) are as follows:

(in millions of euros)	Pension benefits	Post-retirement benefits
2016	63	11
2017	27	10
2018	29	10
2019	32	10
2020	36	10
2021-2025	185	48

Note 18. Share-based compensation plans

18.1. Plans granted by Vivendi

18.1.1. EQUITY-SETTLED INSTRUMENTS

Transactions on outstanding instruments, which have occurred since January 1, 2014 were as follows:

	Stock options		Performance shares
	Number of outstanding stock options (in thousands)	Weighted average strike price of outstanding stock options (in euros)	Number of outstanding performance shares (in thousands)
Balance as of December 31, 2013	**52,835**	**19.7**	**5,344**
Granted	-	na	380
Exercised	(a) (11,264)	17.5	(1,600)
Forfeited	(717)	17.5	na
Cancelled (b)	(571)	13.7	(440)
Adjusted (c)	2,439	19.1	183
Balance as of December 31, 2014	**42,722**	**19.3**	**3,867**
Granted	-	na	1,566
Exercised	(a) (10,882)	18.4	(1,968)
Forfeited	(481)	19.0	na
Cancelled	(28)	11.8	(b) (920)
Balance as of December 31, 2015	**(d) 31,331**	**19.7**	**(e) 2,545**
Exercisable as of December 31, 2015	**31,331**	**19.7**	**-**
Acquired as of December 31, 2015	**31,331**	**19.7**	**650**

na: not applicable.

(a) As of the stock option exercise dates, the weighted average price for Vivendi shares was €22.14 (compared to €19.68 for stock options exercised in 2014).

(b) At its meeting held on February 27, 2015, after review by the Governance, Nominating and Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives set for the cumulative fiscal years 2013 and 2014 for performance share plans granted in 2013. It confirmed that not all the criteria had been met for fiscal year 2014. The final grant of the 2013 performance share plans represents, depending on the subsidiaries of the group, between 62% and 80% of the initial grant. Consequently, 828,127 rights to performance shares granted in 2013 were cancelled. In 2014, the Supervisory Board confirmed a final grant at 88% of the 2012 plans. Consequently, among the instruments cancelled in 2014 were 335,784 stock options and 239,207 performance shares granted in 2012.

(c) In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares were adjusted to take into account the impact for the beneficiaries of the distribution on June 30, 2014 of an ordinary distribution of €1 per share from additional paid-in capital. This adjustment had no impact on share-based compensation expenses related to the relevant stock option and performance share plans.

(d) The total intrinsic value of outstanding stock options was €57 million.

(e) The weighted-average remaining period before delivering performance shares was 2.2 years.

Please refer to Note 15 for the potential impact on the share capital of Vivendi SA of the outstanding stock options and performance shares.

Outstanding stock options as of December 31, 2015

Range of strike prices	Number (in thousands)	Weighted average strike price (in euros)	Weighted average remaining contractual life (in years)
Under €15	2,216	11.9	6.3
€15-€17	8,483	16.0	3.8
€17-€19	2,376	17.2	5.3
€19-€21	5,662	20.2	2.3
€21-€23	6,017	22.9	0.3
€23-€25	6,577	24.7	1.3
€25 and more	-	-	-
	31,331	**19.7**	**2.6**

Performance share plans

On February 27, 2015, Vivendi granted 1,449 thousand performance shares to its officers and employees. In 2014, due to changes in the scope which had been implemented, Vivendi did not grant an annual plan to its employees and only granted 380,000 performance shares to a member of the Management Board and certain executive officers of its subsidiaries.

On February 27, 2015, the share price was €21.74 and the expected dividend yield was 4.60%. These shares will vest at the end of a three-year period and the compensation cost is therefore recognized on a straight-line basis over this vesting period. They will then remain unavailable during an additional two-year period. After taking into account a discount for non-transferability of 9.0% of the share price as of February 27, 2015, the fair value of each granted performance share amounted to €16.98, corresponding to an aggregate fair value of €25 million. The accounting methods applied to value and recognize these granted plans are described in Note 1.3.10.

The objectives relating to the performance conditions are assessed over a three-year period in line with what was proposed to, and adopted by, the General Shareholders' Meeting held on June 24, 2014.

The definitive grant is effective upon the satisfaction of the following performance conditions:

- internal indicators (with a weighting of 80%), measured as of December 31, 2017 on a cumulative basis including the 2015, 2016 and 2017 fiscal years:
  - the EBITA margin rate (40%), for each subsidiary, and the group's EBITA margin for the corporate headquarters,
  - the group's EBITA growth rate (10%),
  - the group's earnings per share (30%); and
- external indicators (with a weighting of 20%) tied to changes in Vivendi's share price between January 1, 2015 and December 31, 2017 compared to the STOXX® Europe 600 Media index (15%) and to the CAC 40 (5%).

As the shares granted are ordinary shares of the same class as existing shares making up the share capital of Vivendi SA, employee shareholders are entitled to the dividends and voting rights attached to these shares from the end of the three-year vesting period. The recognized compensation cost corresponds to the value of the equity instruments received by the beneficiary, and is equal to the difference between the fair value of the shares to be received and the discounted value of dividends that were not received over the vesting period.

In 2015, the charge recognized with respect to equity settled instruments amounted to €11 million, compared to €9 million in 2014.

18.1.2. EMPLOYEE STOCK PURCHASE AND LEVERAGED PLANS

On July 16, 2015, Vivendi undertook a capital increase reserved for employees (stock purchase and leveraged plans) which allowed the majority of its employees and retirees to subscribe for Vivendi shares.

These shares, which are subject to certain sale or transfer restrictions, may be subscribed by employees for a maximum discount of 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date of approval of the share capital increase by the Management Board and the subscription price of new shares to be issued. The difference between the subscription price of the shares and the share price on that date represents the benefit granted to the beneficiaries. Furthermore, Vivendi applied a discount for non-transferability in respect of the restrictions on the sale or transfer of the shares during a five-year period, which is deducted from the benefit granted to the employees. The value of the subscribed shares is estimated and fixed at the date of the subscription price for new shares to issue.

The applied valuation assumptions were as follows:

	2015
Grant date	June 18
Data at grant date:	
Share price (in euros)	23.49
Expected dividend yield	4.26%
Risk-free interest rate	0.36%
5-year interest rate in fine	4.69%
Repo rate	0.36%
Discount for non-transferability per share	16.69%

Under the employee stock purchase plan, 696 thousand shares were subscribed for in 2015 at €18.39 per share.

Under the leveraged plan, 3,218 thousand shares were subscribed for in 2015 at €19.21 per share. The leveraged plan entitles virtually all employees and retirees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share. A financial institution mandated by Vivendi hedges this transaction.

In 2015, the charge recognized with respect to employee stock purchase and leveraged plans amounted to €5 million.

Stock purchase and leveraged plans resulted in a capital increase (including issue premium) having an aggregate value of €75 million on July 16, 2015.

In 2014, no capital increase, reserved for employees of participating group companies that have joined an employee stock purchase and leveraged plans, was put into place by Vivendi.

18.1.3. CASH-SETTLED INSTRUMENTS

Stock appreciation right (SAR) plans

Under a SAR plan, the beneficiaries will receive a cash payment upon exercise of their rights based on the Vivendi share price equal to the difference between the Vivendi share price upon exercise of the SAR and their strike price as set at the grant date. SAR expire at the end of a ten-year period, i.e., 2016 and 2017.

As of December 31, 2015, the outstanding SAR was 2,878 thousand (compared to 4,427 thousand as of December 31, 2014). In 2015, 1,288 thousand SAR were exercised and 261 thousand have expired. As of December 31, 2015 and 2014, the amount accrued for these instruments was non-significant.

18.2. UMG long-term incentive plan

Effective from January 1, 2010, UMG implemented long-term incentive arrangements under which certain key executives of UMG were awarded phantom equity units and phantom stock appreciation rights whose value was intended to reflect the value of UMG. These units were simply account units and did not represent an actual ownership interest in either UMG or Vivendi. The equity units were notional grants of equity that were payable in cash upon settlement in 2015 at the latest, or in certain cases, on an earlier date. The stock appreciation rights were essentially options on those notional shares that provided additional compensation tied to any increase in value of UMG over the term.

During the third quarter of 2014, one executive, who benefited from the plan, ended his employment contract. The phantom equity units and phantom stock appreciation rights that were awarded to him were therefore cancelled and the amount previously accrued for these rights was reversed (€19 million). In July 2015, following the renewal of the employment contract of one executive who benefited from the plan, the remaining rights under the plan vested, and an amount of €16 million was paid as final settlement to the executive.

In 2015, the charge recognized with respect to this plan amounted to €3 million, compared to an income of €17 million in 2014. As of December 31, 2015, no further amounts were accrued for (€12 million as of December 31, 2014).

18.3. Dailymotion's long-term incentive plan

In 2015, Vivendi implemented a long-term incentive plan for a five-year period with certain key executives of Vivendi, including Mr. Dominique Delport, a member of Vivendi's Supervisory Board. This plan is linked to the growth of Dailymotion's enterprise value compared to its acquisition value, as it will stand as of June 30, 2020, based upon a third party expertise. In case of an increase in Dailymotion's value, the amount of the compensation with respect to the incentive plan is capped at a percentage, depending on the beneficiary, of this increase. Within the six months following June 30, 2020, the plan will be settled by a payment in cash, if any.

In accordance with IFRS 2, a compensation expense has to be estimated and accounted for at each reporting date until the payment date. As of December 31, 2015, given that the acquisition date (June 30, 2015) was close to the closing date, no increase in Dalymotion's value was recorded and, as a result, no charges were accounted for with respect to Dailymotion's long-term incentive plan.

Note 19. Borrowings and other financial liabilities

		December 31, 2015			December 31, 2014		
(in millions of euros)	Note	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	19.2	1,950	1,450	500	1,950	1,950	-
Bank overdrafts		53	-	53	168	-	168
Accrued interest to be paid		27	-	27	27	-	27
Other		69	14	55	54	5	49
Bank credit facilities (drawn confirmed)	19.3	-	-	-	-	-	-
Nominal value of borrowings		**2,099**	1,464	635	**2,199**	1,955	244
Cumulative effect of amortized cost and revaluation due to hedge accounting	19.1	14	(3)	17	28	28	-
Commitments to purchase non-controlling interests		293	83	(a) 210	87	79	8
Derivative financial instruments	19.7	532	11	(b) 521	33	12	21
Borrowings and other financial liabilities		**2,938**	**1,555**	**1,383**	**2,347**	**2,074**	**273**

(a) Included the firm commitment of €193 million related to the share repurchase program in place as of December 31, 2015 (please refer to Note 15).

(b) Included the collar hedge (€483 million) denominated in USD on Vivendi's interest in Activision Blizzard; this instrument was unwound on January 13, 2016 (please refer to Note 12).

19.1. Fair market value of borrowings and other financial liabilities

	December 31, 2015			December 31, 2014		
(in millions of euros)	Carrying value	Fair market value	Level	Carrying value	Fair market value	Level
Nominal value of borrowings	2,099			2,199		
Cumulative effect of amortized cost and revaluation due to hedge accounting	14			28		
Borrowings at amortized cost	**2,113**	**2,272**	**na**	**2,227**	**2,483**	**na**
Derivative financial instruments	532	532	2	33	33	2
Commitments to purchase non-controlling interests	293	293	(a) 1-3	87	87	3
Borrowings and other financial liabilities	**2,938**	**3,097**		**2,347**	**2,603**	

na: not applicable

(a) Included the firm commitment of €193 million related to the share repurchase program in place as of December 31, 2015, classified in Level 1 (please refer to Note 15).

19.2. Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	December 31, 2015	December 31, 2014
€750 million (March 2010)	4.000%	4.15%	Mar. 2017	750	750
€700 million (December 2009)	4.875%	4.95%	Dec. 2019	700	700
€500 million (December 2009)	4.250%	4.39%	Dec. 2016	500	500
Nominal value of bonds				**1,950**	**1,950**

Bonds denominated in euros are listed on the Luxembourg Stock Exchange.

Bonds issued by Vivendi SA contain customary provisions related to events of default, negative pledge and rights of payment (*pari-passu* ranking). In addition, bonds issued by Vivendi SA contain an early redemption clause in case of a change in control if, as a result of any such event, the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-).

19.3. Bank credit facilities

Vivendi SA has a €2 billion bank credit facility, undrawn as of December 31, 2015. On October 30, 2015, the maturity of this credit facility was extended for one year, to October 2020.

This bank credit facility contains customary provisions relating to events of default and covenants relating to negative pledge, divestiture and merger transactions. In addition, at the end of each half year, Vivendi SA is required to comply with a Proportionate Financial Net Debt **(1)** to EBITDA **(2)** financial covenant over a 12-month rolling period not exceeding 3 for the duration of the loan. Non-compliance with this covenant could result in the early redemption of the facility if it were drawn, or its cancellation. As of December 31, 2015, Vivendi SA was in compliance with its financial covenant.

The renewal of Vivendi SA's confirmed bank credit facility when it is drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its financial obligations with respect to loan contracts.

In addition, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Note 23). In July 2015, its maturity date was extended to February 28, 2018. This letter of credit is guaranteed by a syndicate of international banks with which Vivendi signed a Reimbursement Agreement that includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit. On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit.

19.4. Borrowings by maturity

(in millions of euros)	December 31, 2015		December 31, 2014	
Maturity				
< 1 year **(a)**	635	*30%*	244	*11%*
Between 1 and 2 years	762	*36%*	505	*23%*
Between 2 and 3 years	2	-	750	*34%*
Between 3 and 4 years	700	*34%*	-	-
Between 4 and 5 years	-	-	700	*32%*
> 5 years	-	-	-	-
Nominal value of borrowings	**2,099**	***100%***	**2,199**	***100%***

(a) As of December 31, 2015, short-term borrowings (with a maturity period of less than one year) mainly included Vivendi SA's bonds for €500 million, maturing in December 2016, as well as bank overdrafts for €53 million. As of December 31, 2014, they mainly included bank overdrafts for €168 million.

(1) Relates to Financial Net Debt as defined by Vivendi.

(2) Relates to EBITDA as defined by Vivendi, plus dividends received from unconsolidated companies. .

As of December 31, 2015, the average "economic" term of the group's financial debt, pursuant to which all undrawn amounts on available medium term credit lines may be used to redeem group borrowings with the shortest term was 4.6 years (compared to 4.9 years at year-end 2014).

As of December 31, 2015, the future undiscounted cash flows related to borrowings and other financial liabilities amounted to €3,145 million (compared to a carrying value of €2,938 million) and are presented in Note 22.1 within the group's contractual minimum future payments schedule.

19.5. Breakdown by nature of interest rate

(in millions of euros)	December 31, 2015		December 31, 2014	
Fixed interest rate	2,002	*95%*	1,995	*91%*
Floating interest rate	97	*5%*	204	*9%*
Nominal value of borrowings before hedging	**2,099**	***100%***	**2,199**	***100%***
Pay-fixed interest rate swaps	*450*		*450*	
Pay-floating interest rate swaps	*(1,450)*		*(1,450)*	
Net position at fixed interest rate	***(1,000)***		***(1,000)***	
Fixed interest rate	1,002	*48%*	995	*45%*
Floating interest rate	1,097	*52%*	1,204	*55%*
Nominal value of borrowings after hedging	**2,099**	***100%***	**2,199**	***100%***

INTEREST RATE RISK

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, Vivendi uses pay-floating and pay-fixed interest rate swaps. These instruments thus enable the group to manage and reduce volatility for future cash flows related to interest payments on borrowings. Considering the fixed/floating rate hedging instruments implemented, an unfavorable change of 1% in the interest rates would have a cumulative impact of -€10 million on net earnings.

As a reminder, in December 2014, concomitantly with the redemption of the bonds having make-whole options, Vivendi made an early settlement of pay-floating interest rate swaps having a notional amount of €750 million and €400 million.

As of December 31, 2015, the portfolio of Vivendi's interest rate hedging instruments included the following swaps (unchanged as of December 31, 2014):

	Notional amounts			Fair value			
		Maturity		December 31, 2015		December 31, 2014	
(in millions of euros)	Total	2016	2017	Assets	Liabilities	Assets	Liabilities
Pay-fixed interest rate swaps	450	-	450	-	(9)	-	(12)
Pay-floating interest rate swaps	(1,450)	(1,000)	(450)	49	-	75	-
Net position at fixed interest rate	**(1,000)**	**(1,000)**	**(a) -**	**49**	**(9)**	**75**	**(12)**
Breakdown by accounting category of rate hedging instruments							
Fair Value Hedge	(1,000)	(1,000)		19	-	35	-
Economic Hedging **(b)**	-		(a) -	30	(9)	40	(12)

(a) Included pay-floating interest rate swaps for a notional amount of €450 million, as well as pay-fixed interest rate swaps for the same amount, maturing in 2017, qualified as economic hedges.

(b) The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39.

19.6. Breakdown by currency

(in millions of euros)	December 31, 2015		December 31, 2014	
Euro - EUR	2,052	*98%*	2,162	*98%*
Other	47	*2%*	37	*2%*
Nominal value of borrowings before hedging	**2,099**	***100%***	**2,199**	***100%***
Currency swaps USD	*799*		*748*	
Other currency swaps	*(126)*		*(52)*	
Net total of hedging instruments (a)	***673***		***696***	
Euro - EUR	2,725	*130%*	2,858	*130%*
US dollar - USD	(799)	*-38%*	(748)	*-34%*
Other	173	*8%*	89	*4%*
Nominal value of borrowings after hedging	**2,099**	***100%***	**2,199**	***100%***

(a) Notional amounts of hedging instruments translated into euros at the closing rates.

FOREIGN CURRENCY RISK

The group's foreign currency risk management is centralized by Vivendi SA's Financing and Treasury Department and primarily seeks to hedge budget exposures (at an 80% level) resulting from monetary flows generated by activities performed in currencies other than the euro as well as from external firm commitments (at a 100% level), primarily relating to the acquisition of editorial content (e.g., sports, audiovisual and film rights) and certain capital expenditures (e.g., set-top boxes), realized in currencies other than the euro. Most of the hedging instruments are foreign currency swaps or forward contracts that have a maturity period of less than one year. Considering the foreign currency hedging instruments established, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2015, would have a non-significant cumulative impact on net earnings (below €1 million). In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities. Moreover, due to their non-significant nature, net exposures related to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged. The associated risks are settled at the end of each month by translating the amounts into the functional currency of the relevant operating entities.

The principal currencies hedged by the group are US dollars (USD) and British pounds (GBP). In 2015 and 2014, to hedge against a possible depreciation of its net investment in certain subsidiaries in the United Kingdom due to an unfavorable change in GBP, Vivendi set up a hedge using forward contracts for a notional amount of £832 million, or €1,141 million at forward rate. From an accounting perspective, these hedge instruments were considered as net investment hedges.

The following tables present the foreign currency risk management instruments used by the group; the positive amounts relate to currencies to be received, the negative amounts relate to currencies to be delivered at contractual exchange rates:

	December 31, 2015						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1,535)	(55)	(290)	(1,159)	(31)	18	(2)
Purchases against the euro	2,212	651	70	1,377	114	16	(37)
Other	-	198	(118)	(13)	(67)	5	(1)
	677	**794**	**(338)**	**205**	**16**	**39**	**(40)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(53)	(4)	(35)	-	(14)	-	-
Purchases against the euro	48	47	-	-	1	2	-
Other	-	24	(24)	-	-	1	(1)
	(5)	**67**	**(59)**	**-**	**(13)**	**3**	**(1)**
Fair Value Hedge							
Sales against the euro	(325)	(51)	(255)	(18)	(1)	6	(2)
Purchases against the euro	333	312	-	21	-	11	(2)
Other	-	106	(94)	(8)	(4)	4	-
	8	**367**	**(349)**	**(5)**	**(5)**	**21**	**(4)**
Net Investment Hedge							
Sales against the euro	(1,141)	-	-	(1,141)	-	12	-
	(1,141)	**-**	**-**	**(1,141)**	**-**	**12**	**-**
Economic Hedging (a)							
Sales against the euro	(17)	-	-	-	(17)	-	-
Purchases against the euro	1,832	292	70	1,356	114	3	(35)
Other	-	68	-	(5)	(63)	-	-
	1,815	**360**	**70**	**1,351**	**34**	**3**	**(35)**

	December 31, 2014						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1,233)	(52)	(56)	(1,062)	(63)	2	(19)
Purchases against the euro	1,908	717	51	1,020	120	40	(2)
Other	-	59	-	1	(60)	1	-
	675	**724**	**(5)**	**(41)**	**(3)**	**43**	**(21)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(67)	(9)	(45)	(2)	(11)	2	(1)
Purchases against the euro	33	33	-	-	-	2	-
Other	-	-	-	-	-	-	-
	(34)	**24**	**(45)**	**(2)**	**(11)**	**4**	**(1)**
Fair Value Hedge							
Sales against the euro	(68)	(43)	(11)	(14)	-	-	(1)
Purchases against the euro	275	275	-	-	-	14	-
Other	-	3	-	1	(4)	-	-
	207	**235**	**(11)**	**(13)**	**(4)**	**14**	**(1)**
Net Investment Hedge							
Sales against the euro	(1,046)	-	-	(1,046)	-	-	(17)
	(1,046)	**-**	**-**	**(1,046)**	**-**	**-**	**(17)**
Economic Hedging (a)							
Sales against the euro	(52)	-	-	-	(52)	-	-
Purchases against the euro	1,600	409	51	1,020	120	24	(2)
Other	-	56	-	-	(56)	1	-
	1,548	**465**	**51**	**1,020**	**12**	**25**	**(2)**

(a) The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39.

