01890289

SANCTUARY ARTIST SERVICES LIMITED

(NOW UNIVERSAL SRG ARTIST SERVICES LIMITED)

Annual Financial Report and Audited Consolidated Financial Statements for the Year Ended December 31, 2012

FEBRUARY 26, 2013

vivendi

Tuesday, February 26, 2013

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,281,793,288

Head Office 42 avenue de Friedland - 75380 PARIS CEDEX 08 - FRANCE

IMPORTANT NOTICE: READERS ARE STRONGLY ADVISED TO READ THE IMPORTANT DISCLAIMERS AT THE END OF THIS FINANCIAL REPORT

Tuesday, February 26, 2013

Selected key consolidated financial data

	Year ended December 31				
	2012	2011	2010	2009	2008
Consolidated data					
Revenues (a)	28 994	28 813	28,878	27,132	25 392
EBITA (a) (b)	5,283	5,860	5 726	5 390	4 953
Earnings attributable to Vivendi SA shareowners	164	2 681	2 198	830	2 603
Adjusted net income (b)	2,550	2 952	2 698	2 585	2,735
Financial Net Debt (b) (c)	13 419	12 027	8,073	9 566	8,349
Total equity (d)	21 436	22,070	28,173	25 988	26,626
of which Vivendi SA shareowners' equity (d)	18,465	19 447	24 058	22 017	22 515
Cash flow from operations before capital expenditures, net (CFFO before capex net)	7,872	8 034	8 569	7,799	7 056
Capital expenditures, net (capex net) (e)	(4 490)	(3 340)	(3,357)	(2 562)	(2,001)
Cash flow from operations (CFFO) (b)	3 382	4,694	5,212	5 237	5,055
Financial investments	(1 795)	(636)	(1 397)	(3,050)	(3 947)
Financial divestments	239	4,701	1,982	97	352
Dividends paid with respect to previous fiscal year	1,245	1 731	1 721	1,639 (f)	1 515
Per share data					
Weighted average number of shares outstanding (g)	1,298 9	1,281 4	1 273 8	1 244 7	1,208 6
Adjusted net income per share (g)	**1 96**	**2.30**	**2.12**	**2.08**	**2.26**
Number of shares outstanding at the end of the period (excluding treasury shares) (g)	1 322 5	1 287 4	1 278 7	1,270 3	1 211 6
Equity per share, attributable to Vivendi SA shareowners (g)	13 96	15 11	18 81	17 33	18 58
Dividends per share paid with respect to previous fiscal year	**1 00**	**1 40**	**1 40**	**1 40**	**1 30**

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

a An analysis of revenues and EBITA by operating segment is presented in Section 4 1 of this Financial Report and in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2012

b Vivendi considers that the non-GAAP measures of EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are relevant indicators of the group's operating and financial performance Each of these indicators is defined in the appropriate section of this Financial Report or in its Appendix These indicators should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as disclosed in the Consolidated Financial Statements and the related notes, or as described in this Financial Report It should be noted that other companies may define and calculate these indicators differently from Vivendi thereby affecting comparability

c As of December 31, 2009, Vivendi revised its definition of Financial Net Debt to include certain cash management financial assets whose features do not strictly comply with the definition of cash equivalents as defined by IAS7 and the AMF's position n°2011-13 (in particular, these financial assets may have a maturity of up to 12 months) Considering that no investment in such assets was made prior to 2009, the retroactive application of this change in presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the 2008 fiscal year is therefore consistent

d With effect from January 1, 2009, Vivendi voluntarily opted for early application of the revised IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements) As a result, certain reclassifications have been made to the 2008 consolidated statement of changes in equity to conform to the 2009 financial statements presentation, as prescribed by revised IAS 27

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

f The dividend distribution with respect to fiscal year 2008 totaled €1,639 million, of which €904 million was paid in Vivendi shares (which had no impact on cash) and €735 million was paid in cash

g The number of shares, adjusted net income per share, and the equity per share, attributable to Vivendi SA shareowners have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33 - Earnings Per Share

Tuesday, February 26, 2013

Nota.

In accordance with European Commission Regulation (EC) 809/2004 (Article 28) which sets out the disclosure obligations for issuers of securities listed on a regulated market within the European Union (implementing Directive 2003/71/EC, the "Prospectus Regulation"), the following items are incorporated by reference

- 2011 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2011, prepared under IFRS and the related Statutory Auditors' Report presented in pages 130 to 266 of the "Document de Référence" No D 12-0175, filed on March 19, 2012 with the French Autorité des Marchés Financiers (AMF), and in pages 128 to 264 of the English translation of this "Document de Référence", and
- 2010 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2010, prepared under IFRS and the related Statutory Auditors' Report presented in pages 126 to 270 of the "Document de Référence" No D 11-0155, filed on March 21, 2011 with the French Autorité des Marchés Financiers (AMF), and in pages 126 to 270 of the English translation of this "Document de Référence"

I – 2012 Financial Report

Preliminary comments:

On February 18, 2013, during a meeting held at the headquarters of the company, the Management Board approved the Annual Financial Report and the Consolidated Financial Statements for the year ended December 31, 2012 Having considered the Audit Committee's recommendation given at its meeting held on February 15, 2013, the Supervisory Board, at its meeting held on February 22, 2013, reviewed the Annual Financial Report and the Consolidated Financial Statements for the year ended December 31, 2012, as approved by the Management Board on February 18, 2013

The Consolidated Financial Statements for the year ended December 31, 2012 have been audited and certified by the Statutory Auditors with no qualified opinion The Statutory Auditors' Report on the Consolidated Financial Statements is included in the preamble to the Financial Statements

1 Major events

As publicly announced to shareholders on several occasions in 2012, Vivendi's Management Board and its Supervisory Board have engaged in a review of the group's strategic development marked by a desire to strengthen its positions in media and content Given the stage of completion of this strategic review and considering the uncertainty of the timing of potential disposals of certain telecom businesses, none of the group's business segments met the criteria of IFRS 5 standard neither as of December 31, 2012, nor as of February 18, 2013, the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2012

Vivendi's Management Board remains committed to focusing on shareholder value creation, adjusted net income per share and maintaining a long-term credit rating of BBB (Standard & Poor's / Fitch) / Baa2 (Moody's)

1.1 Major events in 2012

1.1.1 Acquisition of EMI Recorded Music by Vivendi and Universal Music Group (UMG)

In accordance with the agreement entered into with Citigroup Inc (Citi) on November 11, 2011, and following receipt of the regulatory approvals from the European Commission and the Federal Trade Commission in the United States on September 21, 2012, Vivendi and UMG completed the acquisition of 100% of the recorded music business of EMI Group Global Limited (EMI Recorded Music) on September 28, 2012 EMI Recorded Music has been fully consolidated since that date The transaction was also unconditionally cleared in New-Zealand (June 21, 2012), Japan (July 9, 2012), and Canada (August 20, 2012)

The purchase price, in enterprise value, amounted to £1,130 million (approximately €1,404 million) and included €1,363 million paid in cash of which £991 million (approximately €1,230 million) was paid in early September 2012, when conditions to payment were satisfied As part of this transaction, Citi agreed to assume the full pension obligations in the United Kingdom, and UMG received commitments customary for this type of transaction In addition, Citi undertook to indemnify UMG against losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom

The approval by the European Commission was conditional upon the divestment of EMI's Parlophone label and certain other music assets worldwide, such as EMI France, EMI's classical music labels, Chrysalis, Mute and several other local EMI entities In accordance with IFRS 5, Vivendi reclassified these assets as assets held for sale at market value in the Consolidated Statement of Financial Position as of December 31, 2012

The sale of Parlophone Label Group, part of EMI Recorded Music, for £487 million (approximately €600 million after taking into account the EUR/GBP foreign currency hedge in place) to be paid in cash, was announced on February 7, 2013 Additional, less significant divestments were also sold bringing the total amount of sales to exceed £530 million, all of which are pending regulatory approvals

With these sales, Vivendi nears the finalization of its regulatory commitments following the acquisition of EMI Recorded Music, while reinforcing UMG's position as a worldwide leader in music The combination of UMG's and EMI's Recorded Music businesses is expected to generate annual synergies of more than £100 million as previously stated As a result of the sale of Parlophone Label Group, the acquisition of EMI Recorded Music acquisition will be at less than 5xEBITDA multiple, including disposals, restructuring charges and synergies

For a detailed description of this transaction and of its impact on Vivendi's financial statements, please refer to Note 2 1 to the Consolidated Financial Statements for the year ended December 31, 2012

1.1.2 Acquisition of Bolloré Group's channels by Vivendi and Canal+ Group

On December 2, 2011, Bolloré Group and Canal+ Group announced the entry into a definitive agreement regarding the acquisition by Canal+ Group of Bolloré Group's free-to-air channels, Direct 8 and Direct Star In February 2012, Canal+ Group exercised its option to acquire, in one transaction, a 100% interest in Bolloré Group's television business, in exchange for the issuance of Vivendi shares

On September 27, 2012, Vivendi carried out a share capital increase of 22,356 thousand shares, which it paid in consideration for the contribution made by Bolloré Media, representing an enterprise value of €336 million After taking into account a €16 million price adjustment related to debt and changes in working capital, the fair value of the transferred counterparty amounted to €320 million Bolloré Group committed to retain the Vivendi shares received in connection with the completion of this transaction for a minimum period of six months after September 27, 2012 Since that date, Vivendi and Canal+ Group have been granted guarantees capped at €120 million These guaranties expire 3 months after the expiration of the applicable statute of limitations for tax or social matters, and 18 months after September 27, 2012 for all other matters D8 and D17 have been fully consolidated since September 27, 2012 and were renamed D8 and D17, in connection with their launch on October 7, 2012

As part of the French Competition Authority's approval of the transaction on July 23, 2012, Vivendi and Canal+ Group undertook certain commitments These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from StudioCanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process These commitments are made for a 5-year period, renewable once if the French Competition Authority, after having performed a competitive analysis, deems it necessary In addition, on September 18, 2012, the French Broadcasting Authority (Conseil Supérieur de l'Audiovisuel) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the D8 shares for a minimum period of two and a half years

Following the closing of this transaction, Bolloré Group reported having increased its interest in Vivendi SA to 4 41% Subsequently, on October 16, 2012, it announced that it had crossed the 5% threshold in Vivendi SA's share capital

On December 13, 2012, Vivendi's Supervisory Board co-opted Vincent Bolloré, Chairman and Chief Executive Officer of the Bolloré Group, as a member of the Supervisory Board This cooptation will be submitted for ratification at the General Shareholders Meeting to be held on April 30, 2013

For a detailed description of this transaction and its impact on Vivendi's financial statements, please refer to Note 2 2 to the Consolidated Financial Statements for the year ended December 31, 2012

1.1.3 Strategic partnership among the Canal+ Group, ITI, and TVN in Poland

In accordance with the agreement announced on December 19, 2011, and following the receipt on September 14, 2012 of unconditional approval from the Polish Competition and Consumer Protection Authority, on November 30, 2012, Canal+ Group, ITI, and TVN finalized the combination of their Polish Pay-TV platforms, which remain controlled by Canal+ Group, and the acquisition by Canal+ Group of a 40% interest in N-Vision, which has been accounted for under the equity method since that date

Following the merger of Canal+ Cyfrowy (Canal+ Group's Cyfra+ platform) with ITI Neovision (TVN's "n" platform), which created a new satellite TV platform in Poland, with a base of 2 5 million customers, Canal+ Group owns a 51% interest in the new structure "nc+" (compared to a previous 75% interest in Canal+ Cyfrowy), TVN and UPC own a 32% and 17% interest, respectively As Canal+ Group has the majority on the Supervisory Board and the power to govern the financial and operating policies of "nc+", the latter has been fully consolidated by Canal+ Group since November 30, 2012

For a detailed description of this transaction and its impact on Vivendi's financial statements, please refer to Note 2 3 to the Consolidated Financial Statements for the year ended December 31, 2012

1.1.4 Liberty Media Corporation Complaint

On June 25, 2012, a verdict was returned by the jury against Vivendi in a lawsuit filed by Liberty Media Corporation and certain of its subsidiaries before the US District Court for the Southern District of New York The jury awarded damages to Liberty Media Corporation in the amount of €765 million

On January 9, 2013, the Court confirmed the jury's verdict It also awarded pre-judgment interest accruing from December 16, 2001, using the average rate of return on one-year US Treasury bills, or €180 million On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013 On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments

On the basis of the verdict rendered on June 25, 2012, and following the entry of the final judgment by the Court, as of December 31, 2012, Vivendi accrued a reserve in the amount of €945 million Please refer to Note 27 to the Consolidated Financial Statements for the year ended December 31, 2012

1.1.5 New financings

For a detailed description of the new financings set up in 2012, please refer to Section 5 4 For a detailed description of the maturities of the bonds and bank credit facilities as of December 31, 2012, please refer to Note 22 to the Consolidated Financial Statements for the year ended December 31, 2012

1.1.6 Acquisition of 4G spectrum by SFR

In January 2012, following calls for bids of the tender offer for 4G mobile spectrum (very-high-speed Internet - LTE) carried out in 2011 and in accordance with the announcement made by the "Autorite de Régulation des Communications Electroniques et des Postes" or "Arcep" (the French telecommunications regulatory body), SFR acquired two 5 MHz duplex spectrum in the 800 MHz band for €1,065 million As a reminder, in October 2011, SFR acquired another 4G spectrum (the 2 6 GHz band) for a total amount of €150 million

1.1.7 Corporate officers

At a meeting held on June 28, 2012, the Supervisory Board terminated Mr Jean-Bernard Lévy's term of office as Chairman of the Management Board On June 28, 2012, the Supervisory Board also terminated the terms of office of the following Management Board members Mr Abdeslam Ahizoune, Mr Amos Genish, Mr Lucian Grainge, and Mr Bertrand Méheut It also appointed Mr Jean-François Dubos as Chairman of the Management Board

The Management Board is currently composed of Mr Jean-François Dubos and Mr Philippe Capron

As a reminder, on March 26, 2012, Mr Frank Esser resigned from his offices as a member of Vivendi's Management Board and as Chairman and Chief Executive Officer (CEO) of SFR

For a detailed description of the situation and compensation of the corporate officers, please refer to Note 25 to the Consolidated Financial Statements for the year ended December 31, 2012

1.1.8 Other events in 2012

Activision Blizzard

License agreements in China
On March 20, 2012, Blizzard Entertainment, a subsidiary of Activision Blizzard, announced that they renewed their license with NetEase for *World of Warcraft* in mainland China, adding an additional three years to the current license agreement

On July 3, 2012, Activision Blizzard and Tencent Holdings Limited, a leading Internet services provider announced a strategic relationship to bring the *Call of Duty* franchise to Chinese game players Under the multi-year agreement with Activision Publishing, Tencent holds the exclusive license to operate Activision's new *Call of Duty* game in mainland China

Stock repurchase programs
In 2012, Activision Blizzard repurchased its own common shares for €241 million ($315 million), including €42 million ($54 million) pursuant to the stock repurchase program of up to $1 billion authorized by Activision Blizzard's Board of Directors on February 2, 2012 and €199 million ($261 million) pursuant to the previous stock repurchase program As of December 31, 2012, Vivendi held a 61 5% non-diluted interest in Activision Blizzard (compared to an approximate 60% interest as of December 31, 2011)

