FINANCIAL REPORT FOR THE HALF YEAR 2018

Financial Report and Unaudited* Condensed Financial Statements for the Half Year ended June 30, 2018

*The Condensed Financial Statements for the half-year ended June 30, 2018 were subject to a limited review by Vivendi's Statutory Auditors. The Auditors' Report on the 2018 half-year financial information follows the Condensed Financial Statements.

July 31, **2018**

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,178,768,228.50

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Key consolidated financial data for the last five years

Preliminary comments:

During the first half of 2018, Vivendi applied two new accounting standards:

- *IFRS 15 – Revenues from Contracts with Customers: in accordance with IFRS 15, Vivendi applied this change of accounting standard to 2017 revenues, thereby ensuring comparability of the data relative to each period of 2018 and 2017 contained in this report. Data presented below with respect to fiscal years 2014 to 2016 are historical and therefore unrestated; and*
- *IFRS 9 – Financial Instruments: in accordance with IFRS 9, Vivendi applied this change of accounting standard to the 2018 Statement of Earnings and Statement of Comprehensive Income and restated its opening balance sheet as of January 1, 2018; therefore the data relative to 2017 contained in this report is not comparable.*

For a detailed description, please refer to Notes 1 and 21 to the Condensed Financial Statements for the half-year ended June 30, 2018.

In addition, Vivendi deconsolidated GVT, SFR and Maroc Telecom group as from May 28, 2015, November 27, 2014 and May 14, 2014, respectively, i.e., the date of their effective sale by Vivendi. In compliance with IFRS 5, these businesses have been reported as discontinued operations for the relevant periods as set out in the table of selected key consolidated financial data below in respect of data reflected in the Statement of Earnings and Statement of Cash Flows.

	Six months ended June 30, (unaudited)		Year ended December 31,			
	2018	2017	2017	2016	2015	2014
Consolidated data						
Revenues	6,463	5,462	12,501	10,819	10,762	10,089
Income from operations (a)	602	401	1,098	853	1,061	1,108
Adjusted earnings before interest and income taxes (EBITA) (a)	542	352	969	724	942	999
Earnings before interest and income taxes (EBIT)	492	362	1,018	887	521	545
Earnings attributable to Vivendi SA shareowners	165	176	1,216	1,256	1,932	4,744
of which earnings from continuing operations attributable to Vivendi SA shareowners	165	176	1,216	1,236	699	(290)
Adjusted net income (a)	393	320	1,300	755	697	626
Financial Net Debt / (Net Cash Position) (a)	1,399	(661) (b)	2,340	(1,231)	(7,172)	(4,681)
Total equity	17,336	18,856	17,866	19,612	21,086	22,988
of which Vivendi SA shareowners' equity	17,100	18,626	17,644	19,383	20,854	22,606
Cash flow from operations (CFFO) (a)	132	10	989	729	892	843
Cash flow from operations after interest and income tax paid (CFAIT) (a)	(6)	337	1,346	341	(69)	421
Financial investments	(304)	(226)	(3,685)	(4,084)	(3,927)	(1,244)
Financial divestments	1,541	588	976	1,971	9,013	17,807
Dividends paid by Vivendi SA to its shareholders	568	499	499	2,588 (c)	2,727 (c)	1,348 (d)
Purchases/(sales) of Vivendi SA's treasury shares	-	203	203	1,623	492	32
Per share data						
Weighted average number of shares outstanding	1,259.9	1,251.7	1,252.7	1,272.6	1,361.5	1,345.8
Earnings attributable to Vivendi SA shareowners per share - basic	0.13	0.14	0.97	0.99	1.42	3.52
Adjusted net income per share	0.31	0.26	1.04	0.59	0.51	0.46
Number of shares outstanding at the end of the period (excluding treasury shares)	1,261.8	1,247.9	1,256.7	1,259.5	1,342.3	1,351.6
Equity per share, attributable to Vivendi SA shareowners	13.55	14.93	14.04	15.39	15.54	16.73
Dividends per share paid	**0.45**	**0.40**	**0.40**	**2.00** (c)	**2.00** (c)	**1.00** (d)

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

a. The non-GAAP measures of Income from operations, EBITA, Adjusted net income, Financial Net Debt (or Net Cash Position), 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. In addition, it should be noted that other companies may have definitions and calculations for these indicators that differ from those used by Vivendi, thereby affecting comparability.

b. During the fourth quarter of 2017, Vivendi changed its definition of Financial Net Debt (or Net Cash Position). The derivative financial instruments (assets and liabilities) that are not borrowings hedging instruments (€104 million as of June 30, 2017) and commitments to purchase non-controlling interests (€57 million as of June 30, 2017) are excluded from the Net Cash Position as of June 30, 2017 which thereby amounted to €661 million (compared to a Net Cash Position of €500 million according to the former definition).

c. With respect to fiscal year 2015, Vivendi paid an ordinary dividend of €3 per share, i.e., an aggregate dividend payment of €3,951 million. This amount included €1,363 million paid in 2015 (first interim dividend of €1 per share) and €2,588 million paid in 2016 (€1,318 million for the second interim dividend of €1 per share and €1,270 million representing the balance of €1 per share). In addition, in 2015, Vivendi paid a dividend with respect to fiscal year 2014 of €1 per share, i.e., €1,364 million.

d. 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- Financial Report for the first half of 2018

Preliminary comments:

On July 27, 2018, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2018. Upon the recommendation of the Audit Committee, which met on July 27, 2018, the Supervisory Board, at its meeting held on July 30, 2018, reviewed the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2018, as previously approved by the Management Board on July 27, 2018.

The Condensed Financial Statements for the half-year ended June 30, 2018 were subject to a limited review by Vivendi's Statutory Auditors. The Statutory Auditors' Report on the 2018 half-year financial information is presented after the Condensed Financial Statements.

The Financial Report for the first half of 2018 should be read in conjunction with the 2017 Financial Report, as published in the "Rapport Annuel - Document de référence 2017" filed on March 13, 2018 with the Autorité des marchés financiers ("AMF", the French securities regulator). Please also refer to pages 191 through 217 of the English translation[1] of the "Rapport Annuel - Document de référence 2017" (the "2017 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

For a detailed description of the significant events that occurred during the first half of 2018, as well as any subsequent events, please refer to Notes 2 and 20 to the Condensed Financial Statements for the half-year ended June 30, 2018, respectively.

Updated information on the main transactions with related parties as of June 30, 2018 is provided in Note 17 to the Condensed Financial Statements for the half-year ended June 30, 2018.

1 Earnings analysis: group and business segments

Preliminary comments:

***Change of accounting standards**: during the first half of 2018, Vivendi applied two new accounting standards:*
- ***IFRS 15 – Revenues from Contracts with Customers**: in accordance with IFRS 15, Vivendi applied this change of accounting standard to 2017 revenues, thereby ensuring comparability of the data relative to each period of 2018 and 2017 contained in this report; and*
- ***IFRS 9 – Financial Instruments**: in accordance with IFRS 9, Vivendi applied this change of accounting standard to the 2018 Statement of Earnings; therefore, the data relative to 2017 contained in this report is not comparable.*

For a detailed description, please refer to Notes 1 and 21 to the Condensed Financial Statements for the half-year ended June 30, 2018.

Non-GAAP measures

"Income from operations", "EBITA" and "adjusted net income", all 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 for 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 exclude most non-recurring and non-operating items from the measurement of the business segments' performances. Under Vivendi's definition:
- *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, the income from equity affiliates - operational, as well as the impacts of transactions with shareowners;*
- *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 and particular significance; and*
- *adjusted net income includes the following items: EBITA; income from equity affiliates; interest (corresponding 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 intangible assets acquired through business combinations and related to equity affiliates; impairment losses on goodwill and other intangible assets acquired through business combinations; other charges and income related to transactions with shareowners; other financial charges and income; earnings from discontinued operations; provisions for income taxes and adjustments attributable to non-controlling interests; non-recurring tax items (in particular the changes in deferred*

[1] This free translation of the "Rapport Annuel - Document de référence 2017" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.

tax assets pursuant to Vivendi SA's Tax Group and the Consolidated Global Profit Tax Systems and the reversal of tax liabilities related to risks extinguished over the period).

Moreover, it should be noted that other companies may have definitions and calculations for these non-GAAP measures that differ from those used by Vivendi, thereby affecting comparability.

1.1 Condensed Statement of Earnings

	Six months ended June 30,		% Change
	2018	2017	
REVENUES	**6,463**	**5,462**	**+ 18.3%**
Cost of revenues	(3,565)	(3,423)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,296)	(1,638)	
Income from operations*	**602**	**401**	**+ 50.2%**
Restructuring charges	(62)	(38)	
Other operating charges and income	2	(11)	
Adjusted earnings before interest and income taxes (EBITA)*	**542**	**352**	**+ 54.0%**
Amortization and depreciation of intangible assets acquired through business combinations	(53)	(65)	
Reversal of reserve related to the Securities Class Action litigation in the United States	-	27	
Income from equity affiliates - operational	3	48	
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**492**	**362**	**+ 35.8%**
Income from equity affiliates - non-operational	8	-	
Interest	(26)	(25)	
Income from investments	15	15	
Other financial charges and income	(42)	(35)	
	(53)	***(45)***	
Earnings before provision for income taxes	**447**	**317**	**+ 41.3%**
Provision for income taxes	(265)	(124)	
Earnings from continuing operations	**182**	**193**	**- 5.6%**
Earnings from discontinued operations	-	-	
Earnings	**182**	**193**	**- 5.6%**
Non-controlling interests	(17)	(17)	
EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS	**165**	**176**	**- 6.3%**
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.13	0.14	
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.13	0.14	
Adjusted net income*	**393**	**320**	**+ 22.8%**
Adjusted net income per share - basic (in euros)*	0.31	0.26	
Adjusted net income per share - diluted (in euros)*	0.31	0.25	

In millions of euros, except per share amounts.

* non-GAAP measures.

1.2 Analysis of the Condensed Statement of Earnings

1.2.1 Revenues

For the first quarter of 2018, Vivendi's revenues amounted to €3,109 million, compared to €2,680 million for the same period in 2017, an increase of 16.0% notably resulting from the consolidation of Havas since July 3, 2017 (+€482 million). At constant currency and perimeter[2], revenues increased by 3.3% compared to the first quarter of 2017, driven by the growth of Universal Music Group (+4.5%) and Canal+ Group (+2.5%), which continues its recovery, as well as the improvement in the operating performance of Dailymotion within New Initiatives.

For the second quarter of 2018, revenues amounted to €3,354 million, compared to €2,782 million for the second quarter of 2017, an increase of €572 million (+20.6%), mainly as the result of the consolidation of Havas (+€570 million). At constant currency and perimeter[2], revenues increased by 4.6% compared to the second quarter of 2017, primarily driven by the growth of Universal Music Group (+9.0%).

For the first half of 2018, revenues amounted to €6,463 million, compared to €5,462 million for the first half of 2017, an increase of €1,001 million (+18.3%), mainly as the result of the consolidation of Havas (+€1,052 million). At constant currency and perimeter[2], revenues increased by 4.0% compared to the first half of 2017, primarily driven by the growth of Universal Music Group (+6.8%) and Canal+ Group (+1.3%).

For a detailed analysis of revenues by business segment, please refer to Section 1.3 below.

1.2.2 Operating results

Income from operations amounted to €602 million, compared to €401 million for the first half of 2017, an increase of €201 million (+50.2%), notably resulting from the consolidation of Havas (+€115 million). At constant currency and perimeter, income from operations increased by €112 million (+27.8%) driven by the growth of Universal Music Group (+€73 million) and Canal+ Group (+€53 million), which continues its recovery in France.

EBITA amounted to €542 million, compared to €352 million for the first half of 2017, an increase of €190 million (+54.0%), notably resulting from the consolidation of Havas (+€102 million). At constant currency and perimeter, EBITA increased by €112 million (+31.6%), driven by the growth of Universal Music Group (+€67 million) and Canal+ Group (+€48 million), which continues its recovery in France. In addition, EBITA included:

- **restructuring charges** of €62 million, compared to €38 million for the first half of 2017, primarily incurred by Canal+ Group (€28 million, compared to €21 million for the first half of 2017), Universal Music Group (€20 million, compared to €15 million for the first half of 2017), Havas (€7 million) and Gameloft (€3 million); and
- **other operating charges and income** excluded from income from operations, which amounted to a net income of €2 million, compared to a net charge of €11 million for the first half of 2017. For the first half of 2018, they notably included the charge related to equity-settled share-based compensation plans for -€10 million (-€15 million for the first half of 2017).

For a detailed analysis of income from operations and EBITA by business segment, please refer to Section 1.3 below.

EBIT amounted to €492 million, compared to €362 million for the first half of 2017, an increase of €130 million (+35.8% on an actual basis and +28.6% at constant currency and perimeter) notably resulting from the increase in EBITA (+€190 million). In addition, EBIT included the following:

- **amortization and depreciation of intangible assets acquired through business combinations,** which amounted to €53 million, compared to €65 million for the first half of 2017, a €12 million improvement;
- **the reversal of reserve** related to the Securities Class Action litigation in the United States, which represented a net profit of €27 million for the first half of 2017. As a reminder, on April 6, 2017, Vivendi announced that it had entered into an agreement to settle the remaining claims still in dispute with certain class plaintiffs for $26 million, which together with the judgments previously entered, resolved the entire litigation for an aggregate amount of $78 million; and
- **income from equity affiliates - operational** which amounted to a profit of €3 million, compared to a profit of €48 million for the first half of 2017. This decrease of €45 million primarily resulted from the reclassification of Vivendi's share of Telecom Italia's net earnings in "income from equity affiliates - non-operational", to account for the decrease of Vivendi's influence over Telecom Italia in 2018 (please refer to Note 10.2 to the Condensed Financial Statements for the half-year ended June 30, 2018). For the first half of 2017, this amount primarily included Vivendi's share of Telecom Italia's net earnings calculated based on the financial information disclosed by Telecom Italia which represented a profit of €44 million (corresponding to the fourth quarter of 2016 and the first quarter of 2017 due to a three-month reporting lag).

[2] *Constant perimeter reflects the impacts of the acquisition of Havas (July 3, 2017) and the acquisition of Paylogic (April 16, 2018) as well as the sale of Radionomy (August 17, 2017) by Vivendi Village.*

1.2.3 Income from equity affiliates - non-operational

Income from equity affiliates - non-operational amounted to a profit of €8 million, compared to nil for the first half of 2017. For the first half of 2018, this amount included Vivendi's share of Telecom Italia's net earnings calculated based on the financial information disclosed by Telecom Italia[3] (corresponding to the fourth quarter of 2017 and the first quarter of 2018 due to a three-month reporting lag). In 2017, the share of Telecom Italia's net earnings was recorded as "income from equity affiliates - operational" (please refer to Note 10.2 to the Condensed Financial Statements for the half-year ended June 30, 2018).

1.2.4 Financial results

For the first half of 2018, **interest** amounted to an expense of €26 million (compared to €25 million for the first half of 2017) which included the impact of the cost of financing the acquisition of Havas. In this amount:

- interest expense on borrowings amounted to €32 million, compared to €35 million for the first half of 2017. This change notably reflected the decrease in the average interest rate on borrowings to 1.36% (compared to 1.92% for the first half of 2017), partially offset by the increase in the average outstanding borrowings to €4.6 billion (compared to €3.6 billion for the first half of 2017); and
- interest income earned on the investment of cash surpluses amounted to €6 million, compared to €10 million for the first half of 2017. This change reflected the decrease in the average outstanding cash investments to €2.7 billion (compared to €4.5 billion for the first half of 2017) and the decrease in the average interest rate on cash investments to 0.43% (compared to 0.44% for the first half of 2017).

Income from investments amounted to €15 million, stable compared to the first half of 2017. This included dividends received from Telefonica for €10 million (unchanged compared to the first half of 2017), as well as the interest from the bonds issued by Banijay Group Holding and Lov Banijay and subscribed to by Vivendi for €3 million (compared to €4 million for the first half of 2017).

Other financial charges and income amounted to a net charge of €42 million, compared to a net charge of €35 million for the first half of 2017. For the first half of 2018, other financial charges included the write-down of the value of the Telecom Italia shares accounted for under the equity method, for €512 million. Notwithstanding the expected improvement of Telecom Italia's outlook (assuming the 2018-2020 industrial plan approved unanimously on March 12, 2018 by Telecom Italia's former Board of Directors is effectively implemented by the newly appointed Board), Vivendi wrote-down the value of its interest in Telecom Italia, notably to take into account the execution risks associated with this industrial plan given Vivendi's lower power to participate in Telecom Italia's financial and operating policy decisions. Other financial income included the revaluation between January 1 and June 30, 2018 of the interests in Spotify (€456 million) and in Ubisoft (€56 million), reported to profit or loss in accordance with the new accounting standard IFRS 9, applicable since January 1, 2018.

Vivendi realized a capital gain of €1,216 million on the sale of the interest in Ubisoft on March 20, 2018. However, of this amount, only the portion corresponding to the revaluation of the interest between January 1 and March 20, 2018 (€56 million) was recorded in the Statement of Earnings for the first half of 2018, in accordance with the new IFRS 9 accounting standard, applicable since January 1, 2018. The remaining portion of the capital gain (€1,160 million) corresponded to the revaluation of the interest until December 31, 2017, which was recorded in "charges and income directly recognized in equity" as of December 31, 2017, in accordance with the former IAS 39 accounting standard, and was reclassified as retained earnings as of January 1, 2018 as part of the initial application of IFRS 9. Under IAS 39, which was applicable until December 31, 2017, it would have been reported to profit or loss as part of the sale that occurred during the first half of 2018.

1.2.5 Provision for income taxes

For the first half of 2018, **provision for income taxes reported to adjusted net income** was a net charge of €159 million, compared to a net charge of €79 million for the same period of 2017, representing an increase of €80 million. This change mainly reflected the impact of the consolidation of Havas as from the second half of 2017 and the growth in the taxable income of Canal+ Group, driven in particular by the recovery of its businesses in France. In addition, due to the decrease of the federal tax rate in the United States (21% as from January 1, 2018, compared to 35% until December 31, 2017), the growth in the taxable income of Universal Music Group did not result in an increase of its provision for income taxes. However, as ordinary tax losses carried forward by the group in the United States were entirely used at year-end 2017, the absence of current tax savings resulting from the utilization of the tax losses carried forward in the United States for the first half of 2018 (compared to a tax savings of €27 million for the first half of 2017) also contributed to the increase in provision for income taxes reported to adjusted net income.

For the first half of 2018, the effective tax rate reported to adjusted net income amounted to 30.0%, compared to 23.0% for the first half of 2017, which notably included a non-recurring positive impact of €10 million at Universal Music Group. Excluding this impact, the effective tax

[3] On May 16, 2018 (Financial Statements for the first quarter ended March 31, 2018) and on March 6, 2018 (Financial Statements for the year ended December 31, 2017): please refer to Note 10.2 to the Condensed Financial Statements for the half-year ended June 30, 2018.

rate reported to adjusted net income was 26.0% for the first half of 2017. The increase of 4 points in the effective tax rate reported to adjusted net income mainly reflected the absence of current tax savings resulting from the utilization of the tax losses carried forward in the United States for the first half of 2018. This change was partially offset by the increase in current tax savings from Vivendi's Tax Group System in France in the first half of 2018 (€61 million, compared to €44 million for the same period of 2017), while unutilized tax losses generated by businesses under development, were almost stable.

For the first half of 2018, **provision for income taxes reported to net income** was a net charge of €265 million, compared to a net charge of €124 million for the same period of 2017. In addition to the explanatory items of the increase in provision for income taxes reported to adjusted net income, this increase of €141 million in provision for income taxes reported to net income included, in the first half of 2018, the deferred tax charge related to the revaluation through profit or loss of the interest in Spotify (-€114 million), in accordance with the new accounting standard IFRS 9, applicable since January 1, 2018. In addition, this change included a favorable change of €22 million in deferred tax savings related to Vivendi SA's Tax Group System, which was a charge of €3 million for the first half of 2018, compared to a charge of €25 million for the first half of 2017.

1.2.6 Non-controlling interests

For the first half of 2018, **earnings attributable to non-controlling interests** amounted to €17 million, unchanged compared to the first half of 2017. They mainly included the non-controlling interests of nc+ in Poland, Canal+ International and VTV in Vietnam.

1.2.7 Earnings attributable to Vivendi SA shareowners

For the first half of 2018, **earnings attributable to Vivendi SA shareowners** amounted to a profit of €165 million (or €0.13 per share - basic), compared to €176 million for the first half of 2017 (or €0.14 per share - basic), a decrease of €11 million (-6.3%). For the first half of 2018, the increase in EBIT (+€130 million), resulting from the consolidation of Havas since July 3, 2017, as well as the good performance of Universal Music Group and Canal+ Group, was partially offset by the increase in provision for income taxes (-€141 million).

1.2.8 Adjusted net income

	Six months ended June 30,		% Change
(in millions of euros)	2018	2017	
Revenues	**6,463**	**5,462**	**+ 18.3%**
Income from operations	**602**	**401**	**+ 50.2%**
EBITA	**542**	**352**	**+ 54.0%**
Income from equity affiliates - operational	3	78	
Income from equity affiliates - non-operational	38	-	
Interest	(26)	(25)	
Income from investments	15	15	
Adjusted earnings from continuing operations before provision for income taxes	572	420	
Provision for income taxes	(159)	(79)	
Adjusted net income before non-controlling interests	413	341	
Non-controlling interests	(20)	(21)	
Adjusted net income	**393**	**320**	**+ 22.8%**

For the first half of 2018, **adjusted net income** amounted to a profit of €393 million (or €0.31 per share - basic), compared to €320 million for the first half of 2017 (or €0.26 per share - basic), an increase of €73 million (+22.8%). This change reflected the growth in EBITA (+€190 million), resulting from the consolidation of Havas since July 3, 2017 and the good performance of Universal Music Group and Canal+ Group, partially offset by the correlative increase of provision for income taxes (-€80 million) as well as the decrease in Vivendi's share in Telecom Italia's net earnings (-€36 million).