19.7. Derivative financial instruments

VALUE ON THE STATEMENT OF FINANCIAL POSITION

		December 31, 2015		December 31, 2014	
(in millions of euros)	Note	Assets	Liabilities	Assets	Liabilities
Interest rate risk management	19.5	49	(9)	75	(12)
Foreign currency risk management	19.6	39	(40)	43	(21)
Other		27	(a) (483)	21	-
Derivative financial instruments		**115**	**(532)**	**139**	**(33)**
Deduction of current derivative financial instruments		(47)	521	(40)	21
Non-current derivative financial instruments		**68**	**(11)**	**99**	**(12)**

(a) Related to the collar hedge denominated in USD on Vivendi's interest in Activision Blizzard. This instrument was unwound on January 13, 2016 (please refer to Note 12).

UNREALIZED GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

	Cash Flow Hedge			
(in millions of euros)	Interest rate risk management	Foreign currency risk management	Net Investment Hedge	Total
Balance as of December 31, 2013	**9**	**5**	**6**	**20**
Charges and income directly recognized in equity	-	6	(56)	(50)
Items to be reclassified to profit or loss	15	(6)	-	9
Tax effect	-	(2)	-	(2)
Balance as of December 31, 2014	**24**	**3**	**(50)**	**(23)**
Charges and income directly recognized in equity	-	(3)	(66)	(69)
Items to be reclassified to profit or loss	(11)	1	-	(10)
Tax effect	-	1	-	1
Other	-	(1)	-	(1)
Balance as of December 31, 2015	**13**	**1**	**(116)**	**(102)**

19.8. Credit ratings

As of February 10, 2016, the date of the Management Board Meeting that approved the Financial Statements for the year ended December 31, 2015, Vivendi's credit ratings were as follows:

Rating agency	Type of debt	Ratings	Outlook
Standard & Poor's	Long-term corporate debt	BBB	Stable
	Senior unsecured debt	BBB	
Moody's	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	Long-term senior unsecured debt	BBB	Stable

Note 20. Consolidated Cash Flow Statement

20.1. Adjustments

		Year ended December 31,	
(in millions of euros)	Note	2015	2014
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	3	716	743
Change in provision, net		(53)	(125)
Other non-cash items from EBIT		(2)	(1)
Other			
Other income from EBIT	4	(745)	(203)
Other charges from EBIT	4	45	30
Proceeds from sales of property, plant, equipment and intangible assets		1	3
Adjustments		**(38)**	**447**

20.2. Investing and financing activities with no cash impact

On June 24, 2015, Vivendi swapped a 4.5% interest in Telefonica Brasil with Telefonica in exchange for 8.24% of Telecom Italia common shares. The value of the interest in Telecom Italia amounted to €1,265 million as of this date.

On September 16, 2015, Vivendi swapped a 3.5% interest in Telefonica Brasil in exchange for 46 million Telefonica shares (i.e., a 0.95% interest). The value of the interest in Telefonica amounted to €538 million. In December 2015, Vivendi received 1.4 million Telefonica shares with respect to the payment of a dividend in shares, representing a value of €16 million. Please refer to Note 2.3.

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13,166 million in cash as well as 97,387,845 shares in the newly combined entity Numericable-SFR, which represents a 20% interest and voting rights. This 20% interest in Numericable-SFR was sold on May 6, 2015 for €3,922 million, €1,948 million received on May 6, 2015 and €1,974 million received on August 19, 2015.

In 2015 and 2014, there was no significant financing activity without cash impact.

Note 21. Related party transactions

As of December 31, 2015, Vivendi's main related parties were:

- Corporate Officers who are members of Vivendi's Supervisory Board and Management;
- subsidiaries over which Vivendi exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence (please refer to Note 24 for major consolidated entities or entities accounted under equity method);
- all companies in which Corporate Officers or their close relatives hold significant voting rights; and
- minority shareholders exercising a significant influence over group subsidiaries as of December 31, 2015.

21.1. Corporate Officers

SITUATION OF CORPORATE OFFICERS

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members: Ms. Katie Jacobs Stanton, Ms. Virginie Morgon and Mr. Philippe Bénacin.

Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr. Vincent Bolloré as Chairman. The Board also appointed Mr. Pierre Rodocanachi as Vice Chairman and Mr. Jean-René Fourtou, as Honorary Chairman.

On June 24, 2014, the Supervisory Board also appointed Mr. Hervé Philippe and Mr. Stéphane Roussel as members of the Management Board, to serve alongside Mr. Arnaud de Puyfontaine, Chairman.

On April 17, 2015, Vivendi's General Shareholders' Meeting notably appointed two new Supervisory Board members: Mr. Tarak Ben Ammar and Mr. Dominique Delport. Thereafter, on September 2, 2015, the Supervisory Board co-opted Ms. Catherine Lawson-Hall as a member of the Supervisory Board. This co-option will be submitted to the next General Shareholders' Meeting of April 21, 2016 for ratification.

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative. It is made up of six women, i.e. a ratio of 46% (in accordance with Law n°2011-103 of January 27, 2011, the employee representative is not taken into account for the calculation of this percentage).

On November 10, 2015, the Supervisory Board appointed Mr. Frédéric Crépin, Group General Counsel, and Mr. Simon Gillham, Chairman of Vivendi Village and Senior Executive Vice President, Communications of Vivendi, as members of the Management Board.

The Management Board is currently comprised of five members.

COMPENSATION OF CORPORATE OFFICERS

Management Board

The gross compensation, including benefits in kind, paid by the group in 2015 to the members of the Management Board amounted to €4.7 million, pro rata to their term of office. This amount comprised the fixed compensation (€2.5 million) and the variable compensation paid with respect to 2014 (€2.2 million), as approved by the Supervisory Board on February 27, 2015 and November 10, 2015.

On February 18, 2016, the Supervisory Board approved the variable compensation of members of the Management Board with respect to 2015, to be paid in 2016 for an aggregate amount of €3.1 million, pro rata to their term of office, as well as the achievement rate of the 2014 performance share plan granted to Mr. Arnaud de Puyfontaine, who consequently received 79,123 performance shares (i.e., 75% of the initial grant).

The Chairman of the Management Board, Mr. Arnaud de Puyfontaine, renounced his employment contract. In accordance with the provisions approved by the General Shareholders' Meeting held on April 17, 2015, he was granted a contractual severance package in the event of forced departure and subject to the satisfaction of performance conditions.

In 2014, the three members of the Management Board, in office as of December 31, 2014, received a fixed compensation of €1.6 million, in respect of their position as Corporate Officers.

In addition, with respect to 2014, the members of the Management Board in office until June 24, 2014 received a fixed and variable compensation in 2014 for an aggregate amount of €2.1 million, and the variable compensation with respect to fiscal year 2013, as approved by the Supervisory Board on February 21, 2014 (€1.0 million).

The charge recorded by Vivendi with respect to equity-settled share-based compensation plans granted to the current members of the Management Board amounted to €1.9 million in 2015 (€2.1 million in 2014).

The charge recorded by Vivendi with respect to the vested rights under the pension commitments of the Management Board members in office as of December 31, 2015 amounted to €4.1 million (compared to €2.2 million in 2014). The amount of net pension obligations toward the members of the Management Board in office as of December 31, 2015 amounted to €21.2 million as of this date. The former Chairman of the Management Board, who served until June 24, 2014, exercised, on that date, his pension benefit rights after 23 years of service within the group and a debit on plan assets was recorded for €9.4 million.

Supervisory Board

For 2015, the Supervisory Board decided, at its meeting held on February 27, 2015 and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, to grant the payment of an annual director's fee of €60,000 to the Chairman of the Supervisory Board and to offset it against his annual compensation capped at €400,000, which was consequently reduced to €340,000 and remains subject to the same performance conditions used to calculate the 2015 variable compensation of the Management Board members. On February 18, 2016, the Supervisory Board approved the level of satisfaction of performance conditions and as a result, decided to set the compensation of the current Chairman of the Supervisory Board at €340,000 for 2015.

For the period from June 24 to December 31, 2014, the compensation of the Chairman of the Supervisory Board in office, paid in 2015, amounted to €207,778 on a *prorata temporis* basis. The fixed compensation paid to the Chairman of the Supervisory Board in office until June 24, 2014 amounted to €338,333 on a *prorata temporis* basis.

The gross amount of directors' fees paid to the remaining members of the Supervisory Board with respect to 2015 was €1,131,666 (compared to €1,048,571 in 2014). Moreover, at its meeting held on April 4 and 5, 2014, the Supervisory Board decided to award an additional compensation of €130,000 to members of the *ad hoc* Committee, in recognition of the workload due to its mandate and the high quality of the work they had contributed.

Moreover, at its meeting held on September 2, 2015, Vivendi's Supervisory Board authorized the Management Board to enter into an agreement with Mr. Dominique Delport, a member of Vivendi's Supervisory Board, for a five-year period as from October 1, 2015. Pursuant to the terms of this services contract, Mr. Delport provides assistance and advice regarding the creation and use of new digital contents as part of the development of Vivendi Content and Dailymotion, for an annual fee capped at €500,000. As part of this contract, Vivendi paid €75,000 in 2015. In addition, pursuant to the terms of this contract, Mr. Delport was granted a long-term incentive plan, as described in Note 18.

Chapter 3 of the Annual Report contains a detailed description of the compensation policy and the compensation and benefits of Vivendi SA's Corporate Officers, in accordance with the recommendations of the AFEP/MEDEF Code.

21.2. Other related parties

A list of Vivendi's major consolidated entities or entities accounted under equity method is presented in Note 24:

- the transactions between consolidated companies are not included in the group's Consolidated Financial Statements; and
- a list of the companies over which Vivendi exercises a significant influence is presented in Note 11. It is primarily comprised of Telecom Italia held at 21% by Vivendi, and Vevo, held at 49% by Universal Music Group. The transactions with companies accounted for under the equity method are presented in the table below.

Companies in which Vivendi's Corporate Officers or their close relatives hold significant voting rights are notably:

- Bolloré Group and its subsidiaries, directly or indirectly controlled by Mr. Vincent Bolloré, Chairman of Vivendi's Supervisory Board, and his family;
- Havas Group and its subsidiaries, 60% held by Bolloré Group; and
- Quinta Communications, held by Mr. Tarak Ben Ammar.

Since April 9, 2015, Bolloré Group holds 196.4 million Vivendi shares. As of December 31, 2015, these shares represented approximately 14% of Vivendi's share capital. Vivendi paid, on April 23, 2015, a dividend of €196.4 million to Bolloré Group, with respect to fiscal year 2014, and, on June 29, 2015, an interim dividend of €196.4 million, with respect to fiscal year 2015. On February 3, 2016, Vivendi paid a second interim dividend of €196.4 million to Bolloré Group, with respect to 2015.

Excluding the following transactions with related parties, there are no other transactions between Vivendi, Havas Group, Bolloré Group, and their Corporate Officers.

(in millions of euros)	2015	2014
Assets		
Trade accounts receivable and other	37	22
of which Havas Group	*1*	*1*
Liabilities		
Trade accounts payable and other	13	10
of which Havas Group	*3*	*3*
Bolloré Group	*3*	-
Statement of earnings		
Operating income	156	100
of which Havas Group	*3*	*2*
Telecom Italia	*7*	-
Operating expenses	(61)	(72)
of which Havas Group	*(25)*	*(24)*
Bolloré Group	*(9)*	*(9)*
Advertising transactions		
of which advertising sales realized via Havas' agencies	*99*	*89*
media costs realized via Havas' agencies	*(74)*	*(62)*

The following constitutes complementary information about certain related parties' transactions. Certain Havas Group's subsidiaries render operating services to Vivendi and its subsidiaries on an arm's-length basis. Regarding Canal+ Group:

- as part of their advertising campaigns, customers of Havas Group entered into transactions with Canal+ Group through media agencies for an aggregate amount of €95 million in 2015 (€89 million in 2014);
- as part of the advertising campaigns developed for Canal+, Canalsat and Canalplay, Canal+ Group entered into transactions with major media companies through Havas Group and its media agencies for €72 million in 2015 (€62 million in 2014);
- media and production services, broadcasting rights and fees were completed by Havas Group and its subsidiaries for €13 million in 2015 (€9 million in 2014); and
- Havas Group and its subsidiaries designed and developed advertising campaigns in favor of Canal+ Group for €11 million in 2015 (€13 million in 2014).

In addition, on October 8, 2015, Studiocanal and Quinta Communications entered into an agreement to sell video, TV and Video-on-demand exploitation rights in France and in other French-speaking territories for 28 movies. The initial duration of this contract is five years. In 2015, this contract represented a non-significant amount for Studiocanal.

Note 22. Contractual obligations and other commitments

Vivendi's material contractual obligations and contingent assets and liabilities include:

- contracts entered into, which relate to the group's business operations, such as content commitments (please refer to Note 10.2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including finance leases, off-balance sheet operating leases and subleases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments;
- commitments related to the group's consolidation scope contracted through acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments resulting from shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets;
- commitments related to the group's financing: undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Note 19); and
- contingent assets and liabilities related to litigation in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 23).

22.1. Contractual obligations and commercial commitments

		Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
			Due in			
(in millions of euros)	Note	Total	2016	2017-2020	After 2020	
Borrowings and other financial liabilities		3,145	1,459	1,669	17	2,623
Content liabilities	10.2	2,589	2,516	69	4	2,433
Consolidated statement of financial position items		**5,734**	**3,975**	**1,738**	**21**	**5,056**
Contractual content commitments	10.2	6,622	2,345	4,219	58	6,135
Commercial commitments		1,069	350	555	164	1,160
Operating leases and subleases		680	96	340	244	640
Net commitments not recorded in the consolidated statement of financial position		**8,371**	**2,791**	**5,114**	**466**	**7,935**
Contractual obligations and commercial commitments		**14,105**	**6,766**	**6,852**	**487**	**12,991**

OFF BALANCE SHEET COMMERCIAL COMMITMENTS

	Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
		Due in			
(in millions of euros)	Total	2016	2017-2020	After 2020	
Satellite transponders	605	102	360	143	752
Investment commitments	64	45	19	-	85
Other	553	268	264	21	510
Given commitments	**1,222**	**415**	**643**	**164**	**1,347**
Satellite transponders	(144)	(59)	(85)	-	(187)
Other	(9)	(6)	(3)	-	-
Received commitments	**(153)**	**(65)**	**(88)**	**-**	**(187)**
Net total	**1,069**	**350**	**555**	**164**	**1,160**

OFF BALANCE SHEET OPERATING LEASES AND SUBLEASES

	Minimum future leases as of December 31, 2015				Total minimum future leases as of December 31, 2014
		Due in			
(in millions of euros)	Total	2016	2017-2020	After 2020	
Buildings	701	110	345	246	652
Other	1	1	-	-	6
Leases	**702**	**111**	**345**	**246**	**658**
Buildings	(22)	(15)	(5)	(2)	(18)
Subleases	**(22)**	**(15)**	**(5)**	**(2)**	**(18)**
Net total	**680**	**96**	**340**	**244**	**640**

In addition, in October 2015, Universal Music Group entered into an agreement for lease with respect to the off-plan office space of approximately 15,000 m^2 located in the King's Cross area in London. The lease is expected to be signed upon delivery of the premises in 2017 for a 15-year period.

22.2. Other commitments given or received relating to operations

Given commitments amounted to a cumulative amount of €68 million (compared to €87 million as of December 31, 2014). In addition, Vivendi grants guarantees in various forms to financial institutions or service providers on behalf of its subsidiaries in the course of their operations.

Received commitments amounted to a cumulative amount of €40 million (compared to €49 million as of December 31, 2014).

22.3. Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities:

- call and put options on Orange's interest in Dailymotion (please refer to Note 2.1);
- call and put options on the interests in Radionomy held by minority shareholders (please refer to Note 2.6);
- project to invest in the future Banijay Zodiak Group (please refer to Note 2.7); and
- liquidity rights in respect of the strategic partnership between Canal+ Group, ITI and TVN (please refer to Note 22.5 below).

Vivendi and its subsidiaries have granted or received purchase or sale options related to shares in equity affiliates and unconsolidated investments.

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

Ref.	Context	Characteristics (nature and amount)	Expiry
	Contingent liabilities		
	Sale of GVT (May 2015)	Representations and warranties, limited to specifically identified tax matters, capped at BRL 180 million (please refer to Note 2).	-
	Sale of the 20% interest in SFR to Numericable-SFR (February 2015)	Commitments undertaken in connection with the sale (please refer to Note 2).	-
(a)	Sale of Maroc Telecom group (May 2014)	Commitments undertaken in connection with the sale.	-
(b)	Sale of Activision Blizzard (October 2013)	◆ Unlimited general guarantees; and ◆ Tax guarantees capped at $200 million, under certain circumstances.	- -
	Merger of Cyfra+ and "n" platforms (November 2012)	Reciprocal guarantees in favor of TVN, not implemented and expired on July 1, 2015: ◆ PLN 1 billion in the event of a breach of any representation or warranty or covenants; and ◆ PLN 300 million in the event of a breach of specific representation or warranty.	2015
(c)	Acquisition of Bolloré Group's channels (September 2012)	Commitments undertaken, in connection with the authorization of the acquisition, with: ◆ the French Competition Authority; and ◆ the French Broadcasting Authority.	2017
	Divestiture of PTC shares (December 2010)	Commitments undertaken in order to end litigation over the share ownership of PTC: ◆ Guarantees given to the Law Debenture Trust Company (LDTC), for an amount up to 18.4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter; and ◆ Guarantee given to Poltel Investment's (Elektrim) administrator.	- -
(d)	Canal+ Group's pay-TV activities in France (January 2007-July 2017)	New approval of the acquisition of TPS and Canalsatellite subject to compliance with injunctions ordered by the French Competition Authority.	2017
	Divestiture of PSG (June 2006)	Unlimited specific guarantees.	2018
	Divestiture of UMG manufacturing and distribution operations (May 2005)	Various commitments for manufacturing and distribution services.	2018

Ref.	Context	Characteristics (nature and amount)	Expiry
	Divestiture of NC Numericable (March 2005)	Specific guarantees capped at €241 million (including tax and social risks), not implemented and expired as of December 31, 2014.	2014
	NBC Universal transaction (May 2004) and subsequent amendments (2005 - 2010)	◆ Breaches of tax representations; ◆ Obligation to cover the Most Favored Nation provisions; and ◆ End of claims related to remedial actions since May 11, 2014.	- - 2014
	Divestiture of Canal+ Nordic (October 2003)	Distribution guarantees not implemented and expired as of December 31, 2014 given in favor of CanalDigital and Telenor Broadcast Holding by a former subsidiary.	2014
(e)	Sale of real estate assets (June 2002)	Autonomous first demand guarantees given to Nexity, capped at €150 million in total (tax and decennial guarantees).	2017
	Divestiture of Sithe (December 2000)	Specific guarantees capped at $480 million (environmental commitments, of which potential liabilities related to contamination risks).	-
	Other contingent liabilities	Cumulated amount of €11 million (compared to €7 million as of December 31, 2014).	-
	Contingent assets		
	Merger of Cyfra+ and "n" platform (November 2012)	Reciprocal guarantees in favor of TVN, not implemented and expired on July, 1, 2015: ◆ PLN 1 billion in the event of a breach of any representation or warranty or covenants; ◆ PLN 300 million in the event of a breach of specific representation or warranty; and ◆ PLN 145 million related to Neovision's unutilized tax losses carried forward.	2015
	Acquisition of 40% of N-Vision (November 2012)	Guarantees made by ITI capped at approximately: ◆ €28 million for general guarantees, expired on May 30, 2014; and ◆ €277 million for specific guarantees (including tax matters expiring in 2016, free and full ownership of shares sold, authorizations/approvals for the exercise of the activity).	2014 -
(c)	Acquisition of Bolloré Group's channels (September 2012)	Guarantees capped at €120 million.	2017
	Acquisition of EMI Recorded Music (September 2012)	◆ Commitments relating to full pension obligations in the United Kingdom assumed by Citi; and ◆ Guarantees relating to losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom.	- -
	Acquisition of Kinowelt (April 2008)	Specific guarantees, notably on film rights granted by the sellers.	-
	Divestiture of NC Numericable (March 2005)	€151 million counter-guaranteed by Orange, expired as of December 31, 2014.	2014
	Divestiture of Xfera (2003)	Guarantees amount to €71 million.	-
	Other contingent assets	Cumulated amount of €90 million (compared to €86 million as of December 31, 2014).	-

The accompanying notes are an integral part of the contingent assets and liabilities described above.

a. The main terms of the Maroc Telecom group sale were as follows:
   – Vivendi provided certain customary representations and warranties to Etisalat relating to SPT (the holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries. Vivendi also granted a number of specific guarantees;
   – the amount of compensation payable by Vivendi in respect of indemnifiable losses incurred by Maroc Telecom or one of its subsidiaries was determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i.e., 53% for Maroc Telecom);
   – Vivendi's overall obligation to indemnify was capped at 50% of the initial sale price, with such threshold increased to 100% in respect of claims related to SPT;

- the commitments to indemnify provided by Vivendi under these guarantees, other than those in respect of taxes and SPT, will remain in effect for a 24-month time period following completion of the transaction (May 2016). Claims for tax-related indemnities must be made by January 15, 2018. The indemnity in respect of SPT remains in effect until the end of a four-year period following the closing (May 14, 2018); and
- to guarantee the payment of any specific indemnity amounts referenced above, Vivendi delivered a bank guarantee with an expiration date of February 15, 2018, to Etisalat in the amount of €247 million. On July 8, 2014, Vivendi received a discharge of this guarantee for the amount of €229 million.