Dividends
On May 16, 2012, Activision Blizzard paid to its shareholders a cash dividend of $0 18 per common share, with respect to fiscal year 2011, representing $123 million (€94 million) for Vivendi Due to its strong earnings and its cash and short term investments amounting to approximately $4 4 billion at year-end 2012, Activision Blizzard declared on February 7, 2013, a dividend of $0 19 per common share, to be paid in cash on May 15, 2013

In addition, as part of its earnings release announced on February 7, 2013, the Board of Activision Blizzard is considering, or may consider during 2013, substantial stock repurchases, dividends, acquisitions, licensing or other non-ordinary course transactions These potential transactions could be financed by debt

Canal+ Group

Inquiry into compliance with certain undertakings given in connection with the merger of CanalSatellite and TPS

The French Competition Authority opened an inquiry into compliance with certain undertakings given by Vivendi and Canal+ Group in connection with the merger of TPS and CanalSatellite

On September 20, 2011, the French Competition Authority rendered a decision in which it established that Canal+ Group had not complied with certain undertakings – some it considered essential – on which depended the decision authorizing, in 2006, the acquisition of TPS and CanalSatellite by Vivendi and Canal+ Group As a consequence, the French Competition Authority withdrew the merger authorization, requiring Vivendi and Canal+ Group to re-notify the transaction to the French Competition Authority within one month Furthermore, the Authority ordered Canal+ Group to pay a €30 million fine

On December 21, 2012, the French Council of State rejected the Canal+ Group and Vivendi motions requesting the annulment of the decisions of September 20, 2011 and July 23, 2012, and decreased the fine imposed on Canal+ Group from €30 million to €27 million Pursuant to the July 23, 2012 decision, the merger was again authorized, subject to compliance with 33 injunctions

Please refer to Note 26 and 27 to the Consolidated Financial Statements for the year ended December 31, 2012

Acquisition of a non-controlling interest in Orange Cinema Series

On April 12, 2012, Multithématiques, a subsidiary of Canal+ Group, and Orange Cinema Series entered into a partnership via a joint company, Orange Cinema Series - OCS SNC, in which Multithématiques acquired an approximate 33% interest and to which Orange Cinema Series contributed the publishing and broadcasting operations of its pay cinema channels Since April 5, 2012, Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat On July 23, 2012, as part of the decision authorizing the merger of TPS group and CanalSatellite, the French Competition Authority required that Canal+ Group sell its non-controlling interest in Orange Cinema Series - OCS SNC or, upon failure to sell such interest, to relinquish certain of its rights contained in the shareholders' agreement between Multithématiques and Orange Cinema Series (please refer to Note 27 to the Consolidated Financial Statements for the year ended December 31, 2012)

On February 4, 2013, at the request of Multithématiques and to comply with the injunction 2(b) ordered by the French Competition Authority on July 23, 2012, the members of Orange Cinema Series - OCS SNC' Board of Directors resigned from their positions As a result, Multithématiques appointed, by letter with an effective date of February 4, 2013, two independent representatives with no affiliation to Multithématiques within the Board of Directors of Orange Cinema Series - OCS SNC

Acquisition of a 100% interest in Hoyts Distribution

On July 17, 2012, StudioCanal announced the acquisition of a 100% interest in Hoyts Distribution, a company specializing in the distribution of feature films in Australia and New Zealand The company has been fully consolidated since that date

Creation of Numergy by SFR

On September 5, 2012, SFR, Bull, and Caisse des Dépôts et Consignations announced the creation of Numergy, a company offering cloud computing services to all economic players As of December 31, 2012, SFR held a 47% interest in Numergy and is accounted for under the equity method As of December 31, 2012, SFR subscribed to the capital increase of this new company for €105 million, of which €26 million had been released

Distributions to shareholders of Vivendi SA and its subsidiaries

Dividend paid by Vivendi SA with respect to fiscal year 2011

On May 9, 2012, Vivendi SA paid to its shareholders a cash dividend of €1 per share with respect to fiscal year 2011, representing a total distribution of €1,245 million

Bonus shares granted to Vivendi SA shareholders

On May 9, 2012, Vivendi SA granted to each shareholders one bonus share for each 30 shares held This transaction, realized by a €229 million withdrawal from additional paid-in capital, resulted in the issuance of 41 6 million new shares with a nominal value of €5 5 each and entitlement as from January 1, 2012

Dividends distributed by Maroc Telecom group

On May 31, 2012, Maroc Telecom group paid to its shareholders a cash dividend of MAD 9 26 per common share with respect to fiscal year 2011, representing MAD 4 3 billion (€391 million) for Vivendi The Supervisory Board of Maroc Telecom group will propose at the Annual Shareholders' Meeting, to be held on April 24, 2013, the payment of an ordinary dividend of MAD 7 4 per share, which corresponds to 100% of distributable earnings with respect to fiscal year 2012 This dividend will be paid in cash on May 31, 2013

1.2 Major events since December 31, 2012

The major events that have occurred since December 31, 2012 were as follows

- January 9, 2013 US court ruling in the lawsuit between Vivendi and Liberty Media Corporation (please refer to Note 27 to the Consolidated Financial Statements for the year ended December 31, 2012),
- January 16, 2013 Maroc Telecom and the Moroccan State entered into a fourth capital expenditure agreement (please refer to Note 26 to the Consolidated Financial Statements for the year ended December 31, 2012),
- February 7, 2013 Vivendi and Universal Music Group entered into a definitive agreement to sell Parlophone Label Group, a unit of EMI Recorded Music, to Warner Music Group for £487 million (approximately €600 million) to be paid in cash,
- February 12, 2013 Lagardère Holding TV, a 20% shareholder of Canal+ France, filed a complaint against Vivendi, Canal+ Group and Canal + France with the Paris Commercial Court Lagardère Group is seeking restitution, under penalty, from Canal+ Group, of the entire cash surplus given over by Canal+ France (please refer to Note 27 to the Consolidated Financial Statements for the year ended December 31, 2012), and
- February 15, 2013 Vivendi and Universal Music Group signed a definitive agreement for the sale of Sanctuary Records to BMG for £40 million to be paid in cash

2 Earnings analysis

2.1 Consolidated statement of earnings and adjusted statement of earnings

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Year ended December 31		Year ended December 31		
	2012	2011	2012	2011	
Revenues	28,994	28,813	28,994	28,813	**Revenues**
Cost of revenues	(14 364)	(14 391)	(14 364)	(14 391)	Cost of revenues
Margin from operations	14,630	14,422	14,630	14,422	**Margin from operations**
Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(8 995)	(8 401)	(8 995)	(8 401)	Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(352)	(161)	(352)	(161)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(487)	(510)			
Impairment losses on intangible assets acquired through business combinations	(760)	(397)			
Reserve accrual regarding the Liberty Media Corporation litigation in the United States	(945)	-			
Other income	22	1 385			
Other charges	(235)	(656)			
EBIT	2,878	5,682	5,283	5,860	**EBITA**
Income from equity affiliates	(38)	(18)	(38)	(18)	Income from equity affiliates
Interest	(568)	(481)	(568)	(481)	Interest
Income from investments	9	75	9	75	Income from investments
Other financial income	37	14			
Other financial charges	(210)	(167)			
Earnings from continuing operations before provision for income taxes	2,108	5,105	4,686	5,436	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(1 159)	(1 378)	(1 339)	(1 408)	Provision for income taxes
Earnings from continuing operations	949	3,727			
Earnings from discontinued operations					
Earnings	949	3,727	3,347	4,028	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	164	2,681	2,550	2,952	**Adjusted net income**
Non controlling interests	785	1 046	797	1 076	Non controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0 13	2.09	1.96	2.30	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0 12	2.09	1.96	2.30	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts

Note: Earnings attributable to Vivendi SA shareowners per share and adjusted net income per share (basic and diluted) for all periods previously published have been adjusted in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held, in accordance with IAS 33 - Earnings per share (please refer to Section 1 1 8 of this Financial Report)

2.2 Earnings review

Adjusted net income amounted to €2,550 million (or €1 96 per share[1]) compared to €2,952 million (or €2 30 per share) in 2011 This €402 million decrease (-13 6%) in adjusted net income resulted primarily from

- a €577 million decrease in EBITA to a total of €5,283 million (compared to €5,860 million in 2011) This change mainly reflected the decline in the performances of SFR (-€678 million, including the €187 million restructuring charges), Maroc Telecom group (-€102 million, including the €79 million restructuring charges), and Canal+ Group (-€38 million, including the -€51 million impact of the acquisition of the D8 and D17 channels and the new activities in Poland, partially offset by the operating performances of Activision Blizzard (+€138 million), GVT (+€92 million), and Universal Music Group (+€18 million) including -€98 million in EMI Recorded Music integration costs and restructuring charges,
- a €87 million increase in interest expense, resulting from the impact of the increase in the average outstanding Financial Net Debt (-€127 million), partially offset by the decrease of the average interest rate on Financial Net Debt (+€40 million),
- a €66 million decrease mainly attributable to the balance of the contractual dividend paid by GE to Vivendi in January 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal,
- a €20 million decrease resulting from income from equity affiliates,
- a €69 million decrease in income tax expense This change notably reflected the impact of the decline in the group's business segments taxable income (+€264 million), primarily related to SFR, partially offset by the €181 million decrease in current tax savings related to Vivendi SA's tax group and Consolidated Global Profit Tax Systems This decrease notably included the impact of the changes in French Tax Law in 2011 and 2012, mainly the capping of the deduction for tax losses carried forward at 50% of taxable income (compared to 60% in 2011), and
- a €279 million decrease in adjusted net income attributable to non-controlling interests, mainly resulting from the acquisition in June 2011 of Vodafone's non-controlling interest in SFR (€242 million)

Breakdown of the main items from the Statement of Earnings

Revenues were €28,994 million, compared to €28,813 million in 2011, a €181 million increase (+0 6%, or -0 7% at constant currency) For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report

Costs of revenues amounted to €14,364 million, compared to €14,391 million in 2011, a €27 million decrease (-0 2%)

Margin from operations increased by €208 million to €14,630 million, compared to €14,422 million in 2011 (+1 4%)

Selling, general and administrative expenses, excluding the amortization of intangible assets acquired through business combinations, amounted to €8,995 million, compared to €8,401 million in 2011, a €594 million increase (+7 1%)

Depreciation and amortization of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses Depreciation and amortization, excluding amortization of intangible assets acquired through business combinations, amounted to €2,682 million (compared to €2,534 million in 2011), an additional €148 million charge (+5 8%) This change primarily resulted from the increase in the depreciation of telecommunication network assets at Maroc Telecom group and GVT

Restructuring charges and other operating charges and income amounted to a net charge of €352 million, compared to a net charge of €161 million in 2011, a €191 million increase In 2012, they primarily included restructuring charges of SFR (€187 million) and Maroc Telecom group (€79 million), restructuring charges and integration costs at UMG (€98 million), as well as transition costs incurred by Canal+ Group as part of the acquisition of the free-to-air channels D8 and D17 in France and the pay-TV platform "n" in Poland (€11 million) Moreover, in 2012, other operating charges included the €66 million fine ordered against SFR by the French Competition Authority in December 2012 In 2011, restructuring charges amounted to €100 million, of which €67 million at UMG and €19 million at Activision Blizzard In 2011, other operating charges included the €30 million fine ordered in September 2011 by the French Competition Authority on Canal+ Group, as part of the audit related to the compliance with the commitments undertaken by Canal+ Group in connection with the merger of CanalSatellite and TPS in January 2007

EBITA was €5,283 million, compared to €5,860 million in 2011, a €577 million decrease (-9 8%, or -10 7% at constant currency) For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report

Amortization of intangible assets acquired through business combinations was €487 million, compared to €510 million in 2011, a €23 million decrease (-4 5%)

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

Impairment losses on intangible assets acquired through business combinations amounted to €760 million, compared to €397 million in 2011. In 2012, they related to Canal+ France's goodwill (€665 million) and certain goodwill and music catalogs of Universal Music Group (€94 million). In 2011, they mainly related to Canal+ France's goodwill (€380 million).

As of December 31, 2012, based on the verdict rendered on June 25, 2012 **regarding the Liberty Media Corporation litigation in the United States**, which was confirmed by the court in New York on January 9, 2013 and entered into record by the judge on January 17, 2013, Vivendi accrued a reserve for the full amount of the judgment (€945 million), representing, €765 million in damages and €180 million in pre-judgment interest covering the period from December 16, 2001 to January 17, 2013, at the rate of one-year U.S. Treasury notes. In addition, the reserve regarding the Securities Class Action in the United States was unchanged as of December 31, 2012, at €100 million. Please refer to Note 27 to the Consolidated Financial Statements for the year ended December 31, 2012.

Other income amounted to €22 million, compared to €1,385 million in 2011. In 2011, it primarily included the impact related to the settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland (€1,255 million) and the sale in October 2011 of UMG's interest in Beats Electronics (€89 million).

Other charges amounted to €235 million, compared to €656 million in 2011. In 2012, they mainly included the €119 million impairment loss on Canal+ Group's interest in N-Vision in Poland and acquisition costs (EMI Recorded Music, and the strategic partnership in Poland) of €63 million. In 2011, they mainly included the capital loss incurred in January 2011 on the sale of Vivendi's remaining 12.34% interest in NBC Universal (€421 million, of which €477 million related to a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004) and the settlement of the past disputes between GVT and various Brazilian States regarding the application of ICMS tax on Internet and Broadband services (€165 million).

EBIT was €2,878 million, compared to €5,682 million in 2011, a €2,804 million decrease (-49.3%). In addition to the decline in EBITA (-€577 million, of which -€678 million from SFR), this change mainly reflected the recognition in 2012 of the reserve accrual regarding the Liberty Media Corporation litigation (-€945 million) and the impairment of Canal+ France's goodwill (-€665 million). In 2011, the impact related to the settlement of the litigation over the share ownership of PTC in Poland (€1,255 million), partially offset by the capital loss incurred from the sale of the remaining 12.34% interest in NBC Universal (-€421 million), and the settlement of the past disputes between GVT and various Brazilian States regarding the application of the ICMS tax (-€165 million).

Income from equity affiliates was a €38 million charge, compared to a €18 million charge in 2011.

Interest was an expense of €568 million, compared to €481 million in 2011, a €87 million increase (+18.1%).
In 2012, interest expense on borrowings amounted to €599 million, compared to €529 million in 2011, a €70 million increase (+13.2%). This change was mainly attributable to the increase in the average outstanding borrowings to €17.1 billion in 2012 (compared to €13.7 billion in 2011), primarily reflecting the impact of the acquisitions of the 44% interest in SFR in June 2011 (€7.75 billion) and of EMI Recorded Music in September 2012 (€1.4 billion), partially offset by the decrease in the average interest rate on borrowings to 3.50% in 2012 (compared to 3.87% in 2011).
Interest income earned on cash and cash equivalents amounted to €31 million in 2012, compared to €48 million in 2011, a €17 million decrease. This change was attributable to the decrease in the average cash and cash equivalents to €3.4 billion in 2012 (compared to €4.1 billion in 2011) and to the decrease in the average income rate to 0.91% in 2012 (compared to 1.16% in 2011).