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

	Six months ended June 30,	
(in millions of euros)	2018	2017
Earnings attributable to Vivendi SA shareowners (a)	**165**	**176**
Adjustments		
Amortization and depreciation of intangible assets acquired through business combinations	53	65
Amortization of intangible assets related to equity affiliates	30	30
Reversal of reserve related to the Securities Class Action litigation in the United States (a)	-	(27)
Other financial charges and income	42	35
Provision for income taxes on adjustments	106	45
Impact of adjustments on non-controlling interests	(3)	(4)
Adjusted net income	**393**	**320**

a. As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	Six months ended June 30,			
	2018		2017	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	393	393	320	320
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,259.9	1,259.9	1,251.7	1,251.7
Potential dilutive effects related to share-based compensation	-	4.9	-	3.9
Adjusted weighted average number of shares	1,259.9	1,264.8	1,251.7	1,255.6
Adjusted net income per share (in euros)	**0.31**	**0.31**	**0.26**	**0.25**

a. Net of the weighted average number of treasury shares (38.7 million shares for the first half of 2018, compared to 35.5 million for the first half of 2017).

1.3 Analysis of revenues and operating results by business segment

	Six months ended June 30,				
(in millions of euros)	2018	2017	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	2,628	2,666	-1.4%	+6.8%	+6.8%
Canal+ Group	2,575	2,555	+0.8%	+1.3%	+1.3%
Havas	1,052	-	na	na	na
Gameloft	149	168	-11.1%	-5.4%	-5.4%
Vivendi Village	52	56	-8.1%	-7.3%	-3.7%
New Initiatives	32	23	+36.6%	+36.6%	+36.6%
Elimination of intersegment transactions	(25)	(6)			
Total Vivendi	**6,463**	**5,462**	**+18.3%**	**+24.1%**	**+4.0%**
Income from operations					
Universal Music Group	355	311	+14.0%	+23.5%	+23.5%
Canal+ Group	241	186	+29.7%	+28.4%	+28.4%
Havas	115	-	na	na	na
Gameloft	(4)	2			
Vivendi Village	(7)	(7)			
New Initiatives	(42)	(38)			
Corporate	(56)	(53)			
Total Vivendi	**602**	**401**	**+50.2%**	**+58.5%**	**+27.8%**
EBITA					
Universal Music Group	326	286	+13.9%	+23.5%	+23.5%
Canal+ Group	221	171	+29.2%	+27.8%	+27.8%
Havas	102	-	na	na	na
Gameloft	(8)	(1)			
Vivendi Village	(6)	(9)			
New Initiatives	(43)	(38)			
Corporate	(50)	(57)			
Total Vivendi	**542**	**352**	**+54.0%**	**+62.6%**	**+31.6%**

na: not applicable.

a. Constant perimeter reflects the impacts of the acquisition of Havas (July 3, 2017) and the acquisition of Paylogic (April 16, 2018) as well as the sale of Radionomy (August 17, 2017) by Vivendi Village.

1.3.1 Universal Music Group (UMG)

	Six months ended June 30,				
(in millions of euros)	2018	2017	% Change	% Change at constant currency	% Change at constant currency and perimeter
Recorded music	2,121	2,141	-0.9%	+7.4%	+7.4%
Digital sales	*1,424*	*1,315*	*+8.3%*	*+18.2%*	*+18.2%*
Of which subscriptions and streaming	*1,187*	*962*	*+23.3%*	*+34.3%*	*+34.3%*
Physical sales	*369*	*484*	*-23.8%*	*-19.1%*	*-19.1%*
License and other	*328*	*342*	*-3.9%*	*+3.2%*	*+3.2%*
Music publishing	409	400	+2.1%	+11.1%	+11.1%
Merchandising and other	107	135	-21.3%	-15.7%	-15.7%
Elimination of intersegment transactions	(9)	(10)			
Revenues	**2,628**	**2,666**	**-1.4%**	**+6.8%**	**+6.8%**
Income from operations	**355**	**311**	**+14.0%**	**+23.5%**	**+23.5%**
Income from operations margin	*13.5%*	*11.7%*	*+1.8 pts*		
Restructuring charges	(20)	(15)			
Charges related to equity-settled share-based compensation plans	(2)	(7)			
Other special items excluded from income from operations	(7)	(3)			
EBITA	**326**	**286**	**+13.9%**	**+23.5%**	**+23.5%**
EBITA margin	*12.4%*	*10.7%*	*+1.7 pts*		
Recorded music revenues by geographical area					
North America	991	1,023	-3.1%	+8.8%	+8.8%
Europe	678	674	+0.7%	+2.4%	+2.4%
Asia	273	278	-2.0%	+6.2%	+6.2%
Latin America	74	75	-1.2%	+17.1%	+17.1%
Rest of the world	105	91	+15.1%	+23.4%	+23.4%
	2,121	**2,141**	**-0.9%**	**+7.4%**	**+7.4%**

Universal Music Group's (UMG) revenues amounted to €2,628 million, up 6.8% at constant currency and perimeter compared to the first half of 2017 (-1.4% on an actual basis).

Recorded music revenues grew by 7.4% at constant currency and perimeter as growth in subscription and streaming revenues (+34.3%) more than offset the continued decline in both download (-26.5%) and physical (-19.1%) sales.

Recorded music best sellers for the first half of 2018 included new releases from Post Malone, Drake and Migos, as well as the soundtrack release from *Black Panther*.

According to Nielsen's Mid-Year Report 2018 on the U.S. market, UMG represented all of the Top 5, and eight artists overall on the Top 10 Artist chart. UMG also had all of the Top 8 artists ranked by on-demand audio streams, an unprecedented achievement.

Music publishing revenues grew by 11.1% at constant currency and perimeter, also driven by increased subscription and streaming revenues, as well as better performance revenues.

Merchandising and other revenues declined by 15.7% at constant currency and perimeter, due to lower touring and retail activity.

UMG's income from operations amounted to €355 million, up 23.5% at constant currency and perimeter compared to the first half of 2017 (+14.0% on an actual basis) and EBITA amounted to €326 million, up 23.5% at constant currency and perimeter compared to the first half of 2017 (+13.9% on an actual basis) reflecting the revenue growth.

On July 9, 2018, UMG and The Rolling Stones announced an expansive worldwide agreement covering the band's iconic recorded music and audio-visual catalogues, archival support, global merchandising and brand management. Demonstrating the range of resources that UMG can provide to an artist, this multi-faceted partnership marked the beginning of a new era of expanded collaboration between The Rolling Stones and UMG.

1.3.2 Canal+ Group

(in millions of euros)	Six months ended June 30, 2018	2017	% Change	% Change at constant currency	% Change at constant currency and perimeter
TV in Mainland France (a)	1,591	1,642	-3.1%	-3.1%	-3.1%
International TV	782	740	+5.7%	+7.2%	+7.2%
Africa	*273*	*239*	*+14.1%*	*+19.1%*	*+19.1%*
Poland	*261*	*251*	*+4.2%*	*+2.1%*	*+2.1%*
Overseas	*201*	*204*	*-1.5%*	*-1.3%*	*-1.3%*
Vietnam	*22*	*23*	*-4.8%*	*+7.4%*	*+7.4%*
Other	*25*	*23*	*+9.7%*	*+13.6%*	*+13.6%*
Studiocanal	202	173	+16.6%	+17.9%	+17.9%
Revenues	**2,575**	**2,555**	**+0.8%**	**+1.3%**	**+1.3%**
Income from operations	**241**	**186**	**+29.7%**	**+28.4%**	**+28.4%**
Income from operations margin	*9.4%*	*7.3%*	*+2.1 pts*		
Charges related to equity-settled share-based compensation plans	-	(3)			
Other special items excluded from income from operations	8	9			
EBITA before restructuring charges	**249**	**192**	**+29.7%**	**+28.5%**	**+28.5%**
Restructuring charges	(28)	(21)			
EBITA	**221**	**171**	**+29.2%**	**+27.8%**	**+27.8%**
EBITA margin	*8.6%*	*6.7%*	*+1.9 pts*		

	2018	2017	% Change
Pay-TV subscribers (in thousands)			
Self-distributed individual subscribers in Mainland France	4,792	4,989	-197
Canal customers *via* wholesale partnerships (b)	3,130	2,995	+135
International individual subscribers	7,535	6,036	+1,499
Africa	*3,775*	*2,713*	*+1,062*
Poland	*2,119*	*2,102*	*+17*
Overseas	*568*	*510*	*+58*
Vietnam	*1,017*	*711*	*+306*
Myanmar (Burma)	*56*	*-*	*+56*
Total Canal+ Group individual subscribers	**15,457**	**14,020**	**+1,437**
Collective subscribers	586	561	+25
Total Canal+ Group subscribers	**16,043**	**14,581**	**+1,462**
Mainland France Pay-TV (c)			
Churn rate (over a 12-month rolling period)	14.7%	17.6%	-2.9 pts
Net ARPU (in euros)	45.8	45.3	+0.5
Mainland France Free-to-air TV's audience shares (d)			
C8	3.9%	4.7%	-0.8 pts
CStar	1.5%	1.5%	-
CNews	0.5%	0.6%	-0.1 pts
Total	**5.9%**	**6.8%**	**-0.9 pts**

a. Relates to pay-TV and free-to-air channels (C8, CStar and CNews) in mainland France.

b. Notably includes the strategic partnership agreements with Free and Orange, and, more recently, Bouygues Telecom. Certain subscribers may also have subscribed to a Canal+ offer.

c. Indicators calculated on the basis of the individual subscriber base with commitment, excluding wholesale partnerships.

d. Source: Médiamétrie. Population aged 25 to 49 years old.

Canal+ Group's revenues amounted to €2,575 million, up 0.8% compared to the first half of 2017 (+1.3% at constant currency and perimeter). This change was driven by the significant growth in the group's subscriber base, which reached a total of 16 million subscribers compared to 14.6 million at the end of June 2017.

The recovery in mainland France continues: although revenues are still slightly decreasing, the churn rate sharply improved (a 19 % decrease in cancellations for the first half of 2018 compared to the first half of 2017). The total individual subscriber base in mainland France (self-distributed subscribers, customers via wholesale partnerships and Canalplay subscribers) decreased by 62,000; excluding Canalplay, this subscriber base was almost stable (-4,000 subscribers). The Canal+ channel's individual subscriber base recorded a year-on-year increase of 271,000 subscribers.

International operations recorded a very strong increase in revenues (+7.2% at constant currency and perimeter) driven by the outstanding growth in the individual subscriber base (+1.5 million year-on-year, including +1.1 million in Africa), notably as a result of the positive impact of the 2018 FIFA World Cup. The subscriber base in Vietnam exceeded one million subscribers for the first time.

Studiocanal's revenues grew by 17.9% at constant currency and perimeter, driven by a larger number of theatrical releases and very strong video sales, particularly of *Paddington 2*.

Canal+ Group's income from operations amounted to €241 million, compared to €186 million for the first half of 2017, up 28.4% at constant currency and perimeter.

EBITA before restructuring charges amounted to €249 million, compared to €192 million for the first half of 2017 (+28.5% at constant currency and perimeter), driven by revenue growth and the cost-reduction plan. After restructuring charges, EBITA amounted to €221 million, compared to €171 million for the first half of 2017 (+27.8% at constant currency and perimeter).

1.1.3 Havas

As a reminder, Vivendi has fully consolidated Havas since July 3, 2017.

		6-month pro forma data		
(in millions of euros)	Six months ended June 30, 2018	2017 (a)	% Change	% Change at constant currency and perimeter
Revenues	**1,052**	**1,140**	**-7.8%**	**-2.6%**
Net revenues	**1,020**	**1,108**	**-8.0%**	**-2.9%**
Income from operations	**115**	**119**		
Income from operations/net revenues	*11.3%*	*10.7%*	*+0.6 pts*	
Restructuring charges	(7)	(9)		
Charges related to equity-settled share-based compensation plans	(6)	(6)		
Other special items excluded from income from operations	-	(3)		
EBITA	**102**	**101**	**+1.2%**	**+5.3%**
EBITA/net revenues	*10.0%*	*9.1%*	*+0.9 pts*	
Net revenues by geographical area				
Europe	51%	50%		
Of which France	*20%*	*20%*		
North America	35%	36%		
Asia Pacific and Africa	8%	8%		
Latin America	6%	6%		
	100%	**100%**		

a. As published by Havas and restated by Vivendi.

Havas’s net revenues amounted to €1,020 million, down 8.0% compared to the first half of 2017, primarily due to the effect of unfavorable exchange rates of -6.5% (primarily the US dollar, South American currencies and the British pound). Acquisitions contributed +1.4% and organic growth was -2.9%. Excluding the impact of Arnold's underperformance, the Havas Group’s organic growth was -1.4%.

Profitability improved in the first half of 2018 compared to the first half of 2017, as it benefited from the cost containment measures introduced in the second half of 2017. For the first half of 2018, income from operations amounted to €115 million and the income from operations margin/net revenues ratio was up +60 basis points from 10.7% to 11.3%.

EBITA amounted to €102 million, up +5.3% organically compared to the first half of 2017; the EBITA margin/net revenues ratio increased by +90 basis points, from 9.1% to 10.0%.

By region, the North American agencies strongly improved in the second quarter of 2018. This good performance was driven by the Media business (thanks in particular to last year's win of the Sanofi account), renewed momentum at the New York and Chicago agencies and very strong performances from Havas Edge, Havas Health and Abernathy.

As expected, business in Europe is slowing down following the loss of the SFR and PSA media accounts. The United Kingdom returned to solid growth in the second quarter of 2018, thanks to the creative and healthcare communications businesses. Italy and Poland also reported positive growth over the period.

Asia-Pacific was up slightly, and Latin America continued to record strong organic growth in the first half of 2018.

Havas’s creativity was lavishly rewarded in the second quarter of 2018, in particular at Cannes Lions in June 2018. 15 Havas agencies were recognized at the festival, winning a total of 47 awards (outdoing last year's total of 41) including 3 Grand Prix, 5 Gold, 18 Silver and 21 Bronze. This represents a 15% improvement compared to 2017, despite the approximate 20% decrease in the number of Lions awarded (reduction in the number of categories). 2018 marked a record year for Havas.

Havas pursued its policy of targeted acquisitions and continued to strengthen in certain areas of strategic expertise and certain geographical regions. Since the beginning of the year, Havas has made two acquisitions: DAA (Deekeling Arndt Advisors), a German-based agency specializing in public relations and finance, and M&C Consultancy, a London-based healthcare communication agency.

In early July 2018, Havas acquired Catchi, the leading Conversion Rate Optimization (CRO) specialist across Australia and New Zealand. Catchi's skill-set and expertise will expand the services currently offered by Havas on this market.

In June, in addition to the new offerings launched over the first quarter of 2018 (Plead, China Desk, Blockchain and Havas Health Plus), Havas announced the deployment of the second phase of its Together strategy, which sets out to combine local excellence with Havas Group's global reach by developing powerful verticals totally integrated into its "villages":

- AMO, an international strategic advisory network of corporate and financial communications consultancies, with an ambitious plan to invest €100 million over the next five years;
- Edge Performance Network, a global performance marketing network;
- Havas Events, an experiential network was launched internationally;
- Havas Helia, the global CRM (Customer Relationship Management) network; and
- The Annex, a network dedicated to culture and entertainment and focusing on millennials and centennials.

1.3.4 Gameloft

	Six months ended June 30,				
(in millions of euros)	2018	2017	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**149**	**168**	**-11.1%**	**-5.4%**	**-5.4%**
Income from operations	**(4)**	**2**			
Restructuring charges	(3)	-			
Charges related to equity-settled share-based compensation plans	(1)	(1)			
Other special items excluded from income from operations	-	(2)			
EBITA	**(8)**	**(1)**			
Revenues by geographical area					
EMEA (Europe, the Middle East, Africa)	35%	32%			
North America	34%	31%			
Asia Pacific	23%	27%			
Latin America	8%	10%			
	100%	**100%**			
Average Unique Users (in millions)					
Monthly Active Users (MAU)	107	134			
Daily Active Users (DAU)	12	16			

With almost 2 million downloads per day across all platforms in the first half of 2018, Gameloft is one of the leading mobile game publishers in the world. For the first half of 2018, Gameloft's average number of monthly active users (MAU) was 107 million and its average daily active users (DAU) was 12 million.

Gameloft's revenues amounted to €149 million, down 5.4% at constant currency and perimeter compared to the first half of 2017, due to the slowdown of the telco carriers operations and the decline in advertising revenues. The OTT operations (game sales on platforms, such as Apple, Google, Microsoft and Amazon) represented 72% of Gameloft's total revenues, up 3% at constant currency.

Gameloft has benefited from the strong performance of its catalogue, notably its bestselling games such as *War Planet Online*, *Dragon Mania Legends*, *Disney Magic Kingdoms*, *March of Empires* and *Asphalt 8: Airborne*.

62% of Gameloft's revenues were generated by internally developed franchises.

On May 3, 2018, Gameloft successfully launched *Dungeon Hunter Champions* and the much-anticipated *Asphalt 9: Legends,* the latest entry in the world's most downloaded mobile racing franchise, was released on July 26, 2018.

1.3.5 Vivendi Village

	Six months ended June 30,				
(in millions of euros)	2018	2017	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues	**52**	**56**	**-8.1%**	**-7.3%**	**-3.7%**
Income from operations	**(7)**	**(7)**			
Restructuring charges	(1)	(1)			
Charges related to equity-settled share-based compensation plans	-	-			
Other special items excluded from income from operations	2	(1)			
EBITA	**(6)**	**(9)**			

a. Constant perimeter reflects the impact of the acquisition of Paylogic (April 16, 2018) and the sale of Radionomy (August 17, 2017).

Vivendi Village is organized around various activities: talent support, festivals, venues, ticketing, franchise management (in particular Paddington) and digital services connecting individuals and professionals.

Following the acquisition of Paylogic in April 2018, the ticketing business represents about half of Vivendi Village's revenues (€52 million for the first half of 2018) and generates ticket sales in excess of 20 million annually. The group now has a strong and complementary presence in three major markets: it is a leading player in the United Kingdom, it offers significant opportunities for synergies in Continental Europe and it is strongly growing as challenger in the United States.

As for the live business, whose revenues grew by 36.7% compared to the first half of 2017, Olympia Production continues its development and currently supports 29 artists (music and comedy). *Les Déferlantes*, *Brive Festival* and *Live au Campo*, the three festivals owned by Vivendi Village, which took place in July, attracted record crowds: their attendance rates grew by 17%, 30% and 15%, respectively. L'Olympia recorded an excellent month of June with a total of 27 events while the Soccer World Cup (FIFA) took place at the same time.

In Africa, an additional CanalOlympia venue was opened on June 1, 2018 in Ouagadougou, the second in this city and the ninth of the cinema and entertainment venues network. As part of the partnership between Vivendi and Orange, announced in April 2018, a concert attended by 6,000 people was organized at the Douala CanalOlympia venue in Cameroon for Music Day in June, which included a performance by Tenor, a Universal Music Group artist.

1.3.6 New Initiatives

New Initiatives, which groups together businesses being launched or under development, recorded revenues amounting to €32 million, up 36.6% compared to the first half of 2017, mainly due to Dailymotion's good performance.

Dailymotion's new user experience, deployed worldwide at the end of 2017 continues to bear fruit. Primarily targeting the 25-49 age group, it makes it easier to discover videos, tapping into users' interests. The share of premium content consumption increased by 41% between the first half of 2017 and the first half of 2018, and the number of desktop premium content views increased by 52% upon launch.

Vivendi Entertainment is the creator of TV formats such as the game *Guess My Age*, now sold in 12 territories. *Couple or not*, the second season of which has just been shot in France, has already been adapted in Russia, Hungary and Thailand, and is in development in Italy and Spain. *Facing the Classroom* is rapidly growing internationally with very strong audience rates in New-Zealand and Lebanon. In September, Vivendi Entertainment will also shoot a pilot for an American version of the *Guignols* for Fox.

GVA, a player in the African telecoms market, was granted an Internet service provider license in the Republic of Congo on April 10, 2018, leading to the launch of engineering studies in Pointe-Noire. GVA already offers the Canalbox ultra-high-speed fiber Internet service, launched in partnership with Canal+ Group, in Libreville (Gabon) since October 2017 and in Lomé (Togo) since March 2018. In these two countries, GVA also launched Canalbox Pro offers aimed at businesses, providing a variety of added-value services such as IP addressing, hosting and premium customer service.

1.3.7 Corporate

Corporate's income from operations amounted to a net charge of €56 million, compared to a net charge of €53 million for the first half of 2017, a €3 million increase, primarily due to the increase in legal fees, notably relating to ongoing litigations.

Corporate's EBITA amounted to a net charge of €50 million, compared to a net charge of €57 million for the first half of 2017, a favorable change of €7 million notably relating to non-recurring exceptional positive items.

2 Liquidity and capital resources

2.1 Financial Net Debt and equity portfolio

Preliminary comment:

The "Financial Net Debt", a non-GAAP measure, should be considered in addition to, and not as a substitute for, a GAAP measure as presented in the Consolidated Statement of Financial Position, as well as any other measure of indebtedness reported in accordance with GAAP. Vivendi considers this to be a relevant indicator of the group's liquidity and capital resources. Vivendi Management uses this indicator for reporting, management, and planning purposes.

2.1.1 Changes in Financial Net Debt

(in millions of euros)	Cash and cash equivalents	Borrowings at amortized cost and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2017	**(1,951)**	**4,291**	**2,340**
Outflows / (inflows):			
Operating activities	(183)	-	(183)
Investing activities	(1,098)	(211)	(1,309)
Financing activities	555	10	565
Foreign currency translation adjustments	5	(19)	(14)
Financial Net Debt as of June 30, 2018	**(2,672)**	**4,071**	**1,399**

a. "Other financial items" include cash management financial assets and derivative financial instruments related to the interest rate and foreign currency risk management (assets and liabilities).

As of June 30, 2018, Vivendi's Financial Net Debt amounted to €1,399 million, compared to €2,340 million as of December 31, 2017, a decrease of €941 million. This favorable change was mainly attributable to (i) a €1.5 billion inflow received on March 23, 2018, as part of the sale of Vivendi's 27.27% interest in Ubisoft at a price of €66 per share for an aggregate amount of €2.0 billion (the balance of the sale proceeds still to be received amounted to €0.5 billion under the forward sale of the remainder of its interest) and (ii) net cash provided by operating activities (after income tax paid) for €183 million. These inflows were partially offset by the dividend paid by Vivendi on April 24, 2018 with respect to fiscal year 2017 for €568 million and net capital expenditures for €151 million.