Vivendi has agreed to counter-guarantee SFR for any amount that could be claimed by Etisalat or any third party other than Etisalat in relation to the sale of its interest in Maroc Telecom:

- with respect to the sale agreement entered into with Etisalat, this commitment will expire upon termination of Etisalat's right to make a claim against Vivendi and SFR, i.e., May 14, 2018; and
- this commitment, which also covers any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable Group within the applicable statutes of limitations.

b. As part of the sale of 88% of Vivendi's interest in Activision Blizzard, which was completed on October 11, 2013 (the "Closing Date"), Vivendi, ASAC II LP and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (representations, warranties and covenants). Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments. Such indemnification is unlimited as to time and amount.

In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co. ("Amber"), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date. Such indemnification is unlimited as to time and amount. Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than $700 million, which represent a potential future tax benefit of approximately $245 million. Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of $200 million limited to fiscal years ending on or prior to December 31, 2016.

As a reminder, as part of the creation of Activision Blizzard in July 2008, Activision and Vivendi entered into customary agreements for this type of transaction, including tax sharing and indemnity agreements.

c. On July 23, 2012, as part of the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), Vivendi and Canal+ Group gave certain commitments. These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from Studiocanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a five-year period and are renewable once if the French Competition Authority, after having performed a competition analysis, deems it necessary. In addition, on September 18, 2012, the French Broadcasting Authority *(Conseil Supérieur de l'Audiovisuel)* approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations and transfer rights.

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

d. On August 30, 2006, the merger between TPS and the Canal+ Group was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six years, with the exception of those commitments concerning the availability of channels and VoD, which could not exceed five years.

On October 28, 2009, the French Competition Authority opened an enquiry in respect of the implementation of certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS.

On December 21, 2012, the French Council of State rejected Vivendi and Canal+ Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012. Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million. Under the second motion, the transaction was once again cleared, subject to compliance with 33 injunctions.

Canal+ Group has implemented a number of these injunctions, some since July 23, 2012 and others since October 23, 2012. The injunctions mainly focus on:

- Acquisition of movie rights:
  - by limiting the duration of output deals with American studios to three years, requiring separate agreements for different types of rights (e.g., first pay-TV window, second pay-TV window, series) and prohibiting output deals for French films; and
  - by the Canal+ Group divesting its interest in Orange Cinema Series – OCS SNC or by adopting measures limiting its influence over Orange Cinema Series – OCS SNC. On February 4, 2013, at the request of Multithématiques and to comply with the injunction ordered by the French Competition Authority on July 23, 2012, the members of Orange Cinema Series - OCS SNC's Board of Directors resigned from their positions. As a result, Multithématiques appointed by letter with an effective date of February 4, 2013, two independent representatives with no affiliation to Multithématiques to the Board of Directors of Orange Cinema Series - OCS SNC.

– Distribution of pay-TV special-interest channels:
  - by the distribution of a minimum number of independent channels, the distribution of any channel holding premium rights, and by drafting a model distribution deal relating to independent channels included in the Canalsat offer;
  - by the obligation to promote, in a transparent and separate manner, the distribution of exclusive independent channels on each owned platform serving more than 500,000 subscribers; and
  - by making all its own movie channels distributed by Canal+ Group (Ciné+ channels) available to third-party distributors (unbundling).

– Video-on-demand (VoD) and subscription video-on-demand (SVoD):
  - by separating contracts entered into for the purchase of VoD and SVoD rights on a non-exclusive basis, and not combining them with rights purchased for linear distribution on pay-TV;
  - by offering Studiocanal's VoD and SVoD rights to any interested operator; and
  - by forbidding exclusive distribution deals for the benefit of Canal+ Group's VoD and SVoD offers on Internet Service Providers platforms.

These injunctions are imposed for a period of five years and are renewable once. At the end of the five-year period, the French Competition Authority will review the competition situation to determine whether the injunctions should be kept in place. If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be lifted or partially or totally revised. An independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012, will be responsible for monitoring the implementation of the injunctions.

e. In connection with the sale of real estate assets in June 2002 to Nexity, Vivendi granted two autonomous first demand guarantees, one for €40 million and one for €110 million, to several subsidiaries of Nexity (SAS Nexim 1 to 6). The guarantees are effective until June 30, 2017.

Several guarantees given during prior years in connection with asset acquisitions or disposals have expired. However, the time periods or statute of limitations of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given notably in connection with the winding-up of certain businesses or the dissolution of entities are still in effect. To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date.

In addition, Vivendi regularly delivers, at the settlement of disputes and litigations, commitments for damages to third parties, which are typical in such transactions.

22.5. Shareholders' agreements

Under existing shareholders' or investors' agreements (primarily those relating to nc+), Vivendi holds certain rights (e.g., pre-emptive rights and priority rights) that give it control over the capital structure of consolidated companies that are partially owned by minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

In addition, pursuant to other Shareholders' agreements or the bylaws of other consolidated entities, equity affiliates or unconsolidated interests, Vivendi or its subsidiaries have given or received certain rights (pre-emptive and other rights) entitling them to maintain their rights as shareholder.

Strategic partnership among Canal+ Group, ITI, and TVN

The key liquidity rights provided at the level of nc+ under the strategic partnership formed in November 2012 in relation to television services in Poland are as follows:

- Canal+ Group has a call option to acquire TVN's 32% interest in nc+ at market value, which is exercisable during the two three-month periods beginning November 30, 2015 and November 30, 2016; and
- in the event that Canal+ Group does not exercise its call option, TVN has liquidity rights in the form of an initial public offering of its interest in nc+.

In addition, in compliance with Article L.225-100-3 of the French Commercial Code, it is stated that certain rights and obligations of Vivendi under Shareholders' agreements (nc+) may be amended or terminated in the event of a change in control of Vivendi or a tender offer for Vivendi's shares. These Shareholders' agreements are subject to confidentiality provisions.

22.6. Collaterals and pledges

As of December 31, 2015 and 2014, no asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties.

Note 23. Litigation

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

The costs which may result from these Legal Proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings. As of December 31, 2015, provisions recorded by Vivendi for all claims and litigations amounted to €1,222 million, compared to €1,206 million as of December 31, 2014 (please refer to Note 16).

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a significant effect on the company and on its group's financial position, profit, business and property, other than those described herein.

The status of proceedings disclosed hereunder is described as of February 10, 2016, the date of the Management Board Meeting that approved the Financial Statements for the year ended December 31, 2015.

Securities Class Action in the United States

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

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

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

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

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

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

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

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

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

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi has the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment. On August 11, 2015, the Court issued a decision whereby it excluded the claims filed by Southeastern Asset Management (SAM), concluding that Vivendi proved that SAM did not make investment decisions based on Vivendi's supposedly fraudulent statements ("lack of reliance").

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal will be heard together with Vivendi's appeal in the Liberty Media case in the first quarter of 2016.

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

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

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

Complaint of Liberty Media Corporation

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

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

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

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action. Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015; these two cases will be heard together by the Court of Appeals in the first quarter of 2016.

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2015, the provision in the amount of €945 million recorded as of December 31, 2012.

Trial of Vivendi's Former Officers in Paris

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

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

LBBW et al. against Vivendi

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

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

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

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

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

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

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled *In Re Activision Blizzard Inc. Securities Litigation*.

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

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute. On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced. On May 20, 2015, the Court approved the settlement agreement, which terminated this litigation. As a result of this settlement, on June 26, 2015, the Los Angeles Superior Court entered an order dismissing the aforementioned action brought by Todd Miller.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre (*Tribunal de grande instance de Nanterre*) ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first decision. On November 27, 2008, Unibail appealed this decision.

On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing was held on April 2, 2015. The Paris Court of Appeal rendered its decision on June 4, 2015. It ordered Anjou Patrimoine to pay approximately €5 million for building code related improvements. However, it denied all of Unibail's other claims. Unibail filed an appeal against the judgment of the Paris Court of Appeal, which was notified to Anjou Patrimoine on September 14, 2015.

Vivendi Deutschland against FIG

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

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*). The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4.7 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT. At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba. This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal.

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT. The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware. Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica. On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo.

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side. On May 28, 2015, the date of the completion of the sale of GVT by Vivendi, the parties entered into a settlement agreement which terminated this litigation.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds, former shareholders of GVT, filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange), seeking compensation amounting to the difference between the value of the shares sold by them before Vivendi's acquisition of GVT and BRL 70.00 per share. According to Dynamo, the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting, first, that Dynamo had sold the vast majority of its stake in GVT before November 13, 2009 (the date on which Vivendi took control of GVT) and, second, that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber is expected to be scheduled to discuss the merits of the case. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. On December 17, 2014, the Rio de Janeiro Court of Appeal authorized the provision of the abovementioned information solely to the arbitral tribunal, denying Dynamo access to the information. Notwithstanding the appeals filed by Vivendi, the confidential information was provided by CVM and Bovespa to the arbitral tribunal. On December 1, 2015, Dynamo filed a petition requesting access to this information. Such request is waiting decision by the arbitral tribunal.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica. On July 23, 2015, the parties entered into a settlement agreement which terminated this litigation.

Parabole Réunion

In July 2007, the group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius, and the degradation of the channels made available to it. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels and was ordered to replace the TPS Foot channel in the event it is dropped. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion.

On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion and held, after noting that production of the TPS Foot channel had not stopped, that there was no need to replace this channel. Parabole Réunion filed a first appeal against this judgment on April 11, 2013. On May 22, 2014, the Versailles Court of Appeal declared this appeal inadmissible due to Parabole Réunion's lack of representative capacity. On February 14, 2014, Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision. On April 9, 2015, the French Supreme Court overturned the May 22, 2014 decision of the Versailles Court of Appeal in which the appeal filed by Parabole Réunion on April 11, 2013 was declared inadmissible. The case was remanded to the Paris Court of Appeal, brought before the Court by Parabole Réunion on April 23, 2015. In parallel, the second appeal filed on February 14, 2014 by Parabole Réunion is currently pending before the Versailles Court of Appeal, following denial by the French Supreme Court on September 18, 2014, of the motion seeking the recusal of the 16th chamber of the Versailles Court of Appeal filed by Parabole Réunion.

At the same time, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance partially recognized the admissibility of Parabole Réunion's claim with respect to the period following June 19, 2008 and recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter. On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance. The court appointed expert issued its report on December 18, 2015 and the case was argued before the Paris Court of Appeal on January 28, 2016.

beIN Sports against the National Rugby League and Canal+ Group

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

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015. On October 30, 2014, Canal+ Group appealed against this decision. On March 10, 2015, Canal+ Group withdrew its appeal and an order of discontinuance was issued on April 9, 2015, by the President of the Commercial Chamber of the Paris Court of Appeal.

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

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

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

Canal+ Group against TF1, M6, and France Télévision

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

Canal+ Group against TF1, and TMC Régie

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

Private Copying Levy Case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes. Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top box and therefore it should be treated as an integrated hard drive. Copie France therefore believes that the applicable amount of the compensation should be higher. Copie France subsequently expanded its claim, asserting that the amount of compensation applicable to the "multimedia hard drive" with 80 GB capacity should be also higher.

Aston France against Canal+ Group

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

Pro D2

On July 8, 2015, Altice filed an application for interim measures and a referral on the merits with the French Competition Authority concerning the practices of Canal+ Group, Eurosport and the National Rugby League (the "NRL") during the allocation of Pro D2 broadcast rights. Altice is challenging the way the broadcasting rights to French Pro D2 Rugby for the 2015/2016 to 2019/2020 seasons were commercialized by the NRL during December 2014. The rights bidding process resulted in one portion of the rights being allocated to Eurosport and the other portion being allocated to Canal+ Group on April 3, 2015. The French Competition Authority is expected to rule on the request for interim measures in the first quarter of 2016.

Thirel against Canal+ Group

On December 23, 2015, Thirel filed a complaint against Canal+ Group seeking enforcement of a computer services contract, or, in the alternative, an order against Canal+ Group to pay damages.

Complaints against Music Industry Majors in the United States

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

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones. On April 14, 2015, a global transaction terminating the litigation was entered into. This settlement transaction is expected to be formally approved by the Court in the first quarter of 2016.

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 USD 41 million. On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of USD 12.2 million. The defendants have appealed against the judgment.

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

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

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

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

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions have been filed by RTI against Dailymotion before the Civil Court of Rome. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform.

Note 24. Major consolidated entities or entities accounted for under equity method

As of December 31, 2015, approximately 520 entities were consolidated or accounted for under the equity method (compared to approximately 540 entities as of December 31, 2014).

			December 31, 2015			December 31, 2014		
	Note	Country	Accounting Method	Voting Interest	Ownership Interest	Accounting Method	Voting Interest	Ownership Interest
Vivendi S.A.		**France**	**Parent company**			**Parent company**		
Groupe Canal+ S.A.		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société d'Édition de Canal Plus	2.5	France	C	100%	*100%*	C	49%	*49%*
Multithématiques S.A.S.		France	C	100%	*100%*	C	100%	*100%*
Canal+ Overseas S.A.S.		France	C	100%	*100%*	C	100%	*100%*
D8		France	C	100%	*100%*	C	100%	*100%*
Studiocanal S.A.		France	C	100%	*100%*	C	100%	*100%*
ITI Neovision		Poland	C	51%	*51%*	C	51%	*51%*
VSTV (a)		Vietnam	C	49%	*49%*	C	49%	*49%*
TVN	2.10	Poland	na	-	-	E	49%	*26%*
Universal Music Group, Inc.		**United States**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Universal Music Group Holdings, Inc.		United States	C	100%	*100%*	C	100%	*100%*
UMG Recordings, Inc.		United States	C	100%	*100%*	C	100%	*100%*
Vevo	11	United States	E	49%	*49%*	E	48%	*48%*
SIG 104		France	C	100%	*100%*	C	100%	*100%*
Universal International Music B.V.		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal Music Entertainment GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Universal Music LLC		Japan	C	100%	*100%*	C	100%	*100%*
Universal Music France S.A.S.		France	C	100%	*100%*	C	100%	*100%*
Universal Music Holdings Limited		United Kingdom	C	100%	*100%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd.		United Kingdom	C	100%	*100%*	C	100%	*100%*
Vivendi Village								
See Tickets		United Kingdom	C	100%	*100%*	C	100%	*100%*
Digitick		France	C	100%	*100%*	C	100%	*100%*
MyBestPro (formerly Wengo)		France	C	100%	*91%*	C	100%	*90%*
Watchever GmbH		Germany	C	100%	*100%*	C	100%	*100%*
L'Olympia (b)		France	C	100%	*100%*	C	100%	*100%*
Radionomy Group	2.6	Belgium	C	64%	*64%*	na	-	-
CanalOlympia	3.1	France	C	100%	*100%*	na	-	-
New Initiatives								
Dailymotion	2.1	France	C	90%	*90%*	na	-	-
Group Vivendi Africa	3.1	France	C	100%	*100%*	na	-	-
Vivendi Content	3.1	France	C	100%	*100%*	na	-	-
Boulogne Studios	2.6	France	C	100%	*100%*	na	-	-
Other								
Telecom Italia	2.2	Italia	E	21%	*15%*	na	na	*na*
Poltel Investment (Elektrim Telekomunikacja)		Poland	C	100%	*100%*	C	100%	*100%*
Discontinued businesses								
Global Village Telecom S.A.	2.9	Brazil	na	-	-	C	100%	*100%*

C: Consolidated; E: Equity; na: not applicable.

(a) VSTV (Vietnam Satellite Digital Television Company Limited) is held 49% by Canal+ Group and 51% by VCTV, a subsidiary of VTV (the Vietnamese public television company). This company has been consolidated by Vivendi given that Canal+ Group has both operational and financial control over it pursuant to a general delegation that was granted by the majority shareholder and pursuant to the company's bylaws.

(b) L'Olympia was transferred from Universal Music Group to Vivendi Village as from January 1, 2015.

Note 25. Statutory Auditors fees

Fees paid by Vivendi SA in 2015 and 2014 to its Statutory Auditors and members of the statutory auditor firms (including fees related to discontinued operations in 2015 and 2014 at *prorata temporis*, if any) were as follows:

	KPMG S.A.				Ernst & Young et Autres					
	Amount		Percentage		Amount		Percentage		Total	
(in millions of euros)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Statutory audit, certification, consolidated and individual financial statements audit										
Issuer	0.6	0.6	*20%*	*10%*	0.6	0.7	*10%*	*10%*	1.2	1.3
Fully consolidated subsidiaries	1.4	4.1	*47%*	*73%*	5.2	5.5	*82%*	*75%*	6.6	9.6
Other work and services directly related to the statutory audit										
Issuer	0.1	0.5	*3%*	*9%*	0.2	0.3	*3%*	*4%*	0.3	0.8
Fully consolidated subsidiaries	0.2	0.1	*7%*	*2%*	0.3	0.5	*5%*	*7%*	0.5	0.6
Subtotal	**2.3**	**5.3**	***77%***	***94%***	**6.3**	**7.0**	***100%***	***96%***	**8.6**	**12.3**
Other services provided by the network to fully consolidated subsidiaries										
Legal, tax and social matters	0.6	0.2	*20%*	*3%*	-	0.2	-	*3%*	0.6	0.4
Other	0.1	0.2	*3%*	*3%*	-	0.1	-	*1%*	0.1	0.3
Subtotal	**0.7**	**0.4**	***23%***	***6%***	**-**	**0.3**	**-**	***4%***	**0.7**	**0.7**
Total	**3.0**	**5.7**	***100%***	***100%***	**6.3**	**7.3**	***100%***	***100%***	**9.3**	**13.0**

Note 26. Audit exemptions for UMG subsidiaries in the United Kingdom

Vivendi S.A. has provided guarantees to the following UMG subsidiaries, incorporated in England and Wales, under the registered number indicated, in order for them to claim audit exemptions, with respect to fiscal year 2015, under Section 479A of the UK Companies Act 2006.

Name	Company Number
Backcite Limited	02358972
Centenary UK Limited	03478918
EGW USD	08107589
E.M.I. Overseas Holdings Limited	00403200
EMI (IP) Limited	03984464
EMI Group Electronics Limited	00461611
EMI Group Holdings (UK)	03158108
EMI Group International Holdings Limited	01407770
EMI Group Worldwide	03158106
EMI Limited	00053317
EMI Recorded Music (Chile) Limited	07934340
EMI Records UK Holdco Limited	06388809

Name	Company Number
UMGI (ATW) Limited	05103127
Universal Music (UK) Holdings Limited	03383881
Universal Music Holdings (UK) Limited	00337803
Universal Music Leisure Limited	03384487
Universal Music Publishing MGB Holding UK Limited	05092413
Universal SRG Artist Services Limited	01890289
Universal SRG Group Limited	00284340
Universal SRG Music Publishing Copyrights Limited	02873472
Universal SRG Studios Limited	03050388
V2 Music Group Limited	03205625
Virgin Music Group	02259349
Virgin Records Overseas Limited	00335444
VRL 1 Limited	03967882

Note 27. Subsequent events

The significant events that occurred between the closing date and February 10, 2016 (the date of the Management Board Meeting that approved Vivendi's Financial Statements for the year ended December 31, 2015) were as follows:

- on January 13, 2016, Vivendi unwound the hedge denominated in USD of the Activision Blizzard shares that it held, and sold its entire interest. The cash proceeds from these transactions amounted to $1,063 million, i.e., €976 million. The unwinding of these transactions also enabled Vivendi to recover a cash deposit of $0.4 billion (please refer to Note 12);
- on February 3, 2016, following the coupon detachment on February 1, 2016, Vivendi distributed a second interim dividend with respect to fiscal year 2015 for €1,318 million (please refer to Note 15); and
- as of February 10, 2016, Vivendi held 64.6 million treasury shares (please refer to Note 15).

IV - 2015 STATUTORY FINANCIAL STATEMENTS

1. Statutory Auditor's Report on the Financial Statements

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Vivendi;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by your management board. Our role is to express an opinion on these financial statements, based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling methods or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Interests in equity affiliates

Note 1.3 to the financial statements states that your company recognizes impairment losses when the carrying amount of its interests in subsidiaries and affiliates exceeds their recoverable value. Based on the information available at the date of this report, we assessed the approach adopted by your company to determine the recoverable value of its interests in subsidiaries and affiliates. We also verified that the information related to the impairment of the interests in subsidiaries and affiliates presented in Note 3 "Net Financial Income" to the financial statements is appropriate.

Tax

Note 5 "Income Taxes" to the financial statements describes the accounting policies used by your company to estimate and recognize tax assets and liabilities, and tax position adopted by your company. We verified the assumptions underlying the positions as at December 31, 2015 and ensured that Note 5 "Income Taxes" to the financial statements gives appropriate information.

Provisions for litigation

Note 1.7 and Note 25 "Litigation" to the financial statements describe the methods used to evaluate and recognize provisions for litigation. We assessed the methods used by your company to list, calculate and account for such provisions. We also assessed the data and assumptions underlying the estimates made by the company. As stated in Note 1.1 to the financial statements, some facts and circumstances may lead to changes in estimates and assumptions which could have an impact upon the reported amount of the provisions. We also ensured that Note 16 "Provisions" to the financial statements gives appropriate information.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report section of the "2015 Annual Report –Registration Statement" and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the "2015 Annual Report – Registration Statement".