Income from investments amounted to €9 million, compared to €75 million in 2011. In 2011, it included €70 million attributable to the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal.

Other financial income and charges amounted to a net charge of €173 million, compared to a net charge of €153 million in 2011, and notably included foreign exchange losses on intercompany borrowings (-€105 million in 2012, compared to -€27 million in 2011) and fees related to borrowings and derivative instruments (-€15 million in 2012, compared to -€52 million in 2011). For more information, please refer to Note 5 to the Consolidated Financial Statements for the year ended December 31, 2012.

Income taxes reported to adjusted net income was a net charge of €1,339 million, compared to a net charge of €1,408 million in 2011, a €69 million decrease. This change notably reflected the impact of the decline in the group's business segments' taxable income (+€264 million), primarily related to SFR, partially offset by the decrease (-€181 million) in current tax savings related to Vivendi SA's tax group and Consolidated Global Profit Tax Systems following the changes in French Tax Law in 2011 and 2012, mainly the capping of the deduction for tax losses carried forward at 50% of taxable income (compared to 60% in 2011). The effective tax rate reported to adjusted net income was 28.3% in 2012 (compared to 25.8% in 2011).

In addition, **provision for income taxes** was a net charge of €1,159 million, compared to a net charge of €1,378 million in 2011, a €219 million decrease. In addition to the items that explained the increase in income taxes reported to adjusted net income, this increase reflected the change in deferred tax assets related to Vivendi SA's tax group System, which was a €48 million charge (compared to a €129 million charge in 2011).

Adjusted net income attributable to non-controlling interests amounted to €797 million, compared to €1,076 million in 2011 The €279 million decrease was primarily attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€242 million), offset by the operating performances of Activision Blizzard (+€34 million)

Earnings attributable to non-controlling interests amounted to €785 million, compared to €1,046 million in 2011 The €261 million decrease was mainly attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€224 million), offset by the operating performances of Activision Blizzard (+€41 million)

Earnings attributable to Vivendi SA shareowners amounted to €164 million (or €0 13 per share), compared to €2,681 million (or €2 09 per share) in 2011, a €2,517 million decrease In addition to the decline in EBITA (-€577 million, of which -€678 million from SFR), this change mainly reflected the recognition in 2012 of the reserve accrual regarding the Liberty Media Corporation litigation (-€945 million) and the impairment of Canal+ France's goodwill (-€665 million), and in 2011, the impact related to the settlement of the litigation over the share ownership of PTC in Poland (€1,255 million), partially offset by the capital loss incurred from the sale of the remaining 12 34% interest in NBC Universal (-€421 million), and the settlement of the past disputes between GVT and various Brazilian States regarding the application of the ICMS tax (-€165 million)

The reconciliation of earnings attributable to Vivendi SA shareowners with adjusted net income is further described in Appendix 1 of this Financial Report In 2012, this reconciliation primarily included the reserve accrual regarding the Liberty Media Corporation litigation in the United States (-€945 million), the impairment of Canal+ France's goodwill (-€665 million), and amortization and other impairment losses on intangible assets acquired through business combinations (-€414 million, after taxes and non-controlling interests) In 2011, this reconciliation primarily included the impact of the settlement of the litigation over the share ownership of PTC in Poland (+€1,255 million) and the sale in October 2011 of UMG's interest in Beats Electronics (+€89 million), partially offset by the capital loss incurred from the sale of Vivendi's remaining 12 34% interest in NBC Universal completed on January 25, 2011 (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004) and the settlement of the past disputes between GVT and various Brazilian States regarding the application of ICMS tax on Internet and Broadband services (-€165 million) The reconciliation also included the impairment of Canal+ France's goodwill (-€380 million) and the amortization and other impairment losses on intangible assets acquired through business combinations (-€336 million, after taxes and non-controlling interests)

3 Cash flow from operations analysis

Preliminary comment. Vivendi considers that the non-GAAP measures cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and taxes (CFAIT) are relevant indicators of the group's operating and financial performance. These indicators should be considered in addition to, and not as substitutes for, other GAAP measures as reported in Vivendi's cash flow statement, contained in the group's Consolidated Financial Statements.

In 2012, cash flow from operations before capital expenditures (CFFO before capex, net) generated by business segments amounted to €7,872 million (compared to €8,034 million in 2011), a €162 million decrease (-2.0%). This change included the increase in EBITDA after changes in the group's net working capital (+€277 million), notably thanks to the good performances of Activision Blizzard (+€338 million), Canal+ Group (+€108 million), and Maroc Telecom (+€94 million), despite the decline in the performance of SFR (-€407 million). Moreover, it also reflected the increase in content investments (-€286 million), restructuring charges (-€75 million, primarily the impact of the voluntary redundancy plan at Maroc Telecom), as well as the impact of the dividend received in January 2011, as part of the completion of the sale of Vivendi's interest in NBC Universal (-€70 million).

In 2012, capital expenditures, net amounted to €4,490 million (compared to €3,340 million in 2011), a €1,150 million increase. This change included SFR's acquisition of 4G mobile spectrum for €1,065 million in January 2012 and €150 million in October 2011. Excluding the acquisition of mobile spectrum in 2012 and 2011, capital expenditures, net increased by €235 million (+7.4%), primarily attributable to the geographical expansion of GVT's telecommunication network and to the development of its pay-TV business (+€242 million).

After capital expenditures, net, cash flow from operations (CFFO) generated by business segments amounted to €3,382 million (compared to €4,694 million in 2011), a €1,312 million decrease. Excluding the acquisition of mobile spectrum in 2012 and 2011, CFFO generated by business segments amounted to €4,447 million (compared to €4,844 million in 2011), a €397 million decrease (-8.2%), primarily reflecting the decline in SFR's performance.

In 2012, cash flow from operations after interest and income taxes paid (CFAIT) amounted to €1,954 million (compared to €2,884 million in 2011), a €930 million decrease (-32.2%). The decrease in CFFO (-€1,312 million) and the increase in interest expense (-€87 million) were partially offset by the €141 million decrease in cash payments of other items related to financial activities and by the €328 million decrease in income taxes paid, net. The change in income taxes paid, net mainly reflected the change from one fiscal year to another of the amount of income tax installments for the current fiscal year and final settlements for the previous fiscal year paid by the group's entities in the course of the given year.

Cash payments of other items related to financial activities notably included the net premium paid in connection with borrowings issued and the early unwinding of interest rate hedging derivative instruments (-€74 million) and the settlement of the past disputes between GVT and various Brazilian States regarding the application of the ICMS tax on Internet and Broadband services (€7 million paid in 2012, compared to €164 million paid in 2011). In addition, hedging currency risk transactions generated a net cash outflow of €52 million in 2012 (including a €78 million foreign exchange loss attributable to the redemption in April 2012 of a $700 million bond), compared to an €8 million net cash inflow in 2011.

(in millions of euros)		Year ended December 31			
		2012	2011	€ Change	% Change
Revenues		28 994	28,813	+181	+0 6%
Operating expenses excluding depreciation and amortization		(20 641)	(20 320)	-321	1 6%
EBITDA	(a)	*8 353*	*8 493*	*140*	*-1 6%*
Restructuring charges paid		(189)	(114)	-75	-65 8%
Content investments net		(299)	(13)	286	x 23 0
of which internally developed franchises and other games content assets at Activision Blizzard		*(108)*	*(49)*	*59*	*x 2 2*
of which payments to artists and repertoire owners net at UMG					
Payments to artists and repertoire owners		*(647)*	*(589)*	*-58*	*-9 8%*
Recoupment of advances and other movements		*603*	*581*	*+22*	*+3 8%*
		(44)	*(8)*	*-36*	*x 5 5*
of which film and television rights net at Canal+ Group					
Acquisition of film and television rights		*(760)*	*(724)*	*-36*	*-5 0%*
Consumption of film and television rights		*703*	*706*	*3*	*-0 4%*
		(57)	*(18)*	*-39*	*x 3 2*
of which sports rights net at Canal+ Group					
Acquisition of sports rights		*(654)*	*(662)*	*+8*	*+1 2%*
Consumption of sports rights		*672*	*695*	*23*	*-3 3%*
		18	*33*	*-15*	*-45 5%*
Neutralization of change in provisions included in EBITDA		(56)	(100)	+44	+44 0%
Other cash operating items excluded from EBITDA		(31)	(7)	-24	x 4 4
Other changes in net working capital		90	(307)	+397	na*
Net cash provided by operating activities before income tax paid	(b)	***7,868***	***7,952***	***-84***	***-1 1%***
Dividends received from equity affiliates	(c)	3	79	-76	96 2%
of which balance of the contractual dividend paid by GE			*70*	*-70*	*-100 0%*
Dividends received from unconsolidated companies	(c)	1	3	-2	-66 7%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**7,872**	**8,034**	**-162**	**-2.0%**
Capital expenditures net (capex net)	(d)	(4 490)	(3 340)	1 150	34 4%
of which SFR (f)		*(2,736)*	*(1 809)*	*-927*	*-51 2%*
Maroc Telecom Group		*(457)*	*(466)*	*+9*	*+1 9%*
GVT		*(947)*	*(705)*	*242*	*34 3%*
Cash flow from operations (CFFO)		**3,382**	**4,694**	**-1,312**	**-28.0%**
Interest paid net	(e)	(568)	(481)	87	18 1%
Other cash items related to financial activities	(e)	(98)	(239)	+141	+59 0%
of which settlements with the Brazilian Authorities regarding ICMS		*(7)*	*(164)*	*+157*	*+95 7%*
fees and premium on borrowings issued/redeemed and early unwinding of hedging derivative instruments		*(9)*	*(83)*	*+74*	*+89 2%*
gains/(losses) on currency transactions		*(52)*	*8*	*-60*	*na**
Financial activities cash payments		***(666)***	***(720)***	***+54***	***+7 5%***
Payment received from the French State Treasury as part of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems		536	591	-55	-9 3%
Other taxes paid		(1 298)	(1 681)	+383	+22 8%
Income tax (paid)/received, net	(b)	***(762)***	***(1,090)***	***+328***	***+30 1%***
Cash flow from operations after interest and income tax paid (CFAIT)		**1,954**	**2,884**	**-930**	**-32.2%**

na* not applicable

a EBITDA, a non-GAAP measure, is described in Section 4 2 of this Financial Report

b As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5 3)

c As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5 3)

d Relates to cash used for capital expenditures, net of proceeds from property, plant and equipment, and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5 3)

e As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5 3)

f SFR's capital expenditures notably included a cash payment for 4G mobile spectrum of €1,065 million in 2012 and of €150 million in 2011

4 Business segment performance analysis

4.1 Revenues, EBITA, and cash flow from operations by business segment

(in millions of euros)	Year ended December 31 2012	2011	% Change	% Change at constant rate
Revenues				
Activision Blizzard	3 768	3,432	+9 8%	+2 3%
Universal Music Group	4 544	4,197	+8 3%	+3 1%
SFR	11 288	12 183	7 3%	-7 3%
Maroc Telecom Group	2 689	2 739	-1 8%	-3 0%
GVT	1 716	1,446	+18 7%	+28 2%
Canal+ Group	5 013	4 857	+3 2%	+3 2%
Non-core operations and others and elimination of intersegment transactions	(24)	(41)	na*	na*
Total Vivendi	**28,994**	**28,813**	**+0 6%**	**-0 7%**
EBITA				
Activision Blizzard	1 149	1,011	+13 6%	+6 6%
Universal Music Group	525	507	+3 6%	+1 2%
SFR	1,600	2 278	29 8%	-29 8%
Maroc Telecom Group	987	1,089	-9 4%	-10 5%
GVT	488	396	+23 2%	+33 7%
Canal+ Group	663	701	5 4%	-5 3%
Holding & Corporate	(115)	(100)	-15 0%	13 0%
Non-core operations and others	(14)	(22)	na*	na*
Total Vivendi	**5,283**	**5,860**	**-9 8%**	**-10 7%**

(in millions of euros)	Year ended December 31, 2012	2011	% Change
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)			
Activision Blizzard	1,161	929	+25 0%
Universal Music Group	528	495	+6 7%
SFR	3 429	3 841	-10 7%
Maroc Telecom Group	1,523	1,501	+1 5%
GVT	621	558	+11 3%
Canal+ Group	706	735	-3 9%
NBC Universal dividends	-	70	-100 0%
Holding & Corporate	(93)	(83)	-12 0%
Non-core operations and others	(3)	(12)	na*
Total Vivendi	**7,872**	**8,034**	**-2 0%**
Cash flow from operations (CFFO)			
Activision Blizzard	1,104	877	+25 9%
Universal Music Group	472	443	+6 5%
SFR	693	2 032	-65 9%
Maroc Telecom Group	1,066	1 035	+3 0%
GVT	(326)	(147)	x 2 2
Canal+ Group	476	484	1 7%
NBC Universal dividends	-	70	-100 0%
Holding & Corporate	(94)	(84)	11 9%
Non-core operations and others	(9)	(16)	na*
Total Vivendi	**3,382**	**4,694**	**-28 0%**

na* not applicable

Data presented above takes into account the consolidation of the following entities at the indicated dates

- at Universal Music Group EMI Recorded Music (September 28, 2012), and
- at Canal+ Group D8 and D17 (September 27, 2012), as well as "n" (November 30, 2012)

4.2 Comments on the operating performance of business segments

Preliminary comments.

- Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably the non-GAAP measures EBITA (Adjusted Earnings Before Interest and Income Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)
  - The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations and EBIT's "other charges" and "other income" as defined in Note 1 2 3 to the Consolidated Financial Statements for the year ended December 31, 2012
  - As defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets and other non-recurring items (as presented in the Consolidated Statement of Earnings by operating segment - Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2012)

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

- The Vivendi group operates through six businesses at the heart of the worlds of content, platforms and interactive networks As of December 31, 2012, Vivendi's ownership interest in each of these businesses was as follows
  - Activision Blizzard 61 5%,
  - Universal Music Group (UMG) 100%,
  - SFR 100%,
  - Maroc Telecom group 53%,
  - GVT 100%, and
  - Canal+ Group 100% (Canal+ Group holds an 80% interest in Canal+ France)

4.2.1 Activision Blizzard

IFRS measures, as published by Vivendi

(in millions of euros, except for margins)	Year ended December 31			
	2012	2011	% Change	% Change at constant rate
Activision	2 370	2 047	+15 8%	+8 4%
Blizzard	1 160	1 082	+7 2%	-1 2%
Distribution	238	303	-21 5%	-26 7%
Total Revenues	**3,768**	**3,432**	**+9 8%**	**+2.3%**
EBITDA	**1,315**	**1,174**	**+12 0%**	**+4 9%**
Activision	678	520	+30 4%	+23 9%
Blizzard	463	483	-4 1%	-11 9%
Distribution	8	8	-	-1 3%
Total EBITA	**1,149**	**1,011**	**+13 6%**	**+6 6%**
EBITA margin rate (%)	*30 5%*	*29 5%*	*+1 pt*	
Cash flow from operations (CFFO)	**1,104**	**877**	**+25.9%**	

Non-GAAP and US GAAP measures, as published by Activision Blizzard[2]

(in millions of US dollars)	Year ended December 31		
	2012	2011	% Change
Activision	3 072	2 828	+8 6%
Blizzard	1 609	1 243	+29 4%
Distribution	306	418	26 8%
Total non-GAAP net revenues	**4,987**	**4,489**	**+11 1%**
Elimination of non-GAAP adjustments	*(131)*	*266*	*na**
US GAAP net revenues	**4,856**	**4,755**	**+2.1%**
Activision	970	851	+14 0%
Blizzard	717	496	+44 6%
Distribution	11	11	
Total non-GAAP operating income	**1,698**	**1,358**	**+25 0%**
Non-GAAP operating margin rate (%)	*34 0%*	*30 3%*	*+3 7 pts*
Elimination of non-GAAP adjustments	*(247)*	*(30)*	
US GAAP operating income	**1,451**	**1,328**	**+9.3%**
Net revenues by distribution channel			
Retail channels	3 082	2 512	+22 7%
Digital online channels (a)	1 599	1 559	+2 6%
Sub-total Activision and Blizzard	4 681	4 071	+15 0%
Distribution	306	418	-26 8%
Total non-GAAP net revenues	**4,987**	**4,489**	**+11 1%**
Net revenues by platform mix			
Online subscriptions (b)	1 071	1 155	-7 3%
PC and other (c)	1 250	299	x 4 2
Console	2 201	2 452	10 2%
Hand held	159	165	-3 6%
Sub-total Activision and Blizzard	4 681	4 071	+15 0%
Distribution	306	418	-26 8%
Total non-GAAP net revenues	**4,987**	**4,489**	**+11 1%**
Net revenues by geographic region			
North America	2 514	2 251	+11 7%
Europe	1 996	1 886	+5 8%
Asia Pacific	477	352	+35 5%
Total non-GAAP net revenues	**4,987**	**4,489**	**+11 1%**

na* not applicable

a Includes revenues from subscriptions and memberships, licensing royalties, value-added services, downloadable content, digitally distributed products and wireless devices

[2] *The reconciliation of US GAAP and non-GAAP data published by Activision Blizzard (net revenues and EBITA) to data relating to Activision Blizzard prepared by Vivendi in accordance with IFRS standards is described in Appendix 2 to this Financial Report*

b Includes revenues from all *World of Warcraft* products, including subscriptions, boxed products, expansion packs, licensing royalties and value-added services It also includes revenues from Call of Duty Elite memberships

c Other revenues include standalone sales of toys and accessories products from *Skylanders* franchise, mobile sales and other physical merchandise and accessories

Revenues and EBITA

Higher than expected, Activision Blizzard's revenues were €3,768 million, up 9 8% (+2 3% at constant currency) compared to 2011, and EBITA was €1,149 million, a 13 6% increase (+6 6% at constant currency) compared to 2011 These results take into account the accounting principles requiring that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period The balance of the deferred operating margin was up 10% to €1,000 million as of December 31, 2012, compared to €913 million as of December 31, 2011

In North America and Europe combined, Activision Blizzard was the #1 console and handheld publisher for 2012 with the #1 and #3 best-selling franchises[3], *Call of Duty* and *Skylanders* In November 2012, *Black Ops II* became the first video game ever to cross the $1 billion mark in 15-days[4] As of December 31, 2012, the *Skylanders* franchise had generated, life-to-date, more than $1 billion in worldwide sales[3] In January 2013, sell-through of *Skylanders* figures worldwide has exceeded 100 million[5]

In addition, *Diablo III* was the #1 best-selling PC game, breaking PC-game sales records with more than 12 million copies sold-through worldwide through December 31, 2012, and *World of Warcraft® Mists of Pandaria®* was the #3 best selling PC game[6] As of December 31, 2012, *World of Warcraft* remains the #1 subscription-based MMORPG, with more than 9 6 million subscribers[6]

Cash flow from operations (CFFO)

Activision Blizzard's cash flow from operations amounted to €1,104 million, a €227 million increase compared to 2011 This performance reflected the growth in EBITDA after changes in Activision Blizzard's net working capital (+€338 million), related to the success of the games released in the fourth quarter of 2012

[3] According to The NPD Group, GfK Chart-Track and Activision Blizzard internal estimates, including toys and accessories
[4] According to Chart-Track retail customer sell-through information internal company estimates and screenrant com
[5] According to Activision Blizzard internal estimates
[6] At retail and according to The NPD Group GfK Chart-Track and Activision Blizzard internal estimates

4.2.2 Universal Music Group (UMG)

(in millions of euros except for margins)	2012	2011	% Change	% Change at constant rate
	Year ended December 31,			
Physical sales	*1 756*	*1 789*	*1 8%*	*-6 1%*
Digital sales	*1 365*	*1 105*	*+23 5%*	*+16 8%*
License and others	*548*	*478*	*+14 6%*	*+9 9%*
Recorded music	3,669 (a)	3,372	+8 8%	+3 7%
Music publishing	661	638	+3 6%	-1 0%
Merchandising and others	247	222	+11 3%	+4 5%
Intercompany elimination	(33)	(35)	na*	na*
Total Revenues	**4,544**	**4,197**	**+8.3%**	**+3 1%**
EBITDA	**674** (a)	**623**	**+8.2%**	**+5 0%**
Recorded music	318 (a)	304	+4 6%	+3 9%
Music publishing	186	183	+1 6%	-2 4%
Merchandising and others	21	20	+5 0%	-5 8%
Total EBITA	**525**	**507**	**+3 6%**	**+1 2%**
EBITA margin rate (%)	*11 6%*	*12 1%*	*-0 5 pt*	
Restructuring and integration costs	(98)	(67)	-46 3%	
EBITA excluding restructuring and integration costs	**623**	**574**	**+8 5%**	**+5 5%**
Cash flow from operations (CFFO)	**472**	**443**	**+6 5%**	
Recorded music revenues by geographical area				
Europe	40%	41%		
North America	37%	36%		
Asia	16%	15%		
Rest of the world	7%	8%		
	100%	100%		

"UMG" recorded music, sales of physical and digital albums and DVDs, in millions of units (b)

Artist - Title	2012	Artist - Title	2011
Taylor Swift - Red	5 1	Lady Gaga - Born this way	5 9
Justin Bieber - Believe	2 9	Justin Bieber - Under The Mistletoe	2 8
Lana Del Rey - Born To Die	2 7	Rihanna - Loud	2 7
Rod Stewart - Merry Christmas Baby	2 6	Rihanna - Talk That Talk	2 6
Rihanna - Unapologetic	2 3	Lil Wayne - Tha Carter IV	2 4
Maroon 5 - Overexposed	2 2	Amy Winehouse - Lioness Hidden Treasures	2 4
Madonna - MDNA	1 8	Drake - Take Care	1 9
Gotye - Making Mirrors	1 7	Kanye West & Jay Z - Watch The Throne	1 7
Lionel Richie - Tuskegee	1 5	Amy Winehouse - Back to Black	1 7
Nicki Minaj - Pink Friday Roman Reloaded	1 4	LMFAO - Sorry for Party Rocking	1 7
Total	24 2	Total	25 8

na* not applicable

a Includes EMI Recorded Music (retained businesses) revenues and EBITA consolidated since September 28, 2012, for €279 million (of which €148 million for physical sales and €79 million for digital sales) and -€2 million, respectively

b At constant perimeter

Revenues and EBITA

Universal Music Group's (UMG) revenues were €4,544 million, an 8.3% increase compared to 2011. At constant perimeter (excluding revenues from EMI Recorded Music, acquired at the end of September 2012), revenues were up 1.6% thanks to growth in recorded music sales in North America and favorable currency movements. At constant currency and at constant perimeter, revenues were down 3.3% with a 10.0% increase in digital sales and higher license income offset by the decline in physical sales. Digital sales represented 44% of recorded music sales compared to 38% in the prior year.

Recorded music best sellers notably included new releases from Taylor Swift, Justin Bieber, Maroon 5, Rihanna, Nicki Minaj, Lana Del Rey, Gotye, Carly Rae Jepsen, Cecilia Bartoli, Daniel Barenboim, Rolando Villazón, and Mylene Farmer.

UMG's EBITA of €525 million was up 3.6% compared to 2011. Excluding EMI Recorded Music and at constant currency, EBITA was up 1.6%, strengthened by cost reduction policy.

Cash flow from operations (CFFO)

UMG's cash flow from operations amounted to €472 million, a €29 million increase compared to 2011. This includes the impact of the integration of EMI Recorded Music since September 28, 2012 (-€18 million, including restructuring and integration costs paid for €37 million), which was more than offset by UMG's operating performances (EBITDA after changes in net working capital increased by €69 million), the proceeds from the sale of certain content assets from UMG's catalog (€25 million), and a decrease in restructuring charges paid by UMG (-€14 million).

4.2.3 SFR

(in millions of euros, except for margins)	Year ended December 31, 2012	2011	% Change
Mobile service revenues	7,006	7,885	-11 1%
Equipment sales, net	510	567	-10 1%
Mobile	7,516	8,452	-11 1%
Broadband Internet and Fixed	3,963	4,000	-0 9%
Intercompany elimination	(191)	(269)	+29 0%
Total Revenues	**11,288**	**12,183**	**-7 3%**
EBITDA	**3,299**	**3,800**	**-13.2%**
EBITA	**1,600**	**2,278**	**-29 8%**
EBITA margin rate (%)	*14 2%*	*18 7%*	*-4 5 pts*
Restructuring costs	(187)	(12)	x 15 6
EBITA excluding restructuring costs	**1,787**	**2,290**	**-22 0%**
Capital expenditures, net (capex net) (a)	**2,736**	**1,809**	**+51 2%**
of which acquisitions of mobile spectrum	*1,065*	*150*	*x 7 1*
capital expenditures, net excluding acquisitions of mobile spectrum	*1,671*	*1,659*	*+0 7%*
Cash flow from operations (CFFO)	**693**	**2,032**	**-65 9%**
of which acquisitions of mobile spectrum	*(1,065)*	*(150)*	*x 7 1*
cash flow from operations excluding acquisitions of mobile spectrum	*1,758*	*2,182*	*-19 4%*
Mobile			
Number of customers (in thousands)			
Postpaid (b)	*16,563*	*16,566*	-
Prepaid	*4,127*	*4,897*	*-15 7%*
Total SFR Group	20,690	21,463	-3 6%
Mobile customer base market share (c)	28 3%	31 3%	-3 pts
12-month rolling ARPU (in euros/year) (d)			
Postpaid	*417*	*462*	*-9 7%*
Prepaid	*112*	*136*	*-17 6%*
Blended ARPU	344	378	-9 0%
Acquisition cost compared to mobile service revenues (in %)	7 1%	7 6%	-0 5 pt
Retention cost compared to mobile service revenues (in %)	9 1%	8 2%	+0 9 pt
Residential broadband Internet and Fixed			
Number of broadband Internet customers (in thousands)	5,075	5,019 (e)	+1 1%
ADSL customer base market share	22 5% (f)	23 5%	-1 pt

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

b Includes M2M (Machine to Machine) customers

c Source Arcep

d Includes mobile terminations ARPU (Average Revenue Per User) is defined as revenues net of promotions and net of third-party content provider revenues, excluding roaming in revenues and equipment sales divided by the average Arcep total customer base for the last twelve months ARPU excludes M2M (Machine to Machine) data

e On December 31, 2011, the Broadband Internet customer base was adjusted by 23,000 customers following the removal of 1P and 2P Akéo customers from the consolidation perimeter

f SFR estimate for 2012

Revenues and EBITA

SFR revenues[7] amounted to €11,288 million, a 7 3% decrease compared to 2011 due to the progressive impact of price cuts related to the competitive environment and to price cuts imposed by the regulators[8] Excluding the impact of these regulatory decisions, revenues decreased by 3 3%

Mobile[9] revenues amounted to €7,516 million, an 11 1% decrease compared to 2011

During the fourth quarter, SFR's postpaid mobile customer base increased by 109,000 additions At the end of 2012, SFR's postpaid mobile customer base reached 16 563 million, stable compared to 2011 The customer mix (the percentage of the number of postpaid customers in the total customer base) amounted to 80 1%, a 2 9 percentage point increase year-on-year SFR's total mobile customer base reached 20 690 million Mobile Internet usage continued to progress, with 49% of SFR customers equipped with a smartphone (41% at the end of 2011)

SFR became the first French operator to open the 4G network to the mass market and enterprises After Lyon on November 29, 2012, the 4G network was launched in Montpellier and Paris-La Défense Four additional cities will open in the first half 2013 This offer includes the availability of a wide range of compatible equipment and is based on « *Formules Carrées* » packages

SFR also introduced a new pricing policy in January 2013 offering the best value/price ratio on the market both for its low-cost offers and its premium offers, the latter remaining the choice of the majority in the French market

Broadband Internet and fixed revenues[9] amounted to €3,963 million, a 0 9% decrease compared to 2011, and a 0 3% increase excluding the impact of regulated price cuts

At the end of 2012, the postpaid broadband Internet residential customer base reached 5 075 million, with 56,000 net additions[10] year-on-year The customer base for the quadruple play offer ("*Multi-Pack de SFR*") reached 1 8 million at the end of 2012

SFR's EBITDA amounted to €3,299 million, a 13 2% decrease compared to 2011 Excluding negative and positive non-recurring items (-€15 million in 2012 and +€93 million in 2011), EBITDA decreased by 10 6%

EBITA amounted to €1,600 million, a 29 8% decrease Excluding negative and positive non-recurring items and restructuring charges, EBITA decreased by 18 0%

In 2012, SFR launched an adaptation plan while continuing to invest in 4G and fiber infrastructures and adapt its organization to changing market conditions In November, SFR announced a voluntary redundancy plan with a target of 856 net departures

Cash flow from operations (CFFO)

SFR's cash flow from operations amounted to €693 million, a 65 9% decrease compared to 2011 This change notably included the impact of the acquisition of 4G mobile spectrum for €1,065 million in 2012, compared to €150 million in 2011 Excluding these impacts, cash flow from operations amounted to €1,758 million, compared to €2,182 million in 2011, a €424 million decrease (-19 4%), primarily due to the decrease in EBITDA after changes in net working capital (-€407 million)

[7] *Following the disposal of 100% of Débitel France SA to La Poste Télécom SAS Débitel France SA, with a customer base of 290 000 has been excluded from the consolidation perimeter since March 1, 2011*
[8] *Tariff cuts imposed by regulatory decision*
i) 33% decrease in mobile voice termination regulated price on July 1 2011 a 25% additional decrease on January 1, 2012 and a further 33% decrease on July 1, 2012
ii) 25% decrease in SMS termination regulated price on July 1, 2011 and a 33% additional decrease on July 1, 2012 In addition to asymmetric tariff in favor of Free,
iii) Roaming tariff cuts on July 1, 2011 and July 1 2012, and
iv) 40% decrease in fixed voice termination regulated price on October 1, 2011 and a 50% additional decrease on July 1, 2012
[9] *Mobile revenues and broadband Internet and fixed revenues are determined as revenues before elimination of intersegment operations within SFR*
[10] *At the end of December 2011, SFR group broadband Internet residential customer base totaled 5 019 million following the exclusion of 1P and 2P Akéo customers from the consolidation perimeter*

