FINANCIAL REPORT FOR THE HALF-YEAR 2020

Financial Report and Unaudited* Condensed Financial Statements for the Half-Year ended June 30, 2020

*The Condensed Financial Statements for the half-year ended June 30, 2020 were subject to a limited review by Vivendi's Statutory Auditors. The Auditors' Report on the 2020 half-year financial information follows the Condensed Financial Statements.

July 30, 2020

vivendi

VIVENDI

European Company with a Management Board and a Supervisory Board and a share capital of €6,520,308,767.50

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Key consolidated financial data for the last five years

Preliminary comments:

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – Leases. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows in 2019; therefore, the data relative to prior years is not comparable. For a detailed description, please refer to Notes 1.1, 1.3.5.7 and 11 to the Consolidated Financial Statements for the year ended December 31, 2019 of the 2019 Universal Registration Document.

As a reminder, in 2018, Vivendi applied two new accounting standards:

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

	Six months ended June 30, (unaudited)		Year ended December 31,				
	2020	2019	2019	2018	2017	2016	
Consolidated data							
Revenues	7,576	7,353	15,898	13,932	12,518	10,819	
Income from operations (a)	846	756	1,719	1,439	1,098	853	
Adjusted earnings before interest and income taxes (EBITA) (a)	735	718	1,526	1,288	969	724	
Earnings before interest and income taxes (EBIT)	660	645	1,381	1,182	1,018	887	
Earnings attributable to Vivendi SE shareowners	757	520	1,583	127	1,216	1,256	
of which earnings from continuing operations attributable to Vivendi SE shareowners	757	520	1,583	127	1,216	1,236	
Adjusted net income (a)	583	554	1,741	1,157	1,300	755	
Net Cash Position/(Financial Net Debt) (a)	(3,057)	(2,133)	(4,064)	176	(2,340)	1,231	
Total equity	17,422	15,823	15,575	17,534	17,866	19,612	
of which Vivendi SE shareowners' equity	16,721	15,608	15,353	17,313	17,644	19,383	
Cash flow from operations (CFFO) (a)	338	36	903	1,126	989	729	
Cash flow from operations after interest and income tax paid (CFAIT) (a)	485	(348)	567	822	1,346	341	
Financial investments	(1,026)	(1,380)	(2,284)	(694)	(3,685)	(4,084)	
Financial divestments	111	652	1,068	2,303	976	1,971	
Dividends paid by Vivendi SE to its shareholders	690	636	636	568	499	2,588	(b)
Purchases/(sales) of Vivendi SE's treasury shares	719	947	2,673	-	203	1,623	
Per share data							
Weighted average number of shares outstanding	1,153.5	1,269.2	1,233.5	1,263.5	1,252.7	1,272.6	
Earnings attributable to Vivendi SE shareowners per share	0.66	0.41	1.28	0.10	0.97	0.99	
Adjusted net income per share	0.51	0.44	1.41	0.92	1.04	0.59	
Number of shares outstanding at the end of the period (excluding treasury shares)	1,142.4	1,229.5	1,170.6	1,268.0	1,256.7	1,259.5	
Equity per share, attributable to Vivendi SE shareowners	14.64	12.69	13.12	13.65	14.04	15.39	
Dividends per share paid	0.60	0.50	0.50	0.45	0.40	2.00	(b)

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, Net Cash Position (or Financial Net Debt), Cash flow from operations (CFFO) and Cash flow from operations after interest and income tax paid (CFAIT) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report. 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. Furthermore, as of June 30, 2020, in the context of the COVID-19 pandemic, Vivendi has not changed the definition of these indicators, which are therefore comparable to fiscal year 2019.

b. 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).

I- Financial Report for the first half of 2020

Preliminary comments:

On July 27, 2020, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2020. Upon the recommendation of the Audit Committee, which met on July 28, 2020, the Supervisory Board, at its meeting held on July 30, 2020, reviewed the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2020, as previously approved by the Management Board on July 27, 2020.

The Condensed Financial Statements for the half-year ended June 30, 2020 were subject to a limited review by Vivendi's Statutory Auditors. The Statutory Auditors' Report on the 2020 half-year financial information is presented after the Condensed Financial Statements.

The Financial Report for the first half of 2020 should be read in conjunction with the 2019 Financial Report, as published in the "Rapport Annuel - Document d'enregistrement universel 2019" filed on March 11, 2020 with the Autorité des marchés financiers ("AMF", the French securities regulator). Please also refer to pages 192 through 218 of the English translation[1] of the "Rapport Annuel - Document d'enregistrement universel 2019" (the "Annual Report – 2019 Universal Registration Document"), 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 2020, as well as any subsequent events, please refer to Notes 2 and 22 to the Condensed Financial Statements for the half-year ended June 30, 2020, respectively.

Updated information on the main transactions with related parties as of June 30, 2020 is provided in Note 19 to the Condensed Financial Statements for the half-year ended June 30, 2020.

1 Earnings analysis: group and business segments

Preliminary comments:

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 this 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. Furthermore, as of June 30, 2020, in the context of the COVID-19 pandemic, Vivendi has not changed the definition of these indicators, which are therefore comparable to fiscal year 2019:

- *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, as well as other income and charges related to transactions with shareowners;*
- *income from operations is calculated as EBITA, as presented in the Adjusted Statement of Earnings, before share-based compensation costs and special items, due to their unusual nature and particular significance; and*
- *adjusted net income includes the following items: EBITA; income from equity affiliates – non-operational; 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, changes in deferred tax assets pursuant to Vivendi SE's Tax Group and the Consolidated Global Profit Tax Systems).*

In addition, 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] This free translation of the "Rapport Annuel - Document d'enregistrement universel 2019" is provided solely for the convenience of English-speaking readers. In the event of discrepancy, the French version shall prevail.

1.1 Condensed Statement of Earnings

	Six months ended June 30,		% Change
	2020	2019	
REVENUES	**7,576**	**7,353**	**+ 3.0%**
Cost of revenues	(4,101)	(4,054)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,629)	(2,543)	
Income from operations*	**846**	**756**	**+ 11.8%**
Restructuring charges	(53)	(22)	
Other operating charges and income	(58)	(16)	
Adjusted earnings before interest and income taxes (EBITA)*	**735**	**718**	**+ 2.4%**
Amortization and depreciation of intangible assets acquired through business combinations	(75)	(73)	
Other charges and income	-	-	
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**660**	**645**	**+ 2.3%**
Income from equity affiliates - non-operational	64	(8)	
Interest	(16)	(21)	
Income from investments	15	5	
Other financial charges and income	417	91	
	416	***75***	
Earnings before provision for income taxes	**1,140**	**712**	**+ 60.0%**
Provision for income taxes	(299)	(182)	
Earnings from continuing operations	**841**	**530**	**+ 58.6%**
Earnings from discontinued operations	-	-	
Earnings	**841**	**530**	**+ 58.6%**
Non-controlling interests	(84)	(10)	
EARNINGS ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS	**757**	**520**	**+ 45.7%**
Earnings attributable to Vivendi SE shareowners per share - basic (in euros)	0.66	0.41	
Earnings attributable to Vivendi SE shareowners per share - diluted (in euros)	0.65	0.41	
Adjusted net income*	**583**	**554**	**+ 5.4%**
Adjusted net income per share - basic (in euros)*	0.51	0.44	
Adjusted net income per share - diluted (in euros)*	0.50	0.43	

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 half of 2020, revenues were €7,576 million, compared to €7,353 million for the first half of 2019. This increase of €223 million (+3.0%) mainly resulted from the growth of Universal Music Group (UMG) (+€201 million) and Canal+ Group (+€156 million, of which €204 million relating to M7[2]), partially offset by the slowdown in the revenues of Havas Group (-€95 million) and Vivendi Village (-€40 million), which were affected by the COVID-19 pandemic since March 2020. At constant currency and perimeter[2], revenues decreased by 2.0% compared to the first half of 2019.

For the second quarter of 2020, revenues were €3,706 million, compared to €3,894 million for the second quarter of 2019, down 4.8%. The growth of Canal+ Group (+€36 million, of which €102 million relating to M7[2]) and Gameloft (+€6.5%) was more than offset by the slowdown in other activities, mainly Havas Group, Universal Music Group and Vivendi Village, all of which were affected by the COVID-19 pandemic. At constant currency and perimeter[2], revenues decreased by 7.9% compared to the second quarter of 2019.

As a reminder, **for the first quarter of 2020**, Vivendi's revenues were €3,870 million, compared to €3,459 million for the same period in 2019, an increase of 11.9%, mainly resulting from the growth of Universal Music Group (+€267 million) and Canal+ Group (+€120 million, of

[2] Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which was consolidated by Universal Music Group (March 15, 2019), and the acquisition of Editis (January 31, 2019).

which €102 million relating to M7[2]). At constant currency and perimeter[2], revenues increased by 4.4% compared to the first quarter of 2019, primarily driven by the growth of UMG (+12.7%).

For a detailed analysis of revenues by business segment, please refer to Section 1.3 below and to Note 4.1 to the Condensed Financial Statements for the half-year ended June 30, 2020.

1.2.2 Operating results

Income from operations was €846 million, compared to €756 million for the first half of 2019, an increase of €90 million (+11.8%). At constant currency and perimeter, income from operations increased by €42 million (+5.3%), primarily driven by the growth of Universal Music Group (+€90 million) and Canal+ Group (+€52 million), partially offset by the slowdown at Havas Group (-€66 million), which was affected by the COVID-19 pandemic since March 2020.

EBITA was €735 million, compared to €718 million for the first half of 2019, an increase of €17 million (+2.4%). At constant currency and perimeter, EBITA decreased by €29 million. The growth of Universal Music Group (+€81 million) and Canal+ Group (+€20 million) was notably offset by the slowdown at Havas Group (-€67 million). EBITA included:

- **restructuring charges** of €53 million, compared to €22 million for the first half of 2019, primarily incurred by Canal+ Group (€29 million notably relating to the ongoing plan aimed at transforming its French activities implemented during the second half of 2019, compared to €3 million for the first half of 2019), Havas Group (€10 million, compared to €7 million for the first half of 2019) and Universal Music Group (€8 million, compared to €11 million for the first half of 2019); and
- **other operating charges and income** excluded from income from operations, which was a net charge of €58 million, compared to a net charge of €16 million for the first half of 2019. They notably included:
    - **the charge related to share-based compensation plans** for -€25 million, compared to -€15 million for the first half of 2019; and
    - **income from equity affiliates - operational** was a charge of €18 million, compared to a profit of €3 million for the first half of 2019. For the first half of 2020, this amount mainly related to Vivendi's share of Vevo's net earnings (-€11 million) and Banijay Group Holding (-€7 million).

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

EBIT was €660 million, compared to €645 million for the first half of 2019, an increase of €15 million (+2.3%). It includes amortization and depreciation of intangible assets acquired through business combinations for €75 million, compared to €73 million for the first half of 2019.

1.2.3 Income from equity affiliates - non-operational

For the first half of 2020, **income from equity affiliates - non-operational** was a profit of €64 million, compared to a charge of €8 million for the first half of 2019. This amount mainly related to Vivendi's share of Telecom Italia's net earnings, calculated based on the financial information publicly disclosed by Telecom Italia (corresponding to the fourth quarter of the previous year and the first quarter of the current year due to a three-month reporting lag). Please refer to Note 12.2 to the Condensed Financial Statements for the half-year ended June 30, 2020. For the first half of 2020, this amount notably included Vivendi's share (€76 million) of the capital gain recognized by Telecom Italia on the Inwit transaction.

1.2.4 Financial results

For the first half of 2020, **interest** was an expense of €16 million, compared to €21 million for the first half of 2019. Of this amount:

- interest expense on borrowings was €24 million, compared to €35 million for the first half of 2019. This change mainly reflected the decrease in the average interest rate on borrowings to 0.73% (compared to 1.51% for the first half of 2019), partially offset by the increase in average outstanding borrowings to €6.5 billion (compared to €4.7 billion for the first half of 2019);
- interest income earned on the investment of cash surpluses was €8 million, compared to €14 million for the first half of 2019. This change reflected the decrease in the average interest rate on cash investments to 0.57% (compared to 0.74% for the first half of 2019) and in average outstanding cash investments to €2.9 billion (compared to €3.8 billion for the first half of 2019); and
- the increase in outstanding Financial Net Debt (€3.6 billion for the first half of 2020, compared to €0.9 billion for the first half of 2019) notably reflected the impact of investments completed in 2019, in particular the acquisition of M7 (€1.1 billion outflows on September 12, 2019) and the treasury share buyback program (€2.7 billion between May 28 and December 31, 2019), partially offset by the impact of divestments in 2020, primarily the sale of 10% of UMG (€2.8 billion inflows on March 31, 2020).

Income from investments was €15 million, compared to €5 million for the first half of 2019. It mainly included dividends received from investments.

Other financial charges and income were a net income of €417 million, compared to a net income of €91 million for the first half of 2019, representing a favorable change of €326 million. It included the revaluation of the interests in Spotify and Tencent Music for a net amount of €449 million, compared to €155 million for the same period in 2019, representing a favorable change of €294 million.

As a reminder, in Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale of 10% of UMG's share capital, equal to the difference between the sale price of €2,838 million and the value of non-controlling interests in the Consolidated Financial Statements of €458 million, will be directly recorded as an increase in equity attributable to Vivendi SE shareowners for €2,380 million.

1.2.5 Provision for income taxes

For the first half of 2020, **provision for income taxes reported to adjusted net income** was a net charge of €193 million, compared to a net charge of €148 million for the first half of 2019, representing an unfavorable change of €45 million, notably reflecting the growth in UMG's and Canal+ Group's earnings before tax for the first half of 2020, partially offset by the decrease from Havas. The effective tax rate in adjusted net income was 25.6%, compared to 21.2% for the same period in 2019. This 4.4 point increase in the effective tax rate in adjusted net income notably reflected the favorable impact for the first half of 2019 of adjustments to the income tax expense of previous years within Vivendi SE's tax group. This increase also reflected a decrease in current savings expected from the use of tax losses carried forward, mainly as a result of ordinary tax losses not recognized due to the impact of the COVID-19 pandemic.

For the first half of 2020, **provision for income taxes reported to net income** was a net charge of €299 million, compared to a net charge of €182 million for the same period in 2019, representing an unfavorable change of €117 million. This change notably reflected the increase in the deferred tax charge relating to the revaluation of the interests in Spotify and Tencent Music (-€110 million, compared to -€37 million for the first half of 2019).

1.2.6 Non-controlling interests

For the first half of 2020, **earnings attributable to non-controlling interests** were €84 million, compared to €10 million for the first half of 2019. This increase of €74 million mainly reflected the share of Tencent (€64 million) in Universal Music Group's net earnings as from March 31, 2020 (please refer to Note 2.1 to the Condensed Financial Statements for the half-year ended June 30, 2020).

1.2.7 Earnings attributable to Vivendi SE shareowners

For the first half of 2020, **earnings attributable to Vivendi SE shareowners** amounted to a profit of €757 million (or €0.66 per share - basic), compared to €520 million for the first half of 2019 (or €0.41 per share - basic), an increase of €237 million. This change mainly reflected the improvement in other financial charges and income (+€326 million) generated by the revaluation of the interests in Spotify and Tencent Music (+€294 million).

1.2.8 Adjusted net income

	Six months ended June 30,		% Change
(in millions of euros)	2020	2019	
Revenues	**7,576**	**7,353**	**+ 3.0%**
Income from operations	**846**	**756**	**+ 11.8%**
EBITA	**735**	**718**	**+ 2.4%**
Other charges and income	-	-	
Income from equity affiliates - non-operational	94	22	
Interest	(16)	(21)	
Income from investments	15	5	
Adjusted earnings from continuing operations before provision for income taxes	828	724	+ 14.4%
Provision for income taxes	(193)	(148)	
Adjusted net income before non-controlling interests	635	576	
Non-controlling interests	(52)	(22)	
Adjusted net income	**583**	**554**	**+ 5.4%**

For the first half of 2020, **adjusted net income** was a profit of €583 million (or €0.51 per share - basic), compared to €554 million for the first half of 2019 (or €0.44 per share - basic), an increase of €29 million (+5.4%).

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

	Six months ended June 30,	
(in millions of euros)	2020	2019
Earnings attributable to Vivendi SE shareowners (a)	**757**	**520**
Adjustments		
Amortization and depreciation of intangible assets acquired through business combinations	75	73
Amortization of intangible assets related to equity affiliates	30	30
Other financial charges and income	(417)	(91)
Provision for income taxes on adjustments	106	34
Impact of adjustments on non-controlling interests	32	(12)
Adjusted net income	**583**	**554**

a. As reported in the Condensed Statement of Earnings.

Adjusted net income per share

	Six months ended June 30,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	583	583	554	554
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,153.5	1,153.5	1,269.2	1,269.2
Potential dilutive effects related to share-based compensation	-	5.1	-	4.7
Adjusted weighted average number of shares	1,153.5	1,158.6	1,269.2	1,273.9
Adjusted net income per share (in euros)	**0.51**	**0.50**	**0.44**	**0.43**

a. Net of the weighted average number of treasury shares (31.7 million shares for the first half of 2020, compared to 35.3 million for the same period in 2019).

1.3 Analysis of revenues and operating results by business segment

(in millions of euros)	Six months ended June 30, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	3,459	3,258	+6.2%	+4.5%	+3.5%
Canal+ Group	2,674	2,518	+6.2%	+6.5%	-1.6%
Havas Group	1,019	1,114	-8.5%	-9.4%	-11.7%
Editis	262	260	+0.6%	+0.6%	-15.1%
Gameloft	130	133	-2.2%	-3.0%	-3.0%
Vivendi Village	26	66	-61.0%	-61.2%	-62.0%
New Initiatives	28	34	-18.3%	-18.3%	-18.3%
Elimination of intersegment transactions	(22)	(30)			
Total Vivendi	**7,576**	**7,353**	**+3.0%**	**+2.2%**	**-2.0%**
Income from operations					
Universal Music Group	597	501	+19.1%	+17.6%	+17.7%
Canal+ Group	334	235	+41.9%	+42.7%	+18.4%
Havas Group	61	121	-50.0%	-51.1%	-52.2%
Editis	(16)	6			
Gameloft	(12)	(9)			
Vivendi Village	(26)	(9)			
New Initiatives	(34)	(31)			
Corporate	(58)	(58)			
Total Vivendi	**846**	**756**	**+11.8%**	**+10.6%**	**+5.3%**
EBITA					
Universal Music Group	567	481	+18.0%	+16.5%	+16.6%
Canal+ Group	300	233	+28.7%	+29.4%	+7.0%
Havas Group	46	108	-57.1%	-58.3%	-59.3%
Editis	(21)	4			
Gameloft	(14)	(11)			
Vivendi Village	(27)	(9)			
New Initiatives	(42)	(29)			
Corporate	(74)	(59)			
Total Vivendi	**735**	**718**	**+2.4%**	**+1.3%**	**-3.8%**

a. Constant perimeter notably reflects the impact of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group, which was consolidated by Universal Music Group (March 15, 2019) and the acquisition of Editis (January 31, 2019).