Paris-La Défense, February 18, 2016

The statutory auditor

French original signed by

KPMG Audit *Département de KPMG S.A.*	ERNST & YOUNG et Autres
Baudouin Griton	Jacques Pierres

2. 2015 Statutory Financial Statements

I. STATEMENT OF EARNINGS

(in millions of euros)	Note	2015	2014
Operating income			
Total revenues		42.1	58.3
Reversal of provisions and expense reclassifications		4.7	18.3
Other income		0.1	0.1
Total I		**46.9**	**76.7**
Operating expenses			
Other purchases and external charges		80.7	144.7
Duties and taxes other than income tax		21.7	7.6
Wages and salaries and social security contributions		52.5	87.7
Depreciation, amortization and charges to provisions		16.4	41.7
Other expenses		1.3	2.0
Total II		**172.6**	**283.7**
Loss from operations (I-II)	2	**(125.7)**	**(207.0)**
Financial income			
From subsidiaries and affiliates		776.1	12.4
From other securities and long-term receivables		56.9	68.1
Other interest and similar income		135.6	224.4
Reversal of provisions and expense reclassifications		130.5	0.8
Foreign exchange gains		1,345.0	670.8
Net proceeds from the sale of marketable securities		392.0	2.7
Total III		**2,836.1**	**979.2**
Financial expenses			
Amortization and charges to financial provisions		247.8	316.2
Interest and similar charges		138.3	305.6
Foreign exchange losses		1,422.0	728.2
Net expenses on marketable securities sales		292.0	
Total IV		**2,100.1**	**1,350.0**
Net financial income/(loss) (III-IV)	3	**736.0**	**(370.8)**
Earnings/(losses) from ordinary operations before tax (I - II + III - IV)		**610.3**	**(577.8)**
Exceptional income			
From non-capital transactions		4.1	2.2
From capital transactions		7,414.6	16,905.9
Reversals of provisions and expense reclassifications		145.6	11,289.4
Total V		**7,564.3**	**28,197.5**
Exceptional expenses			
Related to non-capital transactions		22.4	752.7
Related to capital transactions		5,078.6	23,968.8
Exceptional depreciation, amortization and charges to provisions		34.4	185.3
Total VI		**5,135.4**	**24,906.8**
Net exceptional items (V - VI)	4	**2,428.9**	**3,290.7**
Income tax (charge)/credit (VII)	5	**(212.2)**	**202.0**
Total income (I + III + V + VII)		**10,235.1**	**29,455.4**
Total expenses (II + IV + VI)		**7,408.1**	**26,540.5**
EARNINGS FOR THE YEAR		**2,827.0**	**2,914.9**

II. STATEMENT OF FINANCIAL POSITION

ASSETS (in millions of euros)	Note	Gross	Depreciation, amortization and provisions	Net 31/12/2015	Net 31/12/2014
Non-current assets					
Intangible assets	6	**8.8**	**8.1**	**0.7**	**0.6**
Property, plant and equipment	6	**57.7**	**55.1**	**2.6**	**2.1**
Long-term investments (a)	7	**23,702.9**	**3,005.8**	**20,697.1**	**21,894.8**
Investments in affiliates and Long-term portfolio securities		20,201.1	1,577.6	18,623.5	20,866.0
Loans to subsidiaries and affiliates		1,427.3	1,427.3	0.0	0.0
Other long-term investment securities		510.4	0.3	510.1	0.4
Loans				0.0	0.0
Other		1,564.1	0.6	1,563.5	1,028.4
Total I		**23,769.4**	**3,069.0**	**20,700.4**	**21,897.5**
Current assets	8				
Receivables (b)		**2,352.6**	**144.2**	**2,208.4**	**2,014.2**
Trade accounts receivable and related accounts		5.1	4.0	1.1	4.9
Other receivables		2,347.5	140.2	2,207.3	2,009.3
Marketable securities		**7,528.3**	**0.3**	**7,528.0**	**5,426.0**
Treasury shares	9	0.1		0.1	1.0
Other securities	10	7,528.2	0.3	7,527.9	5,425.0
Cash at bank and in hand	10	**1,042.6**		**1,042.6**	**1,425.7**
Prepayments (b)		**8.6**		**8.6**	**6.8**
Total II		**10,932.1**	**144.5**	**10,787.6**	**8,872.7**
Deferred charges (III)	12	**8.0**		**8.0**	**10.4**
Unrealized foreign exchange losses (IV)	13	**2.7**		**2.7**	**0.0**
Total assets (I + II + III + IV)		**34,712.2**	**3,213.5**	**31,498.7**	**30,780.6**
(a) *Portion due in less than one year*				*861.0*	*5.0*
(b) *Portion due in more than one year*				*11.2*	*12.7*

EQUITY AND LIABILITIES

(in millions of euros)	Note	31/12/2015	31/12/2014
Equity	14		
Share capital		7,525.8	7,433.8
Additional paid-in capital		10,156.4	9,973.9
Reserves			
Legal reserve		749.4	686.0
Other reserves			
Retained earnings		1,489.0	
Earnings for the year		2,827.0	2,914.9
Interim dividends		(2,681.4)	
Total I		**20,066.2**	**21,008.6**
Provisions	16	1,762.2	1,864.9
Total II		**1,762.2**	**1,864.9**
Liabilities (a)			
Convertible and other bond issues	17	1,965.1	1,965.3
Bank borrowings (b)	17	173.4	334.6
Other borrowings	17	6,060.2	5,469.3
Trade accounts payable and related accounts		14.8	29.5
Tax and employee-related liabilities		62.7	28.4
Amounts payable in respect of PP&E and related accounts		24.3	0.1
Other liabilities		1,360.0	71.3
Deferred income		4.6	8.4
Total III		**9,665.1**	**7,906.9**
Unrealized foreign exchange gains (IV)	13	**5.2**	**0.2**
Total equity and liabilities (I + II + III + IV)		**31,498.7**	**30,780.6**
(a) *Portion due in more than one year*		*1,462.7*	*1,966.4*
Portion due in less than one year		*8,202.4*	*5,940.5*
(b) *Includes current bank facilities and overdrafts*		*164.7*	*325.8*

III. STATEMENT OF CASH FLOWS

(in millions of euros)	2015	2014
Earnings for the year	2,827.0	2,914.9
Elimination of non-cash income and expenses		
Charges to depreciation and amortization	3.4	25.1
Charges to provisions net of (reversals)		
Operating	8.8	2.3
Financial	117.0	315.4
Exceptional	(105.0)	(11,079.1)
Capital gains	(2,441.7)	7,094.3
Dividends received in assets	(15.8)	
Other income and charges without cash impact	23.9	11.8
Operating cash flows before changes in working capital	**417.6**	**(715.3)**
Changes in working capital	(241.3)	399.9
Net cash provided by operating activities	**176.3**	**(315.4)**
Capital expenditure	(1.2)	(0.3)
Purchases of investments in affiliates and securities	(3,291.9)	
Increase in loans to subsidiaries and affiliates	(56.8)	(57.6)
Cash deposits for litigations in the United States (escrow accounts)		(1,020.1)
Receivables related to the sale of non-current assets and other financial receivables	1,426.3	1.2
Proceeds from sales of intangible assets and PP&E		
Proceeds from sales of investments in affiliates and securities	4,874.0	8,913.7
Decrease in loans to subsidiaries and affiliates		1,200.0
Increase in deferred charges relating to financial instruments	(0.5)	(4.0)
Net cash provided by/(used in) investing activities	**2,949.9**	**9,032.9**
Net proceeds from issuance of shares	276.1	196.9
Return of capital distribution		(1,347.7)
Dividends and interim dividends paid	(2,726.3)	
New long-term borrowings secured		4,547.0
Principal payments on long-term borrowings		(11,765.6)
Increase (decrease) in short-term borrowings	(161.2)	(1,829.8)
Change in net current accounts	1,695.2	8,053.6
Treasury shares	(490.2)	(31.5)
Net cash provided by/(used in) financing activities	**(1,406.4)**	**(2,177.1)**
Change in cash	1,719.8	6,540.4
Opening net cash (a)	6,850.7	310.3
Closing net cash (a)	**8,570.5**	**6,850.7**

(a) Cash and marketable securities net of impairment (excluding treasury shares).

3. Notes to the 2015 Statutory Financial Statements

SIGNIFICANT EVENTS IN 2015

Acquisition of a 90% interest in Dailymotion

On June 30, 2015, Vivendi completed the acquisition of an 80% interest in Dailymotion from Orange for a cash consideration of €217.2 million, based on a full enterprise value of €265 million. Limited representations and warranties, customary for this type of transaction, were granted by Orange.

On July 30, 2015, Vivendi purchased an additional 10% interest in Dailymotion from Orange for a cash consideration of €28.7 million. In addition, Orange was granted a put option on its remaining 10% interest, exercisable within two months following the General Shareholders' Meeting held to approve Dailymotion's Financial Statements for the year ended December 31, 2016. At the end of this period, Vivendi will have a call option, exercisable within two months.

Acquisition of an interest in Telecom Italia

On June 24, 2015, Vivendi announced that it had become the largest shareholder of Telecom Italia, holding 14.9% of Telecom Italia common shares. As of December 31, 2015, Vivendi held 21.4% of Telecom Italia common shares and 14.8% of the diluted capital, pursuant to the following transactions:

- on June 24, 2015, pursuant to the agreement entered into with Telefonica for the sale of GVT, Vivendi swapped a 4.5% interest in Telefonica Brasil with Telefonica in exchange for a block of 1,110 shares, representing 8.24% of Telecom Italia common shares;
- between June 10 and June 18, 2015, Vivendi acquired 1.90% of Telecom Italia common shares directly on the stock market (256 million shares) and, on June 22, 2015, Vivendi acquired a block of 642 million shares representing 4.76% of Telecom Italia common shares from a financial institution; and
- during the second half of 2015, Vivendi acquired 880 million Telecom Italia common shares directly on the stock market.

The total purchase price of the participation in Telecom Italia (2,887.7 million common shares) amounted to €3,323 million, of which €2,008 million were paid in cash.

On June 22, 2015, Vivendi entered into a hedge transaction involving 5.6% of Telecom Italia common shares, through a three-year zero-premium collar (consisting of a put option acquired by Vivendi and a call option sold by Vivendi). On June 30, 2015, to benefit from favorable market conditions, Vivendi unwound this collar in cash and entered into a three-month cash-settled swap on 4.7% of Telecom Italia common shares, pursuant to which Vivendi would have to pay the positive difference between the Telecom Italia stock market price and the share price at the unwinding of the collar, if applicable. At the end of August 2015, Vivendi unwound this swap for a net payment of approximately €26 million given the evolution of the Telecom Italia stock market price.

Divestment of Telefonica Brasil and entry into Telefonica's share capital

On July 29, 2015, Vivendi sold a 4.0% interest in Telefonica Brasil on the stock market, for a consideration of USD 877 million (i.e., €800 million). This transaction was carried out after the preferred shares were converted into American Depositary Receipts (ADR).

On July 29, 2015, Vivendi entered into an agreement with Telefonica to swap a 3.5% interest in Telefonica Brasil in exchange for a 0.95% interest in Telefonica (46 million shares). After obtaining the approval of the Brazilian competition authority (CADE), this swap transaction was completed on September 16, 2015, and the value of the interest amounted to €538.4 million as of this date. In December 2015, Vivendi received 1.4 million additional Telefonica shares with respect to the dividend in shares, representing a value of €15.8 million.

As of December 31, 2015, Vivendi held 47.4 million Telefonica shares (a 0.95% interest).

Acquisition of interests in Ubisoft and Gameloft

Ubisoft

As of December 31, 2015, Vivendi held 15.7 million Ubisoft Entertainment ("Ubisoft") shares, i.e., 13.98% of the share capital and 12.35% of the voting rights, representing acquisitions on the stock market for €351.1 million.

On October 26, 2015, Vivendi made the following declaration of intent:

Vivendi's acquisitions were financed using its available cash. Vivendi is not acting in concert with any third party in connection with its investments in Ubisoft and has not entered into a temporary sale agreement for Ubisoft shares or voting rights. It does not hold instruments and is not a party to agreements such as those referred to in paragraphs 4° and 4° bis of Article L.233-9 of the French Commercial Code (*Code de commerce*).

The group contemplates continuing the acquisition of shares depending on market conditions. These acquisitions were not specifically designed as a preparatory step for a plan to takeover Ubisoft; nonetheless, over the six coming months, Vivendi cannot rule out the possibility of considering such a plan. Vivendi plans to request, in due time, to be represented on the company's Board of Directors.

Vivendi's investment in Ubisoft's business sector is part of a strategic vision of operational convergence between Vivendi's content and platforms and Ubisoft's productions in video games. Since this strategy does not require any modification to Ubisoft's legal or financial organization, Vivendi does not contemplate implementing any of the transactions referred to in Article 223-17, I, 6° of the AMF General Regulations (*Règlement Général de l'AMF*).

As of February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Statutory Financial Statements for the year ended December 31, 2015, Vivendi held 16.7 million Ubisoft Entertainment shares (i.e., 14.89% of the share capital and 13.15% of the voting rights).

Gameloft

As of December 31, 2015, Vivendi held 24.5 million Gameloft S.E. ("Gameloft") shares, i.e., 28.65% of the share capital and 25.50% of the voting rights, representing acquisitions on the stock market for €122.2 million.

As of February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Statutory Financial Statements for the year ended December 31, 2015, Vivendi held 25.4 million Gameloft shares, i.e., 29.75% of the share capital and 26.49% of the voting rights. At this meeting, Vivendi's Management Board decided to submit to the Supervisory Board, at its meeting to be held on February 18, 2016, the project of public tender offer for all Gameloft shares.

Vivendi's public tender offer for the shares of Société d'Edition de Canal Plus (SECP)

On May 12, 2015, Vivendi announced its intention to file a public tender offer (the "offer") with the *Autorité des marchés financiers* (the French securities regulator) for the shares of SECP, 48.5% of which were owned by Canal+ Group SA, a wholly-owned subsidiary of Vivendi. The offer periods lasted from July 9 until August 12, 2015, and from August 31 until September 11, 2015, at a price of €8.00 per share. Following completion of the offer, Vivendi directly and indirectly, held 122,982,460 SECP shares, representing 97.07% of the share capital and voting rights of SECP. In accordance with applicable laws and regulations, Vivendi launched a squeeze-out procedure for the SECP shares not directly or indirectly held by Vivendi. On September 29, 2015, the squeeze-out for the 3,708,308 SECP shares not held by Vivendi, representing a 2.93% interest, was made at the same price as the tender offer price.

Upon completion of these transactions, Vivendi acquired a 51.5% interest in SECP, at a price of €8.00 per share (€522.2 million), and SECP is now wholly-owned, directly and indirectly, by Vivendi.

Other acquisitions

Radionomy

On December 17, 2015, Vivendi purchased a 64.4% interest in Radionomy Group for a €24 million cash consideration, based on a full enterprise value of €40 million. In addition, Vivendi and the minority shareholders were granted call options and put options, respectively, on the interest held by the minority shareholders. The call options are exercisable by Vivendi in June 2018. At the end of this period, the minority shareholders will have put options, exercisable the following month.

Boulogne Studios

On September 9, 2015, Vivendi acquired a company called Boulogne Studios for €40 million.

Acquisition in progress of an interest in Banijay Zodiak

Vivendi's project to invest in the future Banijay Zodiak group ("BZ"), which will be born out of the combination between Banijay Group and Zodiak Media, two of the largest audiovisual production companies in Europe, is expected to be completed before the end of the first quarter of 2016, subject to the satisfaction of several conditions precedent. In this respect, all approvals by the relevant competition authorities (and notably the European Commission) were granted. There are three components to this investment:

(i) a €100 million investment to obtain a 26.2% interest in the future combined entity BZ;
(ii) the subscription to a €100 million bond ("ORAN1") redeemable in shares or cash issued by BZ. Upon maturity of ORAN1, BZ would have the option of either redeeming the bond in cash or converting it into a number of BZ shares which, in addition to the shares already held by Vivendi, would bring Vivendi's interest in the company to a maximum of 49.9%; and
(iii) the subscription to a €90 million bond ("ORAN2") redeemable in shares or cash issued by Lov-Banijay, a holding company controlled by Financière Lov. Upon maturity of ORAN2, Lov Banijay would have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay. Both bonds have a 7-year maturity.

Vivendi would have the right to appoint two representatives to BZ's Board of Directors, and would be granted certain veto and tag-along rights.

Sale of the 20% interest in Numericable-SFR

As a reminder, on November 27, 2014, Vivendi completed the combination between SFR and Numericable. Pursuant to this transaction, Vivendi received net cash proceeds of €13,050 million, which takes into account the €250 million final price adjustment (including an additional €116 million paid by Vivendi on May 6, 2015), as well as Vivendi's €200 million contribution to the financing of the acquisition of Virgin Mobile by Numericable-SFR. In addition to the cash proceeds, Vivendi received a 20% interest in the new entity Numericable-SFR as well as an earn-out right of €750 million contingent upon Numericable-SFR's operating performance. Vivendi granted specific guarantees to Numericable-SFR which are limited in amount, and issued certain undertakings to the French Competition Authority.

On February 27, 2015, after review by the Management Board, Vivendi's Supervisory Board unanimously decided to accept the offer received on February 17, 2015 from Numericable-SFR and Altice, to purchase the Numericable-SFR shares held by Vivendi, which represented 20% of the share capital of Numericable-SFR. The purchase offer was as follows:

a. Repurchase by Numericable-SFR of 10% of its own shares.

   In accordance with the Share Repurchase Agreement signed on February 27, 2015, at Numericable-SFR General Shareholders' Meeting held on April 28, 2015, the shareholders approved the repurchase of 48,693,922 of the company's own shares held by Vivendi (i.e., a 10% interest) at a purchase price of €40 per share, for an aggregate consideration of €1,948 million, paid on May 6, 2015.

b. Purchase by Altice of a 10% interest in Numericable-SFR.

   On May 6, 2015, the closing date of the share repurchase, Altice acquired 48,693,923 shares at a price of €40 per share, for an aggregate consideration of €1,948 million, payable no later than April 7, 2016, with an early payment option for the full amount. Payment was received by Vivendi on August 19, 2015 for €1,974 million.

The capital gain on the sale of the 20% interest in Numericable-SFR amounted to €651 million (before taxes).

The completion of these transactions resulted in the termination of: (i) the agreements pursuant to which Vivendi was entitled to receive a potential earn-out payment of €750 million and a specific guarantee given by Vivendi; (ii) the shareholders' agreement including in particular a non-compete provision relating to Canal+ Group in specific sectors and territories; and (iii) discussions over a sale price adjustment of SFR based on its level of debt at the closing date, which resulted in the payment by Vivendi of €116 million.

In addition, Vivendi was informed that the tax authorities are challenging the validity of the merger completed in December 2011 between SFR and Vivendi Telecom International (VTI) and, consequently, intend to contest the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011. The tax authorities plan to require that SFR be carved-out from Vivendi's tax group for that fiscal year and to make a claim against SFR for a total amount of €1,374 million, representing a principal tax amount of €711 million plus default interest and penalties of €663 million.

As part of the agreement entered into on February 27, 2015 among Vivendi, Altice and Numericable-SFR, Vivendi agreed to return to SFR, if applicable, taxes and contributions that could be borne by SFR for fiscal year 2011 and that SFR would have already paid at that time to Vivendi, up to a maximum amount of €711 million (including €154 million corresponding to the use by SFR of VTI's tax losses in 2011 or 2012) covering the entire period within which SFR belonged to the Vivendi tax group, if the 2011 merger of SFR and VTI were to be ultimately invalidated for tax purposes. Vivendi and Altice/Numericable-SFR have agreed to cooperate in order to challenge the position of the tax authorities.

Vivendi Management believes that it has solid legal grounds on which to defend the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011 or, failing that, its consolidation by applying the Consolidated Global Profit Tax System in respect of such fiscal year. Therefore, Vivendi believes that the agreement entered into on February 27, 2015 between Vivendi and Altice/Numericable-SFR should not have a materially adverse impact on the financial position or liquidity of the company.

Sale of GVT

On May 28, 2015, pursuant to agreements entered into on September 18, 2014, Vivendi sold 100% of GVT, its Brazilian telecommunications subsidiary, to Telefonica for an enterprise value of €7.5 billion (based on the stock market value and foreign exchange rates on that date). Vivendi received net cash proceeds amounting to €3,783 million (after taxes paid in Brazil and before taxes paid in France) and a 12% interest in Telefonica Brasil.

Pursuant to the agreements entered into with Telefonica, Vivendi subsequently swapped a 4.5% interest in Telefonica Brasil in exchange for 8.24% of Telecom Italia common shares (see above).

On July 29, 2015, Vivendi divested its entire 7.5% interest in Telefonica Brasil (see above).

Other significant events in 2015

Shareholders' dividend distribution policy

On April 17, 2015, Vivendi's Annual General Shareholders' Meeting notably approved the payment of an ordinary dividend of €1 per share with respect to fiscal year 2014, comprising a distribution of €0.20 based on the group's business performance and an €0.80 return to shareholders as a result of asset disposals. This dividend was paid in cash on April 23, 2015, following the coupon detachment on April 21, 2015, for an aggregate amount of €1,362.5 million.