4.2.4 Maroc Telecom group

(in millions of euros except for margins)	Year ended December 31, 2012	2011	% Change	% Change at constant rate
Mobile service revenues	*1,529*	*1,615*	*-5 3%*	*-6 6%*
Equipment sales, net	*45*	*67*	*-32 8%*	*-33 8%*
Mobile	1,574	1,682	-6 4%	-7 7%
Broadband Internet and Fixed	601	660	-8 9%	-10 3%
Intercompany elimination	(87)	(119)	na*	na*
Morocco	2,088	2,223	-6 1%	-7 4%
International	638	539	+18 4%	+17 7%
Intercompany elimination	(37)	(23)	na*	na*
Total Revenues	**2,689**	**2,739**	**-1.8%**	**-3 0%**
Total EBITDA	**1,505**	**1,500**	**+0.3%**	**-0 9%**
EBITDA margin rate (%)	*56 0%*	*54 8%*	*+1 2 pt*	
Morocco	830	1,000	-17 0%	-18 1%
International	157	89	+76 4%	+75 1%
Total EBITA	**987**	**1,089**	**-9 4%**	**-10 5%**
Restructuring charges	(79)	-	na*	
EBITA excluding restructuring charges	**1,066**	**1,089**	**-2.1%**	
Margin rate (%)	*39 6%*	*39 8%*	*-0 2 pt*	
Capital expenditures, net (capex net)	**457**	**466**	**-1 9%**	
Cash flow from operations (CFFO)	**1,066**	**1,035**	**+3 0%**	
Morocco				
Number of mobile customers (in thousands)				
Prepaid	16,656	16,106	+3 4%	
Postpaid	1,199	1 019	+17 7%	
Total	17,855	17,126	+4 3%	
Mobile ARPU (in MAD/month)	79	87	-9 2%	
MoU (in min/month)	122	85	+43 5%	
Mobile churn rate (in %/year) (a)	20 8%	23 3%	-2 5 pts	
Postpaid	15 5%	13 4%	+2 1 pts	
Prepaid	22 2%	24 8%	-2 6 pts	
Number of fixed lines (in thousands)	1,269	1,241	+2 3%	
Number of Broadband Internet customers (in thousands) (b)	683	591	+15 6%	
International				
Number of customers (in thousands)				
Mobile	12,685	9,626	+31 8%	
Fixed	298	299	-0 3%	
Broadband Internet	90	99	-9 1%	

na* not applicable

a Excluding the impact of non-recurrent termination of inactive customers

b Includes narrowband and leased line accesses

Revenues and EBITA

Maroc Telecom group's revenues were €2,689 million, a 1 8% decrease compared to 2011 (-3 0% at constant currency) The group's overall customer base maintained positive momentum in 2012 with a 13 5% increase and reached nearly 33 million customers, primarily due to a 30 4% increase in the international market year-on-year

Operations in Morocco generated revenues of €2,088 million, a 6 1% decrease compared to 2011 (-7 4% at constant currency) This change reflected the successive cuts in mobile termination rates carried out in January and July 2012, the additional price cuts in the mobile segment (-34 6%), and the decrease in fixed-line revenues under competitive pressure from the mobile segment The economic slowdown and competitive environment continued to be very intense

The group's international activities generated revenues of €638 million, a strong 18 4% growth compared to 2011 (+17 7% at constant currency) This performance resulted from very strong growth among mobile customers (+31 8%), enhanced product offers and higher customer usage in a stable competitive environment Despite the conflict in Mali, the growth in revenues continued at a very sustained place (+15 7% at constant currency)

The group's EBITDA amounted to €1,505 million, a 0 3% increase compared to 2011 (-0 9% at constant currency) This performance reflected a strong 43 5% growth (+42 6% at constant currency) in international EBITDA, which offset the 6 6% decline in EBITDA in Morocco EBITDA margin increased by 1 2 percentage point year-on-year, reaching the high level of 56 0%

The group's EBITA amounted to €987 million, a 9 4% decline compared to 2011 (-10 5% at constant currency) Excluding restructuring charges of €79 million, EBITA amounted to €1,066 million, a 2 1% decrease, representing a 39 6% margin, a modest 0 2 percentage point decrease

Cash flow from operations (CFFO)

Maroc Telecom group's cash flow from operations amounted to €1,066 million, a €31 million increase compared to 2011 (+3 0%), primarily due to the increase in EBITDA after changes in net working capital (€94 million) and to the reduction in capital expenditures, net (+€9 million), which was partially offset by the restructuring charges paid (-€79 million)

4.2.5 GVT

(in millions of euros, except for margins)	Year ended December 31, 2012	2011	% Change	% Change at constant rate
Telecoms	1,633	1,444	+13 1%	+22 1%
Pay-TV (a)	83	2	na*	na*
Total Revenues	**1,716**	**1,446**	**+18 7%**	**+28.2%**
Telecoms	749	616	+21 6%	+31 6%
Pay-TV (a)	(9)	(15)	na*	na*
Total EBITDA	**740**	**601**	**+23 1%**	**+33 4%**
EBITDA margin rate (%)	*43 1%*	*41 6%*	*+1 5 pt*	
EBITA	**488**	**396**	**+23.2%**	**+33 7%**
EBITA margin rate (%)	*28 4%*	*27 4%*	*+1 pt*	
Total Capital expenditures, net (capex net)	**947**	**705**	**+34 3%**	
Cash flow from operations (CFFO)	**(326)**	**(147)**	**x 2.2**	
Net Revenues (IFRS, in millions of BRL)				
Voice	2,577	2,081	+23 8%	
Pay-TV (a)	211	4	na*	
Corporate and carrier data	263	235	+11 9%	
Broadband Internet	1,188	972	+22 2%	
VoIP	61	62	-1 6%	
Total	**4,300**	**3,354**	**+28.2%**	

Number of covered cities	**139**	**119**	**+20**
Net Revenues by region			
Region II	59%	63%	-4 pts
Regions I & III	41%	37%	+4 pts
Total homes passed (in thousands of lines)	**9,095**	**7,207**	**+26.2%**
Number of lines in service (in thousands)			
Retail and SME	5,515	4,372	+26 1%
Voice	*3 358*	*2 709*	*+24 0%*
Broadband Internet	*2 157*	*1 663*	*+29 7%*
Proportion of offers ≥ 10 Mbps	*80%*	*75%*	*+5 pts*
Corporate	3,154	1,954	+61 4%
Total Télécoms	8,669	6,326	+37 0%
Pay-TV (a)	406	32	na*
Total	**9,075**	**6,358**	**+42 7%**
Net New Additions (in thousands of lines)			
Retail and SME	1,143	1,337	-14 5%
Voice	*649*	*769*	*15 6%*
Broadband Internet	*494*	*568*	*13 0%*
Corporate	1,200	757	+58 5%
Total Télécoms	2,343	2,094	+11 9%
Pay-TV (a)	374	32	na*
Total	**2,717**	**2,126**	**+27 8%**
ARPU by line - Retail and SME (BRL/month)			
Voice	64 8	66 9	-3 1%
Broadband Internet	50 9	58 0	-12 2%

na* not applicable

a GVT launched its pay-TV offer in October 2011

Revenues and EBITA

GVT's revenues reached €1,716 million, an 18 7% increase compared to 2011 (+28 2% at constant currency), excluding the impact of tax changes (VAT), revenues increased by 35% at constant currency In 2012, GVT expanded its coverage to 20 additional cities and currently covers 139 cities As a result of commercial efforts and geographical network expansion, GVT Telecom lines-in-service reached 8 669 million, a 37 0% increase year-on-year After only one year in operation, its pay-TV service generated revenues of €83 million

GVT was named the best Broadband service in Brazil for the 4th consecutive year, offering the most modern and differentiated network in Brazil At the end of 2012, 44% of its customers opted for speeds equal to or higher than 15 Mbps, compared to 37% one year ago

Launched commercially in January 2012, the number of subscribers to its new pay-TV service totaled about 406,000 as of December 31, 2012, representing an 18 8% penetration rate among the broadband customer base During 2012, GVT's share of the net adds of the entire Brazilian pay-TV market reached 11 4%, and when considering only the cities where it operates, GVT's share of net adds reached 27 7%

GVT's EBITDA was €740 million, a 23 1% increase compared to 2011 (+33 4% at constant currency) and EBITDA margin reached the record level of 43 1%, or 45 9% for the telecom activities only

GVT's EBITA was €488 million, a 23 2% increase compared to 2011 (+33 7% at constant currency and +57 5% excluding the impact of the VAT change and at constant currency)

GVT's capital expenditures amounted to €947 million, a 34 3% increase compared to 2011, of which approximately €248 million related to the pay-TV business GVT reached break-even on an EBITDA-Capex basis for its telecom activities

Cash flow from operations (CFFO)

GVT's cash flow from operations amounted to -€326 million, compared to -€147 million in 2011 This change reflected the increase in GVT's capital expenditures, net to €947 million in 2012, compared to €705 million in 2011, which was primarily related to investments in networks in order to increase coverage in regions I and III, as well as investments relating to the pay-TV operations However, cash flow from operations before capital expenditures (CFFO before capex, net) increased by 11 3% in 2012, to €621 million, reflecting the growth in EBITDA after changes in net working capital

4.2.6 Canal+ Group

(in millions of euros, except for margins)	Year ended December 31 2012	2011	% Change	% Change at constant rate
Revenues (a)	5,013	4 857	+3 2%	+3 2%
EBITDA	940	913	+3 0%	+3 1%
EBITA	663	701	-5 4%	-5 3%
EBITA margin rate (%)	*13 2%*	*14 4%*	*-1 2 pt*	
D8 D17 and "n" integration (including transition costs)	*(51)*	-		
EBITA excluding D8 D17 and "n" integration (including transition costs)	714	701	+1 9%	
Cash flow from operations (CFFO)	476	484	-1 7%	

Subscriptions (in thousands)			
Pay TV France (b)	*9 680*	*9 760*	*-80*
Canal+ Overseas (c)	*1 683*	*1 456*	*+227*
Canal+ France	11 363	11 216	+147
Poland (at constant perimeter) and Vietnam	1,882	1 730	+152
Total Canal+ Group at constant perimeter	**13,245**	**12,946**	**+299**
"n" platform in Poland	1 009	na*	+1 009
Total Canal+ Group	**14,254**	**12,946**	**+1,308**
Churn, per digital subscriber (Mainland France)	13 6%	12 1%	+1 5 pt
ARPU, in euros per subscriber (Mainland France)	48 0	47 5	+1 1%

a Includes the D8 and D17 free-to-air channels, consolidated since September 27, 2012, as well as the "n" platform, consolidated since November 30, 2012 The contribution of these entities to Canal+ Group's revenues amounted to €41 million, since their respective consolidation date For information, revenues and EBITA of D8, D17, and "n" amounted to €287 million and -€95 million in 2012, respectively

b Includes subscriptions with commitment at Canal+ and CanalSat, as well as subscriptions with no commitment at CanalPlay Infinity in Mainland France

c Includes French overseas territories and Africa

Revenues and EBITA

Canal+ Group's revenues were €5,013 million, a 3 2% increase compared to 2011 (+2 4% at comparable perimeter, i e excluding D8, D17 and the new activities in Poland)

At the end of December 2012, Canal+ France, which includes Canal+ Group's pay-TV activities in France and French-speaking countries, had 11 363 million subscriptions, representing a net growth of 147,000 year-on-year This growth was driven by strong performances at Canal+ Overseas (in French overseas territories and primarily in Africa), which had 1 683 million subscriptions at year-end, a net growth of 227,000 subscriptions, compared to 2011 In mainland France, the subscription portfolio reached 9 680 million, a slight decrease compared to 2011 due to a difficult economic and competitive environment Average revenue per subscriber increased slightly to €48, particularly reflecting improved cross-selling between Canal+ and CanalSat offerings

Revenues from other Canal+ Group activities grew strongly thanks to StudioCanal and new international activities (notably in Poland and Vietnam), as well as to free-to-air TV

Excluding the impact of D8, D17 and the new activities in Poland (as well as transition costs), Canal+ Group's EBITA amounted to €714 million, a 1 9% increase year-on-year, thanks to Canal+ Overseas' growth, notably in Africa, and despite the negative impact of a VAT rise (around €40 million) Including the impact of the integration of the new activities in Poland and of D8 and D17, Canal+ Group's EBITA reached €663 million

On January 31, 2013, Canal+ Group renewed its exclusive rights to England's Premier League, the world's most widely broadcast football championship, for the coming three seasons As a result, it will be positioned to offer its subscribers the best French and European soccer, with the top two of the Ligue 1, the top Champions League and 100% of the English Premier League In addition, Canal+ Group announced on February 14, 2013, that it had secured exclusive rights in France to the Formula 1 world championship

Cash flow from operations (CFFO)

Canal+ Group's cash flow from operations amounted to €476 million, compared to €484 million in 2011 The favorable evolution in EBITDA after changes in net working capital were offset by the increase in content investments, net (notably StudioCanal)

4.2.7 Holding & Corporate

(in millions of euros)	Year ended December 31, 2012	2011
EBITA	(115)	(100)
Cash flow from operations (CFFO)	(94)	(84)

EBITA

Holding & Corporate's EBITA was -€115 million, compared to -€100 million in 2011, due notably to higher litigation costs and several one-time items

Cash flow from operations (CFFO)

Holding & Corporate's cash flow from operations amounted to -€94 million, compared to -€84 million in 2011 The change in cash flow from operations between 2011 and 2012 was mainly attributable to the change in EBITA

4.2.8 Non-core operations and others

(in millions of euros)	Year ended December 31, 2012	2011
Non-core operations and others	65	41
Elimination of intersegment transactions	(89)	(82)
Total Revenues	(24)	(41)
EBITA	(14)	(22)
Cash flow from operations (CFFO)	(9)	(16)

Revenues and EBITA

Revenues from non-core operations amounted to €65 million, a €24 million increase, following the 2012 contribution of Digitick (€11 million in 2012, compared to €9 million in 2011), and of See Tickets (€33 million in 2012, compared to €12 million in 2011) acquired on August 23, 2011

EBITA from non-core operations amounted to -€14 million in 2012, compared to -€22 million in 2011 This increase was mainly due to the contribution of See Tickets (€11 million in 2012, compared to €4 million in 2011)

Cash flow from operations (CFFO)

Cash flow from operations from non-core operations amounted to -€9 million, compared to -€16 million in 2011 This change was mainly related to the change in EBITA

5 Treasury and capital resources

Preliminary comments:

- Vivendi considers Financial Net Debt, a non-GAAP measure, to be a relevant indicator in measuring Vivendi's indebtedness. Financial Net Debt is calculated as the sum of long-term and short-term borrowings and other long-term and short-term financial liabilities as reported on the Consolidated Statement of Financial Position, less cash and cash equivalents as reported on the Consolidated Statement of Financial Position as well as derivative financial instruments in assets, cash deposits backing borrowings, and certain cash management financial assets (included in the Consolidated Statement of Financial Position under "financial assets"). Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain debt covenants of Vivendi.
- In addition, cash and cash equivalents are not fully available for debt repayments since they are used for several purposes, including but not limited to, acquisitions of businesses, capital expenditures, dividends, contractual obligations and working capital.