1.3.1 Universal Music Group (UMG)

(in millions of euros)	Six months ended June 30, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Recorded music	2,771	2,596	+6.7%	+5.0%	+3.7%
Subscriptions and streaming	*1,814*	*1,567*	*+15.8%*	*+14.1%*	*+12.4%*
Other digital sales (b)	*238*	*212*	*+12.0%*	*+9.8%*	*+8.7%*
Physical sales	*348*	*438*	*-20.6%*	*-22.2%*	*-22.4%*
License and other	*371*	*379*	*-2.2%*	*-3.9%*	*-4.2%*
Music publishing	573	467	+22.8%	+21.2%	+21.2%
Merchandising and other	121	202	-40.0%	-41.4%	-41.4%
Elimination of intersegment transactions	(6)	(7)			
Revenues	**3,459**	**3,258**	**+6.2%**	**+4.5%**	**+3.5%**
Income from operations	**597**	**501**	**+19.1%**	**+17.6%**	**+17.7%**
Income from operations margin	*17.3%*	*15.4%*	*+1.9 pts*		
Restructuring charges	(8)	(11)			
Income/(charges) related to share-based compensation plans	(6)	(3)			
Other special items excluded from income from operations	(16)	(6)			
EBITA	**567**	**481**	**+18.0%**	**+16.5%**	**+16.6%**
EBITA margin	*16.4%*	*14.8%*	*+1.6 pts*		
Recorded music revenues by geographic area					
North America	1,396	1,230	+13.5%	+9.9%	+7.3%
Europe	838	781	+7.2%	+7.5%	+7.5%
Asia	382	370	+3.2%	-0.6%	-0.6%
Latin America	95	87	+9.2%	+20.1%	+20.1%
Rest of the world	60	128	-52.8%	-52.1%	-52.1%
	2,771	**2,596**	**+6.7%**	**+5.0%**	**+3.7%**

a. Constant perimeter reflects the impact of significant acquisitions, including the acquisition of the remaining interest in Ingrooves Music Group by Universal Music Group (March 15, 2019).
b. Mainly included download sales.

For the first half of 2020, Universal Music Group's (UMG) revenues were €3,459 million, up 3.5% at constant currency and perimeter compared to the first half of 2019 (+6.2% on an actual basis).

Recorded music revenues grew by 3.7% at constant currency and perimeter thanks to the growth in subscription and streaming revenues (+12.4%) and the receipt of a digital royalty claim. This increase was achieved despite the impact of the COVID-19 pandemic, which mainly affected the second quarter of 2020. Physical sales were down 22.4% compared to the first half of 2019, while download sales declined by 23.1%.

Recorded music best sellers for the first half of 2020 included new releases from The Weeknd, Justin Bieber, King & Prince, Eminem and Lil Baby, as well as continued sales from Billie Eilish and Post Malone.

UMG ended the first half of 2020 with seven of the Top 10 most consumed artists in the United States, according to Nielsen. In addition, UMG took a number of important steps in continuing to expand its global footprint, opening offices in Morocco and Israel, launching Def Jam Africa based in South Africa and Nigeria, and announcing key partnerships with Sugar (Italy), The Aristokrat Group (Africa), and Desi Melodies (India), among others.

Music publishing revenues grew by 21.2% at constant currency and perimeter compared to the first half of 2019, driven by increased subscription and streaming revenues, as well as the receipt of a digital royalty claim, separate from the one mentioned in recorded music.

For the first half of 2020, Universal Music Publishing Group (UMPG) complemented strong results with a number of notable signings around the world and across genres, including Taylor Swift, Kenny Chesney, Surfaces, Luke Combs, Marisa Monte and Meduza.

Merchandising and other revenues were down 41.4% at constant currency and perimeter compared to the first half of 2019, due to the impact of the COVID-19 pandemic on both touring and retail activity.

For the first half of 2020, UMG's EBITA was €567 million, up 16.6% at constant currency and perimeter compared to the first half of 2019 (+18.0% on an actual basis) driven by revenue growth and cost control.

On July 22, 2020, UMG and Spotify announced a new, multi-year global license agreement that further aligns the companies' efforts to foster groundbreaking new features providing value for artists and great experiences for music fans.

1.3.2 Canal+ Group

(in millions of euros)	Six months ended June 30, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
International TV	1,054	808	+30.5%	+31.4%	+5.2%
TV in Mainland France (b)	1,488	1,520	-2.1%	-2.1%	-2.1%
Studiocanal	132	190	-30.5%	-30.3%	-33.1%
Revenues	**2,674**	**2,518**	**+6.2%**	**+6.5%**	**-1.6%**
Income from operations	**334**	**235**	**+41.9%**	**+42.7%**	**+18.4%**
Income from operations margin	*12.5%*	*9.3%*	*+3.2 pts*		
Income/(charges) related to share-based compensation plans	(7)	(2)			
Other special items excluded from income from operations	2	3			
EBITA before restructuring charges	**329**	**236**	**+39.5%**	**+40.3%**	**+16.2%**
EBITA before restructuring charges margin	*12.3%*	*9.4%*	*+2.9 pts*		
Restructuring charges	(29)	(3)			
EBITA	**300**	**233**	**+28.7%**	**+29.4%**	**+7.0%**
Canal+ Group subscribers (in thousands)					
Europe (excluding Mainland France and including M7)	*5,114*	*2,724*	*+2,390*		
Africa	*4,955*	*4,409*	*+546*		
Overseas	*656*	*639*	*+17*		
Asia Pacific	*1,085*	*887*	*+198*		
Overseas and international subscribers	**11,810**	**8,659**	**+3,151**		
Self-distributed individual subscribers in Mainland France	4,636	4,548	+88		
Wholesale subscribers (c)	3,392	3,401	-9		
Collective subscribers in Mainland France	529	509	+20		
Subscribers in Mainland France	**8,557**	**8,458**	**+99**		
Total Canal+ Group subscribers	**20,367**	**17,117**	**+3,250**		

a. Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019).

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

c. Includes the strategic partnership agreements with Free, Orange and Bouygues Telecom, as well as subscribers to Thema packages. Certain subscribers may also have subscribed to a Canal+ offer.

Canal+ Group's revenues were €2,674 million, up 6.2% compared to the first half of 2019. At constant currency and perimeter, revenues slightly decreased (-1.6%).

Canal+ Group's total subscriber portfolio (individual and collective) reached 20.4 million, compared to 17.1 million for the first half of 2019, including 8.6 million in mainland France.

Revenues from television operations in mainland France decreased slightly compared to the first half of 2019 (-2.1% at constant currency and perimeter), in a context marked by a downturn in the advertising market due to the COVID-19 pandemic.

Revenues from international operations rose sharply by 30.5% (+5.2% at constant currency and perimeter), thanks to the outstanding year-on-year growth in the number of subscribers (+3.2 million), which was driven both by organic growth and the integration of M7.

Studiocanal's revenues declined by 30.5% compared to the same period in 2019, as theatrical film distribution was particularly affected by the COVID-19 pandemic.

Canal+ Group's EBITA before restructuring charges was €329 million, compared to €236 million for the first half of 2019 (+16.2% at constant currency and perimeter). After restructuring charges, EBITA was €300 million, compared to €233 million for the same period in 2019 (+7.0% at constant currency and perimeter).

Canal+ Group continues to focus on the tracking of its expenditures and investments. The first half of 2020 confirmed Canal+ Group's ambition to build, from a foundation of the best of cinema, sports and series, a gateway to the world's leading applications and channels. Canal+ Group became the exclusive French distributor of the new Disney+ streaming service, available as part of Canal+ offers since April 7. Canal+ Group can further extend the reach of Disney+ through third-party distribution partners such as Internet Service Provider. Since June 1, Canal+ Group became the exclusive French distributor of beIN Sports channels to third-party providers across all platforms in mainland France, for the next five years.

1.3.3 Havas Group

(in millions of euros)	Six months ended June 30, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	1,019	1,114	-8.5%	-9.4%	-11.7%
Net revenues (a)	**977**	**1,061**	**-7.9%**	**-8.8%**	**-11.2%**
Income from operations	**61**	**121**	**-50.0%**	**-51.1%**	**-52.2%**
Income from operations/net revenues	*6.2%*	*11.4%*	*-5.2 pts*		
Income/(charges) related to share-based compensation plans	(6)	(6)			
Other special items excluded from income from operations	1	-			
EBITA before restructuring charges	**56**	**115**	**-51.3%**	**-52.5%**	**-53.6%**
EBITA before restructuring charges/net revenues	*5.7%*	*10.8%*	*-5.1 pts*		
Restructuring charges	(10)	(7)			
EBITA	**46**	**108**	**-57.1%**	**-58.3%**	**-59.3%**
Net revenues by geographic area					
Europe	454	517	-12.2%	-12.4%	-16.6%
North America	405	398	+1.7%	-1.8%	-1.8%
Asia Pacific and Africa	78	86	-9.5%	-9.5%	-14.5%
Latin America	40	60	-32.9%	-24.2%	-22.6%
	977	**1,061**	**-7.9%**	**-8.8%**	**-11.2%**

a. Net revenues, a non-GAAP measure, corresponds to Havas Group's revenues less the pass-through costs rebilled to customers.

As anticipated, the second quarter of 2020 was significantly impacted by the COVID-19 pandemic. Havas Group reacted swiftly to ensure the safety of its employees and continuity of business for all its clients around the world. This unprecedented public health crisis has affected the entire communications industry, as some advertisers were forced to postpone or cancel a number of campaigns. All divisions felt the impact, except for Havas Health & You, which continues to report positive performance thanks to the gains in market share achieved last year.

In these highly challenging times, for the first half of 2020, Havas Group reported revenues of €1,019 million, down 8.5%. Net revenues were €977 million, down 7.9% compared to the first half of 2019. Organic growth was -11.2% (-3.3% for the first quarter of 2020 and -18.3% for the second quarter); exchange rates had a positive impact of 0.9%, and acquisitions contributed 2.4%.

In terms of regions, at the end of June, North America delivered a satisfactory performance thanks to a resilient market and growth in health communications. Europe was severely affected by the pandemic. However, the agencies in the United Kingdom and Germany have proven more resistant than others. Both Asia-Pacific and Latin America recorded sharp declines.

For the first half of 2020, EBITA was €46 million, compared to €108 million for the same period in 2019. This change was due to the sharp downturns in activity reported by both the Media and Creative divisions.

A cost-reduction plan was implemented in both divisions in the early weeks of the crisis and, by the end of June, Havas Group had already absorbed nearly half the decline in revenues (before restructuring costs).

1.3.4 Editis

(in millions of euros)	Six months ended June 30, 2020	2019 (a)	6-month pro forma data 2019	% Change	% Change at constant currency and perimeter
Literature	123	125	148	-17.2%	-18.6%
Education and Reference	55	53	61	-9.5%	-9.5%
Diffusion and Distribution	84	82	97	-13.3%	-13.3%
Revenues	**262**	**260**	**306**	**-14.4%**	**-15.1%**
Income from operations	**(16)**	**6**	**(3)**		
Restructuring charges	(3)	-	(1)		
Income/(charges) related to share-based compensation plans	(1)	-	-		
Other special items excluded from income from operations	(1)	(2)	(1)		
EBITA	**(21)**	**4**	**(5)**		

a. Corresponds to the financial data consolidated by Vivendi since February 1, 2019.

For the first half of 2020, Editis' revenues were €262 million, down 15.1% at constant currency and perimeter compared to the first half of 2019. The COVID-19 pandemic impacted all of Editis' activities with the shut-down of most of the publishing sector's points of sale.

However, a strong market recovery, especially for Editis, which enjoyed a revenue increase of 38.0% in June, helped offset the negative impact of the lockdown period on sales. Editis' revenues were down approximately 40% between March, April and May compared to the same period in 2019.

In addition, nine of Editis' titles were among the Top 25 best-sellers in the first half of 2020, up 50% compared to the same period in 2019, including *Au soleil redouté* by Michel Bussi, *La Vallée* by Bernard Minier, *Nos résiliences* by Agnès Martin-Lugand or *Fait maison* by Cyril Lignac.

Editis also takes pride in the prestigious literary awards its authors have received, such as the "Grand Prix du polar des Lectrices de Elle" awarded to Tess Sharpe for *Mon Territoire*, the "Prix Maison de la Presse 2020" awarded to Caroline Laurent for *Rivage de la colère*, and the "Prix France Télévisions #MonLivreDeLété" awarded to François Durpaire for *Histoire mondiale du bonheur*.

Publishing houses such as the Trédaniel Group, L'Iconoclaste and Les Arènes chose Editis as their distribution and/or diffusion partner starting in 2021.

For the first half of 2020, impacted by the lockdown, Editis' EBITA was -€21 million, compared to -€5 million for the same period in 2019 (pro forma).

1.3.5 Gameloft

(in millions of euros)	Six months ended June 30, 2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**130**	**133**	**-2.2%**	**-3.0%**	**-3.0%**
Income from operations	**(12)**	**(9)**			
Restructuring charges	-	-			
Income/(charges) related to share-based compensation plans	(1)	(2)			
Other special items excluded from income from operations	(1)	-			
EBITA	**(14)**	**(11)**			
Revenues by geographic area					
North America	52	46			
EMEA (Europe, the Middle East, Africa)	45	44			
Asia Pacific	25	33			
Latin America	8	10			
	130	**133**			

For the second quarter of 2020, Gameloft's revenues were €69 million, up 6.5% year-on-year, with sales on OTT platforms (Apple, Google, Microsoft, etc.) up by 16.3%. For the first half of 2020, revenues were €130 million, down 2.2% year-on-year. Gameloft's sales on OTT platforms increased by 3.6% for the first half of 2020 and accounted for 76% of Gameloft's total sales. Gameloft registered 1.6 million downloads per day across all platforms in the first half of 2020.

For the first half of 2020, EBITA was -€14 million, compared to -€11 million for the same period in 2019.

1.3.6 Vivendi Village

	Six months ended June 30,				
(in millions of euros)	2020	2019	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	**26**	**66**	**-61.0%**	**-61.2%**	**-62.0%**
Income from operations	**(26)**	**(9)**			
Restructuring charges	-	-			
Income/(charges) related to share-based compensation plans	-	-			
Other special items excluded from income from operations	(1)	-			
EBITA	**(27)**	**(9)**			

The lockdown measures imposed in Europe and Africa during the first half of 2020 had a significant impact on Vivendi Village. After a very strong start to the year, the live performance, venues and ticketing activities came to a virtual standstill in the second quarter of 2020.

Cost-reduction measures have been put in place. In addition, live performance has launched innovative initiatives to maintain a connection with festival-goer communities: in London, Junction 2V, held on July 11 and 12, 2020, was an entirely virtual festival, and smaller festivals will be organized this summer.

For the first half of 2020, Vivendi Village's revenues were €26 million (compared to €66 million in the first half of 2019) and the EBITA represented a loss of €27 million (versus -€9 million for the first half of 2019).

1.3.7 New Initiatives

In the first half of 2020, the revenues of New Initiatives, which brings together the Dailymotion and GVA entities, were €28 million, compared to €34 million in the first half of 2019.

In the first half of 2020, Dailymotion's audience for premium content grew by more than 35% compared to the first half of 2019. This growth was driven in particular by new partnerships such as those with CNN and Barstool Sports in the United States, Ooreka and Numerama in France, Daily Mail in the United Kingdom, Film Affinity in Spain, Bilan in Switzerland, Cocina al Natural in Mexico, News Nation in India and Amarin in Thailand. Dailymotion's programmatic monetization platform also continues to grow with the integration of Amazon, following that of The Trade Desk, DV 360 and Verizon.

GVA, a telecoms operator in Africa, launched the sale of its very high-speed Internet offers in March 2020 in two new capitals, Abidjan (Côte d'Ivoire) and Kigali (Rwanda), strengthening its presence on the continent. In June 2020, after launching its Canalbox PREMIUM offer (50 Mb/s) and CanalboxPro offers in Pointe Noire (Republic of the Congo) the previous year, GVA expanded its commercial offer by launching START (very high speed at 10 Mb/s).

New Initiatives' income from operations was a loss of €34 million, compared to -€31 million for the first half of 2019.

New Initiatives' EBITA was -€42 million, compared to -€29 million in the first half of 2019.

1.3.8 Corporate

Corporate's income from operations was a net charge of €58 million, unchanged compared to the first half of 2019.

Corporate's EBITA was a net charge of €74 million, compared to a net charge of €59 million for the first half of 2019, a €15 million increase.

2 Liquidity and capital resources

2.1 Liquidity and equity portfolio

Preliminary comments:

- *The "Financial Net Debt", a non-GAAP measure, should be considered in addition to, and not as a substitute for, GAAP measures 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.*
- *The "Financial Net Debt" is calculated as the sum of:*
  - *i. cash and cash equivalents, as reported in the Consolidated Statement of Financial Position, corresponding to cash in banks, money market funds and bond funds, which satisfy the ANC's and AMF's decision released in November 2018, and other highly liquid short-term investments with initial maturities of generally three months or less, as required by IAS 7;*
  - *ii. cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC's and AMF's decision released in November 2018. In addition, on March 20, 2020, Vivendi SE and Bolloré SE entered into a cash management agreement providing for advance payments, repayable at Vivendi SE's first request (for a detailed description, please refer to Note 14 to the Condensed Financial Statements for the half-year ended June 30, 2020); and*
  - *iii. derivative financial instruments, net (assets and liabilities) where the underlying instruments are Financial Net Debt items, as well as cash deposits securing borrowings included in the Consolidated Statement of Financial Position under "financial assets";*

  less:
  - *iv. the value of borrowings at amortized cost.*
- *For a detailed description, please refer to Note 14 "Cash position" and to Note 18 "Borrowings and other financial liabilities" to the Condensed Financial Statements for the half-year ended June 30, 2020.*

2.1.1 Financial Net Debt

(in millions of euros)	Refer to Notes to the Condensed Financial Statements	June 30, 2020	December 31, 2019
Cash and cash equivalents		2,374	2,130
Cash management financial assets		275	204
Cash position	14	**2,649**	**2,334**
Bonds		(5,450)	(5,450)
Bank credit facilities (drawn confirmed)		(190)	-
Short-term marketable securities issued		-	(870)
Other		(66)	(78)
Borrowings and other financial liabilities	18	**(5,706)**	**(6,398)**
Financial Net Debt		**(3,057)**	**(4,064)**

2.1.2 Changes in the 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, 2019	**2,130**	**(6,194)**	**(4,064)**
(Outflows) / inflows:			
Operating activities	793	-	793
Investing activities	(1,080)	74	(1,006)
Financing activities	563	656	1,219
Foreign currency translation adjustments	(32)	33	1
Financial Net Debt as of June 30, 2020	**2,374**	**(5,431)**	**(3,057)**

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

Vivendi believes that the cash flow generated by its operating activities, its cash surpluses, net of amounts used to reduce Vivendi's debt, as well as funds available through undrawn bank credit facilities will be sufficient to cover expenses and investments necessary for its operations, and the service of its debt, for the last six months of 2020.