The closing of the sales of GVT on May 28, 2015 and of the 20% interest in Numericable-SFR on May 6, 2015 enabled Vivendi's Management Board to approve the distribution of two interim ordinary dividends of €1 each with respect to fiscal year 2015:

- the first interim dividend of €1 per share, paid out of retained earnings available on May 31, 2015, was paid on June 29, 2015 (following the coupon detachment on June 25, 2015), for an aggregate amount of €1,363.7 million; and
- the second interim dividend, taken from the distributable income resulting from the positive earnings generated by the divestitures of GVT and SFR, was paid on February 3, 2016 (following the coupon detachment on February 1, 2016), for an aggregate amount of €1,317.7 million.

On February 10, 2016, the date of Vivendi's Management Board Meeting that approved the Statutory Financial Statements as of December 31, 2015 and the appropriation of earnings for the fiscal year then ended, the Management Board decided to propose to shareholders an ordinary dividend of €3 per share, representing a total distribution of €4.0 billion, comprising a €0.20 distribution related to the group's business performance and a €2.80 return to shareholders. Given the interim dividends already distributed, the balance will be paid on April 28, 2016 (following the coupon detachment on April 26, 2016). This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 18, 2016, and will be submitted to approval by the Annual General Shareholders' Meeting to be held on April 21, 2016.

Merger of entities

On May 28, 2015, pursuant to agreements entered into on September 18, 2014, Vivendi completed the sale of 100% of GVT Participacoes, its Brazilian telecommunications subsidiary, to Telefonica (see above).

As a result of the sale of GVT, the French companies of the group involved in the ownership and financing of the group's operations in Brazil (SIG 108, SIG 109, SIG 72 and SIG 105), no longer having any business functionality, merged with and into Vivendi SA as part of an internal reorganization which took effect on January 1, 2015. The interim transactions of these companies have therefore been included in the 2015 accounts of Vivendi SA, including those relative to the sale of GVT Participaçoes.

Note 1. Accounting Rules and Methods

1.1. General principles and change in accounting methods

The statutory financial statements for the fiscal year ended December 31, 2015 have been prepared and presented in accordance with applicable French laws and regulations.

The accounting rules and methods applied in the preparation of these financial statements are identical to those applied in the preparation of the 2014 statutory financial statements.

The company makes certain estimates and assumptions that it considers reasonable and realistic. Such estimates and assumptions are based on past or anticipated achievements, and relate in particular to the measuring of asset impairment (see Note 7, Long-term Investments) and provisions (see Note 16, Provisions) as well as to employee benefits (see Note 1.9, Employee benefit plans). Despite regular review, facts and circumstances may lead to changes in such estimates and assumptions, which may impact the amount of assets, liabilities, equity or earnings recognized by the company.

1.2. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are valued at acquisition cost.

Depreciation and amortization are calculated using the straight-line method and, where appropriate, the declining balance method over the useful lives of the relevant assets.

1.3. Long-term investments

INVESTMENTS IN AFFILIATES AND LONG-TERM SECURITIES PORTFOLIOS

Shares of companies, the long-term ownership of which is deemed to be beneficial to Vivendi's business, are classified as equity investments.

Equity portfolio securities include securities of companies which the company expects to realize satisfactory returns over the medium to long term without interfering with the management.

Investments in affiliates and long-term securities portfolios are valued at acquisition cost, including any potential impact resulting from related hedging transactions. If this value exceeds the value in use, an impairment loss is recorded for the difference between the two.

Value in use is defined as the value of the future economic benefits expected to derive from the use of an asset. This is generally calculated by discounting the future cash flows. A more suitable method may be used where appropriate, such as market comparables, transaction valuations, trading comparables for listed entities or proportionate share of equity. The value in use of securities in foreign currencies is calculated using the exchange rate applicable on the closing date for both listed securities (French GAAP (*Plan Comptable Général* or "PCG") 2014, Art. 420-3) and unlisted securities.

Vivendi expenses investment and security acquisition costs in the period during which they are incurred.

LOANS TO SUBSIDIARIES AND AFFILIATES

Loans to subsidiaries and affiliates consist of medium and long-term loans to Group companies. They do not include current account agreements with Group subsidiaries that are used for day-to-day management of cash surpluses and shortfalls. A provision for depreciation is therefore made (as appropriate), based on the risk of non-recovery.

TREASURY SHARES

All treasury shares held by Vivendi that are either (i) in the process of cancellation or (ii) acquired pursuant to the liquidity contract, are recorded as Long-term Investments. Impairment losses are recorded on the latter shares if their net book value is less than their stock market value, based on the average share price during the month of closing.

All remaining treasury shares held by Vivendi are recorded as Marketable securities (see Note 1.5, Marketable securities).

1.4. Operating receivables

Operating receivables are recorded at nominal value. A provision is therefore made (as appropriate), based on the risk of non-recovery.

1.5. Marketable securities

TREASURY SHARES

Treasury shares purchased either for sale to Group employees upon exercise of stock purchase options, or for grant to employees as performance shares, are recorded as Marketable securities.

At year-end, the shares allocated to specific plans are not depreciated but are subject to a provision (see "Provisions" below). For those shares not allocated to specific plans, an impairment loss is recognized, as appropriate, to reduce their net value down to their stock market value based on the average share price during the month of closing.

OTHER MARKETABLE SECURITIES

All other marketable securities are recorded at acquisition cost. A provision for depreciation is made if the estimated trading value at the end of the period is less than the acquisition cost. The value in use of securities in foreign currencies is calculated using the exchange rates applicable on the closing date.

1.6. Deferred charges relating to financial instruments

Issue costs in relation to bonds and lines of credit are amortized equally over the term of such instruments.

1.7. Provisions

A provision is recorded if Vivendi has an obligation to a third party and it is probable or certain that an outflow of resources will be necessary to settle this obligation, without receipt of an equivalent consideration from the third party.

The provision is equal to the best estimate, taken at period-end, of the outflow of resources necessary to settle the obligation, where the risk exists at the end of the period.

The assumptions underlying the provisions are regularly reviewed and any necessary adjustments are recorded.

Where it is not possible to provide a reliable estimate for the amount of the obligation, a provision is not recorded and disclosure is made in the notes to the financial statements (see Note 25, Litigation).

1.8. Stock option plans and performance share plans

When the company grants performance shares or establishes a stock purchase option plan that is settled by the delivery of treasury shares, a provision is recognized. This provision is calculated based on the market price of Vivendi shares at grant date or the estimated share purchase price at year-end. In the case of stock purchase option plans, the entry cost or estimated share purchase price is reduced by the exercise price that is likely to be paid by employees.

Pursuant to the PCG, expenses, charges and reversals in relation to the grant of stock options and performance shares to company employees, are recorded as personnel costs.

1.9. Employee benefit plans

Vivendi applied method 1 of Recommendation No. 2013-02 of the National Accounting Council (*Conseil National de la Comptabilité*, CNC) dated November 7, 2013, regarding the valuation and accounting methods for pension commitments and similar benefits.

The provision recorded for obligations in relation to employee benefit plans includes all Vivendi employee benefit plans, i.e., retirement/termination payments, pensions and supplemental pensions. It is calculated as the difference between the value of the actuarial obligations and plan assets, net of actuarial gains and losses and unrecognized past service costs.

The actuarial obligation is calculated using the projected unit credit method (each period of activity generates additional entitlement). Actuarial gains and losses are recognized using the "corridor method". This consists of recording, in the profit or loss account for the relevant period, the amortization calculated by dividing the portion of actuarial gains and losses which exceeds the greater of 10% of (i) the obligation and (ii) the fair value of the plans' assets as of the beginning of the fiscal year, by the average remaining working life expectancy of the beneficiaries.

1.10. Foreign currency-denominated transactions

Foreign currency-denominated income and expense items are translated using average monthly rates or, as applicable, using the exchange rate negotiated during specific transactions.

Foreign currency-denominated receivables, payables, marketable securities and cash balances are translated at the exchange rates applicable on the accounting closing date (PCG 2014, Art. 420-5).

Unrealized gains and losses recognized on translation of foreign currency borrowings, loans, receivables and payables, using exchange rates prevailing on the accounting closing date, are recorded in the Statement of Financial Position in unrealized foreign exchange gains and losses, except where currency hedging instruments that set the currency rate at maturity have been implemented (see Note 1.11, Derivative financial instruments).

Vivendi seeks to secure the exchange rate of assets and long-term liabilities denominated in foreign currencies, particularly through the implementation of derivative financial instruments. Foreign exchange gains and losses realized on these hedging instruments are reclassified as applicable in the Statement of Financial Position as deferred revenue or expenses until the gain or loss on the hedged item is recognized (see Note 1.11, Derivative financial instruments).

A provision for foreign exchange losses is recorded in respect of unhedged and unrealized exchange losses (PCG 2014, Art. 420-5).

For transactions in foreign currency that are covered by currency hedging instruments that do not set the currency rate at maturity, provisions are made up to the amount of the uncovered risk.

Unrealized foreign exchange gains and/or losses on cash balances and foreign currency current accounts (similar to cash balances under PCG 2014, Art. 420-7) on the accounting closing date are recorded immediately as foreign exchange gains and/or losses.

1.11. Derivative financial instruments

Vivendi uses derivative financial instruments to (i) reduce its exposure to market risks associated with interest and foreign exchange rate fluctuations; and (ii) secure the value of certain financial assets. These instruments are traded over-the-counter with highly-rated counterparties.

Pursuant to Article 224 of the PCG 2014, income and expenses generated by interest rate and currency hedging instruments are recorded with the income and expenses of the hedged items.

Loans, borrowings, receivables and payables covered by currency hedging instruments that set the currency at maturity are recorded at hedge rates and no foreign exchange difference is recognized.

Unrealized gains on derivative instruments that do not qualify for hedge accounting are not recognized. Conversely, unrealized losses on these instruments are recorded directly in earnings.

1.12. Tax credit to aid competitiveness and promote employment (CICE)

The CICE, which took effect on January 1, 2013, resulted in Vivendi's recognition of an income recorded in operating income under the line item "social security contributions". The base consists of gross compensation paid, subject to social security contributions and not exceeding 2.5 times the minimum wage as defined by the French Law. The tax credit rate for 2015 was 6%.

Note 2. Operating Earnings/(Losses)

2.1. Revenues

Revenues consisting of revenues generated from services provided by Vivendi and rebilling of costs to its subsidiaries amounted to €42.1 million.

2.2. Operating expenses and expense reclassifications

In 2015, operating expenses amounted to €172.6 million, compared to €283.7 million in 2014.

Within this total, "other purchases and external charges" represented €80.7 million in 2015, compared to €144.7 million in 2014.

Other purchases and external charges, including amounts rebilled to subsidiaries (recorded in revenues) and expense reclassifications (recorded in reversal of provisions and expense reclassifications), are broken-down as follows:

(in millions of euros)	2015	2014
Purchases consumed	0.6	0.6
Rent	8.3	8.4
Insurance	6.9	6.1
Service providers, temporary staff and sub-contracting	7.0	14.1
Commissions and professional fees	36.6	84.7
Bank services	7.8	18.2
Other external services	13.5	12.6
Sub-total other purchases and external charges	**80.7**	**144.7**
Amounts rebilled to subsidiaries (other income)	(3.2)	(6.3)
Expense reclassifications	(0.5)	(4.0)
Total net of rebilled expenses, insurance repayments and expense reclassifications	**77.0**	**134.4**

Note 3. Net Financial Income/(Loss)

Net financial income (/loss) is broken-down as follows:

(in millions of euros)	2015	2014
Net financing costs	17.9	(53.8)
Dividends received	776.1	12.4
Foreign exchange gains & losses	(77.0)	(57.4)
Other financial income and expenses	(19.1)	(16.9)
Movements in financial provisions	(56.3)	(255.2)
Net proceeds of the sale of Telefonica Brasil	94.4	
Total	**736.0**	**(370.9)**

3.1. Financing costs

The decrease in the net financing costs from -€53.8 million in 2014 to €17.9 million in 2015 is due:

- to the decrease in external financing net costs from -€249.3 million in 2014 to -€32.9 million in 2015, primarily as (i) a result of the shift of an average external net debt of €7.8 billion in 2014 to an average net cash position of €6.3 billion in 2015 (i.e., a €14.1 billion increase, largely reflecting the impact of the sales of SFR and of the group's interest in Maroc Telecom group in 2014 and the sales of GVT and of the group's interest in Numericable-SFR in 2015); and (ii) the accounting in 2015 of a net interest of €21.7 million attributable to a note receivable issued by Altice (in relation with the sale of the remaining interest in Numericable-SFR);
- and, contrarily, to the decrease in internal net financing income (see Note 8, Current Assets) from €195.6 million in 2014 to €50.8 million in 2015, also in relation with the abovementioned sale transactions.

3.2. Dividends received

In 2015, Income from affiliates amounted to €776.1 million and mainly includes dividends from GVT of €463.5 million (initially accounted for in SIG 108 and subsequently in Vivendi SA following the merger of these two companies), from Groupe Canal+ SA of €227 million, from SIG 104 (company holding the UMG entities apart from those in the United States, Canada and Mexico) of €61.4 million. It also includes €15.8 million with respect to dividends received in the form of Telefonica shares. As a reminder, in 2014, Income from affiliates included €11.4 million in dividends received with respect to the interest in Activision Blizzard.

3.3. Financial provisions and impairments

Financial provisions and impairments amounted to -€56.3 million and mainly include the impairment of €48.5 million recorded with respect to Telefonica shares for which the value in use was calculated based on the average closing share price during the month of December 2015.

During the fourth quarter of 2015, Vivendi, with the assistance of independent appraisers, examined the value in use of its equity holdings, including Groupe Canal+ and two holding companies engaged in the music sector held by Vivendi, namely (i) Universal Music Group, Inc. (UMG Inc.) in relation to its operations in North America and Mexico; and (ii) SIG 104 in relation to operations in other countries. The value in use of Studiocanal was examined internally.

As a result, Vivendi's Management determined that the value in use of Groupe Canal+ SA, as of December 31, 2015, was equal to its net carrying value. It also determined that the value in use of the two music holding companies held by Vivendi: UMG Inc. and SIG 104, was higher than their respective book values.

3.4. Net capital gain on the sale of Telefonica Brazil

In May 2015, Vivendi sold Vivo (Telefonica Brasil) shares it had received as part of the payment received for GVT and with an account value, as of that date, of €2,482 million, through three operations resulting in a net capital gain of €94.4 million:

- in June 2015, the swap of a 4.5% interest in Telefonica Brasil in exchange for 8.24% of Telecom Italia common shares;
- in July 2015, the sale of a 4.0% interest in Telefonica Brasil on the N.Y. stock market, for a consideration of USD 877 million (i.e., €800 million). This transaction was carried out after the preferred shares were converted into American Depositary Receipts (ADR); and
- in September 2015, the swap of a 3.5% interest in Telefonica Brasil preferred shares in exchange for a 0.95% interest in Telefonica.

Note 4. Net Exceptional Items

In 2015, a net exceptional gain of €2,428.9 million was recorded, compared to a net exceptional gain of €3,290.7 million in 2014. It is primarily comprised of the following items:

- a net capital gain on the sale of GVT of €1,806.1 million (see "Significant Events");
- a net capital gain on the sale of the group's interest in Numericable-SFR of €651.0 million. As a reminder, on November 27, 2014, Vivendi received a 20% interest in Numericable-SFR pursuant to the combination between SFR and Numericable;
- an additional €116.0 million negative price adjustment on the sale of SFR, based on SFR's final net debt, partly offset by the reversal of provision; and
- a €43.6 million reversal of provision relating to the hedging of performance share plans benefiting employees of Vivendi subsidiaries, the delivery of which was largely achieved in 2015 through share capital increases.

Note 5. Income Taxes

Vivendi SA benefits from the French Tax Group System and considers that it benefited, until December 31, 2011 inclusive, from the Consolidated Global Profit Tax System, as authorized under Article 209 quinquies of the French Tax Code. Since January 1, 2012, Vivendi only benefits from the French Tax Group System:

- under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% owned directly or indirectly by it, and that are located in France: for 2015, this mainly applied to Universal Music in France and Canal+ Group;
- until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned directly or indirectly by it, and located in France or abroad, i.e., other than the French companies that were at least 95% owned directly or indirectly by Vivendi: Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Edition de Canal Plus (SECP). As a reminder, on May 19, 2008, Vivendi lodged a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System and an authorization was granted by an order dated March 13, 2009, for a three-year period beginning with fiscal year 2009 and ending with fiscal year 2011;
- in addition, as a reminder, on July 6, 2011, Vivendi lodged a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014;
- the changes in French Tax Law in 2011 terminated the Consolidated Global Profit Tax System as of September 6, 2011 and capped the deduction for tax losses carried forward at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income and the deductibility of interest limited to 85% of financial charges, net (75% as from January 1, 2014);
- taking these elements into account, at year-end 2015, Vivendi recorded a consolidated income tax charge of -€91.5 million (under the French Tax Group System).

The impact of the French Tax Group and Consolidated Global Profit Tax Systems on the valuation of Vivendi's tax attributes (tax losses and tax credits carried forward) are as follows:

- as Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, including fiscal year ending December 31, 2011, on November 30, 2012, Vivendi filed a request for a refund of €366 million with respect to the tax saving for fiscal year ended December 31, 2011. As this request was denied by the tax authorities, Vivendi accrued a €366 million provision for the associated risk in its Financial Statements for the year ended December 31, 2012. On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi. Pursuant to this ruling, on December 23, 2014, Vivendi received a €366 million refund and moratorium interest of €43 million, which was received on January 16, 2015. On December 2, 2014, the tax authorities appealed this ruling. As a result, in its Financial Statements for the year ended December 31, 2014, Vivendi maintained the provision related to the €366 million principal refund and increased it by €43 million to take into account the moratorium interest, for a total amount of €409 million, which remained unchanged as of December 31, 2015 (please refer to Note 16, Provisions);
- moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due, under the French Tax Group System for the year ended December 31, 2012, i.e., €208 million, increased to €221 million in 2013 at the time of the tax return filing with respect to fiscal year ended December 31, 2012. On May 8, 2013, Vivendi received a €201 million refund related to the tax installment paid in 2012. This position was challenged by the tax authorities in the context of

an audit and Vivendi provisioned the associated risk for a principal amount of €208 million in its Financial Statements for the year ended December 31, 2012, increased to €221 million as of December 31, 2013. In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €221 million principal refund and increased it by additional default interest of €11 million, for a total amount of €232 million as of December 31, 2014, decreased to €228 million as of December 31, 2015 after deduction of ordinary tax credits. As part of this process, Vivendi made a payment of €321 million on March 31, 2015, comprising the payment of taxes for €221 million due under the French Tax Group System for the year ended December 31, 2012, €11 million in default interest and additional penalties of €89 million (see Note 8, Current Assets). The audit being terminated, on June 29, 2015, Vivendi submitted a claim requesting a refund of the principal tax amount, the default interest, as well as penalties, for which no provision has been accrued, following the recommendation of the company's advisors (see Note 16, Provisions);

- in the Financial Statements for the year ended December 31, 2015, the tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were estimated, and as a result, the amount of tax attributes as of December 31, 2015 could not be reliably determined. Taking into account the impact of the estimated 2015 tax results and before the effects of the ongoing tax audits (see below) on the amount of tax attributes, Vivendi SA may achieve €809 million in tax savings from tax attributes (based on the income tax rate applicable as from January 1, 2016, i.e., 34.43%).

Audit by the French tax authorities

In respect of the Consolidated Global Profit Tax System, the tax audit for fiscal years 2006-2010 is still ongoing. The audit of Vivendi SA's Tax Group System for fiscal years 2011 and 2012 began in July 2013. As of December 31, 2015, all of these tax audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit. In any event, Vivendi has accrued a provision for the impact of the Consolidated Global Profit Tax System in 2011 (€409 million), notwithstanding the decision of the Administrative Court of Montreuil of October 6, 2014 (subject to the appeal filed by the Tax Authorities) as well as a provision for the impact in relation to the use of tax credits in 2012 (€228 million).

Note 6. Intangible Assets and Property, Plant and Equipment

6.1. Gross values

(in millions of euros)	Opening gross value	Additions	Disposals	Closing gross value
Intangible assets	8.5	0.3		8.8
Property, plant and equipment	56.8	0.9		57.7
Total	**65.3**	**1.2**	**0.0**	**66.5**

6.2. Depreciation and amortization

(in millions of euros)	Opening accumulated depreciation/amortization	Charge	Reversal	Closing accumulated depreciation/ amortization
Intangible assets	7.9	0.2		8.1
Property, plant and equipment	54.6	0.5		55.1
Total	**62.5**	**0.7**	**0.0**	**63.2**

Note 7. Long-term Investments

7.1. Long-term investments

(in millions of euros)	Opening gross value	Additions	Disposals	Foreign currency translation adjustments	Closing gross value
Investments in affiliates and Long-term portfolio securities	22,283.0	8,146.6	(10,228.5)		20,201.1
Loans to subsidiaries and affiliates	1,370.3	57.0			1,427.3
Other long-term investment securities	0.7	509.7			510.4
Loans and other long-term investments	1,028.4	533.2		2.5	1,564.1
Total	**24,682.4**	**9,246.5**	**(10,228.5)**	**2.5**	**23,702.9**
(a) *including changes related to mergers*		*2,988.1*	*(3,991.0)*		

7.2. Investments in affiliates and Long-term securities portfolio

The details concerning the addition of €8,146.6 million of investments during the year are provided in the "Significant Events" section and, as a reminder, mainly relate to:

- GVT Participacoes for €2,984.5 million. This addition was a consequence of the merger of SIG 108 and Vivendi;
- Telecom Italia for €3,222.9 million;
- Dailymotion for €245.9 million;
- the Société d'Edition de Canal Plus (SECP) for €522.2 million, representing 51.5% of the capital of the company, and as a result of the completion of the public tender offer made by Vivendi;
- Ubisoft Entertainment for €351.1 million;
- Gameloft for €122.2 million; and
- Telefonica for €554.2 million, including dividends received in December 2015 in the form of shares for €15.8 million.