2.1.2 Equity portfolio

As of June 30, 2018, Vivendi held a portfolio of listed non-controlling equity interests, as well as a receivable of €501 million on the forward sale of the remaining interest in Ubisoft and a receivable of €267 million on the sale of the interest in Fnac Darty, which was received in cash on July 12, 2018 (please refer to Note 2 to the Condensed Financial Statements for the half-year ended June 30, 2018). As of June 30, 2018, this portfolio represented an aggregate market value of approximately €5.3 billion (before taxes), compared to €6.4 billion as of December 31, 2017 (which included the entire 27.27% interest in Ubisoft): please refer to Notes 10 and 11 to the Condensed Financial Statements for the half-year ended June 30, 2018.

2.2 Cash flow from operations analysis

Preliminary comment:

"Cash flow from operations" (CFFO) and "cash flow from operations after interest and taxes" (CFAIT), non-GAAP measures, 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 this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.

	Six months ended June 30,		
(in millions of euros)	2018	2017	% Change
Revenues	6,463	5,462	+18.3%
Operating expenses excluding depreciation and amortization	(5,709)	(4,920)	-16.0%
	754	*542*	*+39.2%*
Restructuring charges paid	(44)	(33)	-35.4%
Content investments, net	(199)	(318)	+37.3%
of which content investments paid	*(1,388)*	*(1,543)*	*+10.1%*
recoupments of advances/consumption of rights	*1,189*	*1,225*	*-3.0%*
Neutralization of change in provisions included in operating expenses	(56)	(60)	+7.2%
Other cash operating items	(2)	6	na
Other changes in net working capital	(182)	(25)	x 7.3
Net cash provided by/(used for) operating activities before income tax paid	***271***	***112***	***x 2.4***
Dividends received from equity affiliates and unconsolidated companies	12	11	+11.1%
Capital expenditures, net (capex, net)	(151)	(113)	-33.7%
Cash flow from operations (CFFO)	**132**	**10**	**x 13.2**
Interest paid, net	(26)	(25)	-4.0%
Other cash items related to financial activities	(24)	(23)	-5.3%
Income tax (paid)/received, net	(88)	375	na
Cash flow from operations after interest and income tax paid (CFAIT)	**(6)**	**337**	**na**

na: not applicable.

2.2.1 Changes in cash flow from operations (CFFO)

For the first half of 2018, cash flow from operations (CFFO) generated by the group's business segments amounted to €132 million (compared to €10 million for the first half of 2017), a €122 million improvement. This change resulted from the strong operating performance of Universal Music Group (+€146 million), driven by the growth in subscription streaming services, as well as the strong operating performance of Canal+ Group (+€103 million), notably as a result of the high level of content investments at Studiocanal for the first half of 2017, due to the number of movie productions ongoing at that time. These items were partially offset by the consolidation of Havas since July 3, 2017 (-€104 million for the first half of 2018, compared to +€308 million for the second half of 2017), given the unfavorable change in working capital in the first part of the year due to the seasonality of cash generation.

2.2.2 Cash flow from operations (CFFO) by business segment

	Six months ended June 30,		
(in millions of euros)	2018	2017	% Change
Cash flow from operations (CFFO)			
Universal Music Group	204	58	x 3.5
Canal+ Group	172	69	x 2.5
Havas	(104)	-	na
Gameloft	(1)	10	na
Vivendi Village	(27)	(21)	
New Initiatives	(35)	(32)	
Corporate	(77)	(74)	
Total Vivendi	**132**	**10**	**x 13.2**

na: not applicable.

2.2.3 Changes in cash flow from operations after interest and income tax paid (CFAIT)

For the first half of 2018, cash flow from operations after interest and income tax paid (CFAIT) represented a €6 million net outflow (compared to a €337 million net inflow for the first half of 2017), a decrease of €343 million. The growth in cash flow from operations (CFFO) was more than offset by the unfavorable change in cash flow related to income taxes.

For the first half of 2018, cash flow related to income taxes amounted to an €88 million net outflow (compared to a €375 million net inflow for the first half of 2017). For the first half of 2017, it notably included a €346 million inflow received on April 18, 2017 as part of the settlement of a litigation related to the tax credits utilized by Vivendi in fiscal year 2012, a refund of tax installments paid in 2016 under the French Tax Group System for fiscal year 2016 (€136 million) and a €10 million inflow at Universal Music Group in the United Kingdom, related to a litigation settlement.

For the first half of 2018, the financial activities generated a €50 million net outflow, compared to a €48 million net outflow for the first half of 2017. For the first half of 2018, they mainly included cash outflows generated by foreign exchange risk hedging instruments following the depreciation of the dollar (USD) against the euro (-€22 million compared to -€51 million for the first half of 2017). In addition, for the first half of 2017, they also included cash inflows generated by foreign exchange risk hedging instruments following the appreciation of the British pound (GBP) against the euro (+€28 million). These British pound (GBP) hedging instruments were unwound in the fourth quarter of 2017. In addition, net interest paid was stable (-€26 million, compared to -€25 million for the first half of 2017).

2.2.4 Reconciliation of CFAIT to net cash provided by operating activities

	Six months ended June 30,	
(in millions of euros)	2018	2017
Cash flow from operations after interest and income tax paid (CFAIT)	**(6)**	**337**
Adjustments		
Capital expenditures, net (capex, net)	151	113
Dividends received from equity affiliates and unconsolidated companies	(12)	(11)
Interest paid, net	26	25
Other cash items related to financial activities	24	23
Net cash provided by operating activities (a)	**183**	**487**

a. As presented in the Consolidated Statement of Cash Flows.

2.3 Analysis of investing and financing activities

2.3.1 Investing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Six months ended June 30, 2018
Financial investments		
Acquisition of cash management financial assets	12	(237)
Other		(67)
Total financial investments		**(304)**
Financial divestments		
Sale of Ubisoft shares	2.1	1,511
Disposal of cash management financial assets	12	25
Other		5
Total financial divestments		**1,541**
Dividends received from equity affiliates and unconsolidated companies		12
Capital expenditures, net	3	(151)
Net cash provided by/(used for) investing activities (a)		**1,098**

a. As presented in the Consolidated Statement of Cash Flows.

2.3.2 Financing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Six months ended June 30, 2018
Transactions with shareowners		
Distribution to Vivendi SA's shareowners	13	(568)
Exercise of stock options by executive management and employees	15	77
Other		(26)
Total transactions with shareowners		**(517)**
Transactions on borrowings and other financial liabilities		
Interest paid, net	4	(26)
Other		(12)
Total transactions on borrowings and other financial liabilities		**(38)**
Net cash provided by/(used for) financing activities (a)		**(555)**

a. As presented in the Consolidated Statement of Cash Flows.

3 Outlook

Vivendi is confident in its outlook for the second half of 2018. In particular, Canal+ Group confirms that its target EBITA before restructuring charges could reach close to €450 million in 2018. In addition, Havas expects better organic growth of net revenues for the second half of 2018, thanks to major account wins in the first half of the year.

4 Forward-Looking Statements – Major risks and uncertainties

Cautionary note

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including the impact of certain transactions. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals, 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.

Major risks and uncertainties for the remaining six months of the fiscal year

Vivendi is not aware of any risks or uncertainties other than those mentioned above for the remaining six months of fiscal year 2018.

5 Other Disclaimers

Unsponsored ADRs

Vivendi does not sponsor any 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

Quarterly revenues by business segment

	2018	
(in millions of euros)	Three months ended March 31,	Three months ended June 30,
Revenues		
Universal Music Group	1,222	1,406
Canal+ Group	1,298	1,277
Havas	482	570
Gameloft	79	70
Vivendi Village	23	29
New Initiatives	16	16
Elimination of intersegment transactions	(11)	(14)
Total Vivendi	**3,109**	**3,354**

	2017			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended September 30,	Three months ended December 31,
Revenues				
Universal Music Group	1,284	1,382	1,319	1,688
Canal+ Group	1,272	1,283	1,252	1,391
Havas (a)	-	-	539	648
Gameloft	91	77	77	82
Vivendi Village	26	30	25	28
New Initiatives	10	13	11	17
Elimination of intersegment transactions	(3)	(3)	(16)	(22)
Total Vivendi	**2,680**	**2,782**	**3,207**	**3,832**

a. As a reminder, Vivendi has fully consolidated Havas since July 3, 2017.

Note: During the first half of 2018, Vivendi applied the new accounting standard IFRS 15 – *Revenues from Contracts with Customers* (please refer to Notes 1 and 21 to the Condensed Financial Statements for the half-year ended June 30, 2018).

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III – Unaudited Condensed Financial Statements for the half-year ended June 30, 2018

Preliminary comment:

During the first half of 2018, Vivendi applied two new accounting standards:

- *IFRS 15 – Revenues from Contracts with Customers: in accordance with IFRS 15, Vivendi applied this change of accounting standard to 2017 revenues, thereby ensuring comparability of the data relative to each period of 2018 and 2017 contained in this report; and*
- *IFRS 9 – Financial Instruments: in accordance with IFRS 9, Vivendi applied this change of accounting standard to the 2018 Statement of Earnings and Statement of Comprehensive Income and restated its opening balance sheet as of January 1, 2018; therefore, the data relative to 2017 contained in this report is not comparable.*

For a detailed description, please refer to Notes 1 and 21 to the Condensed Financial Statements for the half-year ended June 30, 2018.

Condensed Statement of Earnings

	Note	Six months ended June 30, (unaudited)		Year ended December 31, 2017
		2018	2017	
Revenues	3	**6,463**	**5,462**	**12,501**
Cost of revenues		(3,565)	(3,423)	(7,285)
Selling, general and administrative expenses		(2,345)	(1,714)	(4,281)
Restructuring charges	3	(62)	(38)	(88)
Impairment losses on intangible assets acquired through business combinations		(2)	-	(2)
Reversal of reserve related to the Securities Class Action litigation in the United States	19	-	27	27
Income from equity affiliates - operational	10	3	48	146
Earnings before interest and income taxes (EBIT)		**492**	**362**	**1,018**
Income from equity affiliates - non-operational	10	8	-	-
Interest	4	(26)	(25)	(53)
Income from investments		15	15	29
Other financial income		539	13	43
Other financial charges		(581)	(48)	(143)
		(53)	***(45)***	***(124)***
Earnings before provision for income taxes		**447**	**317**	**894**
Provision for income taxes	5	(265)	(124)	355
Earnings from continuing operations		**182**	**193**	**1,249**
Earnings from discontinued operations		-	-	-
Earnings		**182**	**193**	**1,249**
Of which				
Earnings attributable to Vivendi SA shareowners		**165**	**176**	**1,216**
Non-controlling interests		17	17	33
Earnings attributable to Vivendi SA shareowners per share - basic	6	**0.13**	**0.14**	**0.97**
Earnings attributable to Vivendi SA shareowners per share - diluted	6	0.13	0.14	0.94

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

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

Condensed Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30, (unaudited) 2018	2017	Year ended December 31, 2017
Earnings	**182**	**193**	**1,249**
Actuarial gains/(losses) related to employee defined benefit plans, net	(5)	1	29
Financial assets at fair value through other comprehensive income	(247)	na	na
Comprehensive income from equity affiliates, net	(3)	10	14
Items not subsequently reclassified to profit or loss	**(255)**	**11**	**43**
Foreign currency translation adjustments	147	(542)	(848)
Unrealized gains/(losses), net	3	287	685
Comprehensive income from equity affiliates, net	(93)	36	(46)
Other impacts, net	(12)	(25)	(40)
Items to be subsequently reclassified to profit or loss	**45**	**(244)**	**(249)**
Charges and income directly recognized in equity	**(210)**	**(233)**	**(206)**
Total comprehensive income	**(28)**	**(40)**	**1,043**
Of which			
Total comprehensive income attributable to Vivendi SA shareowners	**(44)**	**(72)**	**1,002**
Total comprehensive income attributable to non-controlling interests	16	32	41

na: not applicable.

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

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2018 (unaudited)	January 1, 2018
ASSETS			
Goodwill	8	12,327	12,084
Non-current content assets	9	2,208	2,087
Other intangible assets		445	440
Property, plant and equipment		934	930
Investments in equity affiliates	10	3,929	4,526
Non-current financial assets	11	2,675	4,502
Deferred tax assets		732	627
Non-current assets		**23,250**	**25,196**
Inventories		197	177
Current tax receivables		415	406
Current content assets	9	942	1,160
Trade accounts receivable and other		4,729	5,208
Current financial assets	11	1,141	138
Cash and cash equivalents	12	2,672	1,951
Current assets		**10,096**	**9,040**
TOTAL ASSETS		**33,346**	**34,236**
EQUITY AND LIABILITIES			
Share capital		7,150	7,128
Additional paid-in capital		4,393	4,341
Treasury shares		(649)	(670)
Retained earnings and other		6,206	6,835
Vivendi SA shareowners' equity		**17,100**	**17,634**
Non-controlling interests		236	222
Total equity		**17,336**	**17,856**
Non-current provisions	14	1,501	1,515
Long-term borrowings and other financial liabilities	16	4,154	4,170
Deferred tax liabilities		822	589
Other non-current liabilities		208	226
Non-current liabilities		**6,685**	**6,500**
Current provisions	14	400	412
Short-term borrowings and other financial liabilities	16	355	373
Trade accounts payable and other		8,378	9,019
Current tax payables		192	76
Current liabilities		**9,325**	**9,880**
Total liabilities		**16,010**	**16,380**
TOTAL EQUITY AND LIABILITIES		**33,346**	**34,236**

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

Condensed Statement of Cash Flows

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2018	2017	Year ended December 31, 2017
Operating activities				
EBIT		492	362	1,018
Adjustments		160	93	253
Content investments, net		(199)	(318)	(317)
Gross cash provided by operating activities before income tax paid		***453***	***137***	***954***
Other changes in net working capital		(182)	(25)	265
Net cash provided by operating activities before income tax paid		***271***	***112***	***1,219***
Income tax (paid)/received, net		(88)	375	471
Net cash provided by operating activities		**183**	**487**	**1,690**
Investing activities				
Capital expenditures	3	(157)	(103)	(261)
Purchases of consolidated companies, after acquired cash		(44)	(30)	(3,481)
Investments in equity affiliates		-	(2)	(2)
Increase in financial assets		(260)	(194)	(202)
Investments		***(461)***	***(329)***	***(3,946)***
Proceeds from sales of property, plant, equipment and intangible assets	3	6	(10)	2
Proceeds from sales of consolidated companies, after divested cash		-	(1)	(5)
Disposal of equity affiliates		-	1	-
Decrease in financial assets		1,541	588	981
Divestitures		***1,547***	***578***	***978***
Dividends received from equity affiliates		1	1	6
Dividends received from unconsolidated companies		11	10	23
Net cash provided by/(used for) investing activities		**1,098**	**260**	**(2,939)**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		77	18	152
Sales/(purchases) of Vivendi SA's treasury shares	13	-	(203)	(203)
Distributions to Vivendi SA's shareowners	13	(568)	(499)	(499)
Other transactions with shareowners		(17)	(14)	(10)
Dividends paid by consolidated companies to their non-controlling interests		(9)	(3)	(40)
Transactions with shareowners		***(517)***	***(701)***	***(600)***
Setting up of long-term borrowings and increase in other long-term financial liabilities		2	-	855
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		(1)	-	(8)
Principal payment on short-term borrowings		(72)	(731)	(1,024)
Other changes in short-term borrowings and other financial liabilities		83	460	64
Interest paid, net	4	(26)	(25)	(53)
Other cash items related to financial activities		(24)	(23)	(61)
Transactions on borrowings and other financial liabilities		***(38)***	***(319)***	***(227)***
Net cash provided by/(used for) financing activities		**(555)**	**(1,020)**	**(827)**
Foreign currency translation adjustments of continuing operations		(5)	(33)	(45)
Change in cash and cash equivalents		**721**	**(306)**	**(2,121)**
Cash and cash equivalents				
At beginning of the period	12	**1,951**	**4,072**	**4,072**
At end of the period	12	**2,672**	**3,766**	**1,951**

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

Condensed Statements of Changes in Equity

Six months ended June 30, 2018 (unaudited)

(in millions of euros, except number of shares)	Note	Capital					Retained earnings and other			Total equity
		Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
		Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2017 - RESTATED		***1,296,059***	**7,128**	**4,341**	**(670)**	**10,799**	**6,537**	**530**	**7,067**	**17,866**
Attributable to Vivendi SA shareowners		***1,296,059***	***7,128***	***4,341***	***(670)***	***10,799***	***6,294***	***551***	***6,845***	***17,644***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***243***	***(21)***	***222***	***222***
Restatements related to the application of IFRS 9		***-***	***-***	***-***	***-***	***-***	***1,342***	***(1,338)***	***4***	***4***
Attributable to Vivendi SA shareowners		-	-	-	-	-	*1,342*	*(1,338)*	*4*	*4*
Attributable to non-controlling interests		-	-	-	-	-	-	-	-	-
Restatements related to the application of IFRS 9 and IFRS 15 by equity affiliates		***-***	***-***	***-***	***-***	***-***	***(16)***	***2***	***(14)***	***(14)***
Attributable to Vivendi SA shareowners		-	-	-	-	-	*(16)*	2	*(14)*	*(14)*
Attributable to non-controlling interests		-	-	-	-	-	-	-	-	-
BALANCE AS OF JANUARY 1, 2018		***1,296,059***	**7,128**	**4,341**	**(670)**	**10,799**	**7,863**	**(806)**	**7,057**	**17,856**
Attributable to Vivendi SA shareowners		***1,296,059***	***7,128***	***4,341***	***(670)***	***10,799***	***7,620***	***(785)***	***6,835***	***17,634***
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		***-***	***-***	***-***	***-***	***-***	***243***	***(21)***	***222***	***222***
Contributions by/distributions to Vivendi SA shareowners		***3,986***	**22**	**52**	**21**	**95**	**(585)**	**-**	**(585)**	**(490)**
Dividend paid on April 24, 2018 with respect to fiscal year 2017 (€0.45 per share)	13	-	-	-	-	-	(568)	-	(568)	(568)
Capital increase related to share-based compensation plans	15	*3,986*	22	52	21	95	(17)	-	(17)	78
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		***3,986***	**22**	**52**	**21**	**95**	**(585)**	**-**	**(585)**	**(490)**
Contributions by/distributions to non-controlling interests		-	-	-	-	-	(21)	-	(21)	(21)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	19	-	19	19
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		**-**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**	**(2)**
Earnings		-	-	-	-	-	182	-	182	182
Charges and income directly recognized in equity	7	-	-	-	-	-	(12)	(198)	(210)	(210)
TOTAL COMPREHENSIVE INCOME (C)		**-**	**-**	**-**	**-**	**-**	**170**	**(198)**	**(28)**	**(28)**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***3,986***	***22***	***52***	***21***	***95***	***(417)***	***(198)***	***(615)***	***(520)***
Attributable to Vivendi SA shareowners		*3,986*	*22*	*52*	*21*	*95*	*(434)*	(195)	*(629)*	*(534)*
Attributable to non-controlling interests		-	-	-	-	-	*17*	*(3)*	*14*	*14*
BALANCE AS OF JUNE 30, 2018		***1,300,045***	**7,150**	**4,393**	**(649)**	**10,894**	**7,446**	**(1,004)**	**6,442**	**17,336**
Attributable to Vivendi SA shareowners		***1,300,045***	***7,150***	***4,393***	***(649)***	***10,894***	***7,186***	***(980)***	***6,206***	***17,100***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***260***	***(24)***	***236***	***236***

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

Six months ended June 30, 2017 (unaudited)

(in millions of euros, except number of shares)	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares *(in thousands)*	Share capital							
BALANCE AS OF DECEMBER 31, 2016	***1,287,088***	**7,079**	**4,238**	**(473)**	**10,844**	**8,004**	**764**	**8,768**	**19,612**
Attributable to Vivendi SA shareowners	***1,287,088***	***7,079***	***4,238***	***(473)***	***10,844***	***7,748***	***791***	***8,539***	***19,383***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***256***	***(27)***	***229***	***229***
Contributions by/distributions to Vivendi SA shareowners	***221***	**1**	**2**	**(197)**	**(194)**	**(491)**	**-**	**(491)**	**(685)**
Sales/(purchases) of treasury shares	-	-	-	(203)	(203)	-	-	-	(203)
Dividend paid on May 4, 2017 with respect to fiscal year 2016 (€0.40 per share)	-	-	-	-	-	(499)	-	(499)	(499)
Capital increase related to share-based compensation plans	*221*	1	2	6	9	8	-	8	17
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***221***	**1**	**2**	**(197)**	**(194)**	**(491)**	**-**	**(491)**	**(685)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(18)	-	(18)	(18)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	(8)	-	(8)	(8)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	(5)	-	(5)	(5)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(31)**	**-**	**(31)**	**(31)**
Earnings	-	-	-	-	-	193	-	193	193
Charges and income directly recognized in equity	-	-	-	-	-	(25)	(208)	(233)	(233)
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**168**	**(208)**	**(40)**	**(40)**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***221***	***1***	***2***	***(197)***	***(194)***	***(354)***	***(208)***	***(562)***	***(756)***
Attributable to Vivendi SA shareowners	*221*	*1*	*2*	*(197)*	*(194)*	*(346)*	(217)	*(563)*	*(757)*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*(8)*	*9*	*1*	*1*
BALANCE AS OF JUNE 30, 2017	***1,287,309***	**7,080**	**4,240**	**(670)**	**10,650**	**7,650**	**556**	**8,206**	**18,856**
Attributable to Vivendi SA shareowners	***1,287,309***	***7,080***	***4,240***	***(670)***	***10,650***	***7,402***	***574***	***7,976***	***18,626***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***248***	***(18)***	***230***	***230***