As of June 30, 2020, Vivendi's Financial Net Debt amounted to -€3,057 million, compared to a Financial Net Debt of -€4,064 million as of December 31, 2019, i.e., a favorable change of €1,007 million. This improvement was mainly attributable to the following items:

- on March 31, 2020, Vivendi received a cash inflow of approximately €2,838 million from the sale of 10% of Universal Music Group's share capital to a Tencent-led consortium (please refer to Note 2.1 to the Condensed Financial Statements for the half-year ended June 30, 2020);
- net cash provided by operating activities for €338 million generated by the group's business; and
- net cash inflows relating to income taxes for €160 million.

These items were partially offset by the following:

- on April 23, 2020, Vivendi paid a dividend with respect to fiscal year 2019 of €0.60 per share representing a €690 million outflow;
- Vivendi repurchased its own shares for €719 million; and
- in addition, during the second quarter of 2020, Vivendi acquired 25,154 thousand Lagardère shares representing 19.18% of the share capital and 14.49% of the voting rights as of June 30, 2020.

2.1.3 Equity portfolio

As of June 30, 2020, Vivendi held a portfolio of listed non-controlling equity interests (including Telecom Italia) for an aggregate market value of approximately €4.12 billion (before taxes), compared to €3.95 billion as of December 31, 2019.

As of July 27, 2020 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2020), the value of this portfolio was approximately €4.2 billion (before taxes).

2.2 Cash flow from operations analysis

Preliminary comment:

"Cash flow from operations" (CFFO) and "cash flow from operations after interest and income tax paid" (CFAIT), both 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)	2020	2019	% Change
Revenues	7,576	7,353	+3.0%
Operating expenses excluding depreciation and amortization	(6,456)	(6,346)	-1.7%
	1,120	*1,007*	*+11.3%*
Restructuring charges paid	(36)	(45)	+19.8%
Content investments, net	(224)	(272)	+17.6%
of which payments to artists and catalog acquisitions by UMG	*(352)*	*(172)*	*x 2.0*
Neutralization of change in provisions included in operating expenses	15	2	x 6.9
Other cash operating items	(3)	1	na
Other changes in net working capital	(239)	(350)	+31.8%
Net cash provided by/(used for) operating activities before income tax paid	***633***	***343***	***+84.7%***
Dividends received from equity affiliates and unconsolidated companies	40	6	x 7.3
Capital expenditures, net (capex, net)	(205)	(188)	-9.5%
Repayment of lease liabilities and related interest expenses (a)	(130)	(125)	-3.8%
Cash flow from operations (CFFO)	**338**	**36**	**x 9.4**
Interest paid, net	(16)	(21)	+27.2%
Other cash items related to financial activities	3	(12)	na
Income tax (paid)/received, net	160	(351)	na
Cash flow from operations after interest and income tax paid (CFAIT)	**485**	**(348)**	**na**

na: not applicable.

a. Included a €108 million repayment of lease liabilities and €22 million of related interest expenses for the first half of 2020 (compared to €104 million and €21 million for the first half of 2019, respectively).

2.2.1 Changes in cash flow from operations (CFFO)

For the first half of 2020, **cash flow from operations (CFFO)** generated by the group's business segments amounted to €338 million (compared to €36 million for the first half of 2019), a favorable change of €302 million, primarily driven by the growth of Canal+ Group (+479 million).

Net cash EBITDA from the change in the working capital of the group's business segments amounted to €2,016 million (compared to €1,809 million for the first half of 2019), an increase of €207 million. This growth mainly resulted from the operating performances of Universal Music Group (+€132 million) and Canal+ Group (+€188 million).

This increase was amplified by the change in **content investments**, which amounted to €1,474 million (compared to €1,547 million for the first half of 2019), a decrease of €73 million. The increase in advance payments to artists and acquisitions of catalogs by Universal Music Group was more than offset by the temporary postponement in certain content investments due to the COVID-19 pandemic at Canal+ Group.

Furthermore, **capital expenditures** by the group's business segments amounted to €205 million (compared to €188 million for the first half of 2019), an increase of €17 million, mainly at Canal+ Group.

2.2.2 Cash flow from operations (CFFO) by business segment

(in millions of euros)	Six months ended June 30, 2020	2019	% Change
Universal Music Group	60	166	-63.8%
Canal+ Group	653	174	x 3.7
Havas Group	(131)	(72)	-81.3%
Editis	(76)	(87)	+13.4%
Gameloft	(8)	(6)	
Vivendi Village	(57)	(23)	
New Initiatives	(36)	(31)	
Corporate	(67)	(85)	
Cash flow from operations (CFFO)	**338**	**36**	**x 9.4**

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

For the first half of 2020, **cash flow from operations after interest and income tax paid (CFAIT)** was a €485 million net inflow (compared to a €348 million net outflow for the first half of 2019), a favorable change of €833 million, primarily resulting from the change in net cash flow from operations (+€302 million) and net cash flows relating to income taxes (+€511 million).

For the first half of 2020, **cash flow relating to income taxes** was a €160 million net inflow, compared to a €351 million net outflow for the first half of 2019. As a reminder, for the first half of 2019, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012, on February 15, 2019, Vivendi complied with the tax authorities' request and repaid an amount of €239 million (€218 million principal and €21 million moratorium interest). Following a favorable decision from the French Council of State (*Conseil d'État*) on December 19, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million moratorium interest). In addition, for the first half of 2020, the tax authorities repaid €250 million to Vivendi in January 2020, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

For the first half of 2020, financial activities generated a €13 million net outflow (compared to €33 million for the first half of 2019). For the first half of 2020, this amount mainly included net interest paid (-€16 million, compared to -€21 million for the first half of 2019). In addition, cash outflows generated by foreign exchange risk hedging instruments was a €3 million inflow (compared to a €12 million outflow for the first half of 2019).

2.2.4 Reconciliation of CFAIT to net cash provided by operating activities

(in millions of euros)	Six months ended June 30, 2020	2019
Cash flow from operations after interest and income tax paid (CFAIT)	**485**	**(348)**
Adjustments		
Repayment of lease liabilities and related interest expenses	130	125
Capital expenditures, net (capex, net)	205	188
Dividends received from equity affiliates and unconsolidated companies	(40)	(6)
Interest paid, net	16	21
Other cash items related to financial activities	(3)	12
Net cash provided by operating activities (a)	**793**	**(8)**

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 Condensed Financial Statements	Six months ended June 30, 2020
Financial investments		
Acquisition of listed equity securities (a)		(801)
Bolloré SE current account	14	(150)
Acquisition of cash management financial assets	14	(25)
Other financial investments		(50)
Total financial investments		**(1,026)**
Financial divestments		
Disposal of cash management financial assets	14	101
Other financial divestments		10
Total financial divestments		**111**
Dividends received from equity affiliates and unconsolidated companies		40
Capital expenditures, net	4	(205)
Net cash provided by/(used for) investing activities (b)		**(1,080)**

a. Included the acquisition of Lagardère shares for €359 million (please refer to Note 13 to the Condensed Financial Statements for the half-year ended June 30, 2020).

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

2.3.2 Financing activities

(in millions of euros)	Refer to Notes to the Condensed Financial Statements	Six months ended June 30, 2020
Transactions with shareowners		
Sale of 10% of Universal Music Group's share capital	2.1	2,838
Sale/(purchase) of Vivendi SE's treasury shares	15	(719)
Distribution to Vivendi SE's shareowners	15	(690)
Exercise of stock subscription options by executive management and employees	17	15
Other		(85)
Total transactions with shareowners		**1,359**
Transactions on borrowings and other financial liabilities		
Redemption of short-term marketable securities	18	(870)
Interest paid, net	5	(16)
Other		220
Total transactions on borrowings and other financial liabilities		**(666)**
Repayment of lease liabilities and related interest expenses	11 ; 5	(130)
Net cash provided by/(used for) financing activities (a)		**563**

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

3 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, the payment of dividends and distributions as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals, and to any other approvals, which may be required in connection with certain transactions, as well as the risks described in the documents of the group filed by Vivendi with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), and in its press releases, if any, which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, readers are cautioned against relying on such forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Although the COVID-19 pandemic is having a more significant impact on certain countries or businesses than others, Vivendi has been able to demonstrate resilience and adapt in order to continue to best serve and entertain its customers, while reducing costs to preserve its margins. The business activities showed good resistance, in particular music and pay television. However, as anticipated when the first-quarter revenues were released, Havas Group, Vivendi Village and Editis were affected by the effects of the public health crisis. However, Editis has been enjoying a strong rebound in its business since the end of the lockdown in France.

Vivendi carefully analyzes the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact its annual results. Businesses related to advertising and live performance are likely to be affected longer than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, and best serve and entertain its customers and audiences, while complying with the authorities' guidelines in each country where it operates.

A review of the value of assets with an indefinite life, in particular the goodwill, was performed. Taking into account the performance achieved during the first half of the year by the business units, Vivendi did not identify any indications of a decrease in the recoverable amount compared to December 31, 2019, based on the sensitivity analyses performed.

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 2020.

4 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

1 Quarterly revenues by business segment

	2020	
(in millions of euros)	Three months ended March 31,	Three months ended June 30,
Revenues		
Universal Music Group	1,769	1,690
Canal+ Group	1,372	1,302
Havas Group	524	495
Editis	116	146
Gameloft	61	69
Vivendi Village	23	3
New Initiatives	15	13
Elimination of intersegment transactions	(10)	(12)
Total Vivendi	**3,870**	**3,706**

	2019			
(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	1,502	1,756	1,800	2,101
Canal+ Group	1,252	1,266	1,285	1,465
Havas Group	525	589	567	698
Editis (a)	89	171	210	217
Gameloft	68	65	61	65
Vivendi Village	23	43	42	33
New Initiatives	15	19	16	20
Elimination of intersegment transactions	(15)	(15)	(11)	(24)
Total Vivendi	**3,459**	**3,894**	**3,970**	**4,575**

a. As a reminder, Vivendi has fully consolidated Editis since February 1, 2019.

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III – Unaudited condensed financial statements for the half-year ended June 30, 2020

Condensed Statement of Earnings

	Note	Six months ended June 30, 2020	Six months ended June 30, 2019	Year ended December 31, 2019
Revenues	4	**7,576**	**7,353**	**15,898**
Cost of revenues		(4,101)	(4,054)	(8,845)
Selling, general and administrative expenses		(2,744)	(2,619)	(5,495)
Restructuring charges	4	(53)	(22)	(161)
Impairment losses on intangible assets acquired through business combinations	4	-	(16)	(20)
Income from equity affiliates - operational		(18)	3	4
Earnings before interest and income taxes (EBIT)	4	**660**	**645**	**1,381**
Income from equity affiliates - non-operational	12	64	(8)	67
Interest	5	(16)	(21)	(46)
Income from investments		15	5	10
Other financial income	5	473	179	235
Other financial charges	5	(56)	(88)	(170)
		416	***75***	***29***
Earnings before provision for income taxes		**1,140**	**712**	**1,477**
Provision for income taxes	6	(299)	(182)	140
Earnings from continuing operations		**841**	**530**	**1,617**
Earnings from discontinued operations		-	-	-
Earnings		**841**	**530**	**1,617**
Of which				
Earnings attributable to Vivendi SE shareowners		**757**	**520**	**1,583**
Non-controlling interests		84	10	34
Earnings attributable to Vivendi SE shareowners per share - basic	7	**0.66**	**0.41**	**1.28**
Earnings attributable to Vivendi SE shareowners per share - diluted	7	0.65	0.41	1.28

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)	Note	Six months ended June 30, (unaudited) 2020	2019	Year ended December 31, 2019
Earnings		**841**	**530**	**1,617**
Actuarial gains/(losses) related to employee defined benefit plans, net		11	(51)	(143)
Financial assets at fair value through other comprehensive income		(515)	38	(37)
Comprehensive income from equity affiliates, net	12	3	2	(8)
Items not subsequently reclassified to profit or loss		**(501)**	**(11)**	**(188)**
Foreign currency translation adjustments		(146)	72	170
Unrealized gains/(losses), net		3	(2)	(4)
Comprehensive income from equity affiliates, net	12	(42)	63	61
Other impacts, net		(7)	22	22
Items to be subsequently reclassified to profit or loss		**(192)**	**155**	**249**
Charges and income directly recognized in equity	8	**(693)**	**144**	**61**
Total comprehensive income		**148**	**674**	**1,678**
Of which				
Total comprehensive income attributable to Vivendi SE shareowners		**104**	**652**	**1,639**
Total comprehensive income attributable to non-controlling interests		44	22	39

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

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2020 (unaudited)	December 31, 2019
ASSETS			
Goodwill	9	14,603	14,690
Non-current content assets	10	2,970	2,746
Other intangible assets		851	883
Property, plant and equipment		1,117	1,097
Rights-of-use relating to leases	11	1,190	1,245
Investments in equity affiliates	12	3,508	3,520
Non-current financial assets	13	3,162	2,263
Deferred tax assets		824	782
Non-current assets		**28,225**	**27,226**
Inventories		297	277
Current tax receivables		98	374
Current content assets	10	966	1,423
Trade accounts receivable and other		4,909	5,661
Current financial assets	13	328	255
Cash and cash equivalents	14	2,374	2,130
Current assets		**8,972**	**10,120**
TOTAL ASSETS		**37,197**	**37,346**
EQUITY AND LIABILITIES			
Share capital		6,520	6,515
Additional paid-in capital		2,363	2,353
Treasury shares		(1,007)	(694)
Retained earnings and other		8,845	7,179
Vivendi SE shareowners' equity		**16,721**	**15,353**
Non-controlling interests		701	222
Total equity	15	**17,422**	**15,575**
Non-current provisions	16	1,028	1,127
Long-term borrowings and other financial liabilities	18	4,184	5,160
Deferred tax liabilities		1,158	1,037
Long-term lease liabilities	11	1,194	1,223
Other non-current liabilities		169	183
Non-current liabilities		**7,733**	**8,730**
Current provisions	16	575	494
Short-term borrowings and other financial liabilities	18	1,706	1,777
Trade accounts payable and other		9,354	10,494
Short-term lease liabilities	11	210	236
Current tax payables		197	40
Current liabilities		**12,042**	**13,041**
Total liabilities		**19,775**	**21,771**
TOTAL EQUITY AND LIABILITIES		**37,197**	**37,346**

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) 2020	2019	Year ended December 31, 2019
Operating activities				
EBIT		660	645	1,381
Adjustments		436	320	779
Content investments, net		(224)	(272)	(676)
Gross cash provided by operating activities before income tax paid		***872***	***693***	***1,484***
Other changes in net working capital		(239)	(350)	67
Net cash provided by operating activities before income tax paid		***633***	***343***	***1,551***
Income tax (paid)/received, net	6	160	(351)	(283)
Net cash provided by operating activities		**793**	**(8)**	**1,268**
Investing activities				
Capital expenditures	4	(206)	(192)	(413)
Purchases of consolidated companies, after acquired cash	2	(17)	(881)	(2,106)
Investments in equity affiliates	12	(18)	-	(1)
Increase in financial assets	13	(991)	(499)	(177)
Investments		***(1,232)***	***(1,572)***	***(2,697)***
Proceeds from sales of property, plant, equipment and intangible assets	4	1	4	8
Proceeds from sales of consolidated companies, after divested cash		1	2	22
Disposal of equity affiliates	12	-	-	-
Decrease in financial assets	13	110	650	1,046
Divestitures		***112***	***656***	***1,076***
Dividends received from equity affiliates	12	37	1	8
Dividends received from unconsolidated companies	13	3	5	3
Net cash provided by/(used for) investing activities		**(1,080)**	**(910)**	**(1,610)**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SE's share-based compensation plans	17	15	50	175
Sales/(purchases) of Vivendi SE's treasury shares	15	(719)	(947)	(2,673)
Distributions to Vivendi SE's shareowners	15	(690)	(636)	(636)
Other transactions with shareowners	2.1	2,775	(17)	(13)
Dividends paid by consolidated companies to their non-controlling interests		(22)	(16)	(41)
Transactions with shareowners		***1,359***	***(1,566)***	***(3,188)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	18	4	2,103	2,101
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	18	-	(1)	(6)
Principal payment on short-term borrowings	18	(908)	(49)	(787)
Other changes in short-term borrowings and other financial liabilities	18	251	35	870
Interest paid, net	5	(16)	(21)	(46)
Other cash items related to financial activities		3	(12)	(7)
Transactions on borrowings and other financial liabilities		***(666)***	***2,055***	***2,125***
Repayment of lease liabilities and related interest expenses	11 ; 5	(130)	(125)	(254)
Net cash provided by/(used for) financing activities		**563**	**364**	**(1,317)**
Foreign currency translation adjustments of continuing operations		(32)	-	(4)
Change in cash and cash equivalents		**244**	**(554)**	**(1,663)**
Cash and cash equivalents				
At beginning of the period	14	**2,130**	**3,793**	**3,793**
At end of the period	14	**2,374**	**3,239**	**2,130**

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

Condensed Statements of Changes in Equity

Six months ended June 30, 2020 (unaudited)