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

Vivendi's financing policy consists of incurring long-term debt, mainly in bond and banking markets, at a variable or fixed rate, in euros or in US dollars, depending on general corporate needs and market conditions.

- Non-current financial debts are primarily raised by Vivendi SA, which centralizes the group's financing management, except for Activision Blizzard and Maroc Telecom group. In this context, in 2012, Vivendi pursued its policy of disintermediation, having recourse in priority to the bond market. Vivendi also sought to diversify its investor base by issuing on the American bond market and pursued its policy of maintaining the "economic" average term of the group's debt above 4 years. In addition, Vivendi has a Euro Medium Term Notes program on the Luxembourg Stock Exchange, which is renewed each year, in order to take advantage of every euro bond market opportunity. Vivendi's bank counterparties must meet certain criteria of financial soundness, reflected in their credit rating with Standard & Poor's and Moody's. Moreover, to comply with the rating agencies' prudential regulations regarding liquidity management, Vivendi arranges to the extent possible, the refinancing of all expiring bank credit facilities or bonds one year in advance. As a result, in 2012, Vivendi made three bond issuances in euro for a total amount of €2,250 million (January, April and December 2012), and one issuance in US dollars for $2,000 million (April 2012).
- Contractual agreements for credit facilities granted to Vivendi SA do not include provisions that tie the conditions of the loan to its financial ratings from rating agencies. They contain customary provisions related to events of default and at the end of each half-year, Vivendi SA is notably required to comply with a financial covenant (please refer to Note 22.2 to the Consolidated Financial Statements for the year ended December 31, 2012). The credit facilities granted to group companies other than Vivendi SA are intended to finance either the general needs of the borrowing subsidiary or specific projects.
- In 2012, investments, working capital, debt service (including the redemption of borrowings), and the payment of income taxes and the dividend distribution, were financed by cash flow from operations, net, asset disposals, and borrowing or share issuances (Direct 8 and Direct Star). For the foreseeable future and based on the current financial conditions on the financial market, subject to potential transactions which may be implemented in connection with the group's change in scope, Vivendi intends to maintain this financing policy for its investments and operations.

As of December 31, 2012:

- The group's bond debt amounted to €10,888 million (compared to €9,276 million as of December 31, 2011). In 2012, Vivendi issued bonds in euros and in US dollars for a total amount of €3,758 million and redeemed bonds for a total amount of €2,048 million (of which $700 million (or €448 million) were early redeemed in April/May 2012). For additional information on this bond debt, please refer to Section 5.4 below. The group's bond debt represented 61% of the borrowings in the Statement of Financial Position (compared to 59% as of December 31, 2011).
- The total amount of the group's confirmed credit facilities amounted to €9,039 million (compared to €12,083 million as of December 31, 2011). The group's aggregate amount of credit facilities neither drawn nor backed by commercial paper amounted to €3,361 million (compared to €6,635 million as of December 31, 2011). The decrease in the amount of credit facilities neither drawn nor backed by commercial paper was notably due to the disintermediation policy, the increase in the outstanding amount of commercial paper, and the financing of the acquisition of EMI Recorded Music by drawing on credit facilities.
- Vivendi SA's and SFR's total confirmed credit facilities amounted to €8,340 million as of December 31, 2012 (including €2 billion in available swinglines), compared to €11,242 million as of December 31, 2011. All these credit facilities have a maturity greater than

one year These credit facilities were drawn for €1,894 million as of December 31, 2012 Considering the €3,255 million commercial paper issued at that date and backed to bank credit facilities, these facilities were available up to a maximum amount of €3,191 million

- In connection with its appeal of the verdict rendered in the Liberty Media Corporation litigation, Vivendi will shortly deliver a letter of credit issued by Bank of America for the benefit of Liberty Media Corporation, for €975 million (damages and interest, as well as legal costs) The latter was guaranteed by a syndicate of fifteen international banks with which Vivendi has signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit The Reimbursement Agreement notably contains events of default and acceleration clauses similar to those contained in Vivendi's credit facilities In certain circumstances, these provisions could cause Vivendi to have to post cash collateral for the benefit of the banks In the same way, if one of the 15 banks defaults in respect of its obligations and was not able to issue a guarantee sufficient enough to provide comfort to Bank of America, Vivendi could be caused to substitute such bank with another bank or, as a last resort, be obligated to post cash collateral in the amount of such bank's participation in the letter of credit
- The short-term borrowings mainly included issued commercial paper The "economic" average term of the group's debt was 4 4 years (compared to 4 0 years as of December 31, 2011)
- Finally, there is no restriction on the use of the financial resources which the group's companies benefit (including Vivendi SA) that may materially affect, directly or indirectly, the group's activities

On October 26, 2012, Standard & Poor's removed the credit watch negative that it had placed on Vivendi's debt on July 4, 2012 and confirmed the rating, with a negative outlook, of the BBB long-term debt and the A-2 short-term debt rating, which is used as a reference for the issuance program of commercial paper Vivendi reaffirmed its commitment to maintaining such credit rating

As of February 18, 2013, the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2012, Vivendi SA and SFR had available confirmed credit facilities amounting to €8,340 million, of which €500 million were drawn Considering the amount of commercial paper issued at that date, and backed on bank credit facilities for €3,991 million, these facilities were available for an aggregate amount of €3,849 million Moreover, the sale of Parlophone Label Group, announced on February 7, 2013, for £487 million (please refer to Note 2 1 to the Consolidated Financial statements for the year ended December 31, 2012), should be finalized during the second half of 2013

Taking into account the foregoing, Vivendi considers that the cash flows generated by its operating activities, its cash and cash equivalents, as well as the amounts available through its current bank credit facilities will be sufficient to cover its operating expenses and capital expenditures, service its debt (including the redemption of borrowings), pay its income taxes and dividends, as well as to fund its financial investment projects, if any, for the next twelve months, subject to potential transactions which may be implemented in connection with the group's change in scope In addition, Vivendi considers that the bank commitments received on September 28, 2012 to cover the letter of credit to be soon put in place in connection with its appeal of the Liberty Media Corporation litigation will be sufficient to suspend enforcement of the judgment by Liberty Media Corporation until the appeal is resolved

5.2 Financial Net Debt changes

As of December 31, 2012, Vivendi's Financial Net Debt amounted to €13,419 million (compared to €12,027 million as of December 31, 2011), a €1,392 million increase This change notably reflected the following transactions

- the impact of the acquisition of EMI Recorded Music (€1,329 million, of which €1,363 million paid in cash and €34 million net cash acquired) and the 40% interest in N-Vision (€277 million, excluding the redemption of the loan granted by Canal+ Group to ITI in November 2011), for further details please refer to Section 1 1 above,
- the cash payments related to capital expenditures (€4,490 million, of which €1,065 million was paid in January 2012 by SFR for 4G mobile spectrum),
- the dividends paid notably to shareowners of Vivendi SA (€1,245 million), Maroc Telecom SA (€345 million), and Activision Blizzard (€62 million), and the impact of Activision Blizzard's stock repurchase program (€241 million), and
- interest expense (€568 million),
- the above items being offset by net cash generated by operating activities of business segments (€7,106 million) and by the capital increase subscribed by employees in connection with Vivendi SA's employee stock purchase plan in July 2012 (€127 million)

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31 2012	December 31, 2011
Borrowings and other financial liabilities		17,757	15 710
of which long-term (a)	22	*12 667*	*12,409*
short-term (a)	22	*5,090*	*3 301*
Cash management financial assets (b) (c)	15	(301)	(266)
Derivative financial instruments in assets (b)	15	(137)	(101)
Cash deposits backing borrowings (b)	15	(6)	(12)
		17,313	**15,331**
Cash and cash equivalents (a)	17	(3 894)	(3,304)
of which Activision Blizzard		*(2,989)*	*(2,448)*
Financial Net Debt		**13,419**	**12,027**

a As presented in the Consolidated Statement of Financial Position

b Included in the Financial Assets items of the Consolidated Statement of Financial Position

c Primarily included Activision Blizzard's US treasuries and government agency securities, with a maturity exceeding three months

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2011	**(3,304)**	**15,331**	**12,027**
Outflows/(inflows) generated by			
Operating activities	(7,106)	-	(7 106)
Investing activities	6 042	21	6 063
Financing activities	427	2 085	2,512
Foreign currency translation adjustments	47	(124)	(77)
Change in Financial Net Debt over the period	(590)	1,982	1,392
Financial Net Debt as of December 31, 2012	**(3,894)**	**17,313**	**13,419**

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

5.3 Analysis of Financial Net Debt changes

(in millions of euros)		Refer to section	Year ended December 31 2012 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT		2	(2,878)	-	(2,878)
Adjustments			(5 199)		(5 199)
Content investments net			299		299
Gross cash provided by operating activities before income tax paid			*(7,778)*	-	*(7,778)*
Other changes in net working capital			(90)		(90)
Net cash provided by operating activities before income tax paid		3	*(7,868)*	-	*(7,868)*
Income tax paid net		3	762		762
Operating activities	A		(7,106)	-	(7,106)
Financial investments					
Purchases of consolidated companies after acquired cash			1 374	58	1 432
of which acquisition of EMI Recorded Music by Vivendi and UMG		1	*1 280*	*49*	*1 329*
Payment in cash			*1 363*		*1 363*
Net cash acquired			*(83)*	*49*	*(34)*
Investments in equity affiliates			322		322
of which acquisition of 40% interest in N Vision by Canal+ Group		1	*277*		*277*
Increase in financial assets			99	(60)	39
Total financial investments			*1,795*	*(2)*	*1,793*
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			(13)		(13)
Disposal of equity affiliates			(11)		(11)
Decrease in financial assets			(215)	23	(192)
of which redemption of the loan granted by Canal+ Group to ITI		1	*(120)*		*(120)*
Total financial divestments			*(239)*	*23*	*(216)*
Financial investment activities			1,556	21	1,577
Dividends received from equity affiliates			(3)		(3)
Dividends received from unconsolidated companies			(1)		(1)
Net investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets			1,552	21	1,573
Capital expenditures			4 516		4 516
Proceeds from sales of property plant equipment and intangible assets			(26)		(26)
Capital expenditures, net		3	*4,490*	-	*4,490*
Investing activities	B		6,042	21	6,063

Please refer to the next page for the end of this table

Continued from previous page

(in millions of euros)	Refer to section	Year ended December 31 2012 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share based compensation plans		(131)		(131)
of which capital increase subscribed by employees in connection with the stock purchase plan		*(127)*		*(127)*
(Sales)/purchases of Vivendi SA's treasury shares		18		18
Dividends paid by Vivendi SA (€1 per share)	1	1 245		1 245
Other transactions with shareowners		229		229
of which stock repurchase program of Activision Blizzard	1	*241*		*241*
Dividends paid by consolidated companies to their non controlling interests	1	483		483
of which Maroc Telecom SA		*345*		*345*
Activision Blizzard		*62*	-	*62*
Total transactions with shareowners		***1,844***	**-**	***1,844***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long-term financial liabilities	5 4	(5 859)	5 859	
of which bonds		*(3 758)*	*3 758*	
bank credit facilities		*(1 894)*	*1 894*	
Principal payments on long term borrowings and decrease in other long term financial liabilities		4 217	(4 217)	
of which bank credit facilities		*4 176*	*(4 176)*	-
Principal payments on short term borrowings	5 4	2 615	(2 615)	
of which bonds		*2 048*	*(2 048)*	
bank credit facilities		*271*	*(271)*	
commercial paper		*40*	*(40)*	
Other changes in short term borrowings and other financial liabilities		(3 056)	3 056	
of which commercial paper		*(2 767)*	*2,767*	
Non-cash transactions			2	2
Interest paid net	3	568	-	568
Other cash items related to financial activities	3	98	-	98
Total transactions on borrowings and other financial liabilities		***(1,417)***	***2,085***	***668***
Financing activities	**C**	**427**	**2,085**	**2,512**
Foreign currency translation adjustments	**D**	47	(124)	(77)
Change in Financial Net Debt	**A+B+C+D**	**(590)**	**1,982**	**1,392**

5.4 New financings

Bonds

In January 2012, Vivendi issued a €1,250 million bond, with a 5 5-year maturity and a 4 125% coupon, and an effective rate of 4 31%

In April 2012, Vivendi made the following transactions in the bond markets

- A $2 billion bond issue consisting of the following three tranches
  - $550 million with a 2 4% coupon maturing in April 2015 and an effective rate of 2 50% A USD-EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche with a rate of 1 3082 USD/EUR, or a €420 million counter value at maturity,
  - $650 million, with a 3 450% coupon maturing in January 2018 and an effective rate of 3 56%, and
  - $800 million, with a 4 750% coupon maturing in April 2022 and an effective rate of 4 91%

  This bond notably allowed the early redemption, through a tender offer, of the $700 million bond, with an initial scheduled maturity in April 2013
- A €300 million tap issue on the €750 million bond maturing in July 2021, with a 4 750% coupon This transaction increased the total amount of the bond issue to €1,050 million, with an effective rate of 4 67% (compared to 4 90% as of December 31, 2011)

In December 2012, Vivendi issued a €700 million bond, with a 7-year and one month maturity and a 2 500% coupon, and an effective rate of 2 65%

Moreover, the bonds issued in February and July 2005 for €600 million and €1,000 million were redeemed upon maturity in February and July 2012, respectively

Bank credit facilities

- In January 2012, Vivendi set up a €1 1 billion bank credit facility with a 5-year maturity, which permitted the early refinancing of the €1 5 billion credit facility with an initial scheduled maturity in December 2012 and a €0 5 billion SFR syndicated loan with an initial scheduled maturity in March 2012, and
- In May 2012, Vivendi set up a €1 5 billion bank credit facility maturing in May 2017, which permitted the early refinancing of the two credit facilities for a total amount of €3 billion (the €2 billion credit facility set up in August 2006, maturing in August 2013 for €1 7 billion and in August 2012 for €0 3 billion, as well as the €1 billion credit facility set up in February 2008, maturing in February 2013)

Moreover, in June 2012, Vivendi increased the maximum amount authorized by the Banque de France regarding Vivendi SA's commercial paper program from €3 billion to €4 billion

For a detailed analysis of the bond and bank credit facilities as of December 31, 2012, please refer to Note 22 to the Consolidated Financial Statements for the year ended December 31, 2012

5.5 Financing of subsidiaries

Excluding primarily Activision Blizzard and Maroc Telecom, Vivendi SA centralizes daily cash surpluses (cash pooling) of all controlled entities (a) that are not subject to local regulations restricting the transfer of financial assets or (b) that are not subject to other contractual agreements In particular, the increase to a 100% ownership interest in SFR on June 16, 2011 (please refer to Note 2 5 to the Consolidated Financial Statements for the year ended December 31, 2012), has enabled Vivendi SA to centralize all of SFR's cash surpluses on a daily basis from July 1, 2011 through a cash pooling account