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

Year ended December 31, 2017

(in millions of euros, except number of shares)	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2016	***1,287,088***	**7,079**	**4,238**	**(473)**	**10,844**	**8,004**	**764**	**8,768**	**19,612**
Attributable to Vivendi SA shareowners	***1,287,088***	***7,079***	***4,238***	***(473)***	***10,844***	***7,748***	***791***	***8,539***	***19,383***
Attributable to non-controlling interests	-	-	-	-	-	***256***	***(27)***	***229***	***229***
Contributions by/distributions to Vivendi SA shareowners	***8,971***	**49**	**103**	**(197)**	**(45)**	**(481)**	**-**	**(481)**	**(526)**
Sales/(purchases) of treasury shares	-	-	-	(203)	(203)	-	-	-	(203)
Dividend paid on May 4, 2017 with respect to fiscal year 2016 (€0.40 per share)	-	-	-	-	-	(499)	-	(499)	(499)
Capital increase related to share-based compensation plans	*8,971*	49	103	6	158	18	-	18	176
of which employee Stock Purchase Plans (July 25, 2017)	*4,160*	*23*	*45*	-	*68*	-	-	-	*68*
exercise of stock-options by executive management and employees	*4,811*	*26*	*58*	-	*84*	-	-	-	*84*
Changes in Vivendi SA's ownership interest related to a combination of businesses under common control	**-**	**-**	**-**	**-**	**-**	**(2,155)**	**(65)**	**(2,220)**	**(2,220)**
Acquisition of Havas	-	-	-	-	-	(2,155)	(65)	(2,220)	(2,220)
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**4**	**4**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***8,971***	**49**	**103**	**(197)**	**(45)**	**(2,632)**	**(65)**	**(2,697)**	**(2,742)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(34)	-	(34)	(34)
Changes in non-controlling interests related to a combination of businesses under common control	-	-	-	-	-	(4)	(4)	(8)	(8)
Recognition of Havas's non-controlling interests	-	-	-	-	-	*19*	*(4)*	*15*	*15*
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	(5)	-	(5)	(5)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(43)**	**(4)**	**(47)**	**(47)**
Earnings	-	-	-	-	-	1,261	-	1,261	1,261
Charges and income directly recognized in equity	-	-	-	-	-	(41)	(165)	(206)	(206)
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**1,220**	**(165)**	**1,055**	**1,055**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***8,971***	***49***	***103***	***(197)***	***(45)***	***(1,455)***	***(234)***	***(1,689)***	***(1,734)***
Attributable to Vivendi SA shareowners	*8,971*	*49*	*103*	*(197)*	*(45)*	*(1,442)*	(240)	*(1,682)*	*(1,727)*
Attributable to non-controlling interests	-	-	-	-	-	*(13)*	*6*	*(7)*	*(7)*
BALANCE AS OF DECEMBER 31, 2017 - AS PUBLISHED	***1,296,059***	**7,128**	**4,341**	**(670)**	**10,799**	**6,549**	**530**	**7,079**	**17,878**
Attributable to Vivendi SA shareowners	***1,296,059***	***7,128***	***4,341***	***(670)***	***10,799***	***6,306***	***551***	***6,857***	***17,656***
Attributable to non-controlling interests	-	-	-	-	-	***243***	***(21)***	***222***	***222***
Restatements related to the application of IFRS 15 with retrospective effect	-	-	-	-	-	***(12)***	-	***(12)***	***(12)***
Attributable to Vivendi SA shareowners	-	-	-	-	-	*(12)*	-	*(12)*	*(12)*
Attributable to non-controlling interests	-	-	-	-	-	-	-	-	-
BALANCE AS OF DECEMBER 31, 2017 - RESTATED	***1,296,059***	**7,128**	**4,341**	**(670)**	**10,799**	**6,537**	**530**	**7,067**	**17,866**
Attributable to Vivendi SA shareowners	***1,296,059***	***7,128***	***4,341***	***(670)***	***10,799***	***6,294***	***551***	***6,845***	***17,644***
Attributable to non-controlling interests	-	-	-	-	-	***243***	***(21)***	***222***	***222***

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

Notes to the Condensed Financial Statements

On July 27, 2018, at a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2018. Upon the recommendation of the Audit Committee, which met on July 27, 2018, the Supervisory Board, at its meeting held on July 30, 2018, reviewed the Financial Report and Unaudited Condensed Financial Statements for the half-year ended June 30, 2018, as previously approved by the Management Board on July 27, 2018.

The Unaudited Condensed Financial Statements for the half-year ended June 30, 2018 should be read in conjunction with Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2017, as published in the "Rapport Annuel - Document de référence 2017" filed on March 13, 2018 with the *Autorité des marchés financiers* ("AMF", the French securities regulator). Please also refer to pages 218 to 317 of the English translation[4] of the "Rapport Annuel - Document de référence 2017" (the "2017 Annual Report") which is available on Vivendi's website (www.vivendi.com).

During the first half of 2018, Vivendi applied two new accounting standards:

- IFRS 15 – *Revenues from Contracts with Customers:* in accordance with IFRS 15, Vivendi applied this change of accounting standard to 2017 revenues, thereby ensuring comparability of the data relative to each period of 2018 and 2017 contained in this report; and
- IFRS 9 – *Financial Instruments:* in accordance with IFRS 9, Vivendi applied this change of accounting standard to the 2018 Statement of Earnings and Statement of Comprehensive Income and restated its opening balance sheet as of January 1, 2018; therefore, the data relative to 2017 contained in this report is not comparable.

For a detailed description, please refer to Notes 1 and 21.

Note 1 Accounting policies and valuation methods

1.1 Interim Financial Statements

Vivendi's interim Condensed Financial Statements for the first half of 2018 are presented and have been prepared in accordance with IAS 34 – *Interim Financial Reporting* as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, except as described in paragraph 1.2 below, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2017 (please refer to Note 1 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2017, pages 232 to 243 of the 2017 Annual Report) and the following provisions were applied:

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

1.2 New IFRS standards and IFRIC interpretations which apply from January 1, 2018

Among the new IFRS standards and IFRIC interpretations as detailed in Note 1.6 "New IFRS standards and IFRIC interpretations that have been published but are not yet effective" to the Consolidated Financial Statements for the year ended December 31, 2017 (page 243 of the 2017 Annual Report), and which apply from January 1, 2018, the main subjects for Vivendi relates to financial instruments and revenues.

1.2.1 Financial Instruments

IFRS 9 – *Financial instruments*, which was issued by the IASB on July 24, 2014, endorsed by the EU on November 22, 2016 and published in the Official Journal of the EU on November 29, 2016, applies mandatorily from January 1, 2018. Vivendi applies this standard retrospectively as from January 1, 2018.

IFRS 9 applies to all financial instruments and defines the principles relating to the classification and measurement of financial assets and liabilities, impairment for credit risk on financial assets (including impairment of trade receivables), and hedge accounting.

[4] *This free translation of the "Rapport Annuel - Document de référence 2017" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.*

The main impacts for Vivendi on the accounting of financial instruments relates to the classification of financial assets. Thus, from January 1, 2018, financial assets have been classified in the accounting categories "financial assets at amortized cost", "financial assets at fair value through other comprehensive income" and "financial assets at fair value through profit or loss".

This classification depends on the entity's business model for managing the financial assets and on contractual terms that allow to determine if the cash flows are solely payments of principal and interest (SPPI). The financial assets that contain an embedded derivative should be considered in full to determine whether their cash flows are SPPI.

The main material impact for Vivendi of the application of this standard relates to the election of the accounting classification for the equity portfolio, considering the removal of the "available-for-sale" category under which these interests were accounted for until December 31, 2017:

- for certain equity securities, including Ubisoft and Spotify, Vivendi elected for the category "fair value through profit or loss"; the difference (€1,303 million) between the carrying value as of December 31, 2017 and the purchase price was reclassified from charges and income directly recognized in equity, to be subsequently reclassified to profit or loss, to retained earnings. In particular, the cumulative unrealized capital gain as of December 31, 2017, related to Vivendi's interest in Ubisoft (€1,160 million) was recorded as retained earnings as of January 1, 2018, as part of the initial application of the IFRS 9 accounting standard. Under IAS 39, which was applicable until December 31, 2017, it would have been reported to profit or loss as part of the sale that occurred during the first half of 2018 (please refer to Note 2.1); and
- for other equity securities, Vivendi elected for the category "fair value through other comprehensive income not reclassified subsequently to profit or loss"; the difference (-€162 million) between the carrying value as of December 31, 2017 and the purchase price was reclassified from charges and income directly recognized in equity, to be subsequently reclassified to profit or loss, to charges and income directly recognized in equity, not to be subsequently reclassified to profit or loss.

The application of this standard has no other material impact on Vivendi's Consolidated Financial Statements. On January 1, 2018, consolidated equity was adjusted to account for the cumulative impacts of the application of IFRS 9. For a description of these main impacts, please refer to Note 21.

1.2.2 Revenues

IFRS 15 – *Revenue from Contracts with Customers,* was issued by the IASB on May 28, 2014, endorsed by the EU on September 22, 2016, published in the Official Journal of the EU on October 29, 2016, and applies mandatorily from January 1, 2018.

Vivendi applies IFRS 15 with retrospective effect from January 1, 2017. The 2017 Consolidated Financial Statements, mainly the Statement of Earnings, have been adjusted for comparison purposes. The main impacts for Vivendi of the application of IFRS 15 are not material on Vivendi's Consolidated Financial Statements and are detailed in Note 21.

IFRS 15 introduces new principles on revenue recognition, notably regarding the identification of performance obligations or the allocation of the transaction price for contracts with multiple elements, and changes criteria for analyzing agent and principal considerations, as well as the inclusion of variable consideration. The main subject of attention for Vivendi relates to the accounting of intellectual property licensing revenues.

Intellectual property licensing (musical and audiovisual works)

These licenses transfer to a customer either a right to use an entity's intellectual property as it exists at the point in time at which the license is granted (static license), or a right to access an entity's intellectual property as it exists throughout the license period (dynamic license).

Revenues are accounted for when (static license) or as (dynamic license) the performance obligation promised in the contract is satisfied, i.e., when the seller transfers the risks and rewards of the right to use/access the intellectual property and the customer obtains control of the use/access of that license. Consequently, revenues from static licenses are recognized at the point in time when the license is transferred, and the customer is able to use and benefit from the license. Revenues from dynamic licenses are accounted for over time, over the license period as from the date the customer is able to use and benefit from the license.

Analysis of the Agent/Principal relationship in the sales transactions involving a third-party

If the nature of the entity's promise is a performance obligation to provide the specified goods or services itself, then the entity acts on its own behalf and it is "principal" in the sale's transaction: it accounts for revenue for the gross amount of consideration to which it expects to be entitled in exchange for the goods or services provided, and the commission due to the third-party as cost of revenues.

If the entity arranges for third-party to provide the goods or services specified in the contract, then it recognizes as revenues, the net amount of consideration to which it expects to be entitled in exchange for the goods or services provided.

Universal Music Group (UMG)

Recorded Music

The sales of recorded music (physical, digital downloading or streaming) are intellectual property licenses granted by UMG to distributors or digital platforms and which give them certain rights over its musical works. In its relationship with the distributor/digital platform and the end customer, UMG cannot be "principal", as the distributor or the digital platform is responsible for setting the transfer of control conditions of the right of use granted by the license to the end customer (broadcasting, price setting and conditions for reselling the physical devices).

Physical sales of recorded music (CDs, DVDs and Vinyls)

These intellectual property licenses are static licenses transferring to the customer a right to use UMG 's recordings as they exist at the point in time at which the license is granted, i.e., on the physical device sold.

Revenues from the physical sales of recorded music, net of a provision for estimated returns (please refer to Note 1.3.4.5 to the Audited Consolidated Financial Statements for the year ended December 31, 2017, page 236 of the 2017 Annual Report) and rebates if any, are accounted for, either upon the sale to the distributor, at the shipping point for products sold free on board (FOB) or on delivery for products sold free on destination, or upon the sale to the final customer for consignment sales.

Digital sales of recorded music, via downloading or streaming by subscription or free of charge

These intellectual property licenses are generally dynamic licenses providing a right to access the entire catalog of recorded music as it exists throughout the license period considering potential add-ons to or withdrawals from the catalog during that period.

The consideration paid by the digital platform is variable in the form of a sales-based or a usage-based royalty. Revenues are then accounted for when these subsequent sales or usages occur. Revenues from digital sales of recorded music, for which UMG has sufficient, accurate, and reliable data from digital platforms, are recognized at the end of the month in which the sale or usage is made by the end customer. In the absence of such data, revenues are recognized when the digital platform notifies UMG of the sale or usage by the end customer.

For digital sales of recorded music streaming by subscription or free of charge, certain contracts may include a non-refundable minimum guarantee which is generally recoupable and is in substance an advance payment. In the case of a dynamic license, the minimum guarantee is spread over the period to which it relates to and takes into account the amount of royalties that is actually recoupable. The minimum guarantee is then spread over, in line with the accounting for these royalties.

Music publishing

Music publishing corresponds to the use by a third-party of the copyrights on musical works owned or administered by UMG, which are intellectual property licenses that UMG grants to this third-party and which provides a right to access a catalog of recorded music, as these intellectual property licenses are dynamic licenses.

The consideration paid by the third-party, notably a collection society (e.g., company for the collective management of intellectual-property rights) is variable in the form of a royalty based on the usage by the third-party. The variable consideration being accounted for when these subsequent usages occur, revenues from music publishing are accounted for when the collection society notifies UMG of the usage by the end customer and collectability is assured.

Merchandising

Revenues from merchandising are recognized either upon sale to the end customer for the direct sales during touring, concessions and on the internet; either on delivery for sales by a third-party distributor; either when a contract is signed, or an invoice has been issued and the collectability is assured for sales of rights attached to merchandising products.

Canal+ Group

Terrestrial, satellite or ADSL television subscription services

Subscription to programs

Each subscription to a contract for pay-tv services is considered as a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer. The providing of set-top boxes, digital cards and access fees do not represent distinct services or goods, and they are to be combined with the subscription service as a single performance obligation satisfied over time, the customer simultaneously receiving and consuming the benefits provided by Canal+ Group's performance as the pay-tv services are provided. In its relationship with the third-party distributor and the end customer, Canal+ Group acts as "principal" in the transaction with the end customer for the self-distribution contracts as it is responsible for the activation of the subscription of the end customer and for setting the selling price.

Revenues, net of potential gratuities granted, are then accounted for over the period the service is performed from the activation date of the subscription and as the service is provided.

Video-on-demand and television-on-demand services

The video-on-demand service, allowing the customer to have an unlimited access to a catalog of programs by streaming and the television-on-demand service, providing access to one-time programs by downloading or streaming, are distinct services from the subscription service. In its relationship with the third-party distributor and the end customer, Canal+ Group is not "principal", as the third-party distributor is responsible for the performance of the service both technically and commercially.

The video-on-demand service is a performance obligation which is satisfied over time, and the revenues are accounted for over the period during which it is provided to the customer. The television-on-demand service is a performance obligation satisfied at a point in time, and the revenues are accounted for when the content is available for broadcasting.

Sales of advertising spaces

These are sales of television advertising spaces (in the form of classic TV commercials, of partnerships for shows or events) or advertising spaces on the website (videos and advertising banners).

Pay and free-to-air television

For the commercials, the distinct performance obligation is the reach of a gross rating point which is generally composed of a set of advertising messages aiming at a specific target audience and satisfied over time. Revenues from these sales, net of rebates if any, are accounted for over the period of the advertising campaign, generally as the advertising commercials are broadcasted considering potential free periods granted.

Website

Each type of advertising impression (advertising display) represents a distinct performance obligation, because the advertiser can benefit separately from each type of advertising imprint, satisfied at a point in time. Revenues from the sale of advertising spaces on the website, net of rebates if any, are accounted for when the advertising imprints are produced, i.e., when the advertisements are broadcasted on the website.

Film and television programs

Physical sales of movies (DVDs and Blu-rays)

Please refer to the section on physical sales of recorded music (CDs, DVDs and Vinyls) at UMG.

Sales of exploitation rights of audiovisual works

These sales are intellectual property licenses granted by Canal+ Group to broadcasters or to distributors and which give them certain rights over its audiovisual works. These licenses are static licenses because they transfer a right to use the films as they exist at the point in time at which the licenses are granted. In its relationship with the third-party distributor and the end customer, Canal+ Group is not "principal" in the transaction with the end customer, as the distributor is responsible for the delivery of the film and for the price setting to the end customer.

Revenues from the sale of the exploitation rights are accounted for, from the moment when the client is able to use it and obtain the remaining benefits. When the consideration paid by the customer is a fixed price, revenues from the sales of exploitation rights are accounted for at the latest of the delivery or the opening of the exploitation window contractually or legally (refer to the media chronology in France). When the consideration paid by the customer is variable in the form of a sales-based royalty to the end customer, revenues are recognized as the subsequent sale occurs.

Havas

Revenues from Havas derive substantially from fees and commissions for its activities:

- Creative: advice and services provided in the fields of communications and media strategy; and
- Media: planning and purchase of advertising spaces.

For each sale's transaction, Havas identifies if it acts as "principal" or not, based on its level of responsibility in the execution of the performance obligation, the control of the inventory and the price setting. Revenues are then recognized, net of costs incurred for production when Havas does not act as "principal".

When Havas acts as "principal", certain pass-through costs rebilled to customers, which were deducted from revenues in accordance with IAS 18 (applicable until December 31, 2017), are now recorded as revenues and as costs of revenues in accordance with IFRS 15. Given that these pass-through costs are not included in the measurement of the operating performance, Havas decided to use a new indicator, "net revenues", corresponding to revenues less these pass-through costs rebilled to customers.

Commissions are accounted for at a point in time, at the date the service is performed or at the date the media is aired or published.

Fees are accounted for as revenues as follows:

- one-off or project fees are recognized at a point in time when the service is performed, if these fees include a qualitative aspect which result is assessed by the client at the end of the project; and
- fixed fees are generally recognized over time on a straight-line basis reflecting the expected duration of the service; and fees based on time spent are recognized as work is performed.

Some of the contractual arrangements with clients also include performance incentives that entitle Havas to receive additional payments based upon its performance for the client, measured against specified qualitative and quantitative objectives. Havas recognizes the incentive portion of the revenue under these contractual arrangements when Havas considers highly probable that the qualitative and quantitative goals are achieved in accordance with the arrangements.

Gameloft

Digital sales of video games on mobile devices

The gaming experience sold by Gameloft is composed of a license to use a video game on mobile devices (which can be pre-set on the terminal), and, if any, adds-in allowing the player to progress in the video game (virtual elements, time-limited events and multi-player functionality).

The grant of a video game to an end customer through a third-party distributor, digital platform, telecom operator or mobile device manufacturer, as well as the virtual elements acquired in the video game, the time-limited events and the multi-player functionality, represent a single performance obligation in the form of an intellectual property license granted by Gameloft to third-party distributors.

These licenses are static because they transfer a right to use the video game as it exists at the point in time at which the license is granted, as Gameloft has no obligation to update the video game. In its relationship with the third-party distributor and the end customer, Gameloft acts as "principal" in the transaction with the end customer, when Gameloft is responsible for providing the video game license and for setting the price to the end customer.

The consideration paid by the third-party distributor is variable in the form of a sales-based royalty. Revenues are then accounted for when the subsequent sale occurs.

Sales of advertising spaces in video games, in the form of videos and advertising banners

The advertising display in a video game is an advertising impression corresponding to a distinct performance obligation, as the advertiser can benefit separately from each type of advertising impression, satisfied at a point in time.

Revenues from the sale of advertising spaces in video games, net of rebates if any, are then accounted for when the advertising impressions are produced, i.e., when the advertisements are published. When the sale is made by a third party (media agency or auction platform), Gameloft is generally "principal" in the sale's transaction with the advertiser, notably when Gameloft is responsible for technically supplying the advertising impression, as well as for setting the price.

1.3 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 at the date of approval of these Condensed Financial Statements, but which are not yet effective, and for which Vivendi has not elected for an earlier application, the main standard which may have an impact on Vivendi is IFRS 16 – *Leases*.

This standard, which applies mandatorily from January 1, 2019, was issued by the IASB on January 13, 2016, endorsed by the EU on October 31, 2017, and published in the Official Journal of the EU on November 9, 2017. Vivendi is in the process of determining the potential impact of the application of this standard on the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the Notes to the Consolidated Financial Statements. As the purchases and sales of rights to access and rights to use licenses of intellectual property are excluded from the scope of IFRS 16, the main subject of attention for Vivendi relates to the accounting of property leases for which Vivendi is the lessee.

Note 2 Major events

2.1 Sale of interest in Ubisoft

On March 20, 2018, Vivendi announced the sale of its entire 27.27% interest in Ubisoft at a price of €66 per share, representing an aggregate amount of €2 billion. This interest had been acquired by Vivendi over the past three years for €794 million.

On March 23, 2018, Vivendi received €1,511 million in connection with this sale. The balance of the sale proceeds still to be received amounted to €501 million under the forward sale of the remaining interest in Ubisoft. In the Condensed Statement of Financial Position as of June 30, 2018, Vivendi recorded a receivable on share disposal for the amount of the forward sale.

Vivendi realized a capital gain of €1,216 million on the sale of the interest in Ubisoft on March 20, 2018. However, of this amount, only the portion corresponding to the revaluation of the interest between January 1 and March 20, 2018 (€56 million), was recorded in the Statement of Earnings for the first half of 2018, in accordance with the new IFRS 9 accounting standard, applicable since January 1, 2018. The remaining portion of the capital gain (€1,160 million) corresponded to the revaluation of the interest until December 31, 2017, which was recorded in "charges and income directly recognized in equity" as of December 31, 2017, in accordance with the former IAS 39 accounting standard, and reclassified as retained earnings as of January 1, 2018, as part of the initial application of the IFRS 9. Under IAS 39, which was applicable until December 31, 2017, it would have been reported to profit or loss as part of the sale that occurred during the first half of 2018.

2.2 Sale of interest in Fnac Darty

On January 16, 2018, Vivendi entered into a hedging transaction to protect the value of its 11% interest in Fnac Darty. The hedge involved an over-the-counter instrument combining a forward sale, based on a reference price of €91 per share and a share market loan. Vivendi had retained the option to settle this transaction either in cash or in shares at maturity.

On July 2, 2018, Vivendi decided to settle the transaction in shares, which were delivered on July 10. On July 12, 2018, Vivendi received a cash payment of €267 million corresponding to the hedge price of €90.61 per share, after making an initial investment in May 2016 of €159 million, i.e., €54 per share. In the Condensed Statement of Financial Position as of June 30, 2018, Vivendi recorded a receivable on share disposal for the amount of the forward sale.

Mr. Stéphane Roussel and Mr. Simon Gillham, members of Vivendi's Management Board, have agreed to remain members of Fnac Darty's Board of Directors.