The disposals completed during the year for €10,228.5 million are also detailed in the section "Significant Events" and mainly relate to:

- shares of SIG 108 and SIG 109 for €2,984.5 million and €1,005.2 million, respectively. SIG 108 was the holding company for the GVT shares in Brazil and SIG 109 was involved in the financing of the latter. These two companies merged with and into Vivendi following the divestment of GVT (please refer to Significants Events);
- GVT Participaçoes for €2,984.5 million (see above); and
- Numericable-SFR shares for €3,244.5 million.

7.3. Loans to subsidiaries and affiliates

The value of loans to subsidiaries and affiliates, including accrued interest and net of depreciation, was nil at year-end 2015 (Poltel Investment).

7.4. Other long-term Investments

TREASURY SHARES TO BE CANCELLED

Other long-term investments include €507.0 million of treasury shares acquired from November 11, 2015 under the share repurchase program authorized by the General Shareholders' Meeting on April 17, 2015, and implemented pursuant to a delegation of authority by the Management Board on August 26, 2015. As of December 31, 2015, Vivendi held 25,978,246 of its own shares.

7.5. Loans and other long-term investments

CASH DEPOSITS PLACED IN ESCROW ACCOUNT

- On March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (see Note 25, Litigation). In July 2015, its maturity date was extended to February 28, 2018. This letter of credit is guaranteed by a syndicate of international banks with which Vivendi signed a Reimbursement Agreement that includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit.

  On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit.
- As of December 31, 2015, the book value of the 41.5 million Activision Blizzard shares held by Vivendi was €417.1 million. On June 11, 2015, Vivendi entered into an agreement to hedge 100% of the value of these shares denominated in USD, through an 18-month zero-premium collar (consisting of a put option acquired by Vivendi and a call option sold by Vivendi), enabling Vivendi to secure the unrealized capital gain during this period.

  As of December 31, 2015, pursuant to the credit support agreement related to the collar hedge, Vivendi established a cash deposit in favor of the counterparty, for USD 479.8 million, i.e., €438.9 million (see Note 29, Subsequent Events).

CASH DEPOSIT PAID UNDER LIQUIDITY AGREEMENT

As of December 31, 2015, the amount paid out by Vivendi under the liquidity agreement totaled €5 million (out of an available balance of €50 million) and was recorded in other financial assets. This amount remains unchanged compared to December 31, 2014.

In addition, purchases and sales of shares were immediately settled. As in December 31, 2014, as of December 31, 2015, Vivendi did not hold any shares under this liquidity agreement (see Note 9, Treasury Shares).

OTHER CASH ASSETS

To benefit from more favorable yields, Vivendi chose to invest in financial assets with investment horizons of at least one year through two fixed-term deposits amounting to USD 100 million, set up in December 2015 with a maturity period of one year.

7.6. Impairment

(in millions of euros)	Opening accumulated depreciation/ amortization	Mergers	Charge	Reversal recorded in financial income	Reversal recorded in exceptional income	Closing accumulated depreciation/ amortization
Investments in affiliates and Long-term portfolio securities	1,417.0	2.4	168.1	(4.1)	(5.8)	1,577.6
Loans to subsidiaries and affiliates	1,370.4		56.9			1,427.3
Other long-term investment securities	0.3					0.3
Loans and other long-term investments	0.0		0.6			0.6
Total	**2,787.7**	**2.4**	**225.6**	**(4.1)**	**(5.8)**	**3,005.8**

Note 8. Current Assets

8.1. Receivables

As of December 31, 2015, receivables, net of impairment, amounted to €2,208.4 million compared to €2,014.2 million as of December 31, 2014 and included:

- current account advances by Vivendi to its subsidiaries for a net amount of €1,834.6 million (including €1,265.4 million for Groupe Canal+ SA), compared to €1,843.2 million as of December 31, 2014 (including €1,432.7 million for Groupe Canal+ SA);
- receivables of €321.0 million in relation to the request for a tax refund under the French Tax Group System for the year ended December 31, 2012; as Vivendi considered that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011 (please refer to Note 5, Income taxes); and
- receivables of €13.9 million in relation to the excess of tax advance paid in 2015.

8.2. Prepaid expenses

(in millions of euros)	2015	2014
Expenses relating to the following period	5.8	2.4
Discount paid to subscribers of bonds	1.9	3.2
Amount paid to settle swaps	0.9	1.2
Total	**8.6**	**6.8**

Note 9. Treasury Shares

Change in Treasury shares

	As of Dec. 31, 2014		Purchases		Sales		As of Dec. 31, 2015	
	No. shares	Gross value (in millions of euros)	No. shares	Value (in millions of euros)	No. shares	Value (in millions of euros)	No. shares	Gross value (in millions of euros)
Long-term investment securities								
Liquidity contract			325,000	6.6	325,000	6.6		
Shares held for cancellation			25,978,246	507.0			25,978,246	507.0
Marketable securities								
Shares backing performance shares	49,568	1.0			42,849	0.9	6,719	0.1
Total Treasury shares	**49,568**	**1.0**	**26,303,246**	**513.6**	**367,849**	**7.5**	**25,984,965**	**507.1**

Note 10. Other marketable securities and cash

(in millions of euros)	2015	2014
Monetary and Bond funds (a)	5,868.1	4,755.0
Medium-term negotiable notes	25.0	100.0
Other similar accounts	1,634.7	570.0
Subtotal-marketable securities	**7,527.8**	**5,425.0**
Cash	1,042.6	1,425.7
Total	**8,570.4**	**6,850.7**

(a) Including bond funds for €315 million in 2015.

Marketable securities, excluding treasury shares (see Note 9, Treasury Shares) amounted to €7,527.8 million, which included €8.0 million in accrued interest, compared to €5,425.0 million as of December 31, 2014, which included €2.1 million in accrued interest.

Note 11. Receivables Maturity Schedule

(in millions of euros)	Gross value	Maturing in less than one year	Maturing in more than one year
Non-current assets			
Loans to subsidiaries and affiliates	1,427.3	10.4	1,416.9
Other long-term investments	1,564.1	443.9	1,120.2
Current assets			
Trade accounts receivable and related accounts	5.1	5.1	0.0
Other receivables	2,347.5	2,337.6	9.9
Total	**5,344.0**	**2,797.0**	**2,547.0**

Note 12. Deferred Charges

Deferred charges relating to financial instruments

(in millions of euros)	Opening balance	Increase	Amortization	Closing balance
Deferred charges relating to credit lines	8.3	0.5	(2.2)	6.6
Issue costs of bonds	2.1		(0.7)	1.4
Total	**10.4**	**0.5**	**(2.9)**	**8.0**

Note 13. Unrealized Foreign Exchange Gains and Losses

The unrealized foreign exchange losses, increased to €2.7 million at year-end 2015 from nil at year-end 2014, and gains, increased to €5.2 million at year-end 2015 from €0.2 million at year-end 2014, are in relation to cash deposits in dollars (see Note 7, Long-term investments).

Note 14. Equity

14.1. Changes in equity

(in millions of euros)	(a) Number of shares	Share capital	Additional paid-in capital	Reserves and retained earnings	Earnings	Interim dividends	Total
As of 31/12/2014	1,351,600,638	7,433.8	9,973.9	686.0	2,914.9		21,008.6
Allocation of earnings and dividends				1,552.4	(2,914.9)		(1,362.5)
Group savings plan	3,914,166	21.5	53.1				74.6
grants of free shares	1,926,009	10.6	(10.6)				0,0
Stock options	10,881,757	59.9	140.0				199.9
Earnings for the year					2,827.0		2,827.0
interim dividends						(2,681.4)	(2,681.4)
As of 31/12/15	**1,368,322,570**	**7,525.8**	**10,156.4**	**2,238.4**	**2,827.0**	**(2,681.4)**	**20,066.2**

(a) Par value of €5.50 per share.

The potential number of shares issuable upon the exercise of stock subscription options granted before 2013 is 31,331,489 and 2,544,944 pursuant to the performance share plans.

14.2. Allocation of earnings

The allocation of earnings to be proposed at the Annual General Shareholders' Meeting to be held on April 21, 2016, is as follows:

Distributable earnings (in euros)	
Retained Earnings	1,488,995,957.35
2015 Earnings	2,827,023,761.17
Total	**4,316,019,718.52**
Allocation (in euros)	
Amount allocated to legal reserve (a)	3,165,157.60
Amount allocated to other reserves	
Total amount allocated to shareholders as a dividend (b)	3,999,164,352.00
Amount allocated to Retained Earnings	313,690,208.92
Total	**4,316,019,718.52**

(a) Estimated amount based on the share capital as of December 31, 2015.

(b) At a rate of €3 per share, this amount includes (i) the two interim dividends of €1 each approved by the Management Board on June 8, 2015, and paid on June 29, 2015, and February 3, 2016, for a total distribution of €2,681,449,401 and (ii) the balance of €1,317,714,951 (based on the number of shares outstanding as of January 29, 2016); the latter will be adjusted to reflect the actual number shares entitled to the dividend on the ex-dividend date.

In respect of the last three fiscal years, dividends per share were distributed as follows:

Year	2014	(b) 2013	2012
Number of shares (a)	1,362,518,170	1,347,704,088	1,324,905,694
Dividend per share (in euros)	1.00	-	1.00
Total distribution (in millions of euros)	**1,362.5**	**-**	**1,324.9**

(a) Number of shares entitled to dividend as of January 1, after elimination of treasury shares held at the dividend payment date.

(b) On June 30, 2014, Vivendi SA paid an ordinary distribution of €1 per share, from additional paid-in capital for an aggregate amount of €1,347.7 million considered as a return of capital distribution to shareholders

Note 15. Stock Option Plans and Performance Share Plans

The main features of the plans granted during the current and prior fiscal years are as follows (please refer to CRC Regulation no. 2008-15 on stock purchase and subscription option plans and performance share plans granted to employees).

15.1. Stock subscription option plans

No stock option plans were awarded during 2014 or 2015.

As a reminder, in 2013 upon the proposal of the Management Board and the advice of the Human Resources Committee, the Supervisory Board decided to cease granting stock options.

15.2. Performance Share Plans

Grant date	Number of performance share rights granted – Total number of – beneficiaries	Number of performance share rights granted – Total number of – performance share rights	of which granted to members of governing bodies – Number of beneficiaries	of which granted to members of governing bodies – Number of performance share rights	(1) Vesting date	Availability date	Value of shares for the calculation of the social contribution	Number of performance share rights – Number of performance share rights cancelled in 2015	Number of performance share rights – Number of shares created at the end of the vesting period	Number of performance share rights – Number of performance share rights outstanding at December 31, 2015 after adjustments
29/01/2014	1	100,000	0	0	01/01/2017	31/01/2018	15.59			(a) 105,462
29/01/2014	1	50,000	0	0	02/01/2019	03/01/2019	14.91			(b) 52,731
29/01/2014	1	100,000	0	0	30/01/2016	31/01/2018	15.81			(c) 105,462
19/02/2014	1	30,000	0	0	22/02/2016	23/02/2018	16.92			31,644
21/02/2014	1	100,000	1	100,000	22/02/2016	23/02/2018	17.13			105,497
27/02/2015	3	170,000	3	170,000	28/02/2018	02/03/2020	16.98			170,000
27/02/2015	245	857,680	2	75,000	28/02/2018	02/03/2020	16.98	39,530		818,150
27/02/2015	86	319,040	0	0	28/02/2018	02/03/2020	16.98	15,490		(d) 303,550
27/02/2015	2	102,080	0	0	28/02/2018	02/03/2020	16.98			(e) 102,080
05/05/2015	1	100,000	0	0	06/05/2018	07/05/2020	16.99			(f) 100,000
06/07/2015	9	12,000	0	0	09/07/2018	10/07/2020	18.20			12,000
06/07/2015	1	2,080	0	0	07/07/2018	08/07/2020	18.20			(g) 2,080
26/08/2015	1	3,000	0	0	27/08/2018	28/08/2020	17.42			3,000
						Total		**55,020**	**0**	**1,911,656**

(1) First trading day of quotation at the end of a two-year acquisition period.
(a) Includes 105,462 rights to performance shares, after adjustments, granted to a Brazilian resident beneficiary to be recorded in an account in 2018.
(b) Includes 52,731 rights to performance shares, after adjustments, granted to a Brazilian resident beneficiary to be recorded in an account in 2019.
(c) Includes 105,462 rights to performance shares, after adjustments, granted to a US resident beneficiary to be recorded in an account in 2018.
(d) Includes 303,550 rights to performance shares granted to US and British resident beneficiaries to be recorded in an account in 2020.
(e) Includes 102,080 rights to performance shares granted to Brazilian resident beneficiaries to be recorded in an account in 2020.
(f) Includes 100,000 rights to performance shares granted to a Brazilian resident beneficiary to be recorded in an account in 2020.
(g) Includes 2,080 rights to performance shares granted to a US resident beneficiary to be recorded in an account in 2020.

The definitive grant of performance shares for plans granted in 2014 will be effective upon the satisfaction of the following performance conditions: (i) an internal indicator (70%) determined by the applicable EBITA margin rate, measured as of December 31, 2015 on a cumulative basis including fiscal years 2014 and 2015; and (ii) an external indicator (30%) determined by the performance of Vivendi shares between January 1, 2014 and December 31, 2015, as compared to the Stoxx® Europe 600 Media.

The definitive grant of performance shares will be effective upon the satisfaction of these performance conditions, as assessed at the end of a two-year acquisition period. 100% of the performance shares granted will vest if the weighted total of the internal and external indicators reaches or exceeds 100%, 50% of the performance shares granted will vest if the weighted total of the indicators reaches the applicable value thresholds, and no shares will vest if the weighted total of the indicators is lower than the applicable value thresholds. Performance shares must be retained by their holders for an additional two-year period following the vesting date.

The definitive grant of performance shares for plans granted in 2015 will be effective upon the satisfaction of the following performance conditions: (i) three internal indicators (80%) determined by the applicable EBITA margin rate (40%), the EBITA growth rate (10%) and the Earning per share (30%), which will be measured as of December 31, 2017 on a cumulative basis including fiscal years 2015, 2016 and 2017; and (ii) an external indicator (20%) determined by Vivendi's stock price performance between January 1, 2015 and December 31, 2017, as compared to two indices: the Stoxx® Europe 600 Media and the CAC 40.

The definitive grant of performance shares will be effective upon the satisfaction of these performance conditions, as assessed at the end of a three-year acquisition period. (i) 100% of the performance shares granted will vest if the weighted total of the internal and external indicators reaches or exceeds 100%, (ii) 50% of the performance shares granted will vest if the weighted total of the indicators reaches the applicable value thresholds, and (iii) no shares will vest if the weighted total of the indicators is lower than the applicable value thresholds. Performance shares must be retained by their holders for an additional two-year period following the vesting date.

Note 16. Provisions

Summary table of Provisions

Nature of provisions (in millions of euros)	Opening balance	Charge	Reversal	Utilization	Closing balance
Foreign exchange losses	0.0				0.0
Employee benefits	18.8	12.9		(0.3)	31.4
Other provisions	1,846.1	21.9	(68.4)	(68.8)	1,730.8
Total - Provisions	**1,864.9**	**34.8**	**(68.4)**	**(69.1)**	**1,762.2**
Charges and reversals:					
◆ *operating*		*4.0*	*(1.9)*	*(2.2)*	
◆ *financial*					
◆ *exceptional*		*30.8*	*(66.5)*	*(66.9)*	

As of December 31, 2015, "other provisions" amounted to €1,730.8 million and included:

- a provision in relation to the Liberty Media Corporation litigation for €944.8 million (see Note 25, Litigation), unchanged;
- a provision in relation to the securities class action in the United States for €100 million (see Note 25, Litigation), unchanged; and
- an aggregate provision for €637.1 million to cover two tax refund requests (see Note 5, Income Taxes and Note 8, Current Assets):
  - €408.8 million related to the tax savings of the Consolidated Global Profit Tax System for the fiscal year ended December 31, 2011, including moratorium interest; and
  - €228.3 million related to using effects of the taxes due, under the French Tax Group System for the year ended December 31, 2012, including interest.

As of December 31, 2015, the provision for employee benefits amounted to €31.4 million, compared to €18.8 million in 2014 (see Note 1.9, Accounting Rules and Methods; Employee benefit plans).

Related obligations are valued using the following assumptions: (i) a 3.5% to 4.0% wage increase rate; (ii) a 1.75% discount rate for the general statutory scheme and "Article 39" schemes; and (iii) an assumed retirement age of between 60 and 65 years.

Supplemental pension obligations, other than retirement termination payments, are partially funded by external insurance policies, the updated value of which is deducted from the actuarial obligation. The expected rate of return on plan assets is 2.7%.

As of December 31, 2015, plan assets (comprised of bonds (up to 77%) and shares (up to 15%)) and unrecognized actuarial losses amounted to €30.6 million and €74.4 million, respectively.

Note 17. Borrowings

As of December 31, 2015, the aggregate amount of borrowings totaled €8,198.8 million, compared to €7,769.1 million as of December 31, 2014.

17.1. Bond issues

As of 31 December 2015, bond issues amounted to €1,950.0 million, unchanged compared to 2014 (as presented in the table below) with additional accrued interest of €15.1 million compared to €15.3 million as of December 31, 2014.

Amounts (in millions of euros)	Issue date	Maturity date	Nominal rate
500.0	12/2009	12/2016	4.25%
700.0	12/2009	02/2019	4.88%
750.0	03/2010	03/2017	4.00%
1,950.0			

17.2. Bank borrowings

As of December 31, 2015, the aggregate amount of loans and borrowings from credit institutions was €173.4 million, compared to €334.5 million as of December 31, 2014. The majority of loans and borrowings comprised accounting overdrafts (€164.7 million) and short-term commercial papers (€8.0 million).

As of February 10, 2016, the date on which Vivendi's Management Board approved the 2015 Financial Statements, Vivendi SA had a multi-currency credit facility available in the amount of €2.0 billion (unchanged since December 31, 2014) undrawn at year-end 2015. On October 30, 2015, the maturity of this credit facility was extended for one year, to October 2020 (plus another one-year renewal option, and thus a possible maturity of 7 years).

17.3. Other borrowings

As of December 31, 2015, other borrowings amounted to €6.1 billion and comprised current account deposits made by subsidiaries including UMGT, the financing subsidiary of the music business, for €3.2 billion and SIG 104, Vivendi's subsidiary that holds the UMG entities outside the United States, Canada and Mexico, for €1.4 billion, compared to €5.5 billion as of December 31, 2014.

Note 18. Debt Maturity Schedule

Liabilities (including accrued interest) (in millions of euros)	Gross value	Due in less than one year	Due in one to five years	Due within more than five years
Bond issues	1,965.1	515.1	1,450.0	
Bank borrowings	173.4	173.4		
Other borrowings	6,060.2	6,060.2		
Trade accounts payable and related accounts	14.8	14.8		
Tax and employee-related liabilities	62.7	60.6	2.1	
Amounts payable in respect of PP&E and related accounts	24.2	24.2		
Other liabilities (a)	1,360.0	1,350.1	9.9	
Total	**9,660.4**	**8,198.4**	**1,462.0**	**0.0**

(a) Interim dividends of €1,317.7 million to be paid (please refer to Note 14, Equity).

Note 19. Items Impacting Several Items of the Statement of Financial Position

In the table below, the "Related parties" column shows amounts comprising various items included in the Statement of Financial Position in relation to transactions entered into with subsidiaries fully consolidated in the group's Consolidated Statement of Financial Position. The assets in the table below are presented at gross value.

ASSETS (in millions of euros)	Accrued income	Related parties
Investments in affiliates		18,734.4
Loans to subsidiaries and affiliates	10.4	1,427.3
Other long-term investment securities		2.9
Loans		
Other long-term investments		
Trade accounts receivable and related accounts	0.2	0.3
Other receivables	6.9	1,983.8
Deferred charges		
Prepaid expenses		
Unrealized foreign exchange losses		
Total	**17.5**	**22,148.7**

LIABILITIES (in millions of euros)	Accrued expenses	Related parties
Other bond issues	15.1	
Bank borrowings	0.7	
Other borrowings		6,007.5
Trade accounts payable and related accounts	14.7	
Tax and employee-related liabilities	16.1	
Amounts payable in respect of PP&E and related accounts		
Other liabilities	6.9	9.9
Deferred income		
Unrealized foreign exchange gains		
Total	**53.5**	**6,017.4**

Note 20. Financial Income and Expenses in relation to Related Parties

In 2015, financial expenses and income in relation to related parties amounted to €14.0 million (of which €12.2 million in interest expense associated with the current account with UMG) and €39.4 million (including €24.6 million in interest income associated with the current accounts made available by Vivendi to Groupe Canal+ SA), respectively.

Note 21. Compensation of Directors and Officers

In 2015, total gross compensation (including benefits in kind) paid by Vivendi SA to members of the Management Board in respect of their corporate office amounted to €4.7 million compared to €4.8 million in 2014 (of which €0.8 million had been recharged to a subsidiary of the group).

The members of the Management Board paid by Vivendi SA and in office as of December 31, 2015 also benefited from a supplemental pension plan, the cost of which amounted to €4.1 million in 2015, compared to €1.9 million in 2014.