Alternatively, in particular at Activision Blizzard and Maroc Telecom, cash surpluses are not pooled by Vivendi SA but rather, as the case may be, distributed as dividends when they are not used to finance investments of the relevant subsidiaries, as common stock repurchases or to redeem borrowings used to finance their investments Regarding Activision Blizzard, up until July 9, 2013, the distribution of any dividend by Activision Blizzard requires the affirmative vote of a majority of the independent directors if Activision Blizzard's Financial Net Debt, after giving effect to such dividend, exceeds $400 million

Activision Blizzard's net cash position amounted to €3,290 million (€2,714 million as of December 31, 2011) This amount notably includes US treasuries and government agency securities having a maturity exceeding three months for $387 million (compared to $344 million as of December 31, 2011), classified as short-term financial assets in the Consolidated Statement of Financial Position In addition, cash and cash equivalents also include cash held outside the United States by Activision Blizzard's non-American subsidiaries for €1,936 million (compared to €1,266 million as of December 31, 2011) The funds held by foreign subsidiaries are generally subject to US income taxation on repatriation to the United States

Maroc Telecom group's Financial Net Debt amounted to €638 million (€617 million as of December 31, 2011)

6 Outlook

Preliminary comments. *The outlook for 2013 presented below regarding revenues, EBITA, EBITA margin rates, EBITDA, EBITDA margin rates, cash flow from operations (CFFO), and capital expenditures is based on data, assumptions, and estimates considered as reasonable by Vivendi Management They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and/or regulatory environment Moreover, the materialization of certain risks described in Note 27 to the Consolidated Financial Statements could have an impact on the group's operations and its ability to achieve its outlook for 2013 Finally, Vivendi considers that the non-GAAP measures, EBITA, EBITDA, CFFO, and capital expenditures are relevant indicators of the group's operating and financial performance*

Vivendi's 2012 actuals compared to outlook

- On March 1, 2012, Vivendi expected a 2012 adjusted net income above €2 5 billion, before the impact of the transactions announced in the second half of 2011 (as a reminder acquisition of EMI Recorded Music by UMG, acquisition of the D8 and D17 channels by Canal+ Group, and strategic partnership between Canal+ Group, ITI, and TVN in Poland) As a result, the group expected to propose a cash dividend with respect to fiscal year 2012 representing around 45% to 55% of adjusted net income In addition, Vivendi expected Financial Net Debt to be below €14 billion at year end 2012, assuming closing by end of 2012 of the transactions announced in the second half of 2011
- On November 13, 2012, given the better than expected performance of Vivendi's businesses for the first nine months of 2012, which offset the economic slowdown and heavier tax environment, Vivendi announced an improvement in the 2012 adjusted net income guidance to "around €2 7 billion, before the impact of the transactions announced in the second half of 2011 and the restructuring charges in telecom operations"
- In 2012, Vivendi's adjusted net income amounted to €2,550 million, after the impact of the transactions announced in the second half of 2011 (-€51 million for Canal+ Group and -€2 million for UMG) and restructuring charges in its telecom operations (-€187 million for SFR and -€79 million for Maroc Telecom group), as well as the fine incurred by SFR (-€66 million) Excluding these non-recurring items and after the impact of income taxes and non-controlling interests, adjusted net income amounted to €2,862 million, above the upgraded guidance announced on November 13, 2012
- In addition, at the end of December 2012, Financial Net Debt amounted to €13 4 billion (below the guidance of "below €14 billion") and the Management Board will propose, at the General Shareholders' Meeting held on April 30, 2013, a €1 dividend per share, to be paid in cash, representing a distribution of €1,300 million, or 51% of adjusted net income, or 45% of adjusted net income, excluding these non-recurring items

Vivendi's outlook for 2013

- Vivendi's new strategic orientation focuses on strengthening in media and content and the maximization of SFR's value The group's strong presence in content (games, music, and audiovisual) provides a solid and unique foundation to build a worldwide European-born media leader Vivendi owns and creates high-quality content with strong brands and a unique know-how Moreover, SFR will strive to stabilize its operations thanks to a proactive commercial strategy, invest to boost growth, adapt its cost structure to a new bipolarized market (and execute the €500 million fixed cost savings plan), and seek to enter into partnerships (network sharing / industrial partnerships)
- Through this strengthening in media and content and the maximization of SFR's value, Vivendi's Management Board remains committed to focusing on shareholder value creation (through dividend distributions, share buybacks, and strategic acquisitions), adjusted net income per share, and maintaining a long-term credit rating of BBB (Standard & Poor's / Fitch) / Baa2 (Moody's)
- Vivendi's priorities for 2013 will be to focus on cash flow generation in a slow economic environment, continue to adapt its telecoms businesses to a challenging environment, and integrate the acquisitions closed in 2012 and deliver initial synergies

Activision Blizzard

- In 2012, Activision Blizzard exceeded its guidance with an EBITA of €1,149 million, driven by the strength of its main franchises (*Call of Duty, Skylanders, World of Warcraft* and *Diablo III*)
- In the short term, Activision Blizzard expects to deliver strong profitability, but below its record setting 2012 performance, due to a challenged global economy, the ongoing console transition and a smaller number of game releases compared to 2012 However, for 2013, the EBITA guidance is still above $1 billion
- In addition, according to February 7, 2013's announcement on outlook, Activision Blizzard is considering or may consider during 2013, substantial stock repurchases, dividends, acquisitions, licensing or other non-ordinary course transactions, and significant related debt financings Activision Blizzard's full year 2013 outlook does not take into account any such transactions or financings that may or may not occur during the year, with the exception of the $0 19 per share cash dividend announced on February 7, 2013

Universal Music Group (UMG)

- In 2012, in line with its guidance, UMG achieved a double digit EBITA margin, at constant perimeter (before the impact of the acquisition of EMI Recorded Music, announced on November 11, 2011 and completed on September 28, 2012) 12 4%, compared to 12 1% in 2011, notably thanks to the increase in digital sales and to cost reductions
- For 2013, UMG expects an increase in EBITA, with a positive contribution from EMI Recorded Music, including restructuring charges The combination of UMG and EMI Recorded Music is expected to generate annual synergies above £100 million per annum by the end of 2014, despite having to sell one third of EMI Recorded Music's revenues
- The sale of Parlophone Label Group, part of EMI Recorded Music, for £487 million (approximately €600 million after taking into account the EUR/GBP foreign currency hedge in place), to be paid in cash, was announced on February 7, 2013 Additional, less significative divestments (of which notably Sanctuary, Mute, Co-Op) were also sold bringing the total amount of sales to exceed £530 million, all of which are pending regulatory approvals

SFR

- In 2012, the decrease in EBITDA, excluding negative and positive non-recurring items (-€15 million in 2012 and +€93 million in 2011), decreased by 10 6% thanks to its adaptation plan and the strong control of its commercial costs Cash flow from operations, excluding the impact of the acquisition of 4G spectrum for €1,065 million amounted to €1,758 million Capital expenditures, net amounted to €2,736 million in 2012 (€1,671 million excluding the acquisition of 4G spectrum) In addition, in 2012, SFR launched an adaptation plan while continuing to invest in 4G and fiber infrastructures and adapt its organization to changing market conditions In November 2012, it announced a voluntary redundancy plan with a target of 856 net departures
- For 2013, SFR expects EBITDA of close to €2 9 billion and capital expenditures, net of around €1 6 billion and confirms its objective to reduce operational costs by approximately €500 million by year-end 2014

Maroc Telecom group

- In 2012, Maroc Telecom group's EBITA margin, excluding restructuring charges, was better-than-expected, at 39 6% thanks to outstanding results of its International activities Cash flow from operations amounted to €1,066 million in 2012 (compared to €1,035 million in 2011)
- For 2013, Maroc Telecom group expects to maintain the EBITDA margin at a substantial level of approximately 56% and a slight growth in EBITDA - capex (excluding potential acquisition of spectrum and licenses)

GVT

- In 2012, GVT's revenues increased by 28 2%, at constant currency and it achieved an EBITDA margin of 43 1%, including the impact of the pay-TV business Capital expenditures, net amounted to €947 million (compared to €705 million in 2011) For the telecom activities only, GVT reached break-even on an EBITDA - capex basis
- For 2013, GVT expects revenues growth in the low 20's at constant currency, an EBITDA margin slightly above 40%, and an EBITDA - capex close to breakeven

Canal+ Group

- In 2012, in line with its guidance, Canal+ Group's EBITA increased by 1 9% at constant perimeter (before the impact of the acquisition of the D8 and D17 channels, completed on September 27, 2012 and of the merger between Cyfra+ and "n" in Poland, completed on November 30, 2012)
- For 2013, Canal+ Group expects an EBITA of around €670 million (excluding restructuring charges related to pay-TV in Poland), up €50 million compared with 2012 proforma EBITA of €620 million, including a €95 million loss related to D8, D17 and "n", assuming ownership as of January 1, 2012

7 Forward-looking statements

Cautionary note regarding forward-looking statements

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans, and outlook of Vivendi, including projections regarding the payment of dividends as well as the impact of certain transactions Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals in connection with certain transactions as well as the risks described in the documents of the group filed with the Autorité des Marchés Financiers (AMF) (the French securities regulator), which are available in English on Vivendi's website (www vivendi com) Accordingly, readers of this Financial Report are cautioned against relying on any of these 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

8 Other Disclaimers

Unsponsored ADRs

Vivendi does not sponsor an American Depositary Receipt (ADR) facility in respect of its shares Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi Vivendi disclaims any liability in respect of any such facility

Translation

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

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

1 Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi Management uses adjusted net income because it illustrates the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. Adjusted net income is defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2012.

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

(in millions of euros)	Year ended December 31 2012	2011
Earnings attributable to Vivendi SA shareowners (a)	**164**	**2,681**
Adjustments		
Amortization of intangible assets acquired through business combinations	487	510
Impairment losses on intangible assets acquired through business combinations (a)	760	397
Reserve accrual regarding the Liberty Media Corporation litigation in the United States (a)	945	-
Other income (a)	(22)	(1 385)
Other charges (a)	235	656
Other financial income (a)	(37)	(14)
Other financial charges (a)	210	167
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	48	129
Non-recurring items related to provision for income taxes	(25)	41
Provision for income taxes on adjustments	(203)	(200)
Non-controlling interests on adjustments	(12)	(30)
Adjusted net income	**2,550**	**2,952**

a As presented in the Consolidated Statement of Earnings

Adjusted net income per share

	Year ended December 31, 2012		2011	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	2,550	2,547 (a)	2,952	2,949 (a)
Number of shares (in millions)				
Weighted average number of shares outstanding (b) (c)	1,298 9	1,298 9	1,281 4	1,281 4
Potential dilutive effects related to share-based compensation (d)	-	3 5	-	2 4
Adjusted weighted average number of shares	**1,298 9**	**1,302.4**	**1,281 4**	**1,283.8**
Adjusted net income per share (in euros) (b)	1 96	1 96	2 30	2 30

a Includes only the potential dilutive effect related to employee stock option plans and restricted stock plans for Activision Blizzard in a non-significant amount

b The weighted-average number of shares and adjusted net income per share have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held, in accordance with IAS 33 - Earnings per share. Please refer to Section 1 1 8 of the Financial Report above

c Net of treasury shares (please refer to Note 18 to the Consolidated Financial Statements for the year ended December 31, 2012)

d Does not include accretive instruments as of December 31, 2012 and December 31, 2011 which could potentially become dilutive. The balance of common shares in connection with Vivendi SA's share based compensation plan is presented in Note 21 2 2 to the Consolidated Financial Statements for the year ended December 31, 2012

2. Reconciliation of Activision Blizzard's revenues and EBITA[1]

As reported below, the reconciliation of Activision Blizzard's revenues and EBITA to IFRS as of December 31, 2012 and December 31, 2011 is based on

- Activision Blizzard's data prepared in compliance with US GAAP standards, in US dollars, contained in its Form 10-K for the year ended December 31, 2012 and non-GAAP measures published by Activision Blizzard on February 22, 2013, and
- data relating to Activision Blizzard established in accordance with IFRS standards, in euros, as published by Vivendi in its Audited Consolidated Financial Statements for the year ended December 31, 2012

Non-GAAP measures of Activision Blizzard

Activision Blizzard provides net revenues, net income (loss), earnings (loss) per share, operating margin data and guidance both including (in accordance with US GAAP) and excluding (non-GAAP) certain items The non-GAAP financial measures exclude the following items, as applicable in any given reporting period

i the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games,

ii expenses related to equity-based compensation,

iii expenses related to restructuring,

iv impairment of intangible assets acquired through business combinations,

v the amortization of intangible assets acquired through business combinations, and

vi the income tax adjustments associated with any of the above items

Revenues reconciliation:

	Year ended December 31, 2012	2011
Non-GAAP Net Revenues (in millions of dollars)	**4,987**	**4,489**
Elimination of non-GAAP adjustments		
Changes in deferred net revenues (a)	(131)	266
Net Revenues in U S GAAP (in millions of dollars), as published by Activision Blizzard	**4,856**	**4,755**
Elimination of U S GAAP vs IFRS differences	*na**	*na**
Net Revenues in IFRS (in millions of dollars)	**4,856**	**4,755**
Dollar to euro translation		
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**3,768**	**3,432**
of which		
Activision	2,370	2,047
Blizzard	1,160	1,082
Distribution	238	303

Please refer to the Notes on the next page

na* not applicable

[1] *Note For a definition of EBITA, please refer to Section 4 2 of this Financial Report*

EBITA reconciliation.