Note 3 Segment data

Revenues by activity

	Six months ended June 30,	
(in millions of euros)	2018	2017
Intellectual property licensing	2,874	2,869
Subscription services	2,256	2,260
Advertising, merchandising and other	1,358	339
Elimination of intersegment transactions	(25)	(6)
	6,463	**5,462**

Revenues by geographical area

	Six months ended June 30,	
(in millions of euros)	2018	2017
France	2,225	2,082
Rest of Europe	1,457	1,122
Americas	1,885	1,484
Asia/Oceania	601	515
Africa	295	259
	6,463	**5,462**

Main aggregates of the Statement of Earnings

(in millions of euros)	Six months ended June 30, 2018	2017	Year ended December 31, 2017
Revenues			
Universal Music Group	2,628	2,666	5,673
Canal+ Group	2,575	2,555	5,198
Havas	1,052	-	1,187
Gameloft	149	168	327
Vivendi Village	52	56	109
New Initiatives	32	23	51
Elimination of intersegment transactions	(25)	(6)	(44)
	6,463	**5,462**	**12,501**
Income from operations			
Universal Music Group	355	311	798
Canal+ Group	241	186	349
Havas	115	-	135
Gameloft	(4)	2	10
Vivendi Village	(7)	(7)	(6)
New Initiatives	(42)	(38)	(87)
Corporate	(56)	(53)	(101)
	602	**401**	**1,098**
Restructuring charges			
Universal Music Group	(20)	(15)	(17)
Canal+ Group	(28)	(21)	(49)
Havas	(7)	-	(15)
Gameloft	(3)	-	(1)
Vivendi Village	(1)	(1)	(2)
New Initiatives	(1)	-	(3)
Corporate	(2)	(1)	(1)
	(62)	**(38)**	**(88)**
Charges related to equity-settled share-based compensation plans			
Universal Music Group	(2)	(7)	(9)
Canal+ Group	-	(3)	(6)
Havas	(6)	-	(3)
Gameloft	(1)	(1)	(2)
Vivendi Village	-	-	-
New Initiatives	-	-	-
Corporate	(1)	(4)	(8)
	(10)	**(15)**	**(28)**
Other non-current operating charges and income			
Universal Music Group	(7)	(3)	(11)
Canal+ Group	8	9	6
Havas	-	-	(6)
Gameloft	-	(2)	(3)
Vivendi Village	2	(1)	(10)
New Initiatives	-	-	(2)
Corporate	9	1	13
	12	**4**	**(13)**
Adjusted earnings before interest and income taxes (EBITA)			
Universal Music Group	326	286	761
Canal+ Group	221	171	300
Havas	102	-	111
Gameloft	(8)	(1)	4
Vivendi Village	(6)	(9)	(18)
New Initiatives	(43)	(38)	(92)
Corporate	(50)	(57)	(97)
	542	**352**	**969**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Six months ended June 30, 2018	Six months ended June 30, 2017	Year ended December 31, 2017
EBIT (a)	**492**	**362**	**1,018**
Adjustments			
Amortization of intangible assets acquired through business combinations	51	65	122
Impairment losses on intangible assets acquired through business combinations (a)	2	-	2
Reversal of reserve related to the Securities Class Action litigation in the United States (a)	-	(27)	(27)
Income from equity affiliates - operational (a)	(3)	(48)	(146)
EBITA	**542**	**352**	**969**
Adjustments			
Restructuring charges (a)	62	38	88
Charges related to equity-settled share-based compensation plans	10	15	28
Other non-current operating charges and income	(12)	(4)	13
Income from operations	**602**	**401**	**1,098**

a. As reported in the Consolidated Statement of Earnings.

Statement of Financial Position

(in millions of euros)	June 30, 2018	December 31, 2017
Segment assets (a)		
Universal Music Group	9,421	8,512
Canal+ Group	7,259	7,636
Havas	5,064	5,327
Gameloft	705	715
Vivendi Village	274	225
New Initiatives	549	551
Corporate	6,255	8,391
of which investments in equity affiliates	*3,640*	*4,256*
listed equity securities (b)	*1,290*	*3,751*
	29,527	**31,357**
Segment liabilities (c)		
Universal Music Group	3,853	3,647
Canal+ Group	2,139	2,533
Havas	3,265	3,761
Gameloft	78	71
Vivendi Village	151	139
New Initiatives	67	64
Corporate	934	957
	10,487	**11,172**

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. The decrease in the amount of listed equity securities mainly related to the sale of Vivendi's interest in Ubisoft (March 20, 2018) and Fnac Darty (July 10, 2018): please refer to Note 2.

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

Capex, depreciation and amortization

(in millions of euros)	Six months ended June 30, 2018	Six months ended June 30, 2017	Year ended December 31, 2017
Capital expenditures, net (capex net) (a)			
Universal Music Group	58	25	63
Canal+ Group	62	73	144
Havas	16	-	21
Gameloft	3	3	6
Vivendi Village	3	7	11
New Initiatives	5	5	13
Corporate	4	-	1
	151	**113**	**259**
Increase in tangible and intangible assets			
Universal Music Group	66	25	73
Canal+ Group	63	46	138
Havas	16	-	21
Gameloft	3	3	7
Vivendi Village	3	7	15
New Initiatives	4	5	9
Corporate	-	-	1
	155	**86**	**264**
Depreciation of tangible assets			
Universal Music Group	22	28	53
Canal+ Group	67	77	154
Havas	19	-	20
Gameloft	3	5	8
Vivendi Village	1	1	2
New Initiatives	3	3	6
Corporate	-	-	-
	115	**114**	**243**
Amortization of intangible assets excluding those acquired through business combinations			
Universal Music Group	-	-	-
Canal+ Group	31	30	66
Havas	4	-	4
Gameloft	1	1	1
Vivendi Village	-	4	13
New Initiatives	5	4	10
Corporate	-	-	-
	41	**39**	**94**
Amortization of intangible assets acquired through business combinations			
Universal Music Group	38	43	84
Canal+ Group	5	6	12
Havas	-	-	1
Gameloft	7	14	21
Vivendi Village	-	1	2
New Initiatives	1	1	2
Corporate	-	-	-
	51	**65**	**122**

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

Note 4 Interest

(in millions of euros)	Six months ended June 30,		Year ended
(Charge)/Income	2018	2017	December 31, 2017
Interest expense on borrowings	(32)	(35)	(68)
Interest income from cash, cash equivalents and investments	6	10	15
Interest	**(26)**	**(25)**	**(53)**
Fees and premiums on borrowings and credit facilities issued	*(1)*	*(1)*	*(2)*
	(27)	**(26)**	**(55)**

Note 5 Income taxes

(in millions of euros)	Six months ended June 30,		Year ended
(Charge)/Income	2018	2017	December 31, 2017
Impact of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	55	19	507 (a)
Other components of the provision for income taxes	(320) (b)	(143)	(152)
Provision for income taxes	**(265)**	**(124)**	**355**

a. Mainly included the current tax income of €409 million from the settlement in Vivendi SA's favor of the litigation related to the Consolidated Global Profit Tax System of 2011 (please refer to Note 19).

b. Included the deferred tax charge related to the revaluation through profit or loss of the interest in Spotify (-€114 million), in accordance with the new accounting standard IFRS 9, applicable since January 1, 2018.

Note 6 Earnings per share

	Six months ended June 30,				Year ended	
	2018		2017		December 31, 2017	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners	165	165	176	176	1,216	1,182 (a)
Earnings from discontinued operations attributable to Vivendi SA shareowners	-	-	-	-	-	-
Earnings attributable to Vivendi SA shareowners	165	165	176	176	1,216	1,182
Number of shares (in millions)						
Weighted average number of shares outstanding (b)	1,259.9	1,259.9	1,251.7	1,251.7	1,252.7	1,252.7
Potential dilutive effects related to share-based compensation	-	4.9	-	3.9	-	4.8
Adjusted weighted average number of shares	**1,259.9**	**1,264.8**	**1,251.7**	**1,255.6**	**1,252.7**	**1,257.5**
Earnings per share (in euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.13	0.13	0.14	0.14	0.97	0.94
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	-	-	-	-	-	-
Earnings attributable to Vivendi SA shareowners per share	0.13	0.13	0.14	0.14	0.97	0.94

a. Related only to the impact for Vivendi of Telecom Italia's dilutive instruments, calculated based on the financial information disclosed by Telecom Italia with a three-month reporting lag (please refer to Note 10.2).

b. Net of the weighted average number of treasury shares (38.7 million shares for the first half of 2018, compared to 35.5 million shares for the first half of 2017 and 37.5 million shares in fiscal year 2017).

Note 7 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

(in millions of euros)	Items not subsequently reclassified to profit or loss: Actuarial gains/(losses) related to employee defined benefit plans	Items not subsequently reclassified to profit or loss: Financial assets at fair value through other comprehensive income	Items to be subsequently reclassified to profit or loss: Unrealized gains/(losses): Available-for-sale securities	Items to be subsequently reclassified to profit or loss: Unrealized gains/(losses): Hedging instruments	Items to be subsequently reclassified to profit or loss: Unrealized gains/(losses): Total	Items to be subsequently reclassified to profit or loss: Foreign currency translation adjustments	Items to be subsequently reclassified to profit or loss: Other comprehensive income from equity affiliates, net	**Other comprehensive income**
Balance as of December 31, 2017	**(272)**	**-**	**1,141**	**77**	**1,218**	**(497)**	**81** (a)	**530**
Restatements related to the application of IFRS 9 (b)	-	(198)	(1,141)	1	(1,140)	-	-	(1,338)
Restatements related to the application of IFRS 9 and IFRS 15 by equity affiliates	-	-	-	-	-	-	2	2
Balance as of January 1, 2018	**(272)**	**(198)**	**na**	**78**	**78**	**(497)**	**83**	**(806)**
Charges and income directly recognized in equity	(6)	(246)	-	5	5	147	(96)	(196)
Items to be reclassified to profit or loss	-	-	-	(1)	(1)	-	-	(1)
Tax effect	1	(1)	-	(1)	(1)	-	-	(1)
Balance as of June 30, 2018	**(277)**	**(445)**	**na**	**81**	**81**	**(350)**	**(13)** (a)	**(1,004)**

na: not applicable.

a. Included foreign currency translation from Telecom Italia for €51 million as of June 30, 2018, compared to €111 million as of December 31, 2017.

b. Notably included the reclassification to retained earnings of the unrealized capital gain as of December 31, 2017 related to Vivendi's interest in Ubisoft (please refer to Note 2.1).

Note 8 Goodwill

(in millions of euros)	June 30, 2018	December 31, 2017
Goodwill, gross	26,606	26,084
Impairment losses	(14,279)	(14,000)
Goodwill	**12,327**	**12,084**

Changes in goodwill

(in millions of euros)	December 31, 2017	Impairment losses	Business combinations	Changes in foreign currency translation adjustments and other	June 30, 2018
Universal Music Group	4,736	-	5	153 (a)	4,894
Canal+ Group	4,576	-	23	(4)	4,595
Havas	1,878	-	22	16	1,916
Gameloft	583	-	-	-	583
Vivendi Village	103	-	27 (b)	2	132
New Initiatives	208	(1)	-	-	207
Total	**12,084**	**(1)**	**77**	**167**	**12,327**

a. Primarily included the foreign currency translation of the dollar (USD) against the euro.

b. Notably included the provisional goodwill attributable to Paylogic, a ticketing and technology company acquired by Vivendi Village on April 16, 2018.

As of June 30, 2018, Vivendi assessed whether there was any indication that any of its cash generating units ("CGU") or groups of CGU may have become impaired during the first half of 2018. Vivendi Management concluded that there were no triggering events that would indicate any reduction in the value of any CGU or groups of CGU, compared to December 31, 2017. In addition, Vivendi will perform an annual impairment test of the carrying value of goodwill and other intangible assets during the fourth quarter of 2018.

Note 9 Content assets and commitments

9.1 Content assets

(in millions of euros)	June 30, 2018 Content assets, gross	June 30, 2018 Accumulated amortization and impairment losses	June 30, 2018 Content assets	December 31, 2017 Content assets
Music catalogs and publishing rights	8,384	(7,017)	1,367	1,338
Advances to artists and repertoire owners	891	-	891	704
Merchandising contracts and artists services	21	(21)	-	-
Film and television costs	6,626	(5,850)	776	790
Sports rights	109	-	109	408
Other	44	(37)	7	7
Content assets	**16,075**	**(12,925)**	**3,150**	**3,247**
Deduction of current content assets	(960)	18	(942)	(1,160)
Non-current content assets	**15,115**	**(12,907)**	**2,208**	**2,087**

9.2 Contractual content commitments

Commitments given recorded in the Statement of Financial Position: content liabilities

(in millions of euros)	Minimum future payments as of June 30, 2018	Minimum future payments as of December 31, 2017
Music royalties to artists and repertoire owners	1,891	1,843
Film and television rights	166	139
Sports rights (a)	55	468
Creative talent, employment agreements and others	125	132
Content liabilities	**2,237**	**2,582**

a. The decrease in sports rights recorded in the Statement of Financial Position was mainly due to the consumption of broadcasting rights to the French professional Soccer League 1 for the 2017/2018 season.

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of June 30, 2018	Minimum future payments as of December 31, 2017
Film and television rights (a)	2,395	2,724
Sports rights	2,102 (b)	2,022
Creative talent, employment agreements and others	1,066	1,112
Given commitments	**5,563**	**5,858**
Film and television rights (a)	(223)	(212)
Sports rights	(15)	(16)
Creative talent, employment agreements and others	not available	
Received commitments	**(238)**	**(228)**
Total net	**5,325**	**5,630**

a. As of June 30, 2018, provisions recorded in connection with film and television broadcasting rights amounted to €22 million (€27 million as of December 31, 2017).

b. Notably included broadcasting rights held by Canal+ Group to the following sport events:
- the French professional Soccer League 1, for the two seasons 2018/2019 and 2019/2020 for the two premium lots (€1,097 million);
- the National French Rugby Championship "Top 14", on an exclusive basis, for the five seasons 2018/2019 to 2022/2023; and
- Formula 1, Formula 2 and GP3 racings, on an exclusive basis, for the seasons 2019 and 2020.

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.

Note 10 Investments in equity affiliates

10.1 Main investments in equity affiliates

(in millions of euros)	Voting interest		Net carrying value of equity affiliates	
	June 30, 2018	January 1, 2018	June 30, 2018	January 1, 2018
Telecom Italia (a)	23.9%	23.9%	3,640	4,242
Banijay Group Holding	31.4%	31.4%	145	142
Vevo	49.4%	49.4%	82	80
Other	na	na	62	62
			3,929	**4,526**

na: not applicable.

a. As of June 30, 2018, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, i.e., 23.9%, representing 17.2% of the total share capital. At the stock market price as of June 30, 2018 (€0.6374 per ordinary share), the market value of this interest amounted to €2,320 million. For an analysis of the value of Vivendi's interest in Telecom Italia as of June 30, 2018, please refer to paragraph 10.2 below.

Change in value of investments in equity affiliates

(in millions of euros)	Six months ended June 30, 2018		Year ended December 31, 2017
Opening balance	**4,526**	(a)	**4,416**
Acquisitions	-		40
Sales	-		-
Write-downs	(512)	(b)	-
Income from equity affiliates (c)	11		146
Change in other comprehensive income	(95)		(32)
Dividends received	(1)		(6)
Other	-		(24)
Closing balance	**3,929**		**4,540**

a. In accordance with the new IFRS 9 and IFRS 15 accounting standards, the opening balance sheet as of January 1, 2018 was restated by equity affiliates (please refer to Note 21).

b. Vivendi wrote-down the value of its interest in Telecom Italia for €512 million (please refer below).

c. Primarily included Vivendi's share of Telecom Italia's net earnings for €8 million for the first half of 2018 (please refer below), compared to €44 million for the first half of 2017.

10.2 Telecom Italia

Equity accounting of Telecom Italia

As of June 30, 2018, with no change compared to December 31, 2017, Vivendi held 3,640 million Telecom Italia ordinary shares, representing 23.9% of the voting rights and 17.2% of the total share capital of Telecom Italia, while taking into account non-voting savings shares with privileged dividend rights. Since December 31, 2017, the following main events occurred:

- On March 22, 2018, with effect from April 24, 2018, the three members of Telecom Italia's Board of Directors representing Vivendi resigned, including Mr. Arnaud de Puyfontaine, Executive Chairman of Telecom Italia's Board of Directors since June 1, 2017.
- On May 4, 2018, Telecom Italia's Shareholders' Meeting appointed five board candidates out of the ten candidates proposed by Vivendi, including Messrs. Arnaud de Puyfontaine and Amos Genish. Vivendi's board candidate slate had 47% of the votes cast compared to 49% of the votes cast for Elliott's slate which obtained ten directors.
- On May 7, 2018, Telecom Italia's Board of Directors unanimously appointed Mr. Amos Genish as *Amministratore Delegato* (Chief Executive Officer) of Telecom Italia. On this occasion, Vivendi reaffirmed its long-term commitment to Telecom Italia. Vivendi supports the 2018-2020 industrial plan announced by Mr. Amos Genish on March 12, 2018 and unanimously approved by Telecom Italia's Board of Directors. Vivendi will carefully monitor that the plan is coherently implemented in its entirety and that the measures taken to improve the profitability of Telecom Italia, already bearing fruit, are continued.

- On May 16, 2018, Telecom Italia's Board of Directors considered that Vivendi was no longer exercising "management and coordination activities" (*attività di direzione e coordinamento*, according to Article 2497-bis of the Italian Civil Code) over Telecom Italia and consequently terminated the "management and coordination activities" that had been exercised by Vivendi since July 27, 2017.

Notwithstanding the change in the governance of Telecom Italia for the first half of 2018, and the subsequent decrease of Vivendi's influence over Telecom Italia's Board of Directors, Vivendi continues to consider that it has the power to participate in Telecom Italia's financial and operating policy decisions, given particularly the 23.9% voting rights it holds in Telecom Italia, and, as a result, it is deemed to exercise a significant influence over Telecom Italia. To account for this decrease of influence over Telecom Italia in 2018, Vivendi now records its share of Telecom Italia's net earnings as "income from equity affiliates – non-operational". In 2017, it was recorded as "income from equity affiliates – operational".

Vivendi's share of Telecom Italia's earnings

Vivendi relies on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method. Given Vivendi's and Telecom Italia's respective publication dates of their financial statements, Vivendi always accounts for its share of Telecom Italia's net earnings with a three-month reporting lag. Therefore, for the first half of 2018, Vivendi's earnings take into account its share of Telecom Italia's net earnings for the fourth quarter of 2017 and for the first quarter of 2018, i.e., an aggregate of €8 million, which was calculated as follows:

- €8 million, attributable to Vivendi's share of Telecom Italia's profit for the fourth quarter of 2017, calculated based on the financial information for the year ended December 31, 2017, as disclosed by Telecom Italia on March 6, 2018;
- €30 million, attributable to Vivendi's share of Telecom Italia's profit for the first quarter of 2018, calculated based on the financial information for the first quarter ended March 31, 2018, as disclosed by Telecom Italia on May 16, 2018; and
- -€30 million, excluded from adjusted net income, corresponding to the amortization of intangible assets related to the purchase price allocation for Telecom Italia.

In addition, for the first half of 2018, Vivendi's share of Telecom Italia's charges and income directly recognized in equity amounted to -€98 million, including -€59 million related to foreign currency translation adjustments.

Value of Vivendi's interest in Telecom Italia as of June 30, 2018

As of June 30, 2018, the stock market price of Telecom Italia ordinary shares (€0.6374) had decreased compared to the average purchase price paid by Vivendi (€1.0709). In particular, Vivendi has observed the significant decrease in the stock market price of Telecom Italia since May 4, 2018, the date of Telecom Italia's Shareholders' Meeting during which the Board of Directors' composition was changed and a new Chairman was appointed. Notwithstanding the expected improvement of Telecom Italia's outlook (assuming the 2018-2020 industrial plan approved unanimously on March 12, 2018 by Telecom Italia's former Board of Directors is effectively implemented by the newly appointed Board), Vivendi wrote-down the value of its interest in Telecom Italia for €512 million, notably to take into account the execution risks associated with this industrial plan given Vivendi's lower power to participate in Telecom Italia's financial and operating policy decisions. Therefore, in Vivendi's Condensed Financial Statements for the half-year ended June 30, 2018, the value of Telecom Italia shares accounted for under the equity method was €3,640 million.

As a reminder, as of December 31, 2017, Vivendi performed an impairment test to determine whether the recoverable amount of its interest in Telecom Italia exceeded its carrying value. With the assistance of a third-party appraiser, Vivendi Management concluded that the recoverable amount of its interest in Telecom Italia, which was calculated using standard valuation methods (i.e., the value in use, determined as the discounted value of future cash flows, and the fair value, determined on the basis of market data: stock market prices, comparable listed companies and comparison with the value attributed to similar assets or companies in recent acquisition transactions), exceeded its carrying value.

At year-end 2018, Vivendi will re-examine the value of its interest in Telecom Italia once Telecom Italia's business plan has been updated.

Financial information related to 100% of Telecom Italia

The main aggregates of the Consolidated Financial Statements, as disclosed by Telecom Italia, are as follows:

(in millions of euros)	Three months Financial Statements as of March 31, 2018	Annual Financial Statements as of December 31, 2017
Date of publication by Telecom Italia:	*May 16, 2018*	*March 6, 2018*
Non-current assets	56,920	58,452
Current assets	9,048	10,331
Total assets	65,968	68,783
Total equity	23,642	23,783
Non-current liabilities	30,423	32,612
Current liabilities	11,903	12,388
Total liabilities	65,968	68,783
of which net financial debt (a)	*26,494*	*26,091*
Revenues	4,709	19,828
EBITDA (a)	1,817	7,790
Earnings attributable to Telecom Italia shareowners	216	1,121
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	(41)	527

a. Non-GAAP measures ("Alternative Performance Measures"), as disclosed by Telecom Italia.