The aggregate amount of attendance fees paid to members of the Supervisory Board in respect of fiscal year 2015 amounted to €1.2 million. The compensation paid to the Chairman of the Supervisory Board and the amount paid to a non-voting Director in respect of fiscal year 2015, amounted to €0.2 million and €0.1 million, respectively.

Note 22. Management Share Ownership

As of December 31, 2015, members of the Management Board, the Supervisory Board and executive management directly held an aggregate of 0.03% of the share capital of the company.

Note 23. Number of Employees

In 2015, the annual average number of employees, weighted for effective presence, including temporary workers and employees under fixed-term contracts, was 190 compared to 194 in 2014.

The breakdown of employees by category, i.e., 196 employees as of December 31, 2015, compared to 184 employees as of December 31, 2014, is as follows:

	31/12/2015	31/12/2014
Engineers and executives	152	139
Supervisors	24	22
Other employees	20	23
Total	**196**	**184**

Note 24. Financial Commitments and Contingent Liabilities

Vivendi SA has entered into various commitments for its own account or on behalf of its subsidiaries, the main terms and conditions of which are detailed below.

Share purchase and sale commitments

- In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities (Dailymotion, Radionomy, project to invest in the future Banijay Zodiak Group: see "Significant Events").
- As of December 31, 2015, Vivendi has obligations under a mandate given to Natixis relating to a share repurchase program ended on January 13, 2016: in January 2016, 10,096,455 shares were purchased pursuant to this mandate for an amount of €192.7 million.

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

- On July 23, 2012, as part of the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), Vivendi and Canal+ Group gave certain commitments. These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from Studiocanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a five-year period and are renewable once if the French Competition Authority, after having performed a competition analysis, deems it necessary. In addition, on September 18, 2012, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations and transfer rights.

  On December 23, 2013, the French Council of State annulled, with a delayed effect as from July 1, 2014, the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), which had been approved on July 23, 2012. On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority. On April 2, 2014, the French Competition Authority reapproved the transaction, subject to compliance with commitments given by Vivendi and Canal+ Group. These commitments are similar to the ones contained in the previous 2012 authorization except for an additional commitment relating to the acquisition of broadcasting rights covering second and third exhibition windows for French films. All commitments are binding for a period of five years starting July 23, 2012. In 2017, the French Competition Authority will have the opportunity to request a renewal of these commitments for the same duration, if deemed necessary, after a new competitive analysis.
- On August 30, 2006, the merger between TPS and the Canal+ Group was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six years, with the exception of those commitments concerning the availability of channels and VoD, which could not exceed five years.

  On October 28, 2009, the French Competition Authority opened an enquiry in respect of the implementation of certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS.

  On December 21, 2012, the French Council of State rejected Vivendi and Canal+ Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012. Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million. Under the second motion, the transaction was once again cleared, subject to compliance with 33 injunctions. Canal+ Group has implemented these injunctions, which mainly focus on the acquisition of movie rights, the distribution of pay-TV special-interest channels and video-on-demand (VoD) and subscription video-on-demand (SVoD).

  These injunctions are imposed for a period of five-years and are renewable once. At the end of the five-year period, the French Competition Authority will review the competition situation to determine whether the injunctions should be kept in place. If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be lifted or partially or totally revised. An independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012, will be responsible for monitoring the implementation of the injunctions.
- As part of the sale of 88% of Vivendi's interest in Activision Blizzard, which was completed on October 11, 2013 (the "Closing Date"), Vivendi, ASAC II LP and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (representations, warranties and covenants). Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments. Such indemnification is unlimited as to time and amount.

In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co. ("Amber"), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date. Such indemnification is unlimited as to time and amount. Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than USD 700 million, which represent a potential future tax benefit of approximately USD 245 million. Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of USD 200 million limited to fiscal years ending on or prior to December 31, 2016.

As a reminder, as part of the creation of Activision Blizzard in July 2008, Activision and Vivendi entered into customary agreements for this type of transaction, including tax sharing and indemnity agreements.

- The main terms of the Maroc Telecom group sale were as follows:
  - Vivendi provided certain customary representations and warranties to Etisalat relating to SPT (the holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries. Vivendi also granted a number of specific guarantees,
  - the amount of compensation payable by Vivendi in respect of indemnifiable losses incurred by Maroc Telecom or one of its subsidiaries was determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i.e., 53% for Maroc Telecom),
  - Vivendi's overall obligation to indemnify was capped at 50% of the initial sale price, with such threshold increased to 100% in respect of claims related to SPT,
  - the commitments to indemnify provided by Vivendi under these guarantees, other than those in respect of taxes and SPT, will remain in effect for a 24-month time period following completion of the transaction (May 2016). Claims for tax-related indemnities must be made by January 15, 2018. The indemnity in respect of SPT remains in effect until the end of a four-year period following the closing (until May 14, 2018); and
  - to guarantee the payment of any specific indemnity amounts referenced above, Vivendi delivered a bank guarantee with an expiration date of February 15, 2018, to Etisalat in the amount of €247 million. On July 8, 2014, Vivendi received a discharge of this guarantee for the amount of €229 million.

  Vivendi has agreed to counter-guarantee SFR for any amount that could be claimed by Etisalat or any third party other than Etisalat in relation to the sale of its interest in Maroc Telecom:
  - with respect to the sale agreement entered into with Etisalat, this commitment will expire upon termination of Etisalat's right to make a claim against Vivendi and SFR, i.e., May 14, 2018; and
  - this commitment, which also covers any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable Group within the applicable statutes of limitations.
- Sale of the 20% interest in SFR to Numericable-SFR: commitments undertaken in connection with the sale (please refer to "Significant Events").
- Sale of GVT (see "Significant Events"):
  - representations and warranties, limited to specifically identified tax matters, capped at BRL 180 million; and
  - Vivendi gave a commitment to CADE to progressively exit from Telefonica Brasil.
- NBC Universal transaction (May 2004) and subsequent amendments (2005-2010):
  - breaches of tax representations,
  - obligation to cover the Most Favored Nation provisions; and
  - end of claims related to remedial actions since May 11, 2014.
- Divestiture of PTC shares (December 2010). Commitments undertaken to end litigation over the share ownership of PTC:
  - guarantees given to the Law Debenture Trust Company (LDTC), for an amount up to 18.4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter; and
  - a guarantee given to Poltel Investment's (Elektrim) administrator.
- Divestiture of 49.9% of Sithe (December 2000): specific guarantees capped at USD 480 million (environmental commitments, of which potential liabilities related to contamination risks).
- Several guarantees given in connection with asset acquisitions or disposals during prior years have expired. However, the time periods or statutes of limitations of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given in connection with the dissolution or winding-up of certain businesses, are still in effect. To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date.

In addition, Vivendi regularly delivers, at the settlement of disputes and litigation, commitments for damages to third parties, which are typical in such transactions.

Universal Music Group

- As of December 31, 2015, in addition to standard comfort letters, Vivendi provided guarantees of an aggregate value of approximately €4 million to several banks, which granted credit facilities to certain UMG subsidiaries to cover working capital requirements.
- In January 2015, Vivendi provided guarantees of SEK30 million to PRI pensions, on behalf of UMG Sweden, which expires on March 31, 2018.
- Vivendi provided certain UMG companies with guarantees to cover their third party commitments.

Vivendi and others

- As of December 31, 2015, Vivendi continued to guarantee commitments given by certain subsidiaries of Veolia Environnement in an aggregate amount of approximately €7 million, the majority in relation to a performance bond given to a local US authority. These guarantees have been counter-guaranteed by Veolia Environnement.
- Vivendi provided counter-guarantees to US financial institutions that issued a certain number of surety bonds in favor of certain US operating subsidiaries for an aggregate amount of €8 million.
- As of December 31, 2015, Vivendi has given a certain number of real estate lease commitments for a total net amount of €24 million.
- In June 2002, in connection with the sale of real estate assets to Nexity, Vivendi granted two autonomous first demand guarantees, one in an amount of €40 million and one in an amount of €110 million, to several subsidiaries of Nexity (SAS Nexim 1 to 6). These guarantees expire on June 30, 2017. As of December 31, 2015, €1.8 million had been called under these guarantees.
- Vivendi gave financial guarantees in favor of several of its affiliates, Watchever GmbH, See Tickets and Digitick, in the course of their operations.
- In connection with the reorganization of the USH English pension plan for certain current and former employees based in the United Kingdom, and the transfer of pension commitments under this plan to Metlife, Vivendi SA guaranteed on behalf of Centenary Holding Limited, its subsidiary, the liabilities under the plan for an estimated amount of GBP 7 million as of December 31, 2015, which does not represent an additional financial commitment for the group.

Shareholders' agreements

- Under existing shareholders' or investors' agreements, Vivendi holds certain rights (such as pre-emptive and priority rights) that give it control over the capital structure of consolidated companies that are partially owned by minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

Financial covenants

Vivendi is subject to certain financial covenants:

- The €2.0 billion bank credit facility (see Note 17, Borrowings) contains customary provisions relating to events of default and covenants in relation to negative pledge, divestiture and merger transactions. In addition, at the end of each half-year, Vivendi SA is required to comply with a specific ratio, based on consolidated data, for the duration of the facilities. Non-compliance with this ratio could result in the early repayment or cancellation of such facilities. On December 31, 2015, Vivendi SA was in compliance with this ratio.
- The renewal of the credit facility when drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its covenants under the loan agreement.
- Bonds issued by Vivendi SA (totaling €1,950 million as of December 31, 2015) contain customary provisions related to events of default, negative pledge and rights of payment (pari-passu ranking) as well as a change in control trigger if the corporate long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/ BBB-) as a result of such an event.

Note 25. Litigation

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

The costs which may result from these proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings.

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

The status of proceedings disclosed hereunder is described as of February 10, 2016, the date of the Management Board Meeting held to approve Vivendi's financial statements for the year ended December 31, 2015.

Securities Class Action in the United States

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

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

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

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

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

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

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

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

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

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi has the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment. On August 11, 2015, the Court issued a decision whereby it excluded the claims filed by Southeastern Asset Management (SAM), concluding that Vivendi proved that SAM did not make investment decisions based on Vivendi's supposedly fraudulent statements ("lack of reliance").

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal will be heard together with Vivendi's appeal in the Liberty Media case in the first quarter of 2016.

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

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Note 1.7, Accounting rules and Methods – Provisions. Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

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

Complaint of Liberty Media Corporation

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

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

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

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action. Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015; these two cases will be heard together by the Court of Appeals in the first quarter of 2016.

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2015, the provision in the amount of €944.8 million recorded as of December 31, 2012.

Trial of Vivendi's former officers in Paris

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

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

LBBW et al. against Vivendi

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

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

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

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

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

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

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled In Re Activision Blizzard Inc. Securities Litigation.

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

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute. On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced. On May 20, 2015, the Court approved the settlement agreement, which terminated this litigation. As a result of this settlement, on June 26, 2015, the Los Angeles Superior Court entered an order dismissing the aforementioned action brought by Todd Miller.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre (*Tribunal de grande instance de Nanterre*) ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first decision. On November 27, 2008, Unibail appealed this decision. On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing was held on April 2, 2015. The Paris Court of Appeal rendered its decision on June 4, 2015. It ordered Anjou Patrimoine to pay approximately €5 million for building code related improvements. However, it denied all of Unibail's other claims. Unibail filed an appeal against the judgment of the Paris Court of Appeal, which was notified to Anjou Patrimoine on September 14, 2015.

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

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

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

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds, former shareholders of GVT, filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange), seeking compensation amounting to the difference between the value of the shares sold by them before Vivendi's acquisition of GVT and BRL 70.00 per share. According to Dynamo, the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting, first, that Dynamo had sold the vast majority of its stake in GVT before November 13, 2009 (the date on which Vivendi took control of GVT) and, second, that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber is expected to be scheduled to discuss the merits of the case. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. On December 17, 2014, the Rio de Janeiro Court of Appeal authorized the provision of the abovementioned information solely to the arbitral tribunal, denying Dynamo access to the information. Notwithstanding the appeals filed by Vivendi, the confidential information was provided by CVM and Bovespa to the arbitral tribunal. On December 1, 2015, Dynamo filed a petition requesting access to this information. Such request is waiting decision by the arbitral tribunal.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica. On July 23, 2015, the parties entered into a settlement agreement which terminated this litigation.

Note 26. Instruments Used to Manage Borrowings

Vivendi manages its financial liquidity, interest rate and foreign currency exchange rate risks centrally. Vivendi's Financing and Treasury department conducts these operations, reporting directly to the Chief Financial Officer of Vivendi, who is also a member of the Management Board. The Financing and Treasury department has the necessary expertise, resources (in particular, technical resources) and information systems for this purpose.

Vivendi uses various derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates and foreign currency exchange rates. All instruments are traded over-the-counter with highly-rated counterparties. The majority of group financing is secured directly by Vivendi SA, which provides financing to its subsidiaries as and when necessary.

As of December 31, 2015, Vivendi SA's open swaps, which qualify for hedge accounting, can be summarized as follows:

- €450 million of fixed-rate payer swaps, issued in 2012 with a 2017 maturity date;
- €450 million of fixed-rate receiver swaps, issued in 2010 with a 2017 maturity date; and
- €1,000 million of fixed-rate receiver swaps, issued in 2011 with a 2016 maturity date.

Instruments held by Vivendi SA to hedge borrowings are broken-down as follows:

Vivendi SA External Hedging Arrangements (in millions of euros)	As of 31/12/2015	Maturing within < 1 year	Maturing within 1 to 5 years	Maturing within > 5 years	Counterparty
Fixed-rate receiver swaps	1,450	1000	450		Banks
Fixed-rate payer swaps	450		450		Banks
Total	**1,000**	**1,000**	**0**	**0**	

As of December 31, 2015, there was no internal interest rate hedging between Vivendi SA and its subsidiaries.

Note 27. Foreign Currency Risk Management

Vivendi's foreign currency risk management seeks to hedge highly probable budget exposures, resulting primarily from monetary flows generated by operations performed in currencies other than the euro, and from firm commitment contracts, essentially in relation to the acquisition by subsidiaries of editorial content including sports, audiovisual and film rights, realized in foreign currencies.

- Vivendi SA is the sole counterparty for foreign currency transactions within the group, unless specific regulatory or operational restrictions require otherwise.
- All identified exposures are hedged at a minimum of 80% for exposures related to forecasted transactions, and 100% for firm commitment contracts.

In addition, Vivendi may also hedge foreign currency exposure resulting from foreign currency-denominated financial assets and liabilities by entering into currency swaps and forward contracts, enabling the refinancing or investment of cash balances in euros or other local currencies, and use monetary or derivative instruments, if applicable, to manage its foreign currency exposure to inter-company current accounts denominated in foreign currencies (which qualify for hedge accounting pursuant to the French PCG).

The table below shows the notional amount of currency to be delivered or received under currency instruments (currency swaps and forward contracts). Positive amounts indicate currency receivable and negative amounts currency deliverable.

	December 31, 2015				
(in millions of euros)	GBP	PLN	USD	Other currencies	Total
Sales against the euro	(1,159.1)	(290.4)	(54.8)	(31.0)	(1,535.3)
Purchases against the euro	1,376.9	69.9	650.6	114.8	2,212.2
Other	(13.0)	(118.3)	198.5	(67.2)	0.0
	204.8	**(338.8)**	**794.3**	**16.6**	**676.9**

Note 28. Fair Value of Derivative Instruments

As of December 31, 2015, the market values of derivative instrument portfolios classified as interest rate and currency hedges, pursuant to Article 224 of the 2014-03 French General Accounting Code, were €39.7 million and -€13.4 million, respectively (theoretical cost of unwinding). As of December 31, 2014, the fair values of these hedging portfolios were €63.0 million and €39.1 million, respectively.

As of December 31, 2015, aggregate derivative financial instruments, which did not qualify for hedge accounting, totaled €12.4 million compared to -€16.7 million as of December 31, 2014 (theoretical cost of unwinding).

	As of December 31, 2015		As of December 31, 2014	
	Derivative financial instruments		Derivative financial instruments	
(in millions of euros)	qualifying for hedge accounting	not qualifying for hedge accounting	qualifying for hedge accounting	not qualifying for hedge accounting
Interest rate risk management	**39.7**	**0.0**	**63.0**	**0.0**
fixed-rate payer swaps	(9.5)		(12.0)	
floating-rate payer swaps	49.2		75.0	
Foreign currency risk management	**(13.4)**	**12.4**	**39.1**	**(16.7)**

Note 29. Subsequent Events

The significant events that occurred between the closing date and February 10, 2016 (the date of the Management Board Meeting that approved Vivendi's Financial Statements for the year ended December 31, 2015) were as follows:

- On January 13, 2016, Vivendi unwound the hedge denominated in USD of the Activision Blizzard shares that it held, and sold its entire interest. The cash proceeds from these transactions amounted to USD 1,063 million, i.e., €976 million. The unwinding of these transactions also enabled Vivendi to recover a cash deposit of USD 0.4 billion (please refer to Note 7).
- On February 3, 2016, following the coupon detachment on February 1, 2016, Vivendi distributed a second interim dividend with respect to fiscal year 2015 for €1,317.7 million (please refer to Note 14).
- As of February 10, 2016, Vivendi held 64.6 million treasury shares.

4. Subsidiaries and Affiliates

(in millions of euros, unless otherwise stated)	Share capital	Equity excl. share capital (a)	% share capital held	Book value of investments		Outstanding loans and advances (b) granted by Vivendi	Guarantees and endor-sements granted by Vivendi	2014 Revenues	2015 Revenues	2014 Earnings	2015 Earnings	Dividends received by Vivendi during 2015	Comments
				Gross	Net								
Universal Music Group Inc. (c) 2220 Colorado Avenue Santa Monica California 90404 (USA)	0.0 millions of dollars	(85.6) millions of dollars	100.00	2,735.1	2,735.1	-	-	- millions of dollars	- millions of dollars	(47.6) millions of dollars	(52.2) millions of dollars	-	
SIG 104 (d) 59 bis, avenue Hoche 75008 Paris	6,146.0	n/d	100.00	6,146.0	6,146.0	-	-	-	-	93.5	n/d	61.5	
Groupe Canal+ SA (e) 1, place du Spectacle 92130 Issy-les-Moulineaux	100.0	2,024.9	100.00	5,198.1	4,158.1	1,257.7	-	1,808.9	1,726.2	454.3	122.3	227.0	-
Compagnie du Dôme (ex-SNEGE) 59 bis, avenue Hoche 75008 Paris	93.8	(114.0)	100.00	205.6	0.0	31.7	-	-	-	(115.9)	(111.7)	-	-
Poltel Investment (ex-Elektrim Telekomcajka) ul. Emilii Plater 53 00-113 Warszawa (Pologne)	10,008.1 millions of zlotys	(15,951.3) millions of zlotys (f)	100.00	207.1	0.0	1,427.3	-	-	-	(420.5) millions of zlotys	n/d millions of zlotys	-	Impairment of advances 1,427.3
Telecom Italia Via Gaetano Negri 1 20123 Milan (Italie)	10,703.0	5,803.0 (f)	21.39	3,322.9	3,322.9	-	-	14,153.0	n/d	636.0	n/d	-	-
SECP 1, place du Spectacle 92130 Issy-les-Moulineaux	95.0	209.0 (f)	51.50	522.1	522.1	-	-	1,868.0	n/d	47.0	n/d	-	-
Dailymotion 140, boulevard Malesherbes 75017 Paris	37.5	4.5	90.00	245.9	245.9	12.8	-	59.8	70.8	(13.6)	(24.7)	-	-
Activision Blizzard 53100 Ocean Park Bld Santa Monica California 90405 (USA)	0.0 million of dollars	7,233.0 millions of dollars (f)	5.75	417.1	417.1	-	-	4,408.0 millions of dollars	n/d millions of dollars	835.0 millions of dollars	n/d millions of dollars	7.1	-
Ubisoft Entertainment 107, avenue Henri Fréville 35207 Rennes Cedex 2	8.5	607.1	13.98	351.1	351.1	-	-	786.7	1,100.3	(184.7)	150.7	-	Closing as at 03/31
Gameloft 14, rue Auber 75009 Paris	4.3	72.3 (f)	28.65	122.2	122.2	-	-	183.5	n/d	(23.1)	n/d	-	-
Telefonica Pl. 2ª C/ Ronda de la Comunicación 28050 Madrid (Spain)	4,657.0	18,511.0 (f)	0.95	554.2	505.7	-	-	8,727.0	n/d	2,604.0	n/d	15.8	-
Other subsidiaries and Affiliates (Global Information)	-	-	-	173.6	97.3	671.7	-	-	-	-	-	464.7	Impairment of advances 140.3
TOTAL	-	-	-	20,201.0	18,623.5	3,401.2	0.0	-	-	-	-	776.1	

(a) Includes earnings of the year.
(b) Includes current accounts advances, excluding accrued interest.
(c) UMG Inc. holding UMG's entities in the United States, Canada and Mexico.
(d) Company holding UMG's entities apart from United States, Canada and Mexico (entities held by UMG Inc.).
(e) The entity holding of the Canal+ Group.
(f) For information as of December 31, 2014.

5. Maturity of Trade Accounts payable

As of December 31, 2015, pursuant to Article L.441-6-1 of the French Commercial Code, the trade accounts payable balance of €0.1 million (compared to €2.9 million at year-end 2014) by maturity, is broken down as follows:

- payment within 30 days: €0.1 million (compared to €2.9 million at year-end 2014); and
- payment between 30 to 60 days: nil (unchanged since year-end 2014).