(in millions of euros, except number of shares)	Note	Capital: Common shares: Number of shares (in thousands)	Capital: Common shares: Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Other comprehensive income	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2019		***1,184,576***	**6,515**	**2,353**	**(694)**	**8,174**	**8,303**	**(902)**	**7,401**	**15,575**
Attributable to Vivendi SE shareowners		***1,184,576***	***6,515***	***2,353***	***(694)***	***8,174***	***8,059***	***(880)***	***7,179***	***15,353***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***244***	***(22)***	***222***	***222***
Contributions by (distributions to) Vivendi SE shareowners		***935***	**5**	**10**	**(313)**	**(298)**	**(712)**	**-**	**(712)**	**(1,010)**
Sales/(purchases) of treasury shares	15	-	-	-	(359)	(359)	-	-	-	(359)
Dividend paid on April 23, 2020 with respect to fiscal year 2019 (€0.60 per share)	15	-	-	-	-	-	(690)	-	(690)	(690)
Capital increase related to share-based compensation plans	17	*935*	5	10	46	61	(22)	-	(22)	39
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**2,378**	**(103)**	**2,275**	**2,275**
of which sale of 10% of Universal Music Group's share capital	2.1	-	-	-	-	-	*2,392*	*(103)*	*2,289*	*2,289*
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS (A)		***935***	**5**	**10**	**(313)**	**(298)**	**1,666**	**(103)**	**1,563**	**1,265**
Contributions by (distributions to) non-controlling interests		-	-	-	-	-	(23)	-	(23)	(23)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	-	-	-	-
Changes in non-controlling interests that do not result in a gain/(loss) of control		-	-	-	-	-	357	100	457	457
of which sale of 10% of Universal Music Group's share capital	2.1	-	-	-	-	-	*355*	*100*	*455*	*455*
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		**-**	**-**	**-**	**-**	**-**	**334**	**100**	**434**	**434**
Earnings		-	-	-	-	-	841	-	841	841
Charges and income directly recognized in equity	8	-	-	-	-	-	(7)	(686)	(693)	(693)
TOTAL COMPREHENSIVE INCOME (C)		**-**	**-**	**-**	**-**	**-**	**834**	**(686)**	**148**	**148**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***935***	***5***	***10***	***(313)***	***(298)***	***2,834***	***(689)***	***2,145***	***1,847***
Attributable to Vivendi SE shareowners		*935*	*5*	*10*	*(313)*	*(298)*	*2,417*	*(751)*	*1,666*	*1,368*
Attributable to non-controlling interests		-	-	-	-	-	*417*	*62*	*479*	*479*
BALANCE AS OF JUNE 30, 2020		***1,185,511***	**6,520**	**2,363**	**(1,007)**	**7,876**	**11,137**	**(1,591)**	**9,546**	**17,422**
Attributable to Vivendi SE shareowners		***1,185,511***	***6,520***	***2,363***	***(1,007)***	***7,876***	***10,476***	***(1,631)***	***8,845***	***16,721***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***661***	***40***	***701***	***701***

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

Six months ended June 30, 2019 (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 JANUARY 1, 2019	***1,306,234***	**7,184**	**4,475**	**(649)**	**11,010**	**7,306**	**(941)**	**6,365**	**17,375**
Attributable to Vivendi SE shareowners	***1,306,234***	***7,184***	***4,475***	***(649)***	***11,010***	***7,063***	***(918)***	***6,145***	***17,155***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***243***	***(23)***	***220***	***220***
Contributions by/distributions to Vivendi SE shareowners	***(46,926)***	**(258)**	**(684)**	**(603)**	**(1,545)**	**(646)**	**-**	**(646)**	**(2,191)**
Capital reduction through cancellation of treasury shares	*(50,000)*	(275)	(715)	990	-	-	-	-	-
Sales/(purchases) of treasury shares	-	-	-	(1,616)	(1,616)	-	-	-	(1,616)
Dividend paid on April 18, 2019 with respect to fiscal year 2018 (€0.50 per share)	-	-	-	-	-	(636)	-	(636)	(636)
Capital increase related to share-based compensation plans	*3,074*	17	31	23	71	(10)	-	(10)	61
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**	**(8)**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS (A)	***(46,926)***	**(258)**	**(684)**	**(603)**	**(1,545)**	**(654)**	**-**	**(654)**	**(2,199)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(30)	-	(30)	(30)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	4	-	4	4
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(26)**	**-**	**(26)**	**(26)**
Earnings	-	-	-	-	-	530	-	530	530
Charges and income directly recognized in equity	-	-	-	-	-	22	122	144	144
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**552**	**122**	**674**	**674**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***(46,926)***	***(258)***	***(684)***	***(603)***	***(1,545)***	***(129)***	***122***	***(7)***	***(1,552)***
Attributable to Vivendi SE shareowners	*(46,926)*	*(258)*	*(684)*	*(603)*	*(1,545)*	*(122)*	*120*	*(2)*	*(1,547)*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*(7)*	*2*	*(5)*	*(5)*
BALANCE AS OF JUNE 30, 2019	***1,259,308***	**6,926**	**3,791**	**(1,252)**	**9,465**	**7,177**	**(819)**	**6,358**	**15,823**
Attributable to Vivendi SE shareowners	***1,259,308***	***6,926***	***3,791***	***(1,252)***	***9,465***	***6,941***	***(798)***	***6,143***	***15,608***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***236***	***(21)***	***215***	***215***

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

Year ended December 31, 2019

(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, 2018	***1,306,234***	**7,184**	**4,475**	**(649)**	**11,010**	**7,466**	**(942)**	**6,524**	**17,534**
Attributable to Vivendi SE shareowners	***1,306,234***	***7,184***	***4,475***	***(649)***	***11,010***	***7,221***	***(918)***	***6,303***	***17,313***
Attributable to non-controlling interests	-	-	-	-	-	***245***	***(24)***	***221***	***221***
Restatements related to the application of IFRS 16 (a)	-	-	-	-	-	**(122)**	-	**(122)**	**(122)**
Attributable to Vivendi SE shareowners	-	-	-	-	-	*(121)*	-	*(121)*	*(121)*
Attributable to non-controlling interests	-	-	-	-	-	*(1)*	-	*(1)*	*(1)*
BALANCE AS OF JANUARY 1, 2019	***1,306,234***	**7,184**	**4,475**	**(649)**	**11,010**	**7,343**	**(941)**	**6,402**	**17,412**
Attributable to Vivendi SE shareowners	***1,306,234***	***7,184***	***4,475***	***(649)***	***11,010***	***7,100***	***(918)***	***6,182***	***17,192***
Attributable to non-controlling interests	-	-	-	-	-	***243***	***(23)***	***220***	***220***
Contributions by/distributions to Vivendi SE shareowners	***(121,658)***	**(669)**	**(2,122)**	**(45)**	**(2,836)**	**(634)**	-	**(634)**	**(3,470)**
Capital reduction through cancellation of treasury shares	*(130,931)*	(720)	(2,245)	2,965	-	-	-	-	-
Sales/(purchases) of treasury shares	-	-	-	(3,033)	(3,033)	-	-	-	(3,033)
Dividend paid on April 18, 2019 with respect to fiscal year 2018 (€0.50 per share)	-	-	-	-	-	(636)	-	(636)	(636)
Capital increase related to share-based compensation plans	*9,273*	51	123	23	197	2	-	2	199
of which employee Stock Purchase Plans (July 17, 2019)	*5,376*	*30*	*84*	-	*114*	-	-	-	*114*
exercise of stock options by executive management and employees	*3,897*	*21*	*40*	-	*61*	-	-	-	*61*
Changes in Vivendi SE's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	**(8)**	-	**(8)**	**(8)**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SE SHAREOWNERS (A)	***(121,658)***	**(669)**	**(2,122)**	**(45)**	**(2,836)**	**(642)**	-	**(642)**	**(3,478)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(39)	-	(39)	(39)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	2	-	2	2
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(37)**	-	**(37)**	**(37)**
Earnings	-	-	-	-	-	1,617	-	1,617	1,617
Charges and income directly recognized in equity	-	-	-	-	-	22	39	61	61
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**1,639**	**39**	**1,678**	**1,678**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***(121,658)***	***(669)***	***(2,122)***	***(45)***	***(2,836)***	***960***	***39***	***999***	***(1,837)***
Attributable to Vivendi SE shareowners	*(121,658)*	*(669)*	*(2,122)*	*(45)*	*(2,836)*	*959*	38	*997*	*(1,839)*
Attributable to non-controlling interests	-	-	-	-	-	*1*	*1*	*2*	*2*
BALANCE AS OF DECEMBER 31, 2019	***1,184,576***	**6,515**	**2,353**	**(694)**	**8,174**	**8,303**	**(902)**	**7,401**	**15,575**
Attributable to Vivendi SE shareowners	***1,184,576***	***6,515***	***2,353***	***(694)***	***8,174***	***8,059***	***(880)***	***7,179***	***15,353***
Attributable to non-controlling interests	-	-	-	-	-	***244***	***(22)***	***222***	***222***

a. As a reminder, as from January 1, 2019, Vivendi applied the new accounting standard IFRS 16 – *Leases*. Please refer to Notes 1 and 11 to the Consolidated Financial Statements for the year ended December 31, 2019 of the 2019 Universal Registration Document.

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

Notes to the Condensed Financial Statements

On July 27, 2020, 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, 2020. Upon the recommendation of the Audit Committee, which met on July 28, 2020, the Supervisory Board, at its meeting held on July 30, 2020, reviewed the Financial Report and Unaudited Condensed Financial Statements for the half-year ended June 30, 2020, as previously approved by the Management Board on July 27, 2020.

The Unaudited Condensed Financial Statements for the half-year ended June 30, 2020 should be read in conjunction with Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2019, as published in the "Rapport Annuel - Document d'enregistrement universel" filed on March 11, 2020 with the *Autorité des marchés financiers* ("AMF", the French securities regulator). Please also refer to pages 219 to 315 of the English translation[3] of the "Rapport Annuel - Document d'enregistrement universel 2019" (the "Annual Report – 2019 Universal Registration Document"), which is available on Vivendi's website (www.vivendi.com).

Note 1 Accounting policies and valuation methods

1.1 Interim Financial Statements

Vivendi's interim Condensed Financial Statements for the first half of 2020 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, 2019 (please refer to Note 1 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2019, pages 232 to 246 of the 2019 Universal Registration Document) 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 applicable as from January 1, 2020

Amendments to IFRS standards issued by the IASB applicable as from January 1, 2020, had no material impact on Vivendi's Condensed Financial Statements.

[3] *This free translation of the "Rapport Annuel - Document d'enregistrement universel 2019" is provided solely for the convenience of English-speaking readers. In the event of discrepancy, the French version shall prevail.*

Note 2 Major events

2.1 Sale of 10% of Universal Music Group's share capital

On March 31, 2020, Vivendi completed the sale of 10% of Universal Music Group's (UMG) share capital to a Tencent-led consortium, three months after the signing of the December 31, 2019 agreement, based on an enterprise value of €30 billion for 100% of UMG's share capital. This sale of a 10% interest generated a cash inflow of €2,838 million[4].

In Vivendi's Consolidated Financial Statements, in accordance with IFRS 10, the capital gain on the sale of 10% of UMG's share capital, equal to the difference between the sale price of €2,838 million and the value of sold non-controlling interests in the Consolidated Financial Statements of €458 million, was directly recorded as an increase in equity attributable to Vivendi SE shareowners for €2,380 million. In accordance with applicable accounting standards, the capital gain on the sale of 10% of UMG's share capital was recorded in earnings in Vivendi's Statutory Financial Statements.

The consortium, which is led by Tencent and includes Tencent Music Entertainment and other financial co-investors, has the option to acquire, on the same valuation basis, an additional amount of up to 10% of UMG's share capital until January 15, 2021. This transaction is complemented by a separate agreement pursuant to which Tencent Music Entertainment is entitled to acquire a minority interest in UMG's subsidiary owning its Greater China operations.

Following completion of this highly significant strategic transaction, Vivendi intends to pursue the possible sale of additional minority interests in UMG with the assistance of several mandated banks.

An initial public offering is currently planned for early 2023 at the latest. Vivendi intends to use the proceeds from these various transactions for substantial share buyback transactions and acquisitions.

2.2 Acquisition of Editis

On January 31, 2019, Vivendi completed the acquisition of 100% of Antinea 6's share capital, the holding company of Editis, the second-largest French-language publishing group. The purchase price amounted to €829 million, including the repayment of Editis Group's debt on that date. On January 2, 2019, the French Competition Authority authorized the transaction unconditionally.

Consolidation of Editis by Vivendi

As from February 1, 2019, Vivendi has fully consolidated Editis. As of June 30, 2020, the final goodwill attributable to Editis was €827 million (unchanged compared to the provisional goodwill as of December 31, 2019).

(in millions of euros)	January 31, 2019
Purchase price for 100% of Antinea 6's share capital, the holding company of Editis	332
Editis Group's debt repaid by Vivendi	497
Purchase price for 100% of Editis	**829**
Carrying value of Editis's acquired assets and incurred or assumed liabilities	2
Final goodwill	**827**

4 In connection with the pre-closing streamlining of UMG's legal structure, some debt was incurred at the level of the UMG holding company consisting of an internal loan between UMG and Vivendi SE (without any increase in Vivendi's consolidated debt).

2.3 Acquisition of M7

On September 12, 2019, Canal+ Group completed the acquisition of M7, one of the largest independent pay-TV companies in Europe, operating in Benelux and Central Europe.

Consolidation of M7 by Canal+ Group

As from September 12, 2019, Canal+ Group has fully consolidated M7. The purchase price allocation is expected to be performed within twelve months of the acquisition date, in accordance with accounting standards. The final amount of goodwill may significantly differ from the amount presented below.

(in millions of euros)	September 12, 2019
Purchase price for 100% of M7	**1,136**
Carrying value of M7's acquired assets and incurred or assumed liabilities (a)	139
Provisional goodwill	**997**

a. Notably included the preliminary allocation to acquired M7 subscriber bases and brands.

Note 3 COVID-19 pandemic impacts

Although the COVID-19 pandemic is having a more significant impact on certain countries or businesses than others, Vivendi has been able to demonstrate resilience and adapt in order to continue to best serve and entertain its customers, while reducing costs to preserve its margins. The business activities showed good resistance, in particular music and pay television. However, as anticipated when the first-quarter revenues were released, Havas Group, Vivendi Village and Editis were affected by the effects of the public health crisis. However, Editis has been enjoying a strong rebound in its business since the end of the lockdown in France.

Vivendi carefully analyzes the current and potential consequences of the crisis. It is difficult at this time to determine how it will impact its annual results. Businesses related to advertising and live performance are likely to be affected longer than others. Nevertheless, the Group remains confident in the resilience of its main businesses. It continues to make every effort to ensure the continuity of its activities, and best serve and entertain its customers and audiences while complying with the authorities' guidelines in each country where it operates.

A review of the value of assets with an indefinite life, in particular the goodwill, was performed. Taking into account the performance achieved during the first half of the year by the business units, Vivendi did not identify any indications of a decrease in the recoverable amount compared to December 31, 2019, based on the sensitivity analyses performed.

During the first half of 2020, Vivendi’s Financial Net Debt was reduced by €1,007 million, from €4,064 million as of December 31, 2019, to €3,057 million as of June 30, 2020. In addition, Vivendi has important financing capacities. As of June 30, 2020, €3.7 billion of Vivendi’s group (Vivendi SE and Havas SA) facilities were available.

As of June 30, 2020, 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 5.0 years (compared to 5.3 years as of December 31, 2019).

Note 4 Segment data

4.1 Revenues

By business segment

(in millions of euros)	Six months ended June 30, 2020	Six months ended June 30, 2019	Year ended December 31, 2019
Universal Music Group	3,459	3,258	7,159
Canal+ Group	2,674	2,518	5,268
Havas Group	1,019	1,114	2,378
Editis	262	260	687
Gameloft	130	133	259
Vivendi Village	26	66	141
New Initiatives	28	34	71
Elimination of intersegment transactions	(22)	(30)	(65)
Revenues	**7,576**	**7,353**	**15,898**

By activity

(in millions of euros)	Six months ended June 30, 2020	Six months ended June 30, 2019	Year ended December 31, 2019
Intellectual property licensing	3,857	3,634	8,042
Subscription services	2,458	2,210	4,599
Advertising, merchandising and other	1,283	1,539	3,322
Elimination of intersegment transactions	(22)	(30)	(65)
Revenues	**7,576**	**7,353**	**15,898**

By geographical area

(in millions of euros)	Six months ended June 30, 2020	Six months ended June 30, 2019	Year ended December 31, 2019
France	2,257	2,397	4,792
Rest of Europe	1,800	1,775	3,850
Americas	2,429	2,132	5,001
Asia/Oceania	728	715	1,559
Africa	362	334	696
Revenues	**7,576**	**7,353**	**15,898**

4.2 Other main aggregates of the Statement of Earnings

(in millions of euros)	Six months ended June 30, 2020	Six months ended June 30, 2019	Year ended December 31, 2019
Income from operations			
Universal Music Group	597	501	1,168
Canal+ Group	334	235	431
Havas Group	61	121	268
Editis	(16)	6	59
Gameloft	(12)	(9)	(28)
Vivendi Village	(26)	(9)	(16)
New Initiatives	(34)	(31)	(68)
Corporate	(58)	(58)	(95)
	846	**756**	**1,719**
Restructuring charges			
Universal Music Group	(8)	(11)	(24)
Canal+ Group	(29)	(3)	(92)
Havas Group	(10)	(7)	(35)
Editis	(3)	-	(3)
Gameloft	-	-	(3)
Vivendi Village	-	-	(1)
New Initiatives	(1)	-	(1)
Corporate	(2)	(1)	(2)
	(53)	**(22)**	**(161)**
Income/(charges) related to share-based compensation plans			
Universal Music Group	(6)	(3)	(5)
Canal+ Group	(7)	(2)	(5)
Havas Group	(6)	(6)	(12)
Editis	(1)	-	-
Gameloft	(1)	(2)	(4)
Vivendi Village	-	-	-
New Initiatives	(1)	-	-
Corporate	(3)	(2)	(6)
	(25)	**(15)**	**(32)**
Other non-current operating charges and income			
Universal Music Group	(16)	(6)	(15)
Canal+ Group	2	3	9
Havas Group	1	-	4
Editis	(1)	(2)	(4)
Gameloft	(1)	-	(1)
Vivendi Village	(1)	-	-
New Initiatives	(6)	2	4
Corporate	(11)	2	3
	(33)	**(1)**	**-**
Adjusted earnings before interest and income taxes (EBITA)			
Universal Music Group	567	481	1,124
Canal+ Group	300	233	343
Havas Group	46	108	225
Editis	(21)	4	52
Gameloft	(14)	(11)	(36)
Vivendi Village	(27)	(9)	(17)
New Initiatives	(42)	(29)	(65)
Corporate	(74)	(59)	(100)
	735	**718**	**1,526**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Six months ended June 30, 2020	2019	Year ended December 31, 2019
EBIT (a)	**660**	**645**	**1,381**
Adjustments			
Amortization of intangible assets acquired through business combinations	75	57	125
Impairment losses on intangible assets acquired through business combinations (a)	-	16	20
Other charges and income	-	-	-
EBITA	**735**	**718**	**1,526**
Adjustments			
Restructuring charges (a)	53	22	161
Charges related to share-based compensation plans	25	15	32
Other non-current operating charges and income	33	1	-
Income from operations	**846**	**756**	**1,719**

a. As reported in the Consolidated Statement of Earnings.