Note 11 Financial assets

(in millions of euros)	June 30, 2018				January 1, 2018			
	Total		Current	Non-current	Total	Current	Non-current	
Financial assets at fair value through profit or loss								
Term deposits (a)	254		254	-	50	50	-	
Level 1								
Bond funds (a)	35		35	-	25	25	-	
Listed equity securities	944		-	944	1,956	-	1,956	(b)
Other financial assets	5		5	-	5	5	-	
Level 2								
Unlisted equity securities	47		-	47	348	-	348	
Derivative financial instruments	53		24	29	19	4	15	
Level 3 - Other financial assets (c)	64		-	64	62	-	62	
Financial assets at fair value through other comprehensive income (d)								
Level 1 - Listed equity securities	1,294		-	1,294	1,798	-	1,798	
Level 2 - Unlisted equity securities	15		15	-	13	-	13	
Level 3 - Unlisted equity securities	49		-	49	47	-	47	
Financial assets at amortized cost	1,056	(e)	808	248	317	54	263	
Financial assets	**3,816**		**1,141**	**2,675**	**4,640**	**138**	**4,502**	

The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1 to the Consolidated Financial Statements for the year ended December 31, 2017 (page 234 of the 2017 Annual Report).

a. Relates to cash management financial assets, included in the cash position: please refer to Note 12.

b. Related to Vivendi's interest in Ubisoft which was reclassified as "fair value through profit or loss" as of January 1, 2018.

c. These financial assets notably included the fair value of the bond redeemable into either shares or cash (ORAN 2) and the balance of the bond redeemable into either shares or cash ("new" ORAN 1) subscribed to by Vivendi, as part of its investment in Banijay Group Holding in 2016 and 2017, respectively.

d. These assets relate to listed and non-listed equity securities, which Vivendi decided to classify as "fair value through other comprehensive income". These financial assets had been classified as "financial assets available-for-sale" until December 31, 2017.

e. As of June 30, 2018, these financial assets notably included:
   - a receivable of €501 million on the forward sale of the remaining interest in Ubisoft (please refer to Note 2.1);
   - a receivable of €267 million on the sale of the interest in Fnac Darty (please refer to Note 2.2);
   - a bond redeemable in cash subscribed to by Vivendi in 2016 as part of its investment in Banijay Group Holding for €53 million; and
   - a €70 million cash deposit made in March 2017 pursuant to an agreement to purchase a piece of land on the île Seguin, in the Parisian suburb Boulogne Billancourt.

Listed equity and financial assets portfolio

	June 30, 2018										
	Number of shares held	Purchase price (a)	Voting interest		Ownership interest	Stock market price		Carrying value	Change in value over the period (b)	Cumulative unrealized capital gain/(loss) (b)
	(in thousands)	(in millions of euros)				(€/share)			(in millions of euros)	
Mediaset	340,246	1,259	9.99%	(c)	28.80%	2.74		932	(167)	(327)
Ubisoft	7,591	796	11.63%		6.79%	66.00	(d)	501	na	na
Telefonica (e)	49,247	569	0.95%		0.95%	7.28		358	(42)	(211)
Fnac Darty	2,945	159	11.03%		11.03%	90.61	(f)	267	na	na
Other								948	642	833
Total								**3,006**	**433**	**295**

	December 31, 2017									
	Number of shares held	Purchase price (a)	Voting interest		Ownership interest	Stock market price	Carrying value	Change in value over the period (b)	Cumulative unrealized capital gain/(loss) (b)
	(in thousands)	(in millions of euros)				(€/share)		(in millions of euros)	
Mediaset	340,246	1,259	29.94%	(c)	28.80%	3.23	1,099	(300)	(160)
Ubisoft	30,489	796	29.04%		27.27%	64.14	1,956	929	1,160
Telefonica (e)	49,247	569	0.95%		0.95%	8.13	400	(34)	(169)
Fnac Darty	2,945	159	11.05%		11.05%	100.70	297	108	138
Other							3	-	(2)
Total							**3,754**	**703**	**967**

na: not applicable.

a. Includes acquisition fees and taxes.

b. As from January 1, 2018, these amounts (before taxes) are either reported to profit or loss, or recorded as other comprehensive income not subsequently reclassified to profit or loss in accordance with IFRS 9. As of December 31, 2017, under IAS 39, they were recorded as other charges and income directly recognized in equity.

c. The partnership agreement entered into between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. As of December 31, 2017, Vivendi held 29.94% of Mediaset's voting rights. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its shareholding in excess of 10% of Mediaset's voting rights to an independent trustee (please refer to Note 19).

d. As of June 30, 2018, Vivendi held a receivable of €501 million on the forward sale of the remaining interest in Ubisoft at a price of €66 per share (please refer to Note 2.1).

e. For the first half of 2018, Vivendi received €10 million in dividends from Telefonica (€10 million for the first half of 2017 and €20 million in fiscal year 2017).

f. As of June 30, 2018, Vivendi held a receivable of €267 million on the sale of the interest in Fnac Darty at the hedge price of €90.61 per share (please refer to Note 2.2).

Note 12 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 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.

	June 30, 2018	December 31, 2017
Term deposits	254	50
Bond funds and other	35	25
Cash management financial assets	**289**	**75**
Cash	304	389
Term deposits and interest-bearing current accounts	1,764	1,257
Money market funds	604	275
Bond funds	-	30
Cash and cash equivalents	**2,672**	**1,951**
Cash position	**2,961**	**2,026**

Note 13 Equity

Changes in the share capital of Vivendi SA

(in thousands)	June 30, 2018	December 31, 2017
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,300,045**	**1,296,059**
Treasury shares	(38,274)	(39,408)
Number of shares, net	**1,261,771**	**1,256,651**
Number of voting rights, gross	**1,423,085**	**1,513,250**
Treasury shares	(38,274)	(39,408)
Number of voting rights, net	**1,384,811**	**1,473,842**

Share repurchases

On April 19, 2018, the General Shareholders' Meeting renewed the authorization given to Vivendi's Management Board to repurchase shares of the company within the limit of 5% of the share capital and at a maximum price of €24 per share.

As of June 30, 2018, Vivendi held 38,274 thousand treasury shares, representing 2.94% of the share capital (compared to 3.04% of the share capital as of December 31, 2017).

Shareholders' dividend distributions

On February 12, 2018 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2017 and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.45 per share (a 12.5% increase) representing a total distribution of €568 million. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 15, 2018, and adopted by the Annual General Shareholders' Meeting held on April 19, 2018. The dividend was paid on April 24, 2018 (following the coupon detachment on April 20, 2018).

Note 14 Provisions

(in millions of euros)	Note	June 30, 2018	December 31, 2017
Employee benefits (a)		750	746
Restructuring costs (b)		79	59
Litigations	19	214	260
Losses on onerous contracts		43	61
Contingent liabilities due to disposal (c)		15	16
Other (d)		800	785
Provisions		**1,901**	**1,927**
Deduction of current provisions		(400)	(412)
Non-current provisions		**1,501**	**1,515**

a. Included deferred employee compensation as well as provisions for defined employee benefit plans (€715 million as of June 30, 2018 and €712 million as of December 31, 2017), but excluded employee termination reserves recorded under restructuring costs.

b. Primarily included provisions for restructuring at UMG (€17 million as of June 30, 2018, compared to €9 million as of December 31, 2017) and at Canal+ Group (€59 million as of June 30, 2018, compared to €50 million as of December 31, 2017).

c. 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.

d. Notably included the provisions with respect to the 2012 and 2015 French Tax Group System (€251 million and €203 million, respectively), as well as litigation provisions for which the amount and nature are not disclosed because such disclosure could be prejudicial to Vivendi.

Changes in provisions

(in millions of euros)	Six months ended June 30, 2018	Year ended December 31, 2017	
Opening balance	**1,927**	**2,141**	
Addition	110	451	
Utilization	(128)	(270)	(a)
Reversal	(43)	(503)	(a)
Business combinations	-	172	
Divestitures, changes in foreign currency translation adjustments and other	35	(64)	
Closing balance	**1,901**	**1,927**	

a. Notably included the reversal of reserve related to the securities class action in the United States for an aggregate amount of €100 million (please refer to Note 23 to the Consolidated Financial Statements for the year ended December 31, 2017 - pages 302 and 303 of the 2017 Annual Report).

Note 15 Share-based compensation plans

15.1 Plans granted by Vivendi

15.1.1 Equity-settled instruments

Transactions on outstanding instruments that occurred since January 1, 2018 were as follows:

	Stock options		Performance shares
	Number of outstanding stock options	Weighted average strike price of outstanding stock options	Number of outstanding performance shares
	(in thousands)	(in euros)	(in thousands)
Balance as of December 31, 2017	**13,202**	**16.8**	**4,303**
Granted	-	na	1,632
Exercised / Registered in an account	(4,229) (a)	18.2	(760)
Forfeited	(968)	20.2	na
Cancelled	-	na	(339) (b)
Balance as of June 30, 2018	**8,005** (c)	**15.6**	**4,836** (d)
Acquired / Exercisable as of June 30, 2018	**8,005**	**15.6**	**-**
Rights acquired as of June 30, 2018	**-**	**na**	**416**

na: not applicable.

a. During the first half of 2018, beneficiaries exercised stock options at the weighted average stock market price of €22.37.

b. At its meeting held on February 15, 2018, after review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the level of satisfaction of objectives set for the cumulative fiscal years 2015, 2016 and 2017 for the performance share plan granted in 2015. It confirmed that not all the criteria had been met. The final grant of the 2015 performance share plan represents 75% of the initial grant, as adjusted. Consequently, 243,464 rights to performance shares granted in 2015 were cancelled. In addition, 95,240 rights were cancelled due to the termination of employment of certain beneficiaries.

c. At the stock market price on June 30, 2018, the cumulated intrinsic value of remaining stock options to be exercised was estimated at €43 million.

d. The weighted-average remaining period before delivering performance shares was 2.2 years.

Performance share plans

On May 17, 2018, Vivendi granted to employees and executive management 1,632 thousand performance shares, of which 175,000 to members of the Management Board. As of May 17, 2018, the share price was €23.03 and the expected dividend yield was 1.95%. After taking into account the cost associated with the retention period of the shares (described below), the discount for non-transferability was set at 8.1% of the share price as of May 17, 2018. Consequently, the fair value of each granted performance share was estimated at €19.85, corresponding to an aggregate fair value of the plan of €32 million.

Subject to satisfaction of the performance criteria, performance shares definitely vest at the end of a three-year period, subject to presence of the beneficiaries in the group (vesting period), and the shares must be held by the beneficiaries for an additional two-year period (retention period). The compensation cost is recognized on a straight-line basis over the vesting period. The accounting methods applied to estimate and recognize the value of these granted plans are described in Note 1.3.10 to the Consolidated Financial Statements for the year ended December 31, 2017 (page 242 of the 2017 Annual Report).

Satisfaction of the objectives that determine the definitive grant of performance shares is assessed over a three-year consecutive period based on the following performance criteria:

- Internal indicators (with a weighting of 70%):
  - the group's earnings before interest and income taxes - EBIT (35%); and
  - the group's cash flow from operations after interest and income tax paid - CFAIT (35%).
- External indicators (with a weighting of 30%) tied to changes in Vivendi's share price compared to the STOXX® Europe Media index (20%) and to the CAC 40 index (10%).

For the first half of 2018, the charge recognized with respect to all performance share plans amounted to €4 million, compared to €9 million for the same period of 2017.

15.1.2 Employee stock purchase and leveraged plans

On July 19, 2018, Vivendi made capital increases through employee stock purchase plans and leveraged plans which gave the group's employees and retirees an opportunity to subscribe for Vivendi shares.

These shares, which are subject to certain sale or transfer restrictions during a five-year period, are subscribed to at a discount of up to 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date of the Management Board meeting which set the subscription price for the new shares to be issued. The difference between the subscription price for the shares and the share price on that date represents the benefit granted to the beneficiaries. In addition, Vivendi applied a discount for non-transferability 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 on which the subscription price for the new shares to be issued is set.

The applied valuation assumptions were as follows:

	2018
Grant date	June 18
Data at grant date:	
Share price (in euros)	21.57
Expected dividend yield	2.09%
Risk-free interest rate	-0.11%
5-year interest rate in fine	3.81%
Repo rate	0.36%
Discount for non-transferability per share	17.49%

Under the employee stock purchase plan (ESPP), 734 thousand shares were subscribed for in 2018 through a company mutual fund (*Fonds Commun de Placement d'Entreprise*) at a price of €19.327 per share. As of June 30, 2018, no charges were recognized, as the benefit granted, which is equal to the positive difference between the subscription price and the stock price at the end of the subscription period on June 18, 2018 (discount of 10.40%), was lower than the discount for non-transferability (17.49%).

Under the leveraged plan, 4,259 thousand shares were subscribed for in 2018 through a company mutual fund at a price of €19.327 per share. The leveraged plan entitles 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) equal to 10 shares for each subscribed share. A financial institution mandated by Vivendi hedges this transaction. In addition, 193 thousand shares were subscribed for as part of an employee shareholding plan implemented for employees of the group's Japanese subsidiaries. As of June 30, 2018, the charge recognized with respect to the leveraged plan amounted to nearly €1 million.

Transactions carried out in France and foreign countries through company mutual funds (*Fonds Commun de Placement d'Entreprise*; employee stock purchase and leveraged plans) resulted in a capital increase on July 19, 2018 for an aggregate value of €100 million (including issue premium).

15.2 Restricted and performance share plans granted by Havas

Transactions on outstanding shares that occurred since January 1, 2018 were as follows:

	Number of outstanding shares (in thousands)	
Balance as of December 31, 2017	**7,933**	
Forfeited	(1,719)	(a)
Cancelled	(199)	
Balance as of June 30, 2018	**6,015**	

a. With respect to the plan that expired on April 30, 2018, 870 thousand shares were subject to a liquidity agreement at a price of €9.25 per share and 849 thousand Havas shares were replaced by 374 thousand Vivendi shares, in accordance with the terms and conditions of the plan. As a reminder, the option was proposed to all holders of Havas's restricted and performance outstanding shares (please refer to Note 18.2 to the Consolidated Financial Statements for the year ended December 31, 2017 - pages 284 and 285 of the 2017 Annual Report).

For the first half of 2018, the charge recognized in respect of all restricted and performance share plans granted by Havas amounted to €5 million.

15.3 Restricted share plans granted by Gameloft S.E.

As of June 30, 2018, the number of outstanding restricted shares amounted to 734 thousand shares, which is unchanged compared to December 31, 2017. For the first half of 2018, the charge recognized in respect of all restricted share plans granted by Gameloft amounted to nearly €1 million.

Note 16 Borrowings and other financial liabilities

		June 30, 2018			December 31, 2017		
(in millions of euros)	Note	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	16.2	4,150	4,050	100	4,150	4,050	100
Short-term marketable securities issued		-	-	-	-	-	-
Bank overdrafts		63	-	63	75	-	75
Accrued interest to be paid		39	-	39	18	-	18
Bank credit facilities (drawn confirmed)	16.3	-	-	-	-	-	-
Cumulative effect of amortized cost	16.1	(16)	(16)	-	(18)	(18)	-
Other		124	10	114	141	12	129
Borrowings at amortized cost		**4,360**	**4,044**	**316**	**4,366**	**4,044**	**322**
Commitments to purchase non-controlling interests		142	103	39	144	103	41
Derivative financial instruments		7	7	-	126	116 (a)	10
Borrowings and other financial liabilities		**4,509**	**4,154**	**355**	**4,636**	**4,263**	**373**

a. Mainly included the fair value of the options pursuant to which Banijay Group Holding and Lov Banijay may redeem their borrowings in shares which was reclassified as a reduction of financial assets as from January 1, 2018, in accordance with IFRS 9 (please refer to Note 11).

16.1 Fair market value of borrowings and other financial liabilities

	June 30, 2018			December 31, 2017		
(in millions of euros)	Carrying value	Fair market value	Level (a)	Carrying value	Fair market value	Level (a)
Nominal value of borrowings	4,376			4,384		
Cumulative effect of amortized cost	(16)			(18)		
Borrowings at amortized cost	**4,360**	**4,468**	**na**	**4,366**	**4,506**	**na**
Commitments to purchase non-controlling interests	142	142	3	144	144	3
Derivative financial instruments	7	7	2	126	126	2
Borrowings and other financial liabilities	**4,509**	**4,617**		**4,636**	**4,776**	

na: not applicable.

a. The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1 to the Consolidated Financial Statements for the year ended December 31, 2017 (page 234 of the 2017 Annual Report).

16.2 Bonds

	Interest rate (%)				
(in millions of euros)	nominal	effective	Maturity	June 30, 2018	December 31, 2017
Bonds issued by Vivendi SA					
€850 million (September 2017) (a)	0.875%	0.99%	Sep-24	850	850
€600 million (November 2016) (a)	1.125%	1.18%	Nov-23	600	600
€1 billion (May 2016) (a)	0.750%	0.90%	May-21	1,000	1,000
€500 million (May 2016) (a)	1.875%	1.93%	May-26	500	500
€700 million (December 2009) (b)	4.875%	4.95%	Dec-19	700	700
Bonds issued by Havas SA					
€400 million (December 2015) (a)	1.875%	1.94%	Dec-20	400	400
€100 million (July 2013) (a)	3.125%	3.125%	Jul-18	100	100
Nominal value of bonds				**4,150**	**4,150**

a. Bonds listed on the Euronext Paris Stock Exchange.
b. Bonds listed on the Luxembourg Stock Exchange.

On March 22, 2017, Vivendi set up a €3 billion Euro Medium-Term Note (EMTN) program giving Vivendi full flexibility to issue bonds. This program was renewed on March 23, 2018 and filed with the AMF (*Autorité des marchés financiers*) under visa n°18-090 for a 12-month period.

Bonds issued by Vivendi SA contain customary provisions, related to events of default, negative pledge and rights of payment (*pari-passu* ranking). They also contain an early redemption clause in the event of a change of control[5] if, as a result of any such event, the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-).

Bonds issued by Havas contain an early redemption clause in the event of a change of control[6].

16.3 Bank credit facilities

Vivendi SA has a €2 billion bank credit facility, maturing on October 29, 2021, undrawn as of June 30, 2018. Taking into account the absence of short-term marketable securities issued and backed by this bank credit facility, €2 billion of this facility was available as of June 30, 2018. As of July 27, 2018 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2018), taking into account the short-term marketable securities issued for €100 million, €1.9 billion of this facility was available.

This bank credit facility contains customary provisions relating to events of default and covenants relating to negative pledges and merger transactions. In addition, at the end of each half-year, Vivendi SA is required to comply with a Proportionate Financial Net Debt[7] to EBITDA[8] 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 bank credit facility if it were drawn, or its cancellation. As of June 30, 2018, Vivendi SA was in compliance with its financial covenant.

The renewal of Vivendi SA's committed 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, Havas SA has committed credit facilities, undrawn as of June 30, 2018, granted by leading banks for an aggregate amount of €510 million, including €150 million maturing in the second half of 2018, €330 million maturing in 2020 and €30 million maturing in 2021.

16.4 Borrowings by maturity

(in millions of euros)	June 30, 2018		December 31, 2017	
Maturity				
< 1 year (a)	316	*7%*	322	*7%*
Between 1 and 2 years	702	*16%*	703	*16%*
Between 2 and 3 years	1,406	*32%*	406	*9%*
Between 3 and 4 years	-	-	1,001	*23%*
Between 4 and 5 years	-	-	-	-
> 5 years	1,952	*45%*	1,952	*45%*
Nominal value of borrowings	**4,376**	***100%***	**4,384**	***100%***

a. As of June 30, 2018, short-term borrowings (with a maturity period of less than one year) notably included Havas SA's bond which expired on July 11, 2018 for €100 million, as well as bank overdrafts for €63 million.

As of June 30, 2018, the average "economic" term of the group's financial debt, calculated based on the assumption that the available medium term credit lines may be used to redeem the group's shortest term borrowings, was 4.5 years (compared to 5.0 years as of December 31, 2017).

16.5 Breakdown by nature of interest rate

As of June 30, 2018, the nominal value of borrowings at fixed interest rate amounted to €4,232 million (compared to €4,218 million as of December 31, 2017) and the nominal value of borrowings at floating interest rate amounted to €144 million (compared to €166 million as of December 31, 2017).

As of June 30, 2018 and December 31, 2017, Vivendi did not subscribe to any pay-floating or pay-fixed interest rate swaps.

[5] *In the bonds issued in May 2016 and November 2016, Bolloré Group was carved out of the change-of-control provision.*

[6] *Change of control is defined as the settlement/delivery of a tender offer following which one or more natural or legal entitie(s) which is/are not part of Bolloré Group and Vivendi, acting in isolation or in concert, acquire(s) over 50% of Havas SA's share capital or voting rights.*

[7] *Relates to Financial Net Debt as defined by Vivendi, plus derivative financial instruments whose underlying instruments are not Financial Net Debt items and commitments to purchase non-controlling interests.*

[8] *Relates to EBITDA as defined by Vivendi, plus dividends received from unconsolidated companies.*

16.6 Credit ratings

As of July 27, 2018 (the date of the Management Board meeting that approved the Financial Statements for the half-year ended June 30, 2018), 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

Note 17 Related parties

Vivendi's main related parties are subsidiaries over which the group exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence (please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2017, page 293 of the 2017 Annual Report), as well as the group's corporate officers and their related entities, in particular Bolloré Group and its related parties.

17.1 Corporate officers

Bolloré Group

On February 16, 2018, Bolloré Group, which held 34.7 million call options on Vivendi shares, announced that it had exercised 21.4 million options, representing 1.7% of Vivendi's share capital, at an average exercise price of €16.57, which had been previously set in October 2016. This transaction did not change Bolloré Group's reported interest in Vivendi given the assimilation of these options pursuant to Article L. 233-9 I, 4° of the French Commercial Code (*Code de commerce*).

On March 2, 2018, Bolloré Group acquired 2 million Vivendi shares on the market at a price of €20.42 per share. Since that date, and until June 25, 2018, Bolloré Group acquired 57.3 million Vivendi shares on the market at an average price of €20.95 per share.

On June 25, 2018, Bolloré Group crossed the 25% threshold of Vivendi's share capital and held 325,133,093 Vivendi shares, representing 415,565,932 voting rights, i.e., 25.01% of the share capital and 29.20% of the voting rights. Upon crossing this 25% threshold of Vivendi's share capital and in accordance with Article L. 233-7, paragraph VII of the French Commercial Code (*Code de commerce*) and Article 223-17 of the AMF's General Regulations (*Règlement Général*), Mr. Vincent Bolloré both for himself and for Compagnie de Cornouaille, which he controls and with whom he is deemed by law to be acting in concert, made the following statement of intent with respect to Vivendi for the next six months (please refer to AMF notice No. 218C1161, dated July 2, 2018):

- on June 25, 2018, Compagnie de Cornouaille acquired 1,044,622 additional shares which were financed using its available cash;
- the declarant has not entered into any agreement establishing a concerted action with respect to Vivendi;
- the declarant contemplates continuing to purchase Vivendi shares depending primarily on market opportunities;
- since April 26, 2017, the declarant already meets the criteria for exclusive control in accordance with IFRS 10, but not those set by Article L.233-3 of the French Commercial Code (*Code de commerce*); the declarant wishes to continue strengthening its control without launching a public tender offer for Vivendi;
- the investment in Vivendi reflects Bolloré Group's confidence in Vivendi's capacity to develop and its willingness to support Vivendi in its strategy;
- the declarant does not contemplate any of the transactions referred to in Article 223-17 I, 6° of the AMF's General Regulations (*Règlement Général*), subject to the potential transactions regarding Universal Music Group (UMG) recently mentioned by Vivendi;
- the declarant holds 13,344,830 call options that enable it to acquire 13,344,830 Vivendi shares, at any time until June 25, 2019, and it plans to exercise them depending, in particular, on market conditions;
- the declarant is party to a temporary sale agreement, as borrower, in respect of 34,700,000 Vivendi shares carrying an equal amount of voting rights; the declarant is not a party to any other temporary sale agreement; and
- the declarant plans to request additional appointments to the company's Supervisory Board.

