

TOGETHER

LETTER TO OUR SHAREHOLDERS

MARCH 2018

EARNINGS P. 3

— Strong performance
in 2017

NEWS P. 4

— Universal Music Group's
deal with Facebook

DIARY P. 8

— Shareholders' diary
Vivendi and you



© P&Co Ltd./SC 2017

vivendi



Photos DR

STRONG PERFORMANCE IN 2017

Vincent Bolloré, Chairman of the Supervisory Board,
and **Arnaud de Puyfontaine**, Chief Executive Officer

Since 2014, Vivendi's strategy has been clear and ambitious: to build a leader in content, media and communications. Today, we operate across the entire value chain, from talent discovery to production, and from publishing to content distribution.

The positive financial results achieved in 2017 confirm that our ambitions are well-founded.

The performance of Universal Music Group (UMG) was driven by subscription and streaming services. Particularly dynamic, UMG has entered into agreements with Tencent, Spotify, YouTube and Facebook that will give it greater flexibility and allow it to better monetize the content of its artists, while creating new sources of revenues for the future.

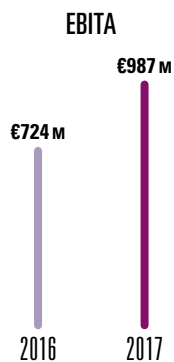
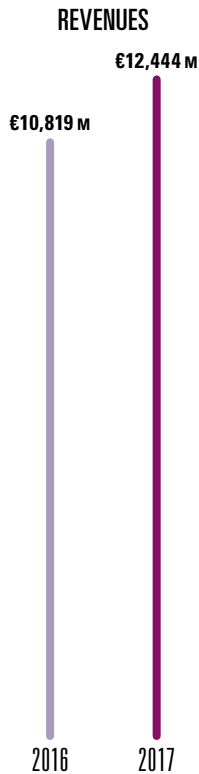
Quarter after quarter Canal+ Group recorded improvements in its television business in France. Outside France, its growth remains very strong. Thanks to this improvement, Canal+ Group accelerated some of its reorganization plans.

Fully consolidated since July 3, 2017, Havas contributed €1.151 billion to Vivendi's revenues and €111 million to EBITA. This highly accretive integration allows the development of synergies with the Group's other businesses and accelerates the construction of a leader in content, media and communications.

Gameloft also recorded a strong performance in 2017: revenues from its priority segments (advertising and app stores) increased by 12% year-on-year. In addition, Gameloft focused on controlling its operating costs.

Finally, Vivendi continued to invest in new businesses such as CanalOlympia, Vivendi Africa, Live, Vivendi Content and Dailymotion, that will create additional sources of revenues.

With the good results recorded in 2017, the Management Board has recommended the payment of a dividend of €0.45 per share in respect of 2017, up 12.5%, representing a return of approximately 2%. The dividend will be submitted for the approval of the Combined General Shareholder's Meeting on April 19, 2018.



EARNINGS

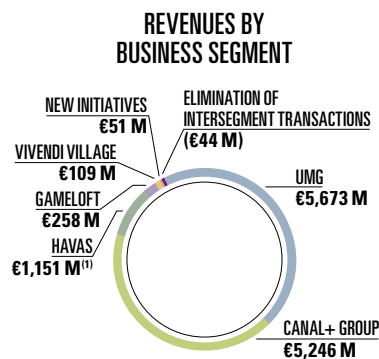
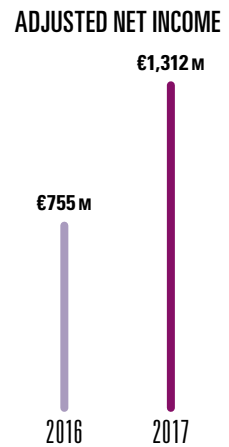
2017

Vivendi recorded strong performance in 2017: its revenues amounted to €12.444 billion (+15.0%) and its adjusted net income amounted to €1.312 billion (+73.9%).

Universal Music Group recorded EBITA of €761 million (+18.3%), driven by increased subscription and streaming revenues.

Canal+ Group experienced satisfactory growth in its customers and subscribers base in France, and its growth in its international operations has remained very strong. Its EBITA amounted to €318 million (+32.1%).

Havas, a worldwide leader in communication, recorded EBITA of €111 million in the second half of 2017.



(1) First half only.