4.3 Statement of Financial Position

(in millions of euros)	June 30, 2020	December 31, 2019
Segment assets (a)		
Universal Music Group	11,906	11,344
Canal+ Group	8,990	9,468
Havas Group	5,362	5,848
Editis	1,388	1,383
Gameloft	726	730
Vivendi Village	324	327
New Initiatives	323	328
Corporate	4,882	4,632
of which investments in equity affiliates	*3,237*	*3,248*
listed equity securities	*1,119*	*924*
	33,901	**34,060**
Segment liabilities (b)		
Universal Music Group	4,950	5,181
Canal+ Group	2,664	2,859
Havas Group	3,620	4,265
Editis	470	535
Gameloft	110	109
Vivendi Village	175	204
New Initiatives	76	75
Corporate	464	530
	12,529	**13,758**

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, rights-of-use relating to leases, equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. Segment liabilities include provisions, other non-current liabilities, short-term and long-term lease liabilities and trade accounts payable and other.

4.4 Capex, depreciation and amortization

(in millions of euros)	Six months ended June 30, 2020	2019	Year ended December 31, 2019
Capital expenditures, net (capex net) (a)			
Universal Music Group	37	34	73
Canal+ Group	136	121	261
Havas Group	10	16	34
Editis	4	5	10
Gameloft	1	3	5
Vivendi Village	5	2	5
New Initiatives	11	7	16
Corporate	1	-	1
	205	**188**	**405**
Increase in tangible and intangible assets and rights-of-use relating to leases			
Universal Music Group	45	36	134
Canal+ Group	146	108	265
Havas Group	67	16	86
Editis	1	3	107
Gameloft	1	3	8
Vivendi Village	14	2	10
New Initiatives	11	7	16
Corporate	1	1	59
	286	**176**	**685**
Depreciation of tangible assets			
Universal Music Group	28	26	53
Canal+ Group	73	58	123
Havas Group	20	20	42
Editis	2	2	5
Gameloft	2	2	5
Vivendi Village	1	2	4
New Initiatives	2	3	5
Corporate	-	-	2
	128	**113**	**239**
Amortization of rights-of-use relating to leases			
Universal Music Group	35	30	64
Canal+ Group	20	21	39
Havas Group	42	39	78
Editis	6	5	15
Gameloft	4	3	8
Vivendi Village	2	2	4
New Initiatives	2	2	3
Corporate	3	4	9
	114	**106**	**220**
Amortization of intangible assets excluding those acquired through business combinations			
Universal Music Group	-	-	-
Canal+ Group	44	35	79
Havas Group	3	3	8
Editis	20	17	45
Gameloft	1	-	1
Vivendi Village	1	1	1
New Initiatives	2	3	6
Corporate	-	-	-
	71	**59**	**140**
Amortization of intangible assets acquired through business combinations			
Universal Music Group	51	41	85
Canal+ Group	22	8	29
Havas Group	-	-	-
Editis	1	-	2
Gameloft	-	7	8
Vivendi Village	-	-	-
New Initiatives	1	1	1
Corporate	-	-	-
	75	**57**	**125**

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

Note 5 Financial charges and income

Interest

(in millions of euros)		Six months ended June 30,		Year ended
(Charge)/Income	Note	2020	2019	December 31, 2019
Interest expense on borrowings	18	(24)	(35) (a)	(69) (a)
Interest income from cash, cash equivalents and investments		8	14	23
Interest		**(16)**	**(21)**	**(46)**
Fees and premiums on borrowings and credit facilities issued		*(1)*	*(2)*	*(3)*
		(17)	**(23)**	**(49)**

a. Included the annual coupon of the €700 million bond issued by Vivendi SE, which expired in December 2019 for €17 million for the first half of 2019 and €31 million in 2019.

Other financial income and charges

		Six months ended June 30,		Year ended
(in millions of euros)	Note	2020	2019	December 31, 2019
Capital gain and revaluation on financial investments (a)		453	161	198
Effect of undiscounting assets (b)		-	-	-
Expected return on plan assets related to employee benefit plans		5	6	13
Foreign exchange gain		13	12	15
Change in value of derivative instruments		-	-	9
Other		2	-	-
Other financial income		**473**	**179**	**235**
Capital loss and downside adjustment on financial investments (a)		(4)	(20)	(50)
Effect of undiscounting liabilities (b)		(1)	-	(1)
Interest cost related to employee benefit plans		(10)	(14)	(29)
Fees and premiums on borrowings and credit facilities issued		(1)	(2)	(3)
Interest expenses on lease liabilities	11	(22)	(21)	(43)
Foreign exchange loss		(9)	(10)	(13)
Other		(9)	(21)	(31)
Other financial charges		**(56)**	**(88)**	**(170)**
Net total		**417**	**91**	**65**

a. Included the revaluation of the interests in Spotify and Tencent Music for a net amount of €449 million for the first half of 2020, compared to €155 million for the first half of 2019 and €139 million in 2019.

b. In accordance with applicable accounting standards, where the effect of the time value of money is material, assets and liabilities are initially recorded in the Statement of Financial Position in an amount relating to the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time.

Note 6 Income taxes

(in millions of euros)	Six months ended June 30,		Year ended
(Charge)/Income	2020	2019	December 31, 2019
Impact of Vivendi SE's French Tax Group and Consolidated Global Profit Tax Systems	43	72	601
Other components of the provision for income taxes (a)	(342)	(254)	(461)
Provision for income taxes	**(299)**	**(182)**	**140**

a. Included the deferred tax charge related to the revaluation through profit or loss of the interests in Spotify and Tencent Music for an aggregate amount of -€110 million for the first half of 2020, compared to -€37 million for the first half of 2019 and -€36 million in 2019.

Note 7 Earnings per share

	Six months ended June 30, 2020		Six months ended June 30, 2019		Year ended December 31, 2019	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings from continuing operations attributable to Vivendi SE shareowners	757	757	520	520	1,583	1,583
Earnings from discontinued operations attributable to Vivendi SE shareowners	-	-	-	-	-	-
Earnings attributable to Vivendi SE shareowners	757	757	520	520	1,583	1,583
Number of shares (in millions)						
Weighted average number of shares outstanding (a)	1,153.5	1,153.5	1,269.2	1,269.2	1,233.5	1,233.5
Potential dilutive effects related to share-based compensation	-	5.1	-	4.7	-	4.9
Adjusted weighted average number of shares	**1,153.5**	**1,158.6**	**1,269.2**	**1,273.9**	**1,233.5**	**1,238.4**
Earnings per share (in euros)						
Earnings from continuing operations attributable to Vivendi SE shareowners per share	0.66	0.65	0.41	0.41	1.28	1.28
Earnings from discontinued operations attributable to Vivendi SE shareowners per share	-	-	-	-	-	-
Earnings attributable to Vivendi SE shareowners per share	0.66	0.65	0.41	0.41	1.28	1.28

a. Net of the weighted average number of treasury shares (31.7 million shares for the first half of 2020, compared to 35.3 million shares for the first half of 2019 and 28.0 million shares in 2019).

Note 8 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

	Items not subsequently reclassified to profit or loss		Items to be subsequently reclassified to profit or loss			
(in millions of euros)	Actuarial gains/(losses) related to employee defined benefit plans	Financial assets at fair value through other comprehensive income	Unrealized gains/(losses) Hedging instruments	Foreign currency translation adjustments	Other comprehensive income from equity affiliates, net	**Other comprehensive income**
Balance as of December 31, 2019	**(385)**	**(468)**	**77**	**(99)**	**(28)** (a)	**(903)**
Charges and income directly recognized in equity	13	(509)	3	(146)	(39)	(678)
Tax effect	(2)	(6)	-	-	-	(8)
Other	-	-	-	-	(2)	(2)
Balance as of June 30, 2020	**(374)**	**(983)**	**80**	**(245)**	**(69)** (a)	**(1,591)**

a. Included foreign currency translation from Telecom Italia for -€143 million as of June 30, 2020, compared to -€9 million as of December 31, 2019.

Note 9 Goodwill

(in millions of euros)	June 30, 2020	December 31, 2019
Goodwill, gross	29,059	29,266
Impairment losses	(14,456)	(14,576)
Goodwill	**14,603**	**14,690**

Changes in goodwill

(in millions of euros)	December 31, 2019	Impairment losses	Business combinations	Changes in foreign currency translation adjustments and other		June 30, 2020
Universal Music Group	5,381	-	(1)	(70)	(a)	5,310
Canal+ Group	5,660	-	(1)	(10)		5,649
Havas Group	2,053	-	35	(33)		2,055
Editis	837	-	-	-		837
Gameloft	594	-	-	-		594
Vivendi Village	162	-	(3)	(4)		155
New Initiatives	3	-	-	-		3
Total	**14,690**	**-**	**30**	**(117)**		**14,603**

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

Value of goodwill

As of December 31, 2019, Vivendi performed an impairment test of Cash-Generating Units (CGU) and groups of CGU to determine whether their recoverable amount was greater than their carrying value. With the assistance of a third-party appraiser, if applicable, Vivendi Management concluded that the recoverable amount of CGU and groups of CGU, which was determined using standard valuation methods (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, comparison with the value attributed to similar assets or companies in recent acquisition transactions), was greater than their carrying value.

Government measures implemented as of March 2020 to address the COVID-19 pandemic in the main regions where Vivendi operates, namely population lockdowns and the closing of certain businesses, have slowed down or even suspended the course of certain activities, which adversely affected the operating performance of Vivendi's businesses in the first half of 2020, in particular Havas Group, Studiocanal and Vivendi Village.

As of June 30, 2020, Vivendi has reviewed the items that may indicate a decrease in the recoverable amount of CGU or groups of CGU during the first half of 2020. In particular, Vivendi analyzed the performance of CGU and groups of CGU in comparison with the estimates used at the end of 2019. In addition, Vivendi analyzed the changes in financial parameters since December 31, 2019 (discount rate, long-term growth rate, stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent acquisition transactions).

Notwithstanding the uncertainties created by the COVID-19 pandemic, Vivendi Management concluded that there were no triggering events as of June 30, 2020 that would indicate a decrease in the recoverable amount of CGU or groups of CGU compared to December 31, 2019, based on sensitivity analyses. In addition, Vivendi will perform an annual impairment test of the carrying value of goodwill and other intangible assets during the fourth quarter of 2020.

Note 10 Content assets and commitments

10.1 Content assets

(in millions of euros)	June 30, 2020 Content assets, gross	June 30, 2020 Accumulated amortization and impairment losses	June 30, 2020 Content assets	December 31, 2019 Content assets
Music catalogs and publishing rights	8,987	(7,362)	1,625	1,594
Advances to artists and repertoire owners	1,401	-	1,401	1,266
Merchandising contracts and artists services	20	(20)	-	-
Film and television costs	7,124	(6,416)	708	783
Sports rights	139	-	139	466
Editorial creations	882	(835)	47	45
Other	49	(33)	16	15
Content assets	**18,602**	**(14,666)**	**3,936**	**4,169**
Deduction of current content assets	(1,031)	65	(966)	(1,423)
Non-current content assets	**17,571**	**(14,601)**	**2,970**	**2,746**

10.2 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, 2020	Minimum future payments as of December 31, 2019
Music royalties to artists and repertoire owners	2,212	2,264
Film and television rights	185	198
Sports rights (a)	82	394
Creative talent, employment agreements and others	269	362
Content liabilities	**2,748**	**3,218**

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 2019/2020 season.

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of June 30, 2020	Minimum future payments as of December 31, 2019
Film and television rights (a)	4,393	3,136
Sports rights (b)	3,221	1,998
Creative talent, employment agreements and others	1,346	1,362
Given commitments	**8,960**	**6,496**
Film and television rights (a)	(165)	(159)
Sports rights	(102)	(104)
Creative talent, employment agreements and others	not available	
Other	(6)	(6)
Received commitments	**(273)**	**(269)**
Total net	**8,687**	**6,227**

a. Provisions recorded in connection with film and television broadcasting rights amounted to €4 million as of June 30, 2020 (compared to €22 million as of December 31, 2019).

b. Notably included broadcasting rights held by Canal+ Group to the following sport events:
- the French professional Soccer League 1 for the four seasons from 2020/2021 to 2023/2024 with the deal signed with BeIN Sports on February 12, 2020;
- the Soccer Champions League, on an exclusive basis for the two premium lots for three seasons, from 2021/2022 to 2023/2024, awarded on November 29, 2019;

- the English Premier League in France and in Poland, for the two seasons 2020/2021 and 2021/2022;
- the National French Rugby Championship "Top 14", on an exclusive basis, for the three seasons 2020/2021 to 2022/2023; and
- Formula 1, Formula 2 and GP3 racings, on an exclusive basis, for the 2020 season. On January 21, 2020, Canal+ Group announced the extension of this agreement for the exclusive broadcast of the entire 2021 and 2022 seasons.

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 11 Leases

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows in 2019. For a detailed description, please refer to Notes 1.1 and 1.3.5.7 to the Consolidated Financial Statements for the year ended December 31, 2019 of the 2019 Universal Registration Document.

11.1 Rights-of-use relating to leases

As of June 30, 2020, the rights-of-use relating to leases amounted to €1,190 million (€1,245 million as of December 31, 2019) less the accumulated amortization and impairment losses for €803 million as of June 30, 2020 (€741 million as of December 31, 2019). These rights-of-use relate to real estate leases.

Changes in the rights-of-use

(in millions of euros)	Six months ended June 30, 2020	Year ended December 31, 2019
Opening balance	**1,245**	**1,131**
Amortization	(114)	(220)
Acquisitions/increase	77	265
Sales/decrease	-	(1)
Business combinations	1	40
Foreign currency translations and other	(19)	30
Closing balance	**1,190**	**1,245**

11.2 Maturity of lease liabilities

The maturity of lease liabilities is based on assumptions made upon the initial application of IFRS 16.

(in millions of euros)	June 30, 2020
< 1 year	210
Between 1 and 5 years	670
> 5 years	524
Lease liabilities	**1,404**

11.3 Lease-related expenses

Lease-related expenses recorded in the Statement of Earnings amounted to €135 million for the first half of 2020, compared to €127 million for the first half of 2019.

Note 12 Investments in equity affiliates

12.1 Main investments in equity affiliates

	Voting interest		Net carrying value of equity affiliates	
(in millions of euros)	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Telecom Italia (a)	23.94%	23.94%	3,237	3,248
Banijay Group Holding (b)	31.4%	31.4%	140	148
Vevo	49.4%	49.4%	67	78
Other			64	46
			3,508	**3,520**

a. As of June 30, 2020, with no change compared to December 31, 2019, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, i.e., 23.94%, representing 17.15% of the total share capital. Based on the stock market price as of June 30, 2020 (€0.35 per ordinary share), the market value of this interest amounted to €1,273 million. For an analysis of the value of Vivendi's interest in Telecom Italia as of June 30, 2020, please refer to paragraph 12.2 below.

b. On July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital. This transaction was notably financed by a capital increase in which Vivendi subscribed for €100 million. Vivendi now holds 32.9% of Banijay Group Holding's share capital.

Change in value of investments in equity affiliates

(in millions of euros)	Six months ended June 30, 2020	Year ended December 31, 2019
Opening balance	**3,520**	**3,418**
Acquisitions	18	12
Sales	-	-
Write-downs	-	(9)
Income from equity affiliates (a)	45	71
Change in other comprehensive income	(39)	53
Dividends received	(37)	(8)
Other	1	(17)
Closing balance	**3,508**	**3,520**

a. Mainly included Vivendi's share of Telecom Italia's net earnings for €64 million for the first half of 2020 (please see below), compared to -€8 million for the first half of 2019.

12.2 Telecom Italia

Equity accounting of Telecom Italia

As of June 30, 2020, with no change compared to December 31, 2019, Vivendi held 3,640 million Telecom Italia ordinary shares, representing 23.94% of the voting rights and 17.15% of the total share capital of Telecom Italia, while taking into account non-voting savings shares with privileged dividend rights.

As of June 30, 2020, Vivendi continues to consider that it has the power to participate in Telecom Italia's financial and operating policy decisions, particularly given the 23.94% voting rights it holds in Telecom Italia. As a result, it is deemed to exercise a significant influence over Telecom Italia.

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 2020, Vivendi's earnings take into account its share of Telecom Italia's net earnings for the fourth quarter of 2019 and for the first quarter of 2020, i.e., a total of €64 million, which was calculated as follows:

- €4 million, attributable to Vivendi's share of Telecom Italia's profit for the fourth quarter of 2019, calculated based on the financial information for the year ended December 31, 2019, as publicly disclosed by Telecom Italia on March 11, 2020;

- €90 million, attributable to Vivendi's share of Telecom Italia's profit for the first quarter of 2020, calculated based on the financial information for the first quarter of 2020, as publicly disclosed by Telecom Italia on May 18, 2020. This amount included Vivendi's share (€76 million) of the capital gain recognized by Telecom Italia on the Inwit transaction; and
- -€30 million, excluded from adjusted net income, relating to the amortization of intangible assets related to the purchase price allocation for Telecom Italia.

In addition, Vivendi's share of Telecom Italia's charges and income directly recognized in equity amounted to -€39 million for the first half of 2020, including -€134 million related to foreign currency translation adjustments.

Value of Vivendi's interest in Telecom Italia as of June 30, 2020

As of June 30, 2020, the stock market price of Telecom Italia ordinary shares (€0.35 per share) remained lower than the purchase price paid by Vivendi (€1.07 per share). As a reminder, as of December 31, 2018, Vivendi wrote-down the value of its interest in Telecom Italia for €1,066 million, with the value of shares accounted for under the equity method amounting to €3,131 million (€0.86 per share). As of December 31, 2019, Vivendi implemented a test of impairment loss of its interest in Telecom Italia to determine whether its recoverable amount was greater than 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 determined using standard valuation methods (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, comparison with the value attributed to similar assets or companies in recent acquisition transactions), was greater than its carrying value.

As of June 30, 2020, Vivendi assessed whether there was any indication that the recoverable amount of its interest in Telecom Italia may have decreased during the first half of 2020. Vivendi Management concluded that there were no triggering events that would indicate a decrease in the value of its interest in Telecom Italia compared to December 31, 2019. Notwithstanding the uncertainties created by the COVID-19 pandemic, Vivendi considers that the decrease in the stock market price of Telecom Italia ordinary shares is not permanent given Telecom Italia's long-term valuation outlook. Vivendi will perform an annual impairment test of the value of its interest in Telecom Italia during the fourth quarter of 2020 after Telecom Italia's business plan is updated.