Between June 26 and June 29, 2018, Bolloré Group acquired 4.8 million Vivendi shares on the market at an average price of €21.08 per share and declared that it held 329,933,346[9] Vivendi shares as of June 29, 2018, representing 420,366,185 voting rights, i.e., 25.38% of Vivendi's share capital and 29.54% of the gross voting rights.

In addition, on April 24, 2018, as part of the payment of the dividend by Vivendi to its shareholders with respect to fiscal year 2017, Bolloré Group received a dividend of €134 million (compared to a dividend with respect to fiscal year 2016 of €92 million paid in 2017).

Other corporate officers

On March 26, 2018, the services contract between Mr. Dominique Delport and Vivendi terminated, as did his membership on the Corporate Governance, Nominations and Remuneration Committee of Vivendi's Supervisory Board, although he remains a member of the Board. Under the terms of the services contract, since October 1, 2015, Mr. Dominique Delport had been providing assistance and advice regarding the creation and use of new digital content as part of the development of Dailymotion. As a result of the termination of this contract, Mr. Dominique Delport no longer benefits from the long-term incentive plan tied to the growth of Dailymotion's enterprise value compared to its acquisition value and no longer has any operational responsibilities within the group.

On April 19, 2018, Vivendi's General Shareholders' Meeting appointed Ms. Michèle Reiser as a member of the Supervisory Board for a four-year period, and renewed the term of office of Ms. Aliza Jabès, Ms. Cathia Lawson-Hall, Ms. Katie Stanton and Mr. Philippe Bénacin as members of the Supervisory Board for the same period.

Following the Shareholders' Meeting of April 19, 2018, Vivendi's Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, unanimously appointed Mr. Yannick Bolloré as Chairman, replacing Mr. Vincent Bolloré, who remains a member of the Supervisory Board. At the same meeting, the Supervisory Board decided to maintain the Chairman of the Supervisory Board's annual compensation at €400,000, including director's fees. The Supervisory Board also confirmed Mr. Philippe Bénacin as Vice-Chairman.

In addition, at its meeting held on May 17, 2018, the Supervisory Board, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, unanimously approved the renewal for a four-year period of the term of office (which expired on June 23, 2018) of each member of the Management Board and its Chairman.

[9] Including (i) 34,700,000 Vivendi shares temporarily held by Compagnie de Cornouaille pursuant to a temporary share sale agreement in respect of an equal number of Vivendi shares for its benefit, which may be returned, in whole or in part, at any time until June 25, 2019, and (ii) 13,344,830 Vivendi shares classified as assimilated shares by Compagnie de Cornouaille pursuant to Article L.233-9 I, 4° of the French Commercial Code (Code de commerce) as a result of off-market acquisition of physically-settled call options that are exercisable at any time until June 25, 2019.

17.2 Other related party transactions

Vivendi has not entered into any new significant transactions with related parties, existing or new, during the first half of 2018. For a detailed description of the transactions between Vivendi and its related parties, please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2017 (pages 293 through 297 of the 2017 Annual Report).

(in millions of euros)	June 30, 2018	January 1, 2018
Assets		
Non-current content assets	-	1
Non-current financial assets	105	103
Of which Banijay Group Holding and Lov Banijay bonds	*93*	*92*
Trade accounts receivable and other	63	66
Of which Bolloré Goup	*5*	*4*
Telecom Italia	*31*	*34*
Banijay Group Holding	*1*	*2*
Mediobanca	*2*	*5*
Liabilities		
Non-current financial liabilities	-	-
Of which Banijay Group Holding and Lov Banijay	-	-
Trade accounts payable and other	28	21
Of which Bolloré Group	*14*	*10*
Banijay Group Holding	*12*	*6*
Off-balance sheet contractual obligations, net	143	183
Of which Banijay Group Holding	*142*	*180*

	Six months ended June 30,	
	2018	2017
Statement of earnings		
Operating income	109	98
Of which Bolloré Group	*3*	-
Havas Group (a)	*na*	*3*
Telecom Italia	*13*	*3*
Banijay Group Holding	*1*	*1*
Quinta Communications	-	-
Operating expenses	(54)	(86)
Of which Bolloré Group	*(13)*	*(7)*
Havas Group (a)	*na*	*(26)*
Banijay Group Holding	*(27)*	*(37)*
Quinta Communications	-	-
Advertising transactions		
Of which revenue made through Havas's agencies (a)	*na*	*26*
media purchases made through Havas's agencies (a)	*na*	*(36)*

na: not applicable.

a. As from July 3, 2017, Vivendi has fully consolidated Havas and the transactions between Havas and Vivendi's other subsidiaries have been eliminated within the intersegment transactions.

Note 18 Contractual obligations and other commitments

Contractual obligations and commercial commitments

(in millions of euros)	Note	Minimum future payments as of June 30, 2018	Minimum future payments as of December 31, 2017
Contractual content commitments	9.2	5,325	5,630
Commercial commitments		(504)	(1,204)
Operating leases and subleases		1,417	1,502
Net commitments not recorded in the Consolidated Statement of Financial Position		**6,238**	**5,928**

Off-balance sheet commercial commitments

(in millions of euros)	Minimum future payments as of June 30, 2018	Minimum future payments as of December 31, 2017
Satellite transponders	449	390
Investment commitments	118	125
Other	685	772
Given commitments	**1,252**	**1,287**
Satellite transponders	(118)	(133)
Other (a)	(1,638)	(2,358)
Received commitments	**(1,756)**	**(2,491)**
Net total	**(504)**	**(1,204)**

a. Includes minimum guarantees to be received by the group pursuant to distribution agreements entered into with third parties, notably Internet Service Providers and other digital platforms.

Off-balance sheet operating leases and subleases

(in millions of euros)	Minimum future leases as of June 30, 2018	Minimum future leases as of December 31, 2017
Buildings	1,408	1,502
Other	15	9
Leases (a)	**1,423**	**1,511**
Buildings	(6)	(9)
Subleases	**(6)**	**(9)**
Net total	**1,417**	**1,502**

a. For information, for fiscal year 2017, the net charge over a 12-month period related to operating leases recorded by Havas in its statement of earnings amounted to €139 million.

Note 19 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").

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in the 2017 Annual Report: Note 23 to the Consolidated Financial Statements for the year ended December 31, 2017 (pages 302 through 308). The following paragraphs update such disclosure through July 27, 2018 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2018).

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

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. The latter filed his final reports during the first half of 2018. The first hearings on the merits are expected to be held in the second half of 2018.

California State Teachers Retirement System et al. against Vivendi and Mr. Jean-Marie Messier

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Mr. 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. The latter filed his final reports during the first half of 2018. The first hearings on the merits are expected to be held in the second half of 2018.

Mediaset against Vivendi

On April 8, 2016, Vivendi entered into a strategic partnership agreement with Mediaset. This agreement provided for a swap of a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, a subsidiary of Mediaset.

Vivendi's purchase of Mediaset Premium was based on financial assumptions provided by Mediaset to Vivendi in March 2016. These assumptions raised some questions within Vivendi, which were communicated to Mediaset. The agreement signed on April 8, 2016 was subsequently subject to a "due diligence review" (carried out for Vivendi by the advisory firm Deloitte), as contractually agreed. It became clear from this audit and from Vivendi's analyses that the figures provided by Mediaset prior to the signing of the agreement were not realistic and were founded on an artificially-inflated base.

While Vivendi and Mediaset had been in discussions in an effort to find an alternative transaction structure to the one provided for in the April 8, 2016 agreement, Mediaset terminated these discussions on July 26, 2016 by publicly rejecting the proposal Vivendi submitted to it. This proposal consisted of a swap of 3.5% of Vivendi's share capital in exchange for 20% of Mediaset Premium's share capital and 3.5% of Mediaset's share capital and, for the balance, the issuance by Mediaset to Vivendi of bonds convertible into Mediaset shares over time.

Subsequently, Mediaset together with its affiliate RTI, and Fininvest, Mediaset's majority shareholder each filed a complaint against Vivendi before the Milan Civil Court seeking to obtain specific performance of the April 8, 2016 agreement and the related shareholders' agreement. In particular, it is alleged that Vivendi has not filed its notification to the European Commission with respect to the transaction and thus has blocked the lifting of the last condition precedent to the completion of the transaction. Vivendi maintains that despite its timely completion of the pre-notification process with the Commission, the Commission would not accept a formal filing while the parties were discussing their differences. Mediaset, RTI and Fininvest are also seeking compensation from Vivendi for damages allegedly suffered by them, namely the damage caused by the delay in the performance of the agreement, for Mediaset and RTI, and of the shareholders' agreement that had been envisaged to be signed on the completion date, for Fininvest (estimated by each of the three parties at €50 million per month of delay starting July 25, 2016). Fininvest is also seeking compensation for a total estimated amount of €570 million for the alleged damage linked to the change in the Mediaset share price between July 25 and August 2, 2016 plus the harm done to the decision-making procedures of Fininvest and to its image.

At the first hearing held in the case, the judge invited the parties to come closer together to try to reach an amicable settlement to their dispute. To this end, on May 3, 2017, the parties initiated mediation proceedings before the Chamber of National and International Arbitration of Milan.

Despite this ongoing mediation, on June 9, 2017, Mediaset, RTI and Fininvest filed a new complaint against Vivendi seeking damages totaling €2 billion for Mediaset and RTI, and €1 billion for Fininvest, in connection with Vivendi's acquisition of Mediaset shares at the end of 2016. According to the plaintiffs, who have requested that this action be consolidated with the first, these acquisitions were carried out in breach of the April 8, 2016 agreement, the Italian media regulations and unfair competition rules. In addition, the complaint includes a demand that Vivendi be required to divest the shares of Mediaset which were allegedly bought in breach of applicable law and the April 8, 2016 agreement. Lastly, the plaintiffs have requested that, pending such divestiture, Vivendi be enjoined from exercising its rights (including voting rights) on such Mediaset shares.

On February 27, 2018, the Court noted the termination of the mediation proceedings, and a new hearing was scheduled for October 23, 2018.

Other proceedings related to Vivendi's entry into the share capital of Mediaset

Following Vivendi's entry into the share capital of Mediaset through open market purchases of shares during the months of November and December 2016, culminating in a shareholding of 28.80%, Fininvest stated that it had filed a complaint against Vivendi for market manipulation with the Milan public prosecutor's office and the Consob, the Italian financial markets regulator.

In addition, on December 21, 2016, the AGCOM, the Italian communications authority, opened an investigation into the compatibility between the increase in Vivendi's holdings in Mediaset's share capital and its position as a shareholder of Telecom Italia under Italian media regulations.

On April 18, 2017, the AGCOM issued a decision in which it determined that Vivendi was not in compliance with the regulations. Vivendi, which has 12 months to come into compliance, appealed against this decision. Pending the decision on the appeal, which is expected in the second half of 2018, the AGCOM acknowledged Vivendi's proposed action plan setting out how it will comply with the decision. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its shareholding in excess of 10% of Mediaset's voting rights to an independent trustee.

Telecom Italia

In addition, on August 5, 2017, the Italian Government informed Vivendi that it was opening a formal investigation into whether certain provisions of Law Decree No. 21 of 15 March 2012 on special powers of the Italian Government relative to the defense and national security sectors (Article 1) and to activities of strategic importance in the fields of energy, transport and communications (Article 2), had been respected by Telecom Italia and Vivendi. Vivendi considered the provisions of that decree inapplicable to Vivendi. In particular, (i) Article 1, concerning the defense and national security sectors had never been hitherto declared and communicated to the market given the nature of the activities carried out by Telecom Italia, and (ii) Article 2, which relates to the energy, transport and communications sectors, does not apply to Vivendi since it refers to purchases of significant shareholdings made by non-EU entities.

Additionally, and in the same timeframe as the above-mentioned investigation, on September 13, 2017, the Consob declared that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position and appealed to the competent courts.

On September 28, 2017, the Presidency of the Council of Ministers declared that (i) the notification made by Vivendi under Article 1 of the aforementioned legislative decree as a precautionary measure was made late and (ii) Telecom Italia had not made a notification under Article 1 of the decree following a change of control over its asset that are of strategic importance in the fields of energy, transport and communications. Therefore, the Presidency of the Council of Ministers launched proceedings against Telecom Italia for failing to make the required notification under Article 2 of the same legislative decree. Vivendi and Telecom Italia have appealed this finding.

Furthermore, by a decree dated October 16, 2017, the Italian Government decided to exercise the special powers laid down in Article 1 of the 2012 legislative decree, relative to the defense and national security sectors. This decree imposes a number of organizational and governance measures on Vivendi and Telecom Italia and its two subsidiaries, Telecom Italia Sparkle Spa ("Sparkle") and Telsy Elettronica e Telecomunicazioni Spa ("Telsy"). In particular, Telecom Italia, Sparkle and Telsy must have a division in charge of supervising all activities related to defense and national security, which is fully autonomous and endowed with human and financial resources sufficient to guarantee its independence, and to appoint to their governing bodies a member who is an Italian citizen, who is approved by the Italian Government and who has security clearance. It also requires the establishment of a supervisory committee under the auspices of the Council of Ministers

(*Comitato di monitoraggio*) to monitor compliance with these obligations. On February 13, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

In addition, by a decree dated November 2, 2017, the Italian Government decided to implement the special powers conferred by Article 2 of the 2012 legislative decree, relative to the fields of energy, transport and communications. This decree imposes on Telecom Italia the obligation to implement development, investment and maintenance plans for its networks to guarantee their operation and security, to provide universal service, and, more generally, to satisfy public interest in the medium and long term, under the control of the *Comitato di monitoraggio*, who must be notified of any reorganization of the Telecom Italia group's holdings or any project having an impact on the security, availability and operation of the networks. On March 2, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

By a decree dated May 8, 2018, the Italian Government imposed an administrative fine of €74 million on Telecom Italia for failure to comply with its information obligations (failure to notify under Article 2 of Law Decree No. 21 of 15 March 2012, see above). On July 5, 2018, the Administrative Regional Court of Lazio suspended the enforcement of such fine.

Parabole Réunion

In July 2007, the 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 decision 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. On May 12, 2016, the Paris Court of Appeal upheld the decision of the Court of First Instance and dismissed all of Parabole Réunion's claims. On May 27, 2016, Parabole Réunion filed an appeal with the French Supreme Court against the decision of the Paris Court of Appeal. In a decision issued on September 28, 2017, the French Supreme Court dismissed Parabole Réunion's appeal against the decision of the Court of Appeal of Paris.

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 requesting 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. On February 29, 2016, the court-appointed expert issued his report and, on January 28, 2016, the case was argued before the Paris Court of Appeal. On June 3, 2016, the Paris Court of Appeal upheld the April 29, 2014 decision of the Paris Tribunal of First Instance. Canal+ Group appealed to the French Supreme Court. The hearing before the French Supreme Court was held on December 5, 2017. In a decision dated January 31, 2018, the French Supreme Court dismissed Canal+ Group's appeal.

In an order issued on October 25, 2016, the Pre-Trial Judge held that the April 29, 2014 decision in which Canal+ Group was ordered to compensate Parabole Réunion established in principle a debt of the latter, even if the assessment of its amount was still to be finalized. The

Judge ordered Canal+ Group to pay the sum of €4 million as an advance. On January 17, 2017, the Paris Tribunal of First Instance ordered Canal+ Group to pay the sum of €37,720,000, with provisional enforceability. On February 23, 2017, Parabole Réunion appealed against that decision to the Paris Court of Appeal. On July 20, 2017, Canal+ Group filed its response to the appeal and a cross-appeal. Due to the failure of Parabole Réunion group to file its response within the time period prescribed by law, on December 8, 2017, Canal + Group filed a motion raising the failure to meet such deadline and, consequently, seeking an invalidation of the expertise ordered on October 12, 2017 (see below). Parabole Réunion filed its response on December 15, 2017. Following a hearing on May 17, 2018, the Pre-Trial Judge of the Paris Court of Appeal issued an order on June 7, 2018, dismissing the request for the invalidation of the expertise underway. Pursuant to a motion filed on June 21, 2018, the Canal+ Group lodged a petition for review against this order.

Through a filing made on May 29, 2017, Parabole Réunion raised an incidental question in order to have the court appoint an additional expert to assess the loss in value of its business. Oral arguments on the incidental question were heard on September 14, 2017. On October 12, 2017, the Pre-Trial Judge ordered an additional expertise and a judicial expert was appointed. On March 29, 2018, the Pre-Trial Judge granted the judicial expert's request to postpone the submission of his report until September 30, 2018.

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, but no action has been taking since December 2013. In April 2018, the French Competition Authority informed Canal+ Group of the closure 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 claims that the defendants added certain pre-emption rights to co-production contracts aimed at restricting competition. The French Competition Authority is examining the case. On February 23, 2018, the French Competition Authority served a notification of grievances on France Télévision, TF1 and M6.

TF1 against Canal+ Group

On May 7, 2018, TF1 filed a complaint against Canal+ Group for infringement of its neighboring rights and trademarks, as well as for unfair competition. TF1 alleges that Canal+ Group continued the distribution of its linear channels and its associated services on all its networks beyond the end date of the agreement.

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 set-top boxes, 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 rendered its decision on the merits of the case. On March 21, 2018, Canal+ Group received the French Competition Authority's preliminary assessment setting out its competition concerns. On April 4, 2018, Canal+ Group submitted to the French Competition Authority a proposal for commitments. A hearing before the French Competition Authority was held on June 27, 2018. On July 24, 2018, the French Competition Authority, considering that the commitments, in force until December 31, 2021, met both the need to fight against piracy and maintain an alternative offer of set-top boxes to the ones leased by Canal+ Group, decided to make them compulsory and closed the proceedings.

Top 14 Rugby (2019-2023)

By a letter registered on July 19, 2016, the French Competition Authority was notified by Altice of a referral on the merits regarding the practices implemented in the tender process for the granting of broadcasting rights to Top 14 Rugby for the seasons 2019/2020 to 2022/2023. The matter is being reviewed by the Competition Authority. The French Competition Authority, having formally recognized that Altice had withdrawn its complaint, closed the case.

Touche Pas à Mon Poste

On June 7, 2017, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) (the "CSA") decided to sanction C8 for a sequence broadcast on the show "TPMP" on December 7, 2016. The CSA considered that this sequence in which the presenter of the show, Cyril Hanouna, and one of its columnists, Capucine Anav, are seen engaging in a game on set during an "off" sequence, undermined the image of women. The sanctions consisted of the suspension of advertising broadcasts during the show, "Touche Pas à Mon Poste" and its rebroadcasts, as well as well during the 15 minutes before and the 15 minutes after its broadcast, for a period of two weeks from the second Monday following notification of the decision.

Similarly, on June 7, 2017, the CSA decided to sanction C8 for another sequence broadcast on the show "TPMP! La grande Rassrah" on November 3, 2016. The CSA considered that this other sequence, the filming by hidden camera of Matthieu Delormeau, a columnist for the show, violated his dignity. The sanction consisted of the suspension of advertising broadcasts during the show, "Touche Pas à Mon Poste" and its rebroadcasts, as well as during the 15 minutes before and the 15 minutes after its broadcast, for a period of one week.

On July 3, 2017, following the two decisions of the CSA, C8 filed two appeals with the French Council of State (*Conseil d'Etat*). On July 4, 2017, C8 filed two claims for compensation with the CSA which claims were rejected by an implied decision issued by the CSA. On November 2, 2017, C8 appealed against each of these to the Council of State. On June 18, 2018, the Council of State dismissed C8's action for annulment of the CSA's first decision, but granted the second application, overturning the CSA's second decision. The claims for compensation are being reviewed by the Council of State. A decision is expected in the third quarter of 2018.

On July 26, 2017, the CSA decided to sanction C8 for a sequence broadcast on the show "TPMP Baba hot line" on May 18, 2017, considering that the channel violated the principle of respect for privacy and its obligation to fight against discrimination, and imposed a monetary fine of €3 million.

Following this decision, on September 22, 2017, C8 filed an action for annulment before the Council of State. At the same time, C8 filed an action for compensation with the CSA, whose implicit rejection of it was challenged before the Council of State on January 25, 2018. The action for annulment of the CSA's third decision was dismissed on June 18, 2018. The action for compensation is still under review by the Council of State. A decision is expected in the third quarter of 2018.

Rovi Guides, Inc. against Canal + Group

Rovi Guides filed a request for mediation before the International Chamber of Commerce for the breach by Canal+ Group of an electronic program guide license agreement entered into in 2008 and for the non-payment of royalties related thereto between January 1, 2016 and June 30, 2017.

Several mediation meetings were held but the parties failed to reach an agreement and the mediation ended. On June 1, 2018, Rovi Guides filed a request for arbitration.

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. On July 7, 2016, the Paris Tribunal of First Instance denied all of Mireille Porte's claims. Ms. Porte filed an appeal against this decision. On May 15, 2018, the French Court of Appeal upheld the lower court's decision.

Glass Egg vs. Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi SA

Glass Egg, a Vietnamese company specializing in the design of 3D cars for use in video games, sued Gameloft Inc., Gameloft SE, Gameloft Iberica and Vivendi SA in the United States. It is seeking damages for copyright infringement, unfair competition and misappropriation of trade secrets. In an order dated February 12, 2018, the U.S. District Court determined that it had no jurisdiction over Gameloft Iberica and Vivendi SA. The admissibility of the complaints against Gameloft Inc. and Gameloft SE is still being challenged.