(1) Excluding shares repurchases.
 (2) Submitted to the approval of the Combined General Shareholders Meeting on April 19, 2018.

UNIVERSAL MUSIC GROUP'S DEAL WITH FACEBOOK

UMG entered into agreements with more than 400 platforms around the world. After Spotify, Tencent and YouTube, last December it inked a groundbreaking deal with Facebook.

Unprecedented! Universal Music Group (UMG) entered into a multiyear agreement with Facebook (Facebook, Instagram, Oculus and Messenger networks) last December. Users of these social networks will be able to upload the music videos they love, share them with their family and friends, and create music-based online communities. This partnership is also attractive for the artists because it will allow them

to deepen their engagement with fans. This agreement marks the end of a year filled with collaborations for UMG. Before Facebook, UMG renewed agreements with Spotify and YouTube, and entered into a new deal with the Chinese Internet giant Tencent. In total, UMG has agreements with over 400 platforms around the world. All these new agreements will allow for more flexibility and better monetization of artist content while creating new revenue sources for the future.



© Rony Alwin

NEWS

THIS YEAR'S ANNUAL
SHAREHOLDERS' MEETING
WILL BE HELD ON
APRIL 19 AT L'OLYMPIA.

HAVAS SIGNED NEW CONTRACTS IN 2017

In 2017, the Havas Group was awarded numerous contracts in France and internationally, and won 1,500 awards, further evidencing its expertise.

The second half of 2017 was rich with contracts for the Havas Group, both in its Media activities (issues related to media, digital, mobile, social networks, etc.) and in its Creative activities (integrated and customized solutions for major brands). Havas was awarded contracts with Lacoste, Mylan, Tencent, Gemfields/Fabergé, Atout France, Lafarge, Rwanda Air, Sanofi (United States), BMS (United States), Altarea (France), Meetic (France), and Aerolineas Argentinas (Argentina), among others. The 1,500 awards won in 2017, including 41 at the Cannes Lions, are another reflection of its creative force. Vivendi has consolidated Havas since July 3, 2017. Its contribution, which was therefore only for six months in the Group's 2017 financial statements, represented €111 million in terms of EBITA. Havas begins 2018 with confidence. The profitability recovery is on track, thanks to cost saving measures that will have their full effect this year. In addition, its organization and agility should allow it to adapt to the new paradigm of advertising media.

UNIVERSAL MUSIC GROUP'S ARTISTS are still highly recognized:

in France, at the *Victoires de la Musique 2018* awards, Bigflo and Oli won the best original song of the year; Juliette Armanet won the album revelation; and Gaël Faye took home the stage revelation.

in the United States, the Group's artists walked away with 14 Grammy Awards. Big winners, Kendrick Lamar and Chris Stapleton received five and three awards respectively, Kendrick for best rap performance, best rap song and best music video for *Humble*, best rap/sung performance for *Loyalty* and best rap album for *Damn*.

CANAL+ SECURED THE BROADCASTING RIGHTS for Africa to major football competitions for several seasons: the UEFA Champions League for three new seasons, starting from August 2018; all French football for six new seasons through 2024; the French Football Cup finals from 2018 to 2022; the 2018 FIFA World Cup Russia; and the African Cup of Nations.



Hervé Mathoux @ jeffianet

CANAL+ GROUP LAUNCHED A NEW SET-TOP BOX

Canal+ created a new set-top box providing unrivaled image and sound quality as well as performance speed for its satellite subscribers.

Canal+ has certainly spoiled its satellite subscribers since the beginning of the year. Since January 18, 2018, they now have access to a new state-of-the-art satellite and Internet set-top box. With eight tuners, 4K-Ultra HD, and Dolby Atmos sound, it offers ultrafast navigation and incomparable show quality. The new set-top box provides a user experience on the *myCanal* application model, whose interface now appears on all Canal+ screens. French people have endorsed the *myCanal* app: it is the leading TV and radio media app in France, with 12.4 million downloads and one million views per day. Thanks to Canal+, the main satellite operator in France, 4K quality is accessible for the first time throughout the entire country. With the Wi-Fi mini-set-top box that goes along with it, Canal+ can also be watched in different rooms of the house and be enjoyed by the whole family. This set-top box will be updated regularly to add new features, including multilive which allows viewers to watch up to four channels simultaneously, and voice control (a microphone is already integrated into the Bluetooth remote). This new initiative is part of the revival of Canal+ Group, initiated several months ago, with a strengthening of the editorial contents, the launch of more modular and more flexible offers, and, for the first time, that can be taken with or without commitment, and with agreements concluded with telecommunications operators.