Financial information related to 100% of Telecom Italia

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

(in millions of euros)	Three month Financial Statements as of March 31, 2020	Annual Financial Statements as of December 31, 2019
Date of publication by Telecom Italia:	*May 18, 2020*	*March 11, 2020*
Non-current assets	58,482	55,996
Current assets	9,513	14,108
Total assets	67,995	70,104
Total equity	22,011	22,626
Non-current liabilities	35,166	35,550
Current liabilities	10,818	11,928
Total liabilities	67,995	70,104
of which net financial debt (a)	*26,569*	*28,246*
Revenues	3,964	17,974
EBITDA (a)	1,735	8,151
Earnings attributable to Telecom Italia shareowners	560	916
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	331	916

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

Note 13 Financial assets

(in millions of euros)	June 30, 2020 Total	Current	Non-current	December 31, 2019 Total	Current	Non-current
Financial assets at fair value through profit or loss						
Term deposits (a)	50	50	-	154	154	-
Level 1						
Bond funds (a)	75	75	-	50	50	-
Listed equity securities	1,632	-	1,632	1,001	-	1,001
Other financial assets	5	5	-	5	5	-
Level 2						
Unlisted equity securities	43	-	43	42	-	42
Derivative financial instruments	21	6	15	25	8	17
Level 3 - Other financial assets (b)	31	-	31	31	-	31
Financial assets at fair value through other comprehensive income						
Level 1 - Listed equity securities	1,213	-	1,213	925	-	925
Level 2 - Unlisted equity securities	8	-	8	22	-	22
Level 3 - Unlisted equity securities	37	-	37	38	-	38
Financial assets at amortized cost	**225**	**42**	**183**	**225**	**38**	**187**
Bolloré SE current account (a)	150	150	-	na	na	na
Financial assets	**3,490**	**328**	**3,162**	**2,518**	**255**	**2,263**

na: not applicable.

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, 2019 (page 235 of the 2019 Universal Registration Document).

a. Relates to cash management financial assets, included in the cash position (please refer to Note 14).

b. These financial assets notably included the fair value of the bond redeemable for either shares or cash (ORAN 2) subscribed to by Vivendi in 2016 in connection with its investment in Banijay Group Holding.

Listed equity and financial assets portfolio

June 30, 2020	Number of shares held	Voting interest		Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)
	(in thousands)				(€/share)		(in millions of euros)		
Mediaset	340,246	9.99%	(b)	28.80%	3.70	1.58	539	(366)	(720)
Lagardère (c)	25,154	14.49%		19.18%	14.37	12.67	319	(43)	(43)
Other							1,987	524	1,483
Total							**2,845**	**115**	**720**

December 31, 2019	Number of shares held	Voting interest		Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)
	(in thousands)				(€/share)		(in millions of euros)		
Mediaset	340,246	9.99%	(b)	28.80%	3.70	2.66	905	(29)	(354)
Other							1,021	210	959
Total							**1,926**	**181**	**605**

a. Includes acquisition fees and taxes.

b. The partnership agreement entered into between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. On April 9, 2018, in compliance with the undertakings given to the Italian communications authority (AGCOM), Vivendi transferred the portion of its voting rights in excess of 10% to an independent Italian trustee (please refer to Note 21).

c. On July 14, 2020, Vivendi declared holding 21.19% of Lagardère's share capital and 16.01% of its voting rights as of July 10, 2020.

Note 14 Cash position

Vivendi’s cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Vivendi, cash management financial assets relate to financial investments that do not comply with the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the ANC’s and AMF’s decision released in November 2018.

On March 20, 2020, Vivendi SE and Bolloré SE entered into an intra-group cash management agreement on market terms to optimize investment and financing capacities within the two groups, in accordance with Article L. 511-7 of the French Monetary and Financial Code. As of June 30, 2020, Bolloré SE was granted a €150 million advance, refundable on first request by Vivendi SE (please refer to Note 19).

Vivendi believes that the cash flow generated by its operating activities, its cash available, net of amounts used to reduce Vivendi's debt, as well as funds available through undrawn bank credit facilities will be sufficient to cover expenses and investments necessary for its operations, and the service of its debt, for the last six months of the year.

(in millions of euros)	June 30, 2020	December 31, 2019
Term deposits	50	154
Bolloré SE current account	150	na
Other financial assets	75	50
Cash management financial assets	**275**	**204**
Cash	351	339
Term deposits and current accounts	2,023	1,602
Money market funds	-	189
Cash and cash equivalents	**2,374**	**2,130**
Cash position	**2,649**	**2,334**

na: not applicable.

Note 15 Equity

Changes in the share capital of Vivendi SE

(in thousands)	June 30, 2020	December 31, 2019
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,185,511**	**1,184,576**
Treasury shares	(43,093)	(14,001)
Number of shares, net	**1,142,418**	**1,170,575**
Number of voting rights, gross	**1,262,537**	**1,258,445**
Treasury shares	(43,093)	(14,001)
Number of voting rights, net	**1,219,444**	**1,244,444**

As of June 30, 2020, Vivendi SE's share capital amounted to €6,520 million, divided into 1,185,511 thousand shares.

Share repurchases and cancellation

During the first half of 2020, major transactions on Vivendi SE's share capital were as follows:

	Share repurchases		Cancellation of shares *in thousands of shares*			
	% of the share capital (a)	In thousands of shares	Resulting from the share repurchases	Others	Total	% of the share capital (a)
Position as of December 31, 2019	8.24%	107,910	96,780	34,151	130,931	10.00%
Share repurchases made between January 1 and March 6, 2020 (b)	1.76%	23,021				
Transactions authorized by the Shareholders' Meeting of April 15, 2019 (b)	**10.00%**	**130,931**	**96,780**	**34,151**	**130,931**	**10.00%**
Share repurchases made since the Shareholders's Meeting of April 20, 2020 (c)	0.70%	8,250				

a. At the share buyback program's implementation date.

b. Between January 1 and March 6, 2020, Vivendi SE repurchased 23,021 thousand shares, i.e., 1.76% of the share capital at the share buyback program's implementation date representing a €559 million outflow. Consequently, the aggregate amount of repurchased shares through the program amounted to 130,931 thousand shares, i.e., 10% of the share capital (at the program's implementation date) in accordance with the authorization granted by the Shareholders' Meeting of April 15, 2019.

c. On April 20, 2020, the General Shareholder's Meeting adopted the following two resolutions related to share repurchases:
   - the renewal of the authorizations granted to the Management Board by the Shareholders' Meeting of April 15, 2019 to repurchase shares of the company of up to 10% of the share capital at a maximum purchase price of €26 per share (2020-2021 program), with the possibility of cancelling the shares acquired up to the limit of 10% of the share capital; and
   - authorizing the Management Board to purchase shares of the company by way of a Public Share Buyback Offer (OPRA) of up to 30% of Vivendi's share capital at a maximum price of €26 per share (or 20% depending on repurchases made under the new program that are deducted from this 30% limit), and to cancel the shares acquired.

   Following the decision of the Management Board at a meeting held on April 27, 2020, and in accordance with the authorization of the Shareholders' Meeting of April 20, 2020, Vivendi SE launched a new share buyback program (2020-2021) for 43,250 thousand shares, i.e., 3.65% of the share capital:
   - between April 29 and May 20, 2020, Vivendi SE repurchased 8,250 thousand shares for €160 million, allocated to employee shareholding plans; and
   - between June 22 and October 20, 2020, Vivendi SE could repurchase up to 35,000 thousand additional shares, depending on market conditions, with the purpose of canceling the shares acquired.

Between January 1 and June 30, 2020, Vivendi SE repurchased 31,271 thousand shares at an average price of €23 per share, for an aggregate amount of €719 million. As of June 30, 2020, Vivendi SE held 43,093 thousand treasury shares, representing 3.63% of its share capital, of which 19,104 thousand shares were designated for cancellation, 16,500 thousand shares were allocated to covering employee shareholding plans and 7,489 thousand shares were allocated to covering performance share plans.

Shareholders' dividend distributions

On February 10, 2020 (the date of Vivendi SE's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2019 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 €0.60 per share (a 20% increase compared to the previous year) representing a total distribution of approximately €690 million. This proposed distribution was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 13, 2020, and adopted by the Annual General Shareholders' Meeting held on April 20, 2020. The dividend was paid as of April 23, 2020 (following the coupon detachment on April 21, 2020).

Note 16 Provisions

(in millions of euros)	Note	June 30, 2020	December 31, 2019
Employee benefits (a)		839	859
Restructuring costs (b)		126	112
Litigations	21	286	289
Losses on onerous contracts		20	39
Contingent liabilities due to disposal (c)		15	16
Other (d)		317	306
Provisions		**1,603**	**1,621**
Deduction of current provisions		(575)	(494)
Non-current provisions		**1,028**	**1,127**

a. Included deferred employee compensation as well as provisions for employee defined benefit plans, but excluded employee termination reserves recorded under restructuring costs.

b. Primarily included provisions for restructuring at Canal+ Group (€112 million as of June 30, 2020, compared to €97 million as of December 31, 2019) and at UMG (€10 million as of June 30, 2020, compared to €13 million as of December 31, 2019).

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 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, 2020	Year ended December 31, 2019	
Opening balance	**1,621**	**1,290**	(a)
Addition	170	279	
Utilization	(93)	(174)	
Reversal	(74)	(98)	
Business combinations	(3)	110	
Divestitures, changes in foreign currency translation adjustments and other	(18)	214	
Closing balance	**1,603**	**1,621**	

a. In accordance with the new accounting standard IFRS 16 – *Leases*, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. For a detailed description, please refer to Notes 1 and 11 to the Consolidated Financial Statements for the year ended December 31, 2019 of the 2019 Universal Registration Document.

Note 17 Share-based compensation plans

17.1 Plans granted by Vivendi

17.1.1 Equity-settled instruments

Transactions relating to outstanding instruments that occurred since January 1, 2020 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, 2019	**3,078**		**15.3**		**5,282**	
Granted	-		na		1,596	
Exercised / Issued	(949)	(a)	15.8		(1,171)	
Forfeited	(349)		15.8		na	
Cancelled	-		-		(384)	(b)
Balance as of June 30, 2020	**1,780**	(c)	**14.9**		**5,323**	(d)
Acquired / Exercisable as of June 30, 2020	**1,780**		**14.9**		**-**	
Rights acquired as of June 30, 2020	**1,780**		**14.9**		**576**	

na: not applicable.

a. During the first half of 2020, beneficiaries exercised stock options at the weighted average stock market price of €21.8.

b. At its meeting held on February 13, 2020, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the achievement level of objectives set for the cumulative fiscal years 2017, 2018 and 2019 for the performance share plan granted in 2017. It was confirmed that all the criteria had been met with a maximum rate of 100%. However, given that the negative impact of the situation in Italy was not reflected in the financial results, the Supervisory Board decided to confirm the final grant of the 2017 performance share plan only up to 75% of the initial grant. Consequently, 349,403 rights to performance shares, which were granted in 2017, were cancelled, of which 50,000 of such cancelled rights were for members of the Management Board. In addition, 34,710 rights were cancelled due to the termination of employment of certain beneficiaries.

c. At the stock market price on June 30, 2020, the cumulative intrinsic value of remaining stock options to be exercised could be estimated at €14 million.

d. The weighted-average remaining period before delivering performance shares was 1.7 years.

Performance share plan

On February 13, 2020, Vivendi granted to employees and executive management 1,596 thousand performance shares, of which 185 thousand were granted to members of the Management Board. As of February 13, 2020, the share price was €25.19 and the expected dividend yield was 2.38%. After taking into account the cost associated with the retention period of the shares (described below), the discount for non-transferability was set at 7.0% of the share price as of February 13, 2020. Consequently, the fair value of each granted performance share was estimated at €21.68, corresponding to an aggregate fair value of the plan of €35 million.

Subject to satisfaction of the performance criteria, performance shares definitively vest at the end of a three-year period, subject to the presence of the beneficiaries in the group (vesting period). Furthermore, 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 that are 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, 2019 (page 245 of the 2019 Universal Registration Document).

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 adjusted net income per share (50%); and
  - the group's cash flow from operations after interest and income tax paid - CFAIT (20%).
- 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 2020, the charge recognized with respect to all performance share plans amounted to €10 million, unchanged compared to the same period in 2019.

17.1.2 Employee stock purchase and leveraged plans

On July 21, 2020, Vivendi SE carried out an employee shareholding plan through the sale of treasury shares under an employee stock purchase plan and leveraged plan, reserved for employees, retirees and corporate officers of the group.

The shares were previously repurchased by Vivendi SE pursuant to the authorization granted by the General Shareholders' Meeting of April 15, 2019 (please refer to Note 15).

These shares, which are subject to certain sale or transfer restrictions during a five-year period, are acquired by the beneficiaries referred to above at a discount of up to 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date on which the Management Board meeting set the acquisition price for the new shares. The difference between the acquisition 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 acquired shares is estimated and fixed at the date on which the acquisition price for the new shares is set.

The applied valuation assumptions were as follows:

	2020
Grant date	June 18
Data at grant date:	
Share price (in euros)	22.77
Expected dividend yield	2.64%
Risk-free interest rate	-0.48%
5-year interest rate	3.91%
Repo rate	0.36%
Discount for non-transferability per share	18.64%

Under the employee stock purchase plan (ESPP), 1,187 thousand shares were acquired in 2020 through a company mutual fund (*Fonds Commun de Placement d'Entreprise*) at a price of €16.554 per share. The benefit granted to the beneficiaries, which is equal to the positive difference between the acquisition price and the stock price at the end of the subscription period on June 18, 2020 (discount of 27.3%), was higher than the discount for non-transferability (18.6%). As of June 30, 2020, the charge recognized with respect to the employee stock purchase plan amounted to €2 million.

Under the leveraged plan, 6,486 thousand shares were acquired in 2020 through a company mutual fund at a price of €16.554 per share. The leveraged plan entitles employees, retirees and corporate officers, who are beneficiaries of Vivendi SE and its French and foreign subsidiaries, to acquire Vivendi shares at a discounted price and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) equal to 10 shares for each acquired share. A financial institution mandated by Vivendi hedges this transaction. In addition, 193 thousand shares were acquired as part of an identical employee shareholding plan implemented for employees of the group's Japanese subsidiaries. As of June 30, 2020, the charge recognized with respect to the leveraged plan amounted to €12 million.

17.2 Restricted and performance share plans granted by Havas Group

Transactions relating to outstanding shares that have occurred since January 1, 2020 were as follows:

	Number of outstanding shares (in thousands)	
Balance as of December 31, 2019	**3,635**	
Forfeited	(3,537)	(a)
Cancelled	(25)	
Balance as of June 30, 2020	**73**	

a. Relates to the plans granted on the following dates:
   - February 28, 2017, which expired on February 27, 2020: 551 thousand shares were paid in cash by Vivendi at a price of €11.00 per share and 983 thousand Havas shares were exchanged for 433 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan; and
   - May 10, 2016, which expired on May 10, 2020: 696 thousand shares were paid in cash by Vivendi at a price of €8.66 per share and 1,307 thousand Havas shares were exchanged for 575 thousand Vivendi shares, on the basis of 0.44 Vivendi share for every Havas share in accordance with the terms and conditions of the plan.

For a detailed description of the plans subject to the liquidity agreement, please refer to Note 19.2 to the Consolidated Financial Statements for the year ended December 31, 2019 – page 288 of the 2019 Universal Registration Document.

For the first half of 2020, the charge recognized in respect of all restricted and performance share plans granted by Havas amounted to €1 million, compared to €4 million for the same period in 2019.

17.3 Restricted share plans granted by Gameloft S.E.

In March 2020, Vivendi repurchased the remaining 874 thousand Gameloft S.E. shares in accordance with the liquidity agreement signed with the beneficiaries during the second half of 2018.

17.4 Dailymotion's long-term incentive plan

In 2015, Vivendi implemented a long-term incentive plan for a five-year period until June 30, 2020 for certain key executives of Vivendi. This plan was tied to the growth of Dailymotion's enterprise value compared to its acquisition value, as measured as of June 30, 2020, based upon an independent expertise. In the event of an increase in Dailymotion's value, the amount of the compensation with respect to the incentive plan was capped at a percentage of such increase, depending on the beneficiary. Within the six months following June 30, 2020, the plan had to be settled in cash, if applicable.

As of June 30, 2020, the plan has expired without any charges being accounted for and without any cash payments being made.

Note 18 Borrowings and other financial liabilities

		June 30, 2020			December 31, 2019			
(in millions of euros)	Note	Total	Long-term	Short-term	Total	Long-term	Short-term	
Bonds	18.2	5,450	4,050	1,400	5,450	5,050	400	
Short-term marketable securities issued		-	-	-	870	-	870	
Bank overdrafts		11	-	11	18	-	18	
Accrued interest to be paid		22	-	22	17	-	17	
Bank credit facilities (drawn confirmed)	18.3	190	-	190	-	-	-	
Cumulative effect of amortized cost	18.1	(20)	(18)	(2)	(23)	(22)	(1)	
Other		53	12	41	66	9	57	
Borrowings at amortized cost		**5,706**	**4,044**	**1,662**	**6,398**	**5,037**	**1,361**	
Commitments to purchase non-controlling interests		169	131	38	528	118	410	(a)
Derivative financial instruments		15	9	6	11	5	6	
Borrowings and other financial liabilities		**5,890**	**4,184**	**1,706**	**6,937**	**5,160**	**1,777**	
Lease liabilities	11	1,404	1,194	210	1,459	1,223	236	
Total		**7,294**	**5,378**	**1916**	**8,396**	**6,383**	**2,013**	

a. Included the firm commitment of €360 million related to the share buyback program in place as of December 31, 2019.

18.1 Fair market value of borrowings and other financial liabilities

	June 30, 2020			December 31, 2019			
(in millions of euros)	Carrying value	Fair market value	Level (a)	Carrying value		Fair market value	Level (a)
Nominal value of borrowings	5,726			6,421			
Cumulative effect of amortized cost	(20)			(23)			
Borrowings at amortized cost	**5,706**	**5,756**	**na**	**6,398**		**6,512**	**na**
Commitments to purchase non-controlling interests	169	169	3	528	(b)	528	1 - 3
Derivative financial instruments	15	15	2	11		11	2
Borrowings and other financial liabilities	**5,890**	**5,940**		**6,937**		**7,051**	

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, 2019 (page 235 of the 2019 Universal Registration Document).

b. Included the firm commitment of €360 million related to the share buyback program in place as of December 31, 2019, classified in Level 1.