6. Financial Results of the Last Five Years

(in millions of euros)	2015	2014	2013	2012	2011
Share capital at the end of the year					
Share capital	7,525.6	7,433.8	7,367.8	7,281.8	6,859.9
Number of shares outstanding	(a) 1,368,322,570	1,351,600,638	1,339,609,931	1,323,962,416	1,247,263,060
Potential number of shares created by					
Exercise of stock subscription options	31,331,489	42,722,348	52,835,330	53,405,701	49,907,071
Grant of bonus shares or performance shares	2,544,944	0	(b) 663,050	(b) 696,700	2,960,562
Results of operations					
Revenues	42.1	58.3	94.6	116.0	100.3
Earnings/(loss) before tax, depreciation, amortization and provisions	3,063.8	(8,023.4)	512.7	734.4	(1,030.0)
Income tax expense/(credit)	(c) 212.2	(c) (202.0)	(c) (387.1)	(c) (955.7)	(c) (418.5)
Earnings/(loss) after tax, depreciation, amortization and provisions	2,827.0	2,914.9	(4,857.6)	(6,045.0)	1,488.4
Earnings distributed	(d) 3,999.2	(e) 1,362.5	(g) -	(e) 1,324.9	(e) 1,245.3
Per share data (in euros)					
Earnings/(loss) after tax but before depreciation, amortization and provisions (f)	2.08	(5.79)	0.67	1.28	(0.49)
Earnings/(loss) after tax, depreciation, amortization and provisions (f)	2.07	2.16	(3.63)	(4.57)	1.19
Dividend per share	(d) 3.00	1.00	(g) -	1.00	1.00
Employees					
Number of employees (annual average)	190	194	214	222	219
Payroll	43.1	58.1	36.8	41.3	35.7
Employee benefits (social security contributions, social works, etc.)	18.3	20.4	18.6	18.4	16.0

(a) Includes account movements up to December 31, 2015: issuance of (i) 3,914,166 shares in respect of Group Savings Plans; (ii) 1,926,009 shares in respect of performance share plans; and (iii) 10,881,757 shares following the exercise of stock subscription options by beneficiaries.

(b) Grant of 50 bonus shares to each employee of the group's French entities on July 16, 2012.

(c) Negative amounts represent the incomes generated pursuant to the Consolidated Global Profit Tax System under Article 209 quinquies of the General Tax Code plus the tax savings recorded by the tax group headed by Vivendi.
"Income tax" line includes, if due, the 3% contribution with respect to shareholder's distribution.

(d) The distribution of a dividend of €3 per share, for a total amount of €3,999.2 million will be proposed for approval at the Annual General Shareholders' Meeting to be held on April 21, 2016. Two interim dividends of €1 each were approved by the Management Board as of June 8, 2015, and paid on June 29, 2015, and February 3, 2015. The balance of €1,317.7 million is based on the number of shares outstanding as of January 29, 2016: this amount will be adjusted to reflect the actual number of shares entitled to the dividend on the ex-dividend date.

(e) Based on the number of shares entitled to dividends as of January 1, after deduction of treasury shares at the dividend payment date.

(f) Based on the number of shares at year-end (see (a) above).

(g) On June 30, 2014, Vivendi SA paid an ordinary distribution of €1 per share, from additional paid-in capital for an aggregate amount of €1,347.7 million, considered as a return of capital.

7. Statutory Auditors' Report on Related Party Agreements and Commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R.225-58 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-58 of the French Commercial Code concerning the implementation, during the year, of the agreements and commitments already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE ANNUAL SHAREHOLDERS' MEETING

Agreements and Commitments Authorized during the Year

In accordance with Article L.225-88 of the French Commercial Code, we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board.

Service Agreement between Vivendi and Mr. Dominique Delport

*Member of the Supervisory Board (*Conseil de Surveillance*) concerned: Mr. Dominique Delport, member of the Supervisory Board since April 17, 2015*

At its meeting of September 2, 2015, your Supervisory Board authorized upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the signature of the service agreement between Vivendi and Mr. Dominique Delport for five years starting October 1, 2015, under which Mr. Dominique Delport provides assistance and advice in the field of creation and use of new digital content through the development of Vivendi Content and Dailymotion.

The maximum annual amount of fees under this service contract is €500,000 (fixed rate of €300,000 plus a variable amount of up to €200,000).

The amount recorded in the 2015 financial statements for this agreement as at December 31, 2015, equals to €75,000 (prorata temporis) as the fixed rate. No variable amount has been paid.

Under this contract, Mr. Dominique Delport has a long-term incentive plan indexed to the growth of Dailymotion's enterprise value compared to its acquisition value (€271.25 million) as it will be amounting to as at June 30, 2020, based on an independent report. Assuming an increase in Dailymotion's value, the amount of his remuneration under the incentive plan would be capped at 1% of this increase.

The decision to sign this service agreement between Vivendi and Mr. Dominique Delport, has been motivated as follows: "In the context of the development of its digital strategy that depends on both internal and external resources to the Vivendi group, particularly in terms of original and distinctive formats of digital content, it was in the interest of the company to use the services of Mr. Dominique Delport who has extensive experience in the field of digital."

Agreement on the Additional Retirement Benefits

Members of the Management concerned: Mr. Frédéric Crépin and Mr. Simon Gillham, members of the Management Board since November 10, 2015

At its meeting of November 10, 2015, your Supervisory Board nominated Mr. Frédéric Crépin and Mr. Simon Gillham as new members of the Management Board (*Directoire*) for a period expiring on June 23, 2018, date corresponding to the renewal of the Management Board, and decided to maintain their defined benefits from the additional pension plan, implemented in December 2005 and approved by the Annual Shareholders' Meeting of April 20, 2006.

The main terms and conditions of the additional pension plan are as follows: a minimum of three years in office, progressive acquisition of rights according to seniority (over a period of twenty years); a reference salary for the calculation of the pension equal to the average of the last three years; dual upper limit; reference salary capped at 60 times the social security limit, acquisition of rights limited to 30% of the reference salary; application of the Fillon Act: rights maintained in the event of retirement at the initiative of the employer after the age of 55; and payment of 60% in the event of the beneficiary's death. The benefits are lost in the event of a departure from the company, for any reason, before the age of 55.

In accordance with Article L.225-90-1 of the French Commercial Code, amended by the Law of August 6, 2015 for growth, activity and equality of economic opportunity, named *"Loi Macron"*, your Supervisory Board decided to submit supplementary conditional rights of new members of the Management Board under the additional pension plan with defined benefits, which they are entitled to, the following criteria, assessed each year: no further compensation would be payable if, under the relevant year, the group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro Stoxx Media (50%)).

The decision to maintain defined benefits from the additional pension plan to Mr. Frédéric Crépin and Mr. Simon Gillham with the above terms and conditions, has been motivated as follows: "This plan allows beneficiaries to obtain at retirement a replacement rate close to the one applicable to the other employees of the company. It is proportional to the services rendered during the period of the functions or mandates of the beneficiaries, the rights are capped both percentage and amount, it does not constitute an excessive cost for the company."

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL SHAREHOLDERS' MEETING

Agreements and Commitments Approved in Prior Years

In addition, we have been advised that the following agreements and commitments, which were approved by the annual shareholders' meeting in prior years, continued without impact during the year.

Counter-Guarantee Related to Maroc Telecom between Vivendi and SFR

Members of the Management or Supervisory Board concerned: Hervé Philippe, Pierre Rodocanachi and Stéphane Roussel

At its meeting of November 14, 2014, your Supervisory Board authorized your Management Board to enable Vivendi to counter-guarantee SFR for guarantees granted jointly by SFR and Vivendi to Etisalat as part of the disposal of Maroc Telecom. This commitment is capped at the selling price of Maroc Telecom (€4,187 million) and will expire on May 14, 2018.

Agreement on the Additional Retirement Benefits

Members of the Management Board concerned: Arnaud de Puyfontaine, Hervé Philippe, Stéphane Roussel, Frédéric Crépin and Simon Gillham

At its meeting of March 9, 2005, your Supervisory Board authorized the implementation of an additional pension plan for senior executives, including the current members of the Management Board holding an employment contract with your company, governed by French law, which has been approved by the Annual Shareholders' Meeting of April 20, 2006. Mr. Arnaud de Puyfontaine, Chairman of the Management Board, who waived his employment contract, is eligible to the additional pension plan.

The main terms and conditions of the additional pension plan are as follows: a minimum of three years in office, progressive acquisition of rights according to seniority (over a period of twenty years); a reference salary for the calculation of the pension equal to the average of the last three years; dual upper limit; reference salary capped at 60 times the social security limit, acquisition of rights limited to 30% of the reference salary; application of the Fillon Act: rights maintained in the event of retirement at the initiative of the employer after the age of 55; and payment of 60% in the event of the beneficiary's death. The benefits are lost in the event of a departure from the company, for any reason, before the age of 55.

The provision recorded in the 2015 financial statements for the additional retirement benefits of the members of the Management Board in office as at December 31, 2015, amounts to €4,035,105.

Agreements and commitments approved during the year

a) With Implementation during the Year

In addition, we have been advised of the following agreements and commitments implemented during the year, approved by the annual shareholders' meeting of April 17, 2015, and mentioned in the Statutory Auditors' Report on Related Party Agreements and Commitments dated March 12, 2015.

Offers of Altice and Numericable-SFR to Purchase the 20% Stake in Numericable-SFR

Persons concerned: Vivendi, Compagnie Financière du 42, avenue de Friedland represented by Mr. Stéphane Roussel

At its meeting of February 27, 2015, your Supervisory Board, after having examined offers terms from Altice and from Numericable-SFR to purchase 20% stake in Numericable-SFR held by Vivendi, authorized the Management Board to accept them with the following conditions:

- share repurchase agreement by Numericable-SFR of 10% of its own shares at a price of 40 euros per share, or €1,948 million in the aggregate. The cash payment would occur five working days after the Numericable-SFR Shareholders' Meeting subject to the approval of (i) the Share Repurchase Program and (ii) the authorization given to the Board to ratify the Share repurchase agreement;
- share purchase agreement with Altice France SA of 10% stake in Numericable-SFR at a price of 40 euros per share or €1,948 million in the aggregate. The payment would occur no later than April 7, 2016 with a possibility of advance payment of the full amount and a first demand bank guarantee has been issued.

The Share repurchase agreement and the Share purchase agreement have been signed on February 27, 2015, respectively with Numericable-SFR and with Altice France SA.

b) Without Implementation during the Year

In addition, we have been advised of the following agreements and commitments, which have not been implemented during the year, approved by the annual shareholders' meeting of April 17, 2015, and mentioned in the Statutory Auditors' Report on Related Party Agreements and Commitments dated March 12, 2015.

Conditional Severance Payment to the Chairman of the Management Board upon Termination of Employment at the Initiative of the Company

Member of the Management concerned: Mr. Arnaud de Puyfontaine

At its meeting of February 27, 2015, your Supervisory Board, after noting that Mr. Arnaud de Puyfontaine no longer benefited from his employment contract which was waived following his appointment as Chairman of the Management Board on June 24, 2014, or any possibility of compensation in the event of its termination at the initiative of the Company decided, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee and in accordance with the provisions of Article L.225-90-1 of the French Commercial Code, that in the event of the termination of his employment at the initiative of the Company, he would be entitled, except in the case of gross negligence, to compensation, subject to performance conditions.

This severance compensation would be capped at a gross amount equal to eighteen months of target compensation (based on the amount of his last fixed compensation and his latest annual bonus earned over a full year).

If the bonus paid during the reference period (the twelve-month period preceding notification of departure) was higher than the target bonus, the calculation of compensation will only take into account the amount of the target bonus. If the bonus paid was lower than the target bonus, the amount of compensation will in any event be capped at two years' of net take-home pay, and may not result in the payment of more than eighteen months of target income.

This compensation would not be payable if the group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget over the two years prior to departure and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro Stoxx Media (50%)) over the last twenty-four months.

The Supervisory Board also decided that in the event of Mr. de Puyfontaine's departure under the conditions set forth above (entitling him to compensation), all rights to performance shares not yet acquired by him on the date of his departure would be maintained, subject to the satisfaction of the related performance conditions.

This severance payment would not be payable in the event of resignation or retirement.

Paris-La Défense, March 11, 2016

The Statutory Auditors
French original signed by

KPMG Audit *Département de KPMG S.A.*	ERNST & YOUNG et Autres
Baudouin Griton *Partner*	Jacques Pierres *Partner*

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Recent events | Outlook

SECTION 1
RECENT EVENTS

Significant events that occurred between December 31, 2015 and the date of filing of the *Document de référence* (the French version of this Annual Report) with the *Autorité des marchés financiers* ("AMF", the French securities regulator) are described in the following chapters of this report:

- Chapter 1: "Profile of the Group and its Businesses"; and
- Chapter 4: "Consolidated Financial Statements for the year ended December 31, 2015", as approved by Vivendi's Management Board on February 10, 2016.

Since February 10, 2016, the following significant events have occurred:

Vivendi's proposed public tender offer for the shares of Gameloft S.E.

Preliminary comment

This disclosure does not constitute an offer and should not be construed as constituting any form of solicitation for the purchase or sale of securities in the United States or any other country. The offer referred to below and the acceptance of such offer may be, in certain countries, subject to special regulations, and readers of this Annual Report are asked to comply with those regulations.

On February 18, 2016, Vivendi filed a proposed public tender offer with the AMF for all the shares of Gameloft S.E. at a price of €6 per share, following the crossing on that date of the 30% threshold in the company's share capital. The proposed price of €6 per Gameloft S.E. share represented a premium of 50.4% over the share price on October 14, 2015, prior to Vivendi's announcement that it entered into Gameloft's share capital, and a premium of 22.9% over the weighted average share price over the past six months. The proposed public tender offer is subject to review by the AMF which will evaluate its compliance with applicable laws and regulations. Vivendi has irrevocably committed to purchase all of the existing Gameloft S.E. shares not yet held by Vivendi, as well as all the shares that may be issued upon the exercise of stock subscription options during the tender offer period or during a reopened offer period, if any. To the company's knowledge such amount equals a total of no more than 61,165,516 shares (1).

On February 29, 2016, Vivendi raised the price of its proposed public tender offer for Gameloft S.E. shares to €7.20 per share. This change does not impact in any way the other details of the public tender offer, as stated in the draft offer document filed with the AMF on February 18, 2016.

Since February 18, 2016, Vivendi has held 25,649,006 Gameloft S.E. shares (2) representing, as of that date, 30.01% of the share capital and 26.72% of the voting rights of this company (3), and, as of March 1, 2016, following the increase in the total number of shares comprising Gameloft S.E.'s share capital, 29.86% of the share capital and 26.63% of the voting rights (4).

Change in Vivendi's portfolio of non-controlling equity interests

In addition to the interest in Gameloft, Vivendi holds quoted and unquoted non-controlling equity interests, which changed as follows:

- on February 23, 2016, Vivendi completed the acquisition of a 26.2% interest in Banijay Group, born out of the combination between Banijay and Zodiak Media: please refer to Note 2.7 to the Consolidated Financial Statements for the year ended December 31, 2015, Chapter 4 of this report;
- on February 29, 2016, Vivendi notified the AMF that, on February 23, 2016, it had crossed the 15% legal threshold in Ubisoft Entertainment's share capital, and made the following declaration of intent:
  - Vivendi's acquisitions were financed using its available cash,
  - Vivendi is not acting in concert with any third party in connection with its investments in Ubisoft Entertainment and has not entered into a temporary sale agreement for Ubisoft shares or voting rights,
  - Vivendi does not hold instruments and is not a party to agreements such as those referred to in paragraphs 4° and 4° bis of Article L.233-9 of the French Commercial Code (*Code de commerce*),
  - Vivendi contemplates continuing the acquisition of shares depending on market conditions,
  - these acquisitions were not specifically designed as a preparatory step for a plan to takeover Ubisoft Entertainment; no decision has been made at this stage regarding a potential public tender offer for Ubisoft Entertainment shares,
  - Vivendi continues to express its desire to establish a fruitful collaboration with Ubisoft Entertainment, otherwise Vivendi does not rule out taking over Ubisoft Entertainment,
  - Vivendi plans to request, in due time, to be represented on the company's Board of Directors,
  - Vivendi's investment in Ubisoft Entertainment's business sector is part of a strategic vision of operational convergence between, Vivendi's content and platforms, and Ubisoft Entertainment's productions in video games. Since this strategy does not require any modification to Ubisoft Entertainment's legal or financial organization, Vivendi does not contemplate implementing any of the transactions referred to in Article 223-17 I, 6° of the AMF *Règlement Général* (General Regulations).

(1) Including the 225,000 borrowed Gameloft S.E. shares.

(2) Of which 225,000 Gameloft S.E. shares borrowed and considered as owned by Vivendi, in accordance with Article L.233-9 I, 6° of the French Commercial Code (Code de commerce).

(3) Based on a share capital comprised of 85,465,122 shares representing 95,995,288 voting rights (information as of January 31, 2016, as disclosed on Gameloft's website).

(4) Based on a share capital comprised of 85,906,022 shares representing 96,317,519 voting rights (information as of February 29, 2016, as disclosed on Gameloft's website).

As of March 10, 2016, Vivendi held 17.8 million Ubisoft Entertainment shares, i.e., 15.90% of the share capital and 14.05% of the voting rights;

- since March 9, 2016, Vivendi has held 3,361 million (24.90%) Telecom Italia common shares with voting rights (17.21% of the total share capital).

Project of exclusive distribution agreement between Canal+ Group and beIN Sports

On February 18, 2016, Vivendi's Supervisory Board authorized the Management Board to enter into an exclusive distribution agreement with beIN Sports. This agreement provides for all beIN Sports channels in France to be available exclusively in Canal+ Group's offerings for a five-year period. The agreement remains subject to approval by the relevant authorities, in particular the French Competition Authority.

Settlement agreement between Vivendi and Liberty Media

On February 23, 2016, Vivendi agreed with Liberty Media on a settlement regarding the lawsuit filed by Liberty Media in March 2003 in the U.S. District Court for the Southern District of New York, related to the formation of Vivendi Universal Entertainment in May 2002. Vivendi paid Liberty Media $775 million (€705 million) to settle this lawsuit.

This agreement will lead Vivendi to record a reversal of provision of approximately €245 million in its 2016 financial statements. Given that this provision has already been deducted for tax purposes, this reversal of provision will be taxed in 2016.

In January 2013, following a jury verdict in favor of Liberty Media, the District Court awarded Liberty Media €945 million in damages and pre-judgment interest, an amount provisioned in Vivendi's financial statements. An appeal and cross-appeal were subsequently filed by Vivendi and Liberty Media with the U.S. Court of Appeals for the Second Circuit. The cross-appeal of Liberty Media sought €584 million in additional pre-judgment interest and, if Liberty Media had prevailed on that issue, would have increased the award to €1,529 billion (approximately $1,729 billion).

As a result of this settlement, the letter of credit issued as a guarantee for the amounts awarded by the jury was terminated and the related cash deposit was returned to Vivendi (€974 million).

The implementation of the foregoing transactions had a positive net cash impact of €269 million for Vivendi. Other terms of the settlement include an exchange of mutual releases from all claims relating to this matter, and the dismissal of all appeals and cross-appeals in the Second Circuit. The parties have notified the court of their settlement agreement.

This settlement should not be construed as a concession by Vivendi of the validity of any of Liberty Media's claims, or as an admission of any wrongdoing by Vivendi. Rather, despite the jury's verdict, Vivendi maintains that it did not commit any wrongdoing and that this litigation was resolved on terms that Vivendi believes are in the interest of both the company and its shareholders.

Share repurchase program

Vivendi continued the share repurchase program authorized by the General Shareholders' Meeting held on April 17, 2015. As of February 29, 2016, Vivendi held 86 million treasury shares, representing 6.3% of the share capital. The purchases were made for an aggregate payment of €1.6 billion (of which €1.1 billion was paid in 2016).

SECTION 2
OUTLOOK

The group's 2016 outlook, as published on February 18, 2016, is described in Section 3 of the 2015 Financial Report, Chapter 4 of this report.

Responsibility for Auditing the Financial Statements

SECTION 1
RESPONSIBILITY FOR AUDITING THE FINANCIAL STATEMENTS

1.1. Statutory Auditors

Ernst & Young et Autres

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

Appointed at the Shareholders' Meeting held on June 15, 2000.

Represented by Mr. Jacques Pierres.

Most recent reappointment: Ordinary General Shareholders' Meeting held on April 19, 2012, for a term of six fiscal years, which expires at the conclusion of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2017.

KPMG Audit

Tour Eqho
2, avenue Gambetta - CS 60055
92066 Paris-La Défense Cedex

Appointed at the Shareholders' Meeting held on June 15, 1993.

Represented by Mr. Baudouin Griton.

Most recent reappointment: Combined Shareholders' Meeting held on April 21, 2011, for a term of six fiscal years, which expires at the conclusion of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2016.

1.2. Alternate Statutory Auditors

Société Auditex

1/2, place des Saisons
92400 Courbevoie

Appointed at the Shareholders' Meeting held on April 20, 2006.

Most recent reappointment: Ordinary General Shareholders' Meeting held on April 19, 2012, for a term of six fiscal years, which expires at the conclusion of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2017.

KPMG Audit IS SAS

2, avenue Gambetta
92400 Courbevoie

Appointed at the Shareholders' Meeting held on April 1, 2011, for a term of six fiscal years, which expires at the conclusion of the Shareholders' Meeting to be held to approve the financial statements for fiscal year 2016.

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