© Gameloft. All Rights Reserved



GAMELOFT AND UMG JOIN FORCES TO LAUNCH THE NEW UPDATE OF ASPHALT 8: AIRBORNE

The group Fall Out Boy has been involved in the new update of the game *Asphalt 8: Airborne*, plunging fans of the racing game into the electric universe of the rock band. A first!

New developments between the Group's subsidiaries were launched at the beginning of the year. Gameloft announced a partnership with Universal Music Group (UMG) to integrate the group Fall Out Boy, signed by Island Records, one of the major labels, in the new update of the game *Asphalt 8: Airborne*. With over 350 million downloads since its launch, *Asphalt 8: Airborne* is the benchmark for mobile racing games. A story mode has been designed to immerse players in the world of Fall Out Boy. They can interact with the band, take on challenges, and try to win autographed copies of their new album. Through this partnership, Gameloft and UMG offer the players and fans of the group, who are keen followers, an intense and innovative racing experience.

CANAL+ GROUP IS EXPANDING INTERNATIONALLY AND LAUNCHING AN OFFER IN MYANMAR (BURMA) IN PARTNERSHIP WITH FOREVER. Canal+ Myanmar will offer nearly 80 channels covering all themes, including eight Canal+ channels developed especially in Burmese and showcasing local content. Myanmar is a fast-growing country with annual economic growth of over 7%, a large middle class and a total population of nearly 55 million people.

— vivendi village VIVENDI VILLAGE GOES INTO SPORTS EVENTS

Vivendi Sports organized the 2018 Tour de l'Espoir in Cameroon, the first of six U23 Nations Cycling Cup trials.



© Gautier Demouveau

Vivendi Village recently created a new business, Vivendi Sports which develops sports competitions around the world. At the end of January, it organized the 2018 Tour de l'Espoir, the first of six trials making up the U23 Nations Cup (under 23 years old) of the International Cycling Union. The race was held for the first time in Africa from January 31 to February 4, 2018 in Cameroon. The 2018 Tour de l'Espoir, which opened the U23 Nations Cup, operated under the auspices of the Fédération camerounaise de cyclisme. Fifteen teams, mostly African, took part. Rwandan Joseph Areruya was the winner. The competitions took place between the CanalOlympia cinema theaters of Douala and of Yaoundé. Concerts by artists Tenor and Kiff No Beat were organized to celebrate the opening and closing of the event. Canal+ Group channels broadcast and commented on the event, and daily reports were broadcast on Dailymotion.



© P&Co Ltd./SC 2017

MANY PADDINGTON-RELATED PROJECTS

Movies, a video game, and an upcoming series as well as a special live show have been created around Paddington Bear.

As the holder of the license rights (non-print) of the Paddington brand, in recent months Vivendi has multiplied projects around the famous London bear. Studiocanal, which released the first film in 2014, produced a second one in 2017 with Hugh Grant. Released in France on December 6, it has achieved worldwide sales of more than \$220 million. For the release of the film, Havas created several communication campaigns for the brand and its digital ecosystem. Gameloft developed a game, *Paddington Run*, which is available in 15 languages. Several partnerships have been signed with Harper Collins, with Marks & Spencer for Christmas, with the Europa-Park european theme park and with Unicef. A third film, a series, and a musical show are all in the pipeline. These achievements are a perfect illustration of the collective work and synergies put in place by the entities of the Group to develop a project. All business lines (cinema, TV series, music, mobile games, live events, and merchandising) have contributed to developing the different initiatives relating to the Paddington brand.

— dailymotion

DAILYMOTION INCREASES PARTNERSHIPS

The platform, which has refocused its offer on premium content, entered into numerous agreements with media and audiovisual groups in France and internationally.

Totally redesigned since July 2017, the new Dailymotion offers videos related to four themes: current events/news, sports, music, and entertainment. Priority is also given to premium content, especially new videos and live events.