18.2 Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	June 30, 2020	December 31, 2019
Bonds issued by Vivendi SE					
€700 million (June 2019)	0.000%	0.17%	Jun-22	700	700
€700 million (June 2019)	0.625%	0.67%	Jun-25	700	700
€700 million (June 2019)	1.125%	1.27%	Dec-28	700	700
€850 million (September 2017)	0.875%	0.99%	Sep-24	850	850
€600 million (November 2016)	1.125%	1.18%	Nov-23	600	600
€1 billion (May 2016)	0.750%	0.90%	May-21	1,000	1,000
€500 million (May 2016)	1.875%	1.93%	May-26	500	500
Bond issued by Havas SA					
€400 million (December 2015)	1.875%	1.94%	Dec-20	400	400
Nominal value of bonds				**5,450**	**5,450**

Bonds issued by Vivendi SE and Havas SA are registered on the Euronext Paris Stock Exchange.

On April 3, 2020, Vivendi renewed its Euro Medium-Term Note (EMTN) program, increasing it to €8 billion, giving Vivendi full flexibility to issue bonds. This program was filed with the AMF (*Autorité des marchés financiers*) under visa n°20-117 for a 12-month period.

Bonds issued by Vivendi SE 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 SE is downgraded below investment grade status (Baa3/BBB-).

Havas' bond issue contains an early redemption clause in the event of a change of control[6]. In addition, this bond contains an early redemption clause at par as from September 8, 2020.

18.3 Bank credit facilities

On January 21, 2020, Vivendi SE's syndicated bank credit facility of €2.2 billion was extended by one year until January 16, 2025 (with a one-year extension option). As a reminder, in January 2019, Vivendi signed committed bilateral credit facilities granted by leading banks, for an aggregate available amount of €1.2 billion maturing in January 2024.
All these credit facilities are not required to comply with financial covenants but they contain customary provisions relating to events of default and covenants applicable to Vivendi in terms of negative pledge and merger transactions.
In addition, Universal Music Group Inc. is now an additional borrower on five of Vivendi SE's eight bilateral facilities for €750 million. As of June 30, 2020, drawings made by Universal Music Group Inc. were €190 million (drawings made in USD).

As of June 30, 2020, taking into account the foregoing and the absence of short-term marketable securities issued and backed by Vivendi SE's credit facility, €3.2 billion of these facilities was available.

In addition, Havas SA has committed credit facilities, undrawn as of June 30, 2020, granted by leading banks for an aggregate amount of €510 million, including €30 million maturing in 2021, €150 million maturing in 2023, €250 million maturing in 2024 and €80 million maturing in 2025.

As of June 30, 2020, taking into account the foregoing, €3.7 billion of Vivendi group's (Vivendi SE and Havas SA) facilities were available.

As of July 27, 2020 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2020), €3.1 billion of Vivendi group's (Vivendi SE and Havas SA) facilities were available, taking into account the short-term marketable securities issued and backed by these credit facilities for €660 million and drawings made by Universal Music Group Inc. for €138 million.

[5] *Bolloré Group was carved out of the change-of-control provision under the bonds issued in May 2016 and November 2016.*
[6] *Change of control is defined as the settlement/delivery of a tender offer following which one or more individuals or legal entitie(s) that 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.*

18.4 Borrowings by maturity

(in millions of euros)	June 30, 2020		December 31, 2019	
Maturity				
< 1 year (a)	1,664	*29%*	1,362	*21%*
Between 1 and 2 years	708	*12%*	1,004	*16%*
Between 2 and 3 years	2	-	702	*11%*
Between 3 and 4 years	601	*11%*	601	*9%*
Between 4 and 5 years	1,551	*27%*	851	*13%*
> 5 years	1,200	*21%*	1,901	*30%*
Nominal value of borrowings	**5,726**	***100%***	**6,421**	***100%***

a. Notably included Havas SA's bond maturing in December 2020 for €400 million, as well as bank overdrafts for €11 million as of June 30, 2020 (compared to €18 million as of December 31, 2019). As of December 31, 2019, they included marketable securities issued by Vivendi SE for €870 million.

As of June 30, 2020, 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 5.0 years (compared to 5.3 years as of December 31, 2019).

18.5 Borrowings by type of interest rate

As of June 30, 2020, the nominal value of borrowings at fixed interest rate amounted to €5,481 million (compared to €5,489 million as of December 31, 2019) and the nominal value of borrowings at floating interest rate amounted to €245 million (compared to €932 million as of December 31, 2019).

As of June 30, 2020 and December 31, 2019, Vivendi did not subscribe to any pay-floating or pay-fixed interest rate swaps.

18.6 Credit ratings

As of July 27, 2020 (the date of the Management Board meeting that approved the Financial Statements for the half-year ended June 30, 2020), Vivendi's credit ratings were as follows:

Rating agency	Type of debt	Ratings	Outlook
Standard & Poor's	Senior unsecured debt	BBB	Stable
Moody's	Long-term unsecured debt	Baa2	Stable

Note 19 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 22 to the Consolidated Financial Statements for the year ended December 31, 2019, page 297 of the 2019 Universal Registration Document), as well as the group's corporate officers and their related entities, in particular Bolloré Group and its related parties.

19.1 Corporate officers

Bolloré Group

On March 20, 2020, Vivendi SE and Bolloré SE entered into an intra-group cash management agreement on market terms to optimize investment and financing capacities within the two groups, in accordance with Article L. 511-7 of the French Monetary and Financial Code. As of June 30, 2020, Bolloré SE was granted a €150 million advance, refundable on first request by Vivendi SE.

On April 23, 2020, as part of Vivendi SE's payment of a dividend to its shareholders with respect to fiscal year 2019, Bolloré Group received a dividend of €192 million (compared to a dividend with respect to fiscal year 2018 of €165 million, which was paid in 2019).

As of June 30, 2020, Bolloré Group held 320,521,374 Vivendi shares, to which 375,309,383 voting rights are attached, i.e., 27.04% of Vivendi SE's share capital and 29.73% of the gross voting rights.

Other corporate officers

On April 20, 2020, Vivendi SE's General Shareholders' Meeting renewed the term of Mr. Yannick Bolloré and appointed Mr. Laurent Dassault as members of the Supervisory Board for a four-year period. In addition on that date, the Supervisory Board renewed the term of Mr. Yannick Bolloré as Chairman of the Supervisory Board for a four-year period.

The Supervisory Board is now comprised of 12 members: six women and six men, including one member representing employees and one member representing the group's employee shareholders; six members are independent.

19.2 Other related party transactions

Vivendi has not entered into any new significant transactions with related parties, existing or new, during the first half of 2020. For a detailed description of the transactions between Vivendi and its related parties, please refer to Note 22 to the Consolidated Financial Statements for the year ended December 31, 2019 (pages 297 through 300 of the 2019 Universal Registration Document).

(in millions of euros)	June 30, 2020	December 31, 2019
Assets		
Non-current content assets	-	1
Rights-of-use relating to leases	7	7
Of which Bolloré Group	*7*	*7*
Non-current financial assets	100	99
Of which Banijay Group Holding and Lov Banijay loans	*89*	*88*
Trade accounts receivable and other	67	67
Of which Bolloré Group	*4*	*4*
Telecom Italia	*31*	*32*
Banijay Group Holding	*1*	*2*
Mediobanca	*1*	*4*
Other current financial assets	150	na
Of which Bolloré SE current account	*150*	*na*
Liabilities		
Lease liabilities	7	8
Of which Bolloré Group	*7*	*8*
Trade accounts payable and other	35	35
Of which Bolloré Group	*18*	*18*
Banijay Group Holding	*7*	*6*
Off-balance sheet contractual obligations, net	94	77
Of which Banijay Group Holding	*108*	*90*

	Six months ended June 30,	
(in millions of euros)	2020	2019
Statement of earnings		
Operating income	96	113
Of which Bolloré Group	*2*	*2*
Telecom Italia	*6*	*6*
Banijay Group Holding	*1*	*2*
Mediobanca	-	-
Other (Interparfums, Groupe Nuxe and Groupe Dassault) (a)	-	-
Operating expenses	(54)	(61)
Of which Bolloré Group	*(16)*	*(12)*
Banijay Group Holding	*(18)*	*(36)*
Mediobanca	-	*(2)*
Other (Interparfums, Groupe Nuxe and Groupe Dassault) (a)	-	-

na: not applicable.

a. Certain Vivendi subsidiaries maintained business relationships, on an arm's-length basis, involving non-significant amounts with Interparfums, Groupe Nuxe and Groupe Dassault (of which Mr. Laurent Dassault is corporate officer and, as from April 20, 2020 a member of Vivendi's Supervisory Board).

Note 20 Commitments

20.1 Contractual obligations and commercial commitments

		Minimum future payments as of	
(in millions of euros)	Note	June 30, 2020	December 31, 2019
Contractual content commitments	10.2	8,687	6,227
Commercial commitments		(618)	(728)
Net commitments not recorded in the Consolidated Statement of Financial Position		**8,069**	**5,499**

Off-balance sheet commercial commitments

	Minimum future payments as of	
(in millions of euros)	June 30, 2020	December 31, 2019
Satellite transponders	445	502
Investment commitments	124	179
Other	534	620
Given commitments	**1,103**	**1,301**
Satellite transponders	(116)	(108)
Other (a)	(1,605)	(1,921)
Received commitments	**(1,721)**	**(2,029)**
Net total	**(618)**	**(728)**

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.

20.2 Shareholders' agreements

Under existing shareholders' agreements (in particular at Canal+ Polska) (please see below) and, more recently, as part of the opening of Universal Music Group's share capital (please refer to Note 2.1), Vivendi holds certain rights (e.g., pre-emptive rights and rights of first offer) that give it control over the capital structure of its consolidated companies having minority shareholders. Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties.

Moreover, pursuant to other shareholders' agreements or the bylaws of other consolidated entities, equity affiliates or unconsolidated interests, Vivendi or its subsidiaries have given or received certain rights (pre-emptive and other rights) entitling them to maintain their rights as shareholder.

In addition, in accordance with Article L. 225-100-3 of the French Commercial Code, it is hereby stated that certain rights and obligations of Vivendi under existing shareholders' agreements may be amended or terminated in the event of a change of control of Vivendi or a tender offer for Vivendi's shares.

These shareholders' agreements are subject to confidentiality provisions.

Strategic partnership among Canal+ Group, ITI and TVN

Canal+ Polska SA (formerly ITI Neovision SA) is working collaboratively with its shareholders and advisors to explore initial public offering (IPO) rights held by the minority shareholders under the shareholders' agreement. To this end, on July 15, 2020, the company announced that it had submitted the source document for approval by the Polish financial market authority (KNF). Its actual outcome will depend on various factors, including market conditions and obtaining the customary regulatory consents and approvals. Canal+ Group intends to maintain its role as the strategic shareholder of Canal+ Polska SA regardless of such a process.

Note 21 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 2019 Universal Registration Document: Note 24 to the Consolidated Financial Statements for the year ended December 31, 2019 (pages 304 through 311). The following paragraphs update such disclosure through July 27, 2020 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2020).

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 an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway.

California State Teachers Retirement System et al. against Vivendi

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi 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 Paris Commercial Court appointed an independent court officer responsible for verifying the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of securities. The latter completed his work in the first half of 2018 and proceedings on the merits are currently underway. The Paris Commercial Court adjourned the case to September 8, 2020, at which time it will schedule oral arguments, which are expected to be held by the end of 2020.

Mediaset against Vivendi

On April 8, 2016, Vivendi and Mediaset entered into a strategic partnership agreement pursuant to which the parties agreed to swap 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 delivered by Mediaset to Vivendi in March 2016, which raised various questions within Vivendi that were addressed to Mediaset. As contractually agreed under the agreement dated April 8, 2016, a due diligence review was subsequently conducted (which was made on behalf of Vivendi by the advisory firm Deloitte). It became apparent from this audit and from Vivendi's analyses that the numbers provided by Mediaset prior to signing the agreement were not realistic and were founded on an artificially-inflated base.

Although Vivendi and Mediaset had been in discussions in an effort to find an alternative transaction structure to the April 8, 2016 agreement, on July 26, 2016, Mediaset terminated these discussions by publicly rejecting the proposal Vivendi had 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.

Subsequently, in August 2016, 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 as well as compensation for alleged damages. In particular, the plaintiffs claim that Vivendi did not file its notification to the European Commission with respect to the transaction and thus prevented the last condition precedent to the completion of the transaction from being satisfied. Vivendi considers that despite its timely completion of the pre-notification process with the Commission, the Commission would not have accepted a formal filing while the parties were discussing their differences.

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

Despite this mediation, on June 9, 2017, Mediaset, RTI and Fininvest filed a further 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 unsuccessfully requested that this action be consolidated with the first two, these acquisitions were made in breach of the April 8, 2016 agreement and of Italian media regulations and constitutive of unfair competition. In addition, the complaint included a demand that Vivendi be required to divest the Mediaset shares that were allegedly purchased in breach of applicable law and the April 8, 2016 agreement. Lastly, the plaintiffs 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. During a hearing held on December 4, 2018, Fininvest, RTI and Mediaset dropped, in respect of their first complaint, their claim to specific performance of the April 8, 2016 agreement, while pursuing their claim for compensation for alleged damages, in the amount of up to (i) €720 million for Mediaset and RTI, for non-performance of the April 8, 2016 agreement, and (ii) € 1.3 billion for Fininvest, for non-performance of the above-mentioned shareholders' agreement, for the loss resulting from the change in the Mediaset share price between July 26 and August 2, 2016 and various damages relating to the alleged illegal acquisition of Mediaset shares by Vivendi at the end of 2016. Fininvest is also seeking damages for an amount to be determined by the Court for damages to its decision-making process and image.

At a hearing held on March 12, 2019, Vivendi requested that the Court suspend part of the proceedings pending the ruling of the European Court of Justice on the analysis of the compatibility of the Italian law on the protection of media pluralism (the "TUSMAR") with the Treaty on the Functioning of the European Union, which suspension was granted (see below).

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

Following Vivendi's entry into the share capital of Mediaset by means of 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 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 compliant with the regulations. Vivendi, which had 12 months to become compliant, appealed against this decision to the Regional Administrative Court of Lazio. Pending the decision on this appeal, the AGCOM acknowledged Vivendi's proposed action plan setting out how it would 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, Simon Fiduciaria SpA. On November 5, 2018, the Regional Administrative Court of Lazio decided to suspend its decision and referred to the European Court of Justice the analysis of the compatibility of the Italian rule under Article 43 of the TUSMAR, as applied by AGCOM, with the free movement principle enshrined in the Treaty on the Functioning of the European Union. On December 18, 2019, the Advocate General of the Court of Justice of the European Union (CJEU) issued opinions (which are not binding on the Court) in favor of Vivendi's position, considering in particular that the Italian regulations constitute a disproportionate obstacle to the freedom of establishment in relation to the objective of protecting the pluralism of information. The CJEU's decision is expected on September 3, 2020, after which the Italian court will rule.

Proceedings related to the change in Mediaset's corporate structure

On July 2, 2019, Vivendi filed a complaint against Mediaset and Fininvest before the Milan Civil Court requesting the Court to (i) annul the resolution of the Mediaset Board of Directors adopted on April 18, 2019, preventing Vivendi from exercising the voting rights associated with the shares not transferred to Simon Fiduciaria following the AGCOM's decision of April 18, 2017 (representing 9.61% of the share capital and 9.9% of the voting rights) at Mediaset's Extraordinary General Shareholders' Meeting held on April 18, 2019, and (ii) annul the resolution adopted by that meeting approving the implementation of a double voting rights system for shareholders who have held their shares for at least two years and who request such rights.

On June 7, 2019, Mediaset announced a plan to create MediaforEurope (MFE), a Netherlands-based holding company that would result from the merger of Mediaset SpA and Mediaset España. On September 4, 2019, the merger plan was approved by the Shareholders' Meetings of the Italian and Spanish companies, and then re-approved (due to the appeals filed by Vivendi) by the Shareholders' Meetings of Mediaset SpA and Mediaset España on January 10 and February 5, 2020, respectively. At both of the meetings held in Italy, Simon Fiduciaria was deprived of its voting rights by Mediaset's Board of Directors and Vivendi initiated legal proceedings in Spain, Italy and the Netherlands:

- on September 16, 2019, Vivendi brought summary proceedings before the Madrid Commercial Court requesting the suspension of the resolution authorizing the creation of MFE adopted by Mediaset España's General Shareholders' Meeting of September 4, 2019, and brought proceedings on the merits to annul the resolution. In a decision issued on October 10, 2019, the Madrid Commercial Court granted Vivendi's request for summary judgment, a decision which Mediaset appealed. On February 14, 2020, the Madrid Court of Appeal (*Audiencia Provincial de Madrid*) dismissed the appeal filed by Mediaset España against the October 10, 2019 decision.

On March 5, 2020, Mediaset España requested the suspension of the effects of this decision after Mediaset España's General Shareholders' Meeting of February 5, 2020, which, like Mediaset SpA's General Shareholders' Meeting of January 10, 2020, approved Mediaset's proposed amendment to MFE's by-laws. In addition, on April 30, 2020, Vivendi brought new summary proceedings on the merits against the resolution adopted by Mediaset España's General Shareholders' Meeting of February 5, 2020. On June 12, 2020, the Madrid Commercial Court decided to join the two proceedings brought by Vivendi against Mediaset España on September 16, 2019 and April 30, 2020. A decision on the two parties' requests for summary judgment is expected at the end of July 2020;

- on October 1, 2019, Vivendi filed a motion on the merits with the Court of Milan seeking the annulment of the resolution authorizing the creation of MFE adopted by Mediaset SpA's Shareholders' Meeting of September 4, 2019, which resolution was suspended following an interlocutory action brought in parallel by Vivendi on October 15, 2019. Following the amendments made to MFE's by-laws proposed by Mediaset's Board of Directors and approved by the Shareholders' Meeting of January 10, 2020, Vivendi again filed a motion for summary judgment on the merits with the Court of Milan. In a decision issued on February 3, 2020, the Court of Milan denied Vivendi's request for suspension of the planned merger. On June 19, 2020, Vivendi's appeal was dismissed;
- on October 29, 2019, Vivendi initiated proceedings on the merits before the District Court of Amsterdam seeking an injunction to prohibit Mediaset Investment N.V. (the future MFE) from amending its by-laws by including certain provisions which, according to Vivendi, infringe upon the rights of minority shareholders; and
- on January 20, 2020, Vivendi also filed an interlocutory action before the Amsterdam Court to prohibit the proposed merger. On February 26, 2020, the Amsterdam Court dismissed Vivendi's request for summary judgment, a decision that Vivendi appealed on March 25, 2020. A hearing was held before the Amsterdam Court of Appeal on July 24, 2020. At the end of the hearing, the Court of Appeal prohibited the merger until it renders its decision, which is expected on 1 September 2020.