Tax audits

In the normal course of their business, Vivendi SA and its subsidiaries are subject to tax audits by the relevant tax authorities in the countries in which they conduct or conducted business. Various tax authorities have proposed adjustments to the financials results reported by Vivendi and its subsidiaries for fiscal year 2017 and prior years, under statutes of limitation applicable to Vivendi and its subsidiaries. The potential charges that may result from these audits give rise to provisions to the extent that they are considered as probable and quantifiable. Regarding ongoing tax audits, no provision is recorded where the impact that could result from an unfavorable outcome cannot be reliably assessed. To date, Vivendi Management believes that these tax audits are unlikely to have a material impact on the group's financial position or liquidity.

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the tax audit for fiscal years 2006, 2007, 2008, 2009 and 2010 is still ongoing, as are the tax audits for fiscal years 2011 and 2012, relating to Vivendi SA or its tax group. Under these audits, the tax authorities challenged Vivendi's right to use its foreign tax receivables for the payment of its 2012 tax obligation year. Similarly, Vivendi requested the reimbursement of its 2015 tax payment by contentious claim, requesting the deduction of these foreign tax receivables. In any event, the impacts in relation to the use of foreign tax receivables upon exit from the Global Profit Tax System of 2012 and 2015 were recorded as provisions for €251 million and €203 million, respectively.

The French Tax Group and Consolidated Global Profit Tax Systems have the following impacts on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward):

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 (i.e., until December 31, 2011), on November 30, 2012, Vivendi submitted a €366 million refund request with respect to the tax saving for fiscal year ended December 31, 2011. This request was denied by the tax authorities and, as a result, 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 payment and, on January 16, 2015, moratorium interest of €43 million. On December 2, 2014, the tax authorities lodged an appeal against this ruling. On July 5, 2016, the Versailles Administrative Court of Appeal ruled in favor of Vivendi, against which the Ministry filed an appeal. In a decision dated October 25, 2017, the French Council of State (*Conseil d'Etat*) denied the Ministry's appeal, therefore ruling as final the favorable decision of the Versailles Administrative Court of Appeal. Consequently, in its Financial Statements for the year ended December 31, 2017, Vivendi recorded a tax income of €409 million in this respect.

Moreover, considering that Vivendi's foreign tax receivables available at the exit from the Consolidated Global Profit Tax System can be carried forward upon the end of the authorization, Vivendi requested a tax refund with respect to fiscal year ended December 31, 2012. On May 8, 2013, Vivendi received a refund of €201 million. This refund was then challenged by the tax authorities as part of a tax 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 and increased this provision by €11 million (the amount of additional default interest), for a total amount of €232 million, which was subsequently decreased to €228 million as of December 31, 2015 after deduction of ordinary tax credits. As part of this audit, on March 31, 2015, Vivendi made a payment of €321 million, corresponding to the amounts of €221 million and €11 million mentioned above, increased by additional penalties of €89 million.

On June 29, 2015, after completion of the tax audit, Vivendi challenged before the tax authorities the tax paid and default interest as well as penalties, for which no provision has been accrued upon the recommendation of its advisors. Vivendi has since brought this case before the Administrative Court of Montreuil. On March 16, 2017, the Administrative Court of Montreuil ruled in favor of Vivendi. Pursuant to this decision, on April 18, 2017, Vivendi received (i) a €315 million refund corresponding to the principal tax amount due in 2012 (€218 million), as well as default interest (€10 million) and additional penalties (€87 million), and (ii) moratorium interest (€31 million), representing an aggregate amount of €346 million. The Ministry appealed this decision with respect to the principal tax amount due; therefore, in its Financial Statements for the year ended December 31, 2017, Vivendi maintained the provision related to the principal refund (€218 million), the default interest (€10 million), and the moratorium interest (€23 million), i.e., an aggregate provision of €251 million. Given that the Ministry's appeal did not include penalties (€87 million), Vivendi recorded a tax income of €9 million in its Financial Statements as of December 31, 2017, corresponding to the portion of moratorium interest irrevocably earned by Vivendi.

On June 15, 2017, following the Administrative Court of Montreuil ruling of March 16, 2017, Vivendi made a claim for payment of the tax amount due for the year ended December 31, 2015 (€203 million). As the appeal against the March 16, 2017 ruling of the Administrative Court of Montreuil could potentially affect this claim, Vivendi recorded a provision as of December 31, 2017 in the amount of the refund requested (€203 million).

More specifically, regarding the tax audit for fiscal years 2008 to 2011, Vivendi SA is subject to a rectification procedure for which the tax authorities challenge the accounting and fiscal treatment of NBC Universal shares received in consideration of the sale of Vivendi Universal Entertainment shares in 2004. Additionally, the tax authorities challenge the deduction of the €2.4 billion loss recorded as part of the sale of these shares in 2010 and 2011. The National Direct Tax System (*Commission Nationale des Impôts Directs*) before which proceedings were brought, rendered its opinion on December 9, 2016, which was notified to Vivendi SA on January 13, 2017, in which it declared the discontinuation of the adjustments suggested by the tax authorities. Moreover, the disagreement finding its basis in an administrative doctrine, Vivendi asked for its cancellation on the ground that it was tantamount to adding to the law. On May 29, 2017, the French Council of State (*Conseil d'Etat*) favorably received Vivendi's appeal for misuse of authority. This audit is still ongoing and 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 respect of the US Tax Group, the tax audit for fiscal years 2008, 2009 and 2010 are now settled through a tax reimbursement of $6 million. The tax audit for fiscal years 2011, 2012, and 2013 is ongoing. On January 31, 2018, Vivendi was informed by the US tax authorities that fiscal years 2014, 2015 and 2016 were under audit. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

Regarding the additional tax contribution of 3% on dividend distributions paid by Vivendi SA for an aggregate amount of €214 million with respect to dividends paid in fiscal year 2013 and in fiscal years 2015 to 2017, these contributions have been challenged before the tax authorities and then the Administrative Court of Montreuil. Following a decision of the French Constitutional Council (*Conseil constitutionnel*) dated October 6, 2017, pursuant to which it determined that the 3% tax on dividend distributions was unconstitutional, the tax authorities proceeded to carry out a rebate of the litigious contributions and to their refund. Consequently, Vivendi withdrew from its actions before the Administrative Court. In addition, in accordance with applicable law, these refunds gave or will give rise to the payment of moratorium interest to Vivendi, to be applied through the effective restitution date. In its Financial Statements for the year ended December 31, 2017, Vivendi SA recorded a tax income of €207 million from the settlement of this litigation, and moratorium interest of €24 million. Regarding the tax contributions paid by Canal+ Group (€4 million) and Havas (€7 million), these contributions have been challenged before the tax authorities. Canal+ Group and Havas have been reimbursed, with moratorium interest of €1 million.

Regarding the dispute over the validity of the merger between SFR and Vivendi Telecom International (VTI), which was completed in December 2011, which entails a potential challenge of the integration of SFR within the Vivendi tax group in respect of fiscal year 2011, SFR was informed, in a letter dated November 8, 2017, that the tax authorities were withdrawing their adjustment proposal, confirming Vivendi's position that it had solid legal grounds upon which to challenge the tax authorities' position.

With regard to the Havas Group, Havas SA filed a contentious claim for the refund of the withholding tax paid by the company between 2000 and 2002 on the redistribution of dividends from European subsidiaries (€38 million). Following the filing of the case before the Administrative Court, the Paris Court of Appeal and the Versailles Court of Appeal, on July 28, 2017, the French Council of State (*Conseil d'Etat*) found that the appeal in cassation made by Havas against the decision of the Versailles Court of Appeal was inadmissible. This decision irrevocably ended the tax litigation and deprived Havas of a refund of the withholding tax. To restore Havas's right to compensation, three combined actions were taken: (i) a claim before the European Commission, (ii) a filing before the European Court of Human Rights, and (iii) a claim for compensation under an action for damages against the state. Vivendi Management believes that it had solid legal grounds to defend the positions for determining the taxable income for the fiscal years under audit.

In addition, under Havas SA and Havas International's tax audits for fiscal years 2002 to 2005, the French Administration rectified the tax result of Havas SA tax group, reducing the overall deficit reported by the tax group by €267 million. This rectification has been challenged before the tax authorities. Following the filing before the Administrative Court of Montreuil and then the Versailles Court of Appeal, on July 12, 2017, the French Council of State (*Conseil d'Etat*) overturned the Court of Appeal's ruling, which was unfavorable to Havas, and remanded the case to that same court. On August 28, 2017, Havas filed an appeal before the Versailles Court of Appeal. In a decision dated July 3, 2018, the Versailles Court of Appeal confirmed Havas's positions and decided the restoration of Havas SA's deficit results of €267 million.

Note 20 Subsequent events

The significant events that occurred between the closing date and July 27, 2018 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2018) was the following:

- on July 2, 2018, Vivendi decided to settle in shares the hedging transaction entered into in January 2018 regarding its 11% interest in Fnac Darty. The settlement took place on July 10, 2018 and Vivendi received a cash payment of €267 million on July 12, 2018 (please refer to Note 2.2);
- on July 19, 2018, Vivendi made a capital increase of €100 million (including issue premium) through an employee stock purchase plan and leveraged plan (please refer to Note 15.1.2); and
- on July 27, 2018, Vivendi's Management Board decided to present to the Supervisory Board:
  - its recommendations following its analysis concerning the evolution of Universal Music Group's share capital to sale up to 50% of its share capital to one or more strategic partners (please refer to paragraph 20.1 below); and
  - the acquisition project of 100% of Editis's share capital (the second-largest French publishing group owned by Grupo Planeta) whose enterprise value considered is €900 million (please refer to paragraph 20.2 below).

20.1 Future evolution of Universal Music Group's share capital

The Management Board presented to the Supervisory Board its recommendations following its analysis concerning the evolution of Universal Music Group (UMG)'s capital.

- Sale of up to 50% of UMG's share capital to one or more strategic partners, in order to extract the highest value.
- An IPO was ruled out due to its complexity.

The transaction will likely be launched this fall and could be completed within the next 18 months.

Vivendi will soon be engaging banks to help identify strategic partners.

Vivendi will establish a floor price for the entry of partners into UMG's share capital.

20.2 Exclusive negotiations with Grupo Planeta for the acquisition of Editis

Vivendi has entered into exclusive negotiations with Grupo Planeta to acquire 100% of the share capital of Editis, the second-largest French publishing group owned by Grupo Planeta. The enterprise value considered is €900 million. Editis had revenues of approximately €750 million and a recurrent EBIT of approximately €60 million in 2017.

In the context of this project, Vivendi and Grupo Planeta, the leading publishing, media and learning group in Spain and Latin America, would explore new opportunities in the publishing industry.

Editis's development is based on a portfolio of prestigious publishing brands, leading positions in literature, education and reference books, recognized strength in diffusion and distribution as well as the quality of its teams. Editis combines more than 50 publishing houses (including Nathan, Bordas, Robert Laffont, Presses de la Cité, Julliard, XO, Plon, Perrin, Pocket, Belfond, Le cherche midi) as well as a large number of well-known authors and superior editorial projects.

The acquisition of Editis would be another major step in its building of an integrated media, content and communication group.

The proximity of the businesses of the two groups, their common culture focused on creativity and the importance of their know-how in talent management would be all elements that would facilitate Editis's integration. As part of Vivendi, Editis would benefit from a unique ecosystem to attract and retain the best talent and to enrich the Group's content portfolio. Educational publishing would also allow Vivendi to have a better understanding of the younger generations.

Any agreement resulting from these negotiations would be subject to the prior consultation of the concerned works councils, confirmatory due diligence and the finalization of definitive documentation.

Note 21 Restatement of comparative information

During the first half of 2018, Vivendi applied two new accounting standards:

- IFRS 15 – *Revenues from Contracts with Customers:* in accordance with IFRS 15, Vivendi applied this change of accounting standard to 2017 revenues, thereby ensuring comparability of the data relative to each period of 2018 and 2017 contained in this report (please refer to Note 1); and
- IFRS 9 – *Financial Instruments:* in accordance with IFRS 9, Vivendi applied this change of accounting standard to the 2018 Statement of Earnings and Statement of Comprehensive Income and restated its opening balance sheet as of January 1, 2018; therefore, the data relative to 2017 contained in this report is not comparable (please refer to Note 1).

21.1 Restatements of the Consolidated Statement of Earnings

Impacts related to the application of IFRS 15 on revenues by business segment

	2017					
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	**Six months ended June 30,**	Three months ended September 30,	Three months ended December 31,	**Year ended December 31,**
Revenues (as previously published) (A)						
Universal Music Group	1,284	1,382	2,666	1,319	1,688	5,673
Canal+ Group	1,278	1,290	2,568	1,257	1,421	5,246
Havas (a)	-	-	-	525	626	1,151
Gameloft	68	62	130	63	65	258
Vivendi Village	26	30	56	25	28	109
New Initiatives	10	13	23	11	17	51
Elimination of intersegment transactions	(3)	(3)	(6)	(16)	(22)	(44)
Total Vivendi	**2,663**	**2,774**	**5,437**	**3,184**	**3,823**	**12,444**
IFRS 15 restatements (B)						
Universal Music Group	-	-	-	-	-	-
Canal+ Group	(6)	(7)	(13)	(5)	(30)	(48)
Havas (a)	-	-	-	14	22	36
Gameloft	23	15	38	14	17	69
Vivendi Village	-	-	-	-	-	-
New Initiatives	-	-	-	-	-	-
Elimination of intersegment transactions	-	-	-	-	-	-
Total Vivendi	**17**	**8**	**25**	**23**	**9**	**57**
Restated revenues (A+B)						
Universal Music Group	1,284	1,382	2,666	1,319	1,688	5,673
Canal+ Group	1,272	1,283	2,555	1,252	1,391	5,198
Havas (a)	-	-	-	539	648	1,187
Gameloft	91	77	168	77	82	327
Vivendi Village	26	30	56	25	28	109
New Initiatives	10	13	23	11	17	51
Elimination of intersegment transactions	(3)	(3)	(6)	(16)	(22)	(44)
Total Vivendi	**2,680**	**2,782**	**5,462**	**3,207**	**3,832**	**12,501**

a. As a reminder, Vivendi has fully consolidated Havas since July 3, 2017.

Restatements of the Statement of Earnings

	Six months ended June 30, 2017		
	Published	IFRS 15 restatements	Restated
REVENUES	**5,437**	**25**	**5,462**
Cost of revenues	(3,398)	(25)	(3,423)
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,638)		(1,638)
Income from operations*	**401**	**-**	**401**
Restructuring charges	(38)		(38)
Other operating charges and income	(11)		(11)
Adjusted earnings before interest and income taxes (EBITA)*	**352**	**-**	**352**
Amortization and depreciation of intangible assets acquired through business combinations	(65)		(65)
Reversal of reserve related to the Securities Class Action litigation in the United States	27		27
Income from equity affiliates - operational	48		48
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**362**	**-**	**362**
Income from equity affiliates - non-operational	-		-
Interest	(25)		(25)
Income from investments	15		15
Other financial charges and income	(35)		(35)
	(45)	**-**	***(45)***
Earnings before provision for income taxes	**317**	**-**	**317**
Provision for income taxes	(124)		(124)
Earnings from continuing operations	**193**	**-**	**193**
Earnings from discontinued operations	-		-
Earnings	**193**	**-**	**193**
Non-controlling interests	(17)		(17)
EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS	**176**	**-**	**176**
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.14		0.14
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.14		0.14
Adjusted net income*	**320**	**-**	**320**
Adjusted net income per share - basic (in euros)*	0.26		0.26
Adjusted net income per share - diluted (in euros)*	0.25		0.25

In millions of euros, except per share amounts.

* non-GAAP measures.

	Year ended December 31, 2017		
	Published	IFRS 15 restatements	Restated
REVENUES	**12,444**	**57**	**12,501**
Cost of revenues	(7,210)	(75)	(7,285)
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(4,118)		(4,118)
Income from operations*	**1,116**	**(18)**	**1,098**
Restructuring charges	(88)		(88)
Other operating charges and income	(41)		(41)
Adjusted earnings before interest and income taxes (EBITA)*	**987**	**(18)**	**969**
Amortization and depreciation of intangible assets acquired through business combinations	(124)		(124)
Reversal of reserve related to the Securities Class Action litigation in the United States	27		27
Income from equity affiliates - operational	146		146
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**1,036**	**(18)**	**1,018**
Income from equity affiliates - non-operational	-		-
Interest	(53)		(53)
Income from investments	29		29
Other financial charges and income	(100)		(100)
	(124)	***-***	***(124)***
Earnings before provision for income taxes	**912**	**(18)**	**894**
Provision for income taxes	349	6	355
Earnings from continuing operations	**1,261**	**(12)**	**1,249**
Earnings from discontinued operations	-		-
Earnings	**1,261**	**(12)**	**1,249**
Non-controlling interests	(33)		(33)
EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS	**1,228**	**(12)**	**1,216**
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.98		0.97
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.95		0.94
Adjusted net income*	**1,312**	**(12)**	**1,300**
Adjusted net income per share - basic (in euros)*	1.05		1.04
Adjusted net income per share - diluted (in euros)*	1.01		1.00

In millions of euros, except per share amounts.

* non-GAAP measures.

21.2 Restatements of the Consolidated Statement of Financial Position

(in millions of euros)	December 31, 2017			IFRS 9 restatements	IFRS 9 and IFRS 15 restatements by equity affiliates	January 1, 2018
	Published	IFRS 15 restatements	**Restated**			
ASSETS						
Goodwill	12,084		12,084			12,084
Non-current content assets	2,087		2,087			2,087
Other intangible assets	440		440			440
Property, plant and equipment	930		930			930
Investments in equity affiliates	4,540		4,540		(14)	4,526
Non-current financial assets	4,583		4,583	(81)		4,502
Deferred tax assets	619	6	625	2		627
Non-current assets	**25,283**	**6**	**25,289**	**(79)**	**(14)**	**25,196**
Inventories	177		177			177
Current tax receivables	406		406			406
Current content assets	1,160		1,160			1,160
Trade accounts receivable and other	5,218		5,218	(10)		5,208
Current financial assets	138		138			138
Cash and cash equivalents	1,951		1,951			1,951
Current assets	**9,050**	**-**	**9,050**	**(10)**	**-**	**9,040**
TOTAL ASSETS	**34,333**	**6**	**34,339**	**(89)**	**(14)**	**34,236**
EQUITY AND LIABILITIES						
Share capital	7,128		7,128			7,128
Additional paid-in capital	4,341		4,341			4,341
Treasury shares	(670)		(670)			(670)
Retained earnings and other	6,857	(12)	6,845	4	(14)	6,835
Vivendi SA shareowners' equity	**17,656**	**(12)**	**17,644**	**4**	**(14)**	**17,634**
Non-controlling interests	222		222			222
Total equity	**17,878**	**(12)**	**17,866**	**4**	**(14)**	**17,856**
Non-current provisions	1,515		1,515			1,515
Long-term borrowings and other financial liabilities	4,263		4,263	(93)		4,170
Deferred tax liabilities	589		589			589
Other non-current liabilities	226		226			226
Non-current liabilities	**6,593**	**-**	**6,593**	**(93)**	**-**	**6,500**
Current provisions	412		412			412
Short-term borrowings and other financial liabilities	373		373			373
Trade accounts payable and other	9,001	18	9,019			9,019
Current tax payables	76		76			76
Current liabilities	**9,862**	**18**	**9,880**	**-**	**-**	**9,880**
Total liabilities	**16,455**	**18**	**16,473**	**(93)**	**-**	**16,380**
TOTAL EQUITY AND LIABILITIES	**34,333**	**6**	**34,339**	**(89)**	**(14)**	**34,236**

21.3 Restatements of the Consolidated Financial Assets

(in millions of euros)	December 31, 2017			*IFRS 9 restatements*		January 1, 2018			
	Total	Current	Non-current	*Available-for-sale securities*	*Financial assets at amortized cost*	Total	Current	Non-current	
Financial assets at fair value									**Financial assets at fair value through profit or loss**
Term deposits	50	50	-	-	-	50	50	-	Term deposits
Level 1									Level 1
Bond funds	25	25	-	-	-	25	25	-	Bond funds
Listed equity securities	3,754	-	3,754	*(1,798)*	-	1,956	-	1,956	Listed equity securities
Other financial assets	5	5	-	-	-	5	5	-	Other financial assets
Level 2									Level 2
Unlisted equity securities	361	-	361	*(13)*	-	348	-	348	Unlisted equity securities
Derivative financial instruments	19	4	15			19	4	15	Derivative financial instruments
Level 3 - Other financial assets	69	-	69	*(47)*	*40*	62	-	62	Level 3 - Other financial assets
									Financial assets at fair value through other comprehensive income
				1,798	-	1,798	-	1,798	Level 1 - Listed equity securities
				13	-	13	-	13	Level 2 - Unlisted equity securities
				47	-	47	-	47	Level 3 - Unlisted equity securities
Financial assets at amortized cost	438	54	384	-	*(121)*	317	54	263	**Financial assets at amortized cost**
Financial assets	**4,721**	**138**	**4,583**	***-***	***(81)***	**4,640**	**138**	**4,502**	**Financial assets**

IV- Statement on the Financial Report for the half-year 2018

The following is a free English translation of the Statement on the Financial Report for the half-year 2018 issued in French and is provided solely for the convenience of English speaking readers.

I state that, to my knowledge, the Condensed Financial Statements for the first half of 2018 have been drawn up in accordance with the applicable accounting standards and give a fair view of the assets and liabilities, and of the financial position and results of operations of the company and of all the entities included in its consolidation perimeter, and that the half-year management report, contained in the first part of this Financial Report, provides a fair view of the main events that occurred during the first six months of the fiscal year and their impact on the half-year financial statements, of the main related party transactions and of the major risks and uncertainties for the remaining six months of the fiscal year.

Arnaud de Puyfontaine

Chairman of the Management Board

V- Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2018

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the group's half-yearly management report. 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 compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Vivendi, for the period from January 1 to June 30, 2018,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion above, we draw your attention to paragraph 1.2 of the notes to the condensed financial statements which sets out the changes in accounting methods relating to the mandatory application as of January 1, 2018 of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".

In particular, the cumulative unrealized capital gain as of December 31, 2017 related to Vivendi's interest in Ubisoft (€1,160 million) was recorded as retained earnings as of January 1, 2018 as part of the initial application of the accounting standard IFRS 9. In accordance with IAS 39 which was applicable until December 31, 2017, it would have been reported to profit or loss as part of the sale that occurred during the first half of 2018.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La-Défense, July 30, 2018

The statutory Auditors
French original signed by

Deloitte et Associés	ERNST & YOUNG et Autres
Jean Paul Séguret	Jacques Pierres