The new offer, based on quality content, is made possible thanks to the many local and international partnerships that have been established. Internationally, Dailymotion has signed with Universal Music Group, Condé Nast Entertainment, Hearst, Bloomberg Media, BBC News, VICE, Red Bull, *The Hollywood Reporter*, Cheddar, and FOX Deportes, among others. In France, it has partnered with *Le Figaro*, *Le Point*, *franceinfo (tv)*, *Le Monde*, *Le Parisien*, *La Provence*, *Nice-Matin*, and M6. In addition, the Dailymotion advertising network is working on new formats for more prominent and less intrusive advertising spots, such as the “vertical pre-roll” which integrates directly

into the browser or the “sticky footer” which remains visible on the screen even when the user is navigating around the platform.

The protection of rights-holders is a top priority for Dailymotion. Pirated content has been wiped completely from the platform. In addition to prompt removal after notification of supposedly illegal content (going beyond any legal obligation), Dailymotion has also implemented several “fingerprinting” solutions (new tracing technique) based on the digital fingerprints of the content in order to better protect rights-holders.



SHAREHOLDERS' DIARY VIVENDI AND YOU

VIVENDI SHARE PRICE

Stock price/reinvested dividends



SHARE PROFILE DATA SHEET

- Vivendi shares are listed on Compartment A of Euronext Paris (code ISIN FR 0000 127771).
- Vivendi shares are eligible for the Deferred Settlement Service.
- Vivendi shares are eligible for the PEA (Equity Savings Plan).
- Vivendi is part of the CAC 40 index as well as the Euro Stoxx Media Index and the Euro Stoxx 50. Vivendi is also referenced in several sustainable development stock indexes such as FTSE4Good Developed, FTSE4Good Europe, Ethibel Excellence Global and Europe, Euronext Vigeo France 20, World 120, Eurozone 120.

SHAREHOLDERS' COMMITTEE

Vivendi has set up a **Shareholders' Committee** composed of ten members. To become a member, you can download or request the application form from the Shareholders Information department.

CONTACT US

For further information on Vivendi, please contact the Shareholders Information Department (IAI):

— **by mail:**

Vivendi, Shareholders Information Department,
42, avenue de Friedland, 75008 Paris, France

— **by e-mail:** actionnaires@vivendi.com

— **and by phone:** 0 805 050 050 toll-free from a fixed line phone if you are calling from France, or +33 (0)1 71 71 34 99 if you are calling from abroad. The department will respond Monday through Friday from 9:00 a.m. to 6:00 p.m. (hours extended in the event of important news).

IF YOU OWN AT LEAST ONE VIVENDI SHARE

You can join the Vivendi **Shareholders' Club**. Send us your membership form downloadable from the Internet or sent on request by the Shareholders Information Department.

DIARY

You will find a program of events organized by the Shareholders Club on our website:

www.vivendi.com

(click on the "Individual shareholders" tab and then on "Shareholders' Club"). A paper version is also obtainable from Vivendi every six months.

You are receiving this "Letter to our Shareholders" under the terms of the French Data Protection Act of January 6, 1978, pursuant to which you may exercise your right to access, correct or contest personal data by sending an e-mail to actionnaires@vivendi.com, or by writing us at Vivendi – Shareholders Information Department – 42, avenue de Friedland – 75008 Paris – France. Should you wish to unsubscribe and cease receiving these newsletters, please contact us at the same address.

Important disclaimer: Forward-looking statements. This letter to shareholders contains forward-looking statements concerning Vivendi's financial condition, results of transactions, businesses, strategy and prospects, including issues regarding the impact of certain transactions and the payment of dividends and distributions, as well as share repurchase programs. Although Vivendi believes that such statements are based on reasonable assumptions, they do not constitute guarantees of future performance by the company. Actual results may differ materially from forward-looking statements because of a number of risks and uncertainties, many of which are beyond our control, in particular risks related to obtaining the consent of competition authorities and other regulatory authorities, as well as all other authorizations that may be required in conjunction with certain transactions and the risks described in the documents Vivendi has filed with the *Autorité des marchés financiers*. Also available in English on our website (www.vivendi.com). Investors and securities holders may obtain free copies of the documents filed by Vivendi from the *Autorité des marchés financiers* (www.amf-france.org) or directly from Vivendi. This letter to our shareholders contains forward-looking statements that can be assessed only as of the date of its dissemination. Vivendi makes no commitment to supplement, update or alter these forward-looking statements as a result of new information, future events or any other reason. Unsponsored ADRs. Vivendi does not sponsor American Depositary Receipt (ADR) programs for its shares.

Any currently existing ADR program is "unsponsored" and has no connection of any kind with Vivendi. Vivendi disclaims all responsibility for such programs.