Parabole Réunion

In July 2007, Parabole Réunion filed legal proceedings 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 deterioration of the quality of channels made available to it. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, subject to being fined, from allowing third parties to broadcast these channels (or replacement channels substituted for these channels) and was ordered to replace the TPS Foot channel in the event it was dropped. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially overturned the decision 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 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 Nanterre Court of First Instance seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal. 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 partially dismissed Parabole Réunion's claim and declared the rest inadmissible. He noted that Canal+ Group had no legal obligation with respect to the content or the maintenance of programming on channels made available to Parabole Réunion and held, after noting that the TPS Foot channel was still being produced, that there was no need to replace this channel. On April 11, 2013, Parabole Réunion filed a first appeal against this decision. 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 which, on May 12, 2016, upheld the decision of the Court of First Instance and dismissed all of Parabole Réunion's claims. In a decision issued on September 28, 2017, the French Supreme Court dismissed Parabole Réunion's appeal against the decision of the Paris Court of Appeal.

Concomitantly, 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 (i) make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and (ii) pay damages. On April 26, 2012, Parabole Réunion also 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 legal proceedings were consolidated into a single proceeding. 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 deterioration of the quality of channels made available to Parabole Réunion. The Tribunal also ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment provided by Parabole Réunion. On June 3, 2016, the Paris Court of Appeal upheld the April 29, 2014 decision of the Paris Tribunal of First Instance. Canal+ Group filed an appeal against this decision with the French Supreme Court, which was dismissed on January 31, 2018.

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 Canal+ Group, even if the assessment of its amount was still to be finalized. The Judge ordered Canal+ Group to make an advance payment of €4 million. 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 this 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 to invalidate the expertise ordered on October 12, 2017 (see below). On June 7, 2018, the Pre-Trial Judge of the Paris Court of Appeal issued an order dismissing the request for invalidation of the expertise underway. Canal+ Group lodged a petition for review against this order, which it withdrew in October 2018, noting the progress of the expertise.

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. On October 12, 2017, the Pre-Trial Judge of the Paris Court of Appeal granted this request and a judicial expert was appointed. On December 17, 2018, Parabole Réunion raised a new incidental question before the Pre-Trial Judge of the Paris Court of Appeal in order to have the court clarify the mission of the judicial expert, who had halted his work. In an order issued on April 4, 2019, the Pre-Trial Magistrate of the Paris Court of Appeal decided that the judicial expert would formulate a hypothetical estimate of damages for the loss in value of the business based on the number of subscribers proposed by Parabole Réunion (i.e., 40,000), with the judicial expert specifying, if appropriate, whether the loss in value of the business resulted from the loss of 40,000 subscribers and/or potential new subscribers attributable to Canal+ Group. However, the Pre-Trial Magistrate (i) rejected Parabole Réunion's request to include in the judicial expert's additional work the assumption that the 40,000 subscribers referred to above had generated a certain EBIT margin and (ii) ordered Parabole Réunion to bear the costs of the incidental procedure. The judicial expert resumed his work in mid-April 2019. On May 19, 2020, Parabole Réunion filed a request with the Pre-Trial Judge of the Paris Court of Appeal to replace the judicial expert. In an order dated May 28, 2020, this request was rejected. On May 29, 2020, Parabole Réunion filed a new motion requesting that this order be set aside. The judicial expert's assessment is ongoing.

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 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 two weeks.

On the same date, the CSA sanctioned C8 for another sequence broadcast on the show "TPMP! La grande Rassrah" on November 3, 2016. The CSA considered that this new sequence, the filming by hidden camera of Matthieu Delormeau, a columnist for the show, violated his dignity. This 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 actions for annulment with the French Council of State (*Conseil d'Etat*). On July 4, 2017, C8 filed two claims for compensation with the CSA, which were tacitly rejected. 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 action, overturning the CSA's second decision. The Council of State's decision to dismiss C8's action for annulment of the CSA's first decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. On November 13, 2019, the Council of State rejected the first claim for compensation but upheld the second, ordering the CSA to pay €1.1 million to C8 in compensation for the loss of a week's worth of advertising on its airwaves.

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 combat 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, which was dismissed on June 18, 2018. This decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. In addition, C8 filed a claim for compensation with the CSA, whose implicit rejection of it was challenged before the Council of State on January 25, 2018. On September 7, 2018, C8 withdrew its claim for compensation. In connection with the same case, on February 18, 2019, Canal+ Group sent a letter to the CSA requesting the cancellation of the aforementioned €3 million fine in light of the November 2018 statements made by a representative of the French association, Le Refuge, explaining that it had not received a complaint from an alleged victim of the hoax, contrary to its initial statements. On April 5, 2019, this request was rejected. An appeal against this decision was filed with the Council of State on June 5, 2019.

Finally, on May 6, 2020, the Independent Rapporteur, upon referral by the Director General of the CSA, commenced sanction proceedings against C8 and served a notification of grievances against the channel. The facts that may lead to a sanction relate to sequences from the "La grande Darka" and "Touche pas à mon poste" shows broadcast in September 2019, which could be considered as surreptitious advertising.

Rovi Guides, Inc. against Canal + Group

In December 2017, 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.

The mediation terminated without an agreement and, on June 1, 2018, Rovi Guides filed a request for arbitration. On July 8, 2020, the International Court of Arbitration of the International Chamber of Commerce issued its decision in which it found, *inter alia*, that Canal+ Group had not breached its contractual obligations by failing to disclose and pay for the initial activation of TNTSat set-top boxes. However, Canal+ Group was ordered to pay certain unpaid royalties and ancillary amounts for an insignificant amount.

Investigation by the Departmental Directorate for the Protection of Populations in the Hauts de Seine

On April 20, 2018, the Departmental Directorate for the Protection of the Populations of the Hauts de Seine (*Direction Départementale de la Protection des Populations des Hauts de Seine*) (DDPP92) ordered Canal+ Group to stop providing enhanced offers to its subscribers during the term of their contract, a practice which the Court described as selling without prior order. On June 19, 2018, Canal+ Group filed a notice of appeal with the French Minister of the Economy, which was rejected on August 9, 2018. On October 5, 2018, Canal+ Group filed an appeal with the Administrative Court of Cergy-Pontoise.

In parallel, the DDPP92 informed Canal+ Group that it had referred the case to the Public Prosecutor's Office of Nanterre and, in relation to this, sent it a note stating that it considered that Canal+ Group had committed the offense of the forced sale of services, punishable under the provisions of the French Consumer Code (*Code de la consommation*).
On July 8, 2020, a hearing before the Nanterre Judicial Court was held to approve a plea agreement between Canal+ Group and the Deputy Public Prosecutor of the Public Prosecutor's Office of Nanterre, pursuant to which Canal+ Group will pay a fine, thereby bringing this case to an end.

Thierry Ardisson, Ardis, Télé Paris against C8 and SECP

On September 24, 2019, following the non-renewal of the television programs "les Terriens du samedi" and "les Terriens du Dimanche", Thierry Ardisson, Ardis and Télé Paris brought an action against C8 and SECP before the Paris Commercial Court for the termination of commercial relations without prior notice. The plaintiffs, alleging a situation of economic dependence, sought an award *in solidum* against C8 and SECP to pay damages to Ardis in the amount of €5,821,680, Télé Paris in the amount of €3,611,429, and Thierry Ardisson in the amount of €1 million. On January 21, 2020, the Court issued a judgment ordering C8 to pay €811,500 to Ardis and €269,333 to Télé Paris. Thierry Ardisson's claim was dismissed and SECP was acquitted. On March 16, 2020, Thierry Ardisson, Ardis and Télé Paris appealed this decision.

Canal+ Group against Technicolor

In December 2016, Canal+ Group and Technicolor entered into an agreement to manufacture and deliver G9 (for mainland France) and G9 Light (for Poland) set-top boxes. In 2017, Technicolor challenged the prices agreed with Canal+ Group and ultimately decided to terminate this agreement at the end of 2017. As a result, Canal+ Group brought summary proceedings against Technicolor before the Nanterre Commercial Court for breach of contract. On December 15, 2017, Canal+ Group's claim was dismissed. However, on December 6, 2018, the Versailles Court of Appeal ruled in its favor, recognizing the wrongful nature of the termination of contract by Technicolor. Technicolor filed an appeal before the French Supreme Court, which was dismissed on June 24, 2020.

In parallel, on September 2, 2019, Canal+ Group filed a complaint before the Paris Commercial Court against Technicolor for breach of its contractual commitments. In its complaint, Canal+ Group alleged that Technicolor failed to deliver the G9 and G9 Light set-top boxes in accordance with the manufacturing and delivery agreements entered into between the two companies. Canal+ Group is seeking reimbursement of additional costs incurred, alternative transportation costs, late payment penalties and the payment of damages. In turn, on October 9, 2019, Technicolor filed a claim for unpaid invoices against Canal+ Group, Canal+ Reunion, Canal+ Antilles and Canal+ Caledonia before the Nanterre Commercial Court.

Soundgarden, Hole, Steve Earle and the estates of Tom Petty and Tupac Shakur against UMG

On June 21, 2019, the groups Soundgarden and Hole, Steve Earle, Tom Petty's ex-wife and Tupac Shakur's estate filed a class action lawsuit against UMG in the Central District Court of California relating to a 2008 fire that allegedly destroyed thousands of archived recordings.

The plaintiffs allege that UMG breached the terms of the contracts with the artists by failing to adequately protect the recordings. It is also argued that the Group should have shared the settlement proceeds received as a result of its negotiations with the insurance companies and NBC Universal. On July 17, 2019, UMG filed a motion to dismiss the lawsuit. On August 16, 2019, the plaintiffs filed an amended complaint removing Hole as a plaintiff, and adding a number of claims. On September 6, 2019, UMG filed a new motion to dismiss. On March 13 and 23, 2020, most of the plaintiffs withdrew from the case, leaving Jane Petty (Tom Petty's ex-wife) as the only remaining plaintiff. On April 6, 2020, the Court granted UMG's motion to dismiss and dismissed Jane Petty's claims.

However, Jane Petty is seeking to pursue the case. On April 16, 2020, she filed an application for class certification and, on April 27, 2020, she filed a second amended complaint. On May 18, 2020, UMG filed a motion to dismiss.

John Waite and Joe Ely against UMG Recordings, Inc.

On February 5, 2019, a class action lawsuit was filed against UMG Recordings, Inc. on behalf of a putative class of all recording artists who had requested the termination of their contracts with UMG pursuant to Section 203 of the Copyright Act which allows, under certain conditions, a creator who has contractually transferred the rights to his or her work to a third party to terminate such contract after 35 years. The complaint seeks to have the Court recognize the termination of the contracts of the artists involved in the litigation and also alleges copyright infringement, as UMG continued to use the recordings after the purported end date of the contract. On May 3, 2019, UMG Recordings filed a motion to dismiss. On June 15, 2019, the plaintiffs filed a First Amended Complaint adding artists Syd Straw, Kasim Sulton and The Dickies as additional plaintiffs. On June 26, 2019, UMG Recordings, Inc. filed a new motion to dismiss. On March 31, 2020, the court partially granted that motion, finding that certain plaintiffs (John Waite, Joe Ely and Syd Straw) lacked standing. The remaining plaintiffs indicated that they wanted to add the band The Dream Syndicate as an additional plaintiff. Discovery is currently underway and the trial is scheduled to take place on November 9, 2020.

Tax audits

In the normal course of their business, Vivendi SE 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 financial results reported by Vivendi and its subsidiaries for fiscal year 2019 and prior years, under statutes of limitation applicable to Vivendi and its subsidiaries. In litigation situations, Vivendi's policy is to pay the taxes it intends to contest, and to seek a refund through appropriate legal proceedings. Regarding ongoing tax audits, no provision is recorded where the impact that could result from an unfavorable outcome cannot be reliably assessed. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income of all its subsidiaries. Vivendi Management therefore considers that the outcome of the ongoing tax audits is unlikely to have a material impact on the group's financial position or liquidity.

French Tax Group and Consolidated Global Profit Tax Systems

Vivendi SE benefits from the French Tax Group System and, up until December 31, 2011 inclusive, it benefited from the Consolidated Global Profit Tax System pursuant to Article 209 quinquies of the French Tax Code. As from January 1, 2012, Vivendi SE benefits only from the French Tax Group System.

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of the French subsidiaries that are at least 95% owned, directly or indirectly, by it. As of December 31, 2019, this mainly applies to Universal Music Group, Canal+ Group, Havas Group and Gameloft entities in France, as well as the companies involved in the group's development projects in France (e.g., Vivendi Village and Dailymotion).
- Up until December 31, 2011, the Consolidated Global Profit Tax System enabled Vivendi to obtain a tax authorization. This allowed the company to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned, directly or indirectly, by it and that were also located in France or abroad. This authorization was granted for an initial five-year period - from January 1, 2004 to December 31, 2008 - and was then renewed, on May 19, 2008, for a three-year period - from January 1, 2009 to December 31, 2011. As a reminder, on July 6, 2011, Vivendi filed a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period - from January 1, 2012 to December 31, 2014.
- In 2011, pursuant to changes in French Tax Law, the Consolidated Global Profit Tax System was terminated as of September 6, 2011, and the deduction for tax losses carried forward was capped at 60% of taxable income. Since 2012, the deduction for tax losses carried forward has been capped at 50% of taxable income.

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

- In 2012, Vivendi, considering that it was entitled to use the Consolidated Global Profit Tax System up until the end of the authorization period granted by the French Ministry of Finance (i.e., until December 31, 2011), filed a contentious claim for a €366 million refund in respect of fiscal year 2011. In a decision dated October 25, 2017, marking the end of legal proceedings brought before administrative courts, the French Council of State (*Conseil d'Etat*) recognized that Vivendi had a legitimate expectation that it would be afforded the Consolidated Global Profit Tax System for the entire period covered by the authorization, including for the fiscal year ending December 31, 2011. Given that the power of final adjudication is vested in the French Council of State the amount of €366 million paid to Vivendi, coupled with moratorium interest of €43 million, was definitively acquired by Vivendi. As a result, Vivendi recorded a tax income of €409 million for the fiscal year ended December 31, 2017.
- Moreover, considering that Vivendi's foreign tax receivables available upon the exit from the Consolidated Global Profit Tax System could be carried forward after the end of the authorization period, Vivendi requested a refund of the tax paid in respect of the fiscal year ended December 31, 2012. At the end of the legal proceeding initiated by Vivendi before the Administrative Court of Montreuil followed by the Versailles Administrative Court of Appeal, on December 19, 2019, Vivendi received a favorable decision from the French Council of State (*Conseil d'Etat*) regarding the use of foreign tax receivables upon the exit from the Consolidated Global Profit Tax System. In addition, in light of the decision of the Court of First Instance in its litigation relating to the year 2012, Vivendi requested a refund of tax due for the year ended December 31, 2015. The decision of the French Council of State (*Conseil d'Etat*) of December 19, 2019 led the tax authorities to issue a refund of the tax paid by Vivendi for 2012 and to automatically reduce the tax paid by Vivendi for 2015.
- The decision of the French Council of State (*Conseil d'Etat*) on December 19, 2019 resulted in the following measures:
    - in its Financial Statements for the year ended December 31, 2019, Vivendi recorded a current tax income of €473 million, i.e., €244 million with respect to fiscal year 2012 (€218 million principal and €26 million moratorium interest) and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest); and

- on December 27, 2019, the tax authorities repaid €223 million to Vivendi (€218 million principal and €5 million moratorium interest). In addition, in January 2020, the tax authorities repaid €250 million to Vivendi, i.e., a balance of €21 million with respect to moratorium interest for fiscal year 2012 and €229 million with respect to fiscal year 2015 (€203 million principal and €26 million moratorium interest).

- This decision will finally allow Vivendi to seek a refund of any corporate tax payment made as a result of the tax audit of its integrated subsidiaries for the 2012-2016 period.

Other tax audits

Regarding the tax audit for fiscal years 2008 to 2012, Vivendi SE is subject to a rectification procedure for which the tax authorities challenge the accounting and tax 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. Proceedings were brought before the National Direct Tax System (*Commission Nationale des Impôts Directs*), which rendered its opinion on December 9, 2016 (which was notified to Vivendi SE on January 13, 2017), in which it declared the discontinuation of the adjustments suggested by the tax authorities. Moreover, given that the disagreement was based on 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. By letter dated April 1, 2019 and following various appeals, the tax authorities confirmed the continuation of the rectification procedure. On June 18, 2019, Vivendi therefore initiated a legal proceeding before the tax department. As no reply was received from the tax authorities, on December 30, 2019, Vivendi filed a complaint before the Administrative Court of Montreuil. The tax authorities were given a six-month period to respond to Vivendi's request, although such period is not mandatory and was affected by the COVID-19 pandemic.

In addition, as part of the ongoing tax audit for fiscal years 2013 to 2016, on June 4, 2020, the tax authorities proposed a set of adjustments for €33 million (base) for these four financial years. This proposal would rectify Vivendi's tax losses carried forward and would not result in any current tax liabilities. Vivendi must respond to this proposal of adjustment by September 24, 2020.

In respect of the US Tax Group, the tax audit for fiscal years 2011, 2012, and 2013 is now closed. On January 31, 2018, Vivendi was informed by the US tax authorities that fiscal years 2014, 2015 and 2016 were under audit, ongoing until December 31, 2019.

With regard to the Havas Group, Havas SA initiated legal proceedings 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). On July 28, 2017, following the filing of the case before the Paris Administrative Court and Court of Appeal and the Versailles Court of Appeal, 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 barred Havas from obtaining 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 French state.

Note 22 Subsequent events

The significant events that occurred between the closing date as of June 30, 2020 and July 27, 2020 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended June 30, 2020) were as follows:

- on July 3, 2020, Banijay Group Holding completed the acquisition of 100% of Endemol Shine Group's share capital, creating the largest international player in audiovisual content production and distribution. This transaction was notably financed by a capital increase in which Vivendi subscribed for €100 million. Vivendi now holds 32.9% of Banijay Group Holding's share capital; and

- on July 14, 2020, Vivendi declared holding 21.19% of Lagardère's share capital and 16.01% of its voting rights as of July 10, 2020.

IV- Statement on the Financial Report for the half-year 2020

The following is a free English translation of the Statement on the Financial Report for the half-year 2020 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 2020 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 significant 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, 2020

This is a free English translation 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 Meetings 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 SE, for the period from January 1 to June 30, 2020;
- the verification of the information presented in the half-yearly management report.

These half-yearly condensed consolidated financial statements were prepared under the responsibility of your Management Board as at July 27, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and the difficulties in understanding its impacts and the prospects for the future. 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 half-yearly condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union relating to interim financial reporting.

II. Specific verification

We have also verified the information presented in the half-yearly management report prepared on July 27, 2020 commenting 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, 2020

The Statutory Auditors
French original signed by:

Deloitte & Associés	Ernst & Young et Autres
Thierry Quéron and Géraldine Segond	Jacques Pierres and Claire Pajona