	Year ended December 31,	
	2012	2011
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**1,698**	**1,358**
Elimination of non-GAAP adjustments		
Changes in deferred net revenues and related cost of sales (a)	(91)	183
Equity-based compensation expense	(126)	(103)
Restructuring charges	-	(26)
Amortization of intangibles acquired through business combinations	(30)	(72)
Impairment of intangibles acquired through business combinations	-	(12)
Operating Income/(Loss) in U S GAAP (in millions of dollars), as published by Activision Blizzard	**1,451**	**1,328**
Elimination of U S GAAP vs IFRS differences	5	7
Operating Income/(Loss) in IFRS (in millions of dollars)	**1,456**	**1,335**
Elimination of items excluded from EBITA		
Amortization of intangibles acquired through business combinations	30	72
Impairment of intangibles acquired through business combinations	-	5
Other	(1)	(3)
EBITA in IFRS (in millions of dollars)	**1,485**	**1,409**
Dollar to euro translation		
EBITA in IFRS (in millions of euros), as published by Vivendi	**1,149**	**1,011**
of which		
Activision	678	520
Blizzard	463	483
Distribution	8	8

a Relates to the impact of the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games As of December 31, 2012, both in US GAAP and IFRS

- the change in deferred net revenues resulted in deferred revenues for $131 million (€103 million) and, after taking into account related costs of sales, the spreading of margin from operations for $92 million (€72 million), and
- the deferred net revenues balance in the Statement of Financial Position amounted to $1,657 million (€1,251 million), compared to $1,472 million (€1,139 million) as of December 31, 2011 After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $1,324 million (€1,000 million), compared to $1,181 million (€913 million) as of December 31, 2011

3. Revenues and EBITA by business segment - 2012 and 2011 quarterly data

	2012			
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept 30	4th Quarter ended Dec 31
Revenues				
Activision Blizzard	894	837	673	1,364
Universal Music Group	961	961	981	1,641
SFR	2,927	2,834	2,747	2,780
Maroc Telecom Group	676	687	665	661
GVT	432	421	429	434
Canal+ Group	1,232	1,238	1,177	1,366
Non-core operations and others, and elimination of intersegment transactions	(3)	(13)	(5)	(3)
Total Vivendi	**7,119**	**6,965**	**6,667**	**8,243**
EBITA				
Activision Blizzard	395	177	182	395
Universal Music Group	68	88	82	287
SFR	561	552	537	(50)
Maroc Telecom Group	273	190	266	258
GVT	116	107	118	147
Canal+ Group	236	247	239	(59)
Holding & Corporate	(25)	(44)	(26)	(20)
Non-core operations and others	(3)	(1)	(4)	(6)
Total Vivendi	**1,621**	**1,316**	**1,394**	**952**

	2011			
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept 30	4th Quarter ended Dec 31
Revenues				
Activision Blizzard	1,061	796	533	1,042
Universal Music Group	881	982	979	1,355
SFR	3,056	3,064	3,017	3,046
Maroc Telecom Group	672	689	698	680
GVT	329	353	395	369
Canal+ Group	1,192	1,200	1,171	1,294
Non-core operations and others, and elimination of intersegment transactions	(7)	(15)	(16)	(3)
Total Vivendi	**7,184**	**7,069**	**6,777**	**7,783**
EBITA				
Activision Blizzard	502	331	118	60
Universal Music Group	46	86	112	263
SFR	566	675	644	393
Maroc Telecom Group	266	265	302	256
GVT	90	97	112	97
Canal+ Group	265	230	237	(31)
Holding & Corporate	(20)	(22)	(17)	(41)
Non-core operations and others	(10)	(4)	(5)	(3)
Total Vivendi	**1,705**	**1,658**	**1,503**	**994**

Data presented above takes into consideration the consolidation of the following entities at the indicated dates

- at Universal Music Group EMI Recorded Music (September 28, 2012), and
- at Canal+ Group D8 and D17 (September 27, 2012) and "n" (November 30, 2012)

Intentionally left blank.

III - Consolidated Financial Statements for the year ended December 31, 2012

Statutory Auditors' report on the Consolidated Financial Statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meetings, we hereby report to you for the year ended December 31, 2012 on

- the audit of the accompanying consolidated financial statements of Vivendi S A , hereinafter referred to as "the Company",
- the justification of our assessments, and
- the specific verifications required by law

These Consolidated Financial Statements have been approved by your Management Board Our role is to express an opinion on the consolidated financial statements, based on our audit

I. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with professional standards applicable in France, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made, as well as the overall presentation of the Consolidated Financial Statements We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union

II Justification of our assessments

In accordance with the requirements of article L 823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matters

In connection with our assessment of the accounting principles applied by your Company

- Note 1 3 6 to the Consolidated Financial Statements describes the applicable criteria for classifying and accounting for discontinued operations or assets held for sale in accordance with IFRS 5 We verified the correct application of this accounting principle and we ensured that Note 2 6 to the Consolidated Financial Statements provides appropriate disclosures with respect to management's position as of December 31, 2012
- At each financial year end, your Company systematically performs impairment tests of goodwill and assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in Note 1 3 5 7 to the Consolidated Financial Statements We examined the methods used to perform these impairment tests, as well as the main assumptions and estimates, and ensured that Notes 1 3 5 7 and 9 to the Consolidated Financial Statements provide appropriate disclosures thereon
- Note 1 3 9 to the Consolidated Financial Statements describes the accounting principles applicable to deferred tax and Note 1 3 8 describes the methods used to assess and recognize provisions We verified the correct application of these accounting principles and also examined the assumptions underlying the positions as of December 31, 2012 We ensured Note 6 to the Consolidated Financial Statements gives appropriate information on tax assets and liabilities and on your company's tax positions
- Notes 1 3 8 and 27 to the Consolidated Financial Statements describe the methods used to assess and recognize provisions for litigation We examined the methods used within your group to identify, calculate, and determine the accounting for such

litigations We also examined the assumptions and data underlying the estimates made by the Company As stated in Note 1 3 1 to the Consolidated Financial Statements, facts and circumstances may lead to changes in estimates and assumptions which could have an impact upon the reported amount of provisions

Our assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report

III Specific verification

We have also verified, in accordance with professional standard applicable in France, the information provided in the group management report, as required by law

We have no matters to report as to its fair presentation and its conformity with the Consolidated Financial Statements

Paris-La Défense, February 25, 2013

The Statutory Auditors

KPMG Audit

Département de KPMG S A

Frédéric Quélin

ERNST & YOUNG ET AUTRES

Jean-Yves Jégourel

Consolidated Statement of Earnings

	Note	Year ended December 31, 2012	2011
Revenues	4	**28,994**	**28,813**
Cost of revenues	4	(14,364)	(14,391)
Selling, general and administrative expenses		(9,482)	(8,911)
Restructuring charges and other operating charges and income		(352)	(161)
Impairment losses on intangible assets acquired through business combinations	4	(760)	(397)
Reserve accrual regarding the Liberty Media Corporation litigation in the United States	27	(945)	-
Other income	4	22	1,385
Other charges	4	(235)	(656)
Earnings before interest and income taxes (EBIT)	3	**2,878**	**5,682**
Income from equity affiliates	14	(38)	(18)
Interest	5	(568)	(481)
Income from investments		9	75
Other financial income	5	37	14
Other financial charges	5	(210)	(167)
Earnings from continuing operations before provision for income taxes		**2,108**	**5,105**
Provision for income taxes	6.2	(1,159)	(1,378)
Earnings from continuing operations		**949**	**3,727**
Earnings from discontinued operations		-	-
Earnings		**949**	**3,727**
Of which			
Earnings attributable to Vivendi SA shareowners		**164**	**2,681**
Non-controlling interests		785	1,046
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.13	2.09
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.12	2.09
Earnings attributable to Vivendi SA shareowners per share - basic	7	**0.13**	**2.09**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	0.12	2.09

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

Note: Earnings attributable to Vivendi SA shareowners per share (basic and diluted) have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held, in accordance with IAS 33 - *Earnings per share*

The accompanying notes are an integral part of the Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

(in millions of euros)	Note	Year ended December 31, 2012	2011
Earnings		**949**	**3,727**
Foreign currency translation adjustments		**(605)**	**182**
Assets available for sale		63	15
Cash flow hedge instruments		22	78
Net investment hedge instruments		17	21
Tax		1	(24)
Unrealized gains/(losses)		**103**	**90**
Other impacts, net		-	**12**
Charges and income directly recognized in equity	8	**(502)**	**284**
Total comprehensive income		**447**	**4,011**
of which			
Total comprehensive income attributable to Vivendi SA shareowners		**(317)**	**2,948**
Total comprehensive income attributable to non-controlling interests		764	1,063

The accompanying notes are an integral part of the Consolidated Financial Statements

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2012	December 31, 2011
ASSETS			
Goodwill	9	24,656	25,029
Non-current content assets	10	3,327	2,485
Other intangible assets	11	5,190	4,329
Property, plant and equipment	12	9,926	9,001
Investments in equity affiliates	14	388	135
Non-current financial assets	15	514	394
Deferred tax assets	6	1,400	1,421
Non-current assets		**45,401**	**42,794**
Inventories	16	738	805
Current tax receivables	6	819	542
Current content assets	10	1,044	1,066
Trade accounts receivable and other	16	6,587	6,730
Current financial assets	15	364	478
Cash and cash equivalents	17	3,894	3,304
		13,446	**12,925**
Assets held for sale	2	667	-
Current assets		**14,113**	**12,925**
TOTAL ASSETS		**59,514**	**55,719**
EQUITY AND LIABILITIES			
Share capital		7,282	6,860
Additional paid-in capital		8,271	8,225
Treasury shares		(25)	(28)
Retained earnings and other		2,937	4,390
Vivendi SA shareowners' equity		**18,465**	**19,447**
Non-controlling interests		2,971	2,623
Total equity	18	**21,436**	**22,070**
Non-current provisions	19	3,094	1,569
Long-term borrowings and other financial liabilities	22	12,667	12,409
Deferred tax liabilities	6	991	728
Other non-current liabilities	16	1,002	864
Non-current liabilities		**17,754**	**15,570**
Current provisions	19	711	586
Short-term borrowings and other financial liabilities	22	5,090	3,301
Trade accounts payable and other	16	14,196	13,987
Current tax payables	6	321	205
		20,318	**18,079**
Liabilities associated with assets held for sale	2	6	-
Current liabilities		**20,324**	**18,079**
Total liabilities		**38,078**	**33,649**
TOTAL EQUITY AND LIABILITIES		**59,514**	**55,719**

The accompanying notes are an integral part of the Consolidated Financial Statements

Consolidated Statement of Cash Flows

(in millions of euros)	Note	Year ended December 31, 2012	2011
Operating activities			
EBIT	3	2,878	5,682
Adjustments	24 1	5,199	2,590
Content investments, net		(299)	(13)
Gross cash provided by operating activities before income tax paid		***7,778***	***8,259***
Other changes in net working capital	16	90	(307)
Net cash provided by operating activities before income tax paid		***7,868***	***7,952***
Income tax paid, net	6 3	(762)	(1,090)
Net cash provided by operating activities		**7,106**	**6,862**
Investing activities			
Capital expenditures	3	(4,516)	(3,367)
Purchases of consolidated companies, after acquired cash	2	(1,374)	(210)
Investments in equity affiliates	14	(322)	(49)
Increase in financial assets	15	(99)	(377)
Investments		***(6,311)***	***(4,003)***
Proceeds from sales of property, plant, equipment and intangible assets	3	26	27
Proceeds from sales of consolidated companies, after divested cash		13	30
Disposal of equity affiliates	14	11	2,920
Decrease in financial assets	4	215	1,751
Divestitures		***265***	***4,728***
Dividends received from equity affiliates		3	79
Dividends received from unconsolidated companies		1	3
Net cash provided by/(used for) investing activities		**(6,042)**	**807**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	21	131	151
Sales/(purchases) of Vivendi SA's treasury shares		(18)	(37)
Dividends paid by Vivendi SA to its shareowners	18	(1,245)	(1,731)
Other transactions with shareowners		(229)	(7,909)
Dividends paid by consolidated companies to their non-controlling interests	18	(483)	(1,154)
Transactions with shareowners		***(1,844)***	***(10,680)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	22	5,859	6,045
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	22	(4,217)	(452)
Principal payment on short-term borrowings	22	(2,615)	(2,451)
Other changes in short-term borrowings and other financial liabilities	22	3,056	597
Interest paid, net	5	(568)	(481)
Other cash items related to financial activities		(98)	(239)
Transactions on borrowings and other financial liabilities		***1,417***	***3,019***
Net cash provided by/(used for) financing activities		**(427)**	**(7,661)**
Foreign currency translation adjustments		(47)	(14)
Change in cash and cash equivalents		**590**	**(6)**
Cash and cash equivalents			
At beginning of the period	17	3,304	3,310
At end of the period	17	3,894	3,304

The accompanying notes are an integral part of the Consolidated Financial Statements

Consolidated Statements of Changes in Equity

Year ended December 31, 2012

(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: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2011		**1,247,263**	**6,860**	**8,225**	**(28)**	**15,057**	**7,894**	**23**	**(104)**	**7,813**	**22,870**
Attributable to Vivendi SA shareowners		***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests						-	***2,453***		***170***	***2,623***	***2,623***
Contributions by/distributions to Vivendi SA shareowners		*76,699*	*422*	*46*	*3*	*471*	*(1,201)*			*(1,201)*	*(730)*
Capital increase related to Direct 8 and Direct Star acquisition (September 27 2012)	2	22,356	123	213		338					336
Vivendi SA s stock repurchase program					(18)	(18)					(18)
Dividends paid by Vivendi SA (€1 per share)	18						(1,245)			(1,245)	(1,245)
Grant of one bonus share for each 30 shares held (May 9 2012)	18	41 575	229	(229)							
Capital increase related to Vivendi SA s share based compensation plans	21	12 768	70	62	21	153	44			44	197
of which Vivendi Employee Stock Purchase Plans (July 19 2012)		*12,289*	*67*	*60*		*127*					*127*
Changes in Vivendi SA s ownership interest in its subsidiaries that do not result in a loss of control							*65*			*65*	*65*
of which Activision Blizzard s stock repurchase program	18						(110)			(110)	(110)
Gain on the dilution of Canal+ Group s interest by 24% in Cyfra+ following the creation of nc+	2						114			114	114
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		**76,699**	**422**	**46**	**3**	**471**	**(1 136)**			**(1 136)**	**(665)**
Contributions by/distributions to non-controlling interests							*(481)*			*(481)*	*(481)*
of which dividends paid by subsidiaries to non-controlling interests	18						(481)			(481)	(481)
Changes in non-controlling interests that result in a gain/(loss) of control							*133*			*133*	*133*
of which ITI Neovision non-controlling interests	2						131			131	131
Changes in non-controlling interests that do not result in a gain/(loss) of control							*(68)*			*(68)*	*(68)*
of which Activision Blizzard s stock repurchase program	18						(131)			(131)	(131)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)							**(416)**			**(416)**	**(416)**
Earnings							*949*			*949*	*949*
Charges and income directly recognized in equity	8							*103*	*(605)*	*(502)*	*(502)*
TOTAL COMPREHENSIVE INCOME (C)							**949**	**103**	**(605)**	**447**	**447**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		*76,699*	*422*	*46*	*3*	*471*	*(603)*	*103*	*(605)*	*(1 105)*	*(634)*
Attributable to Vivendi SA shareowners		*76,699*	*422*	*46*	*3*	*471*	*(972)*	*106*	*(587)*	*(1 453)*	*(982)*
Attributable to non-controlling interests							*369*	*(3)*	*(18)*	*348*	*348*
BALANCE AS OF DECEMBER 31, 2012		**1,323,962**	**7,282**	**8,271**	**(25)**	**15,528**	**6,491**	**126**	**(709)**	**5,908**	**21,436**
Attributable to Vivendi SA shareowners		***1,323,962***	***7,282***	***8,271***	***(25)***	***15,528***	***3,669***	***129***	***(861)***	***2,937***	***18,465***
Attributable to non-controlling interests							***2,822***	***(3)***	***152***	***2,971***	***2,971***

The accompanying notes are an integral part of the Consolidated Financial Statements

Year ended December 31, 2011

(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: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31 2010		1,237,337	6,805	8 128	(2)	14,931	13,595	(67)	(286)	13,242	28,173
Attributable to Vivendi SA shareowners		*1,237,337*	*6,805*	*8,128*	*(2)*	*14,931*	*9,620*	*(47)*	*(446)*	*9,127*	*24,058*
Attributable to non-controlling interests						-	3,575	(20)	160	4,115	4 115
Contributions by/distributions to Vivendi SA shareowners		*9,926*	*55*	*97*	*(26)*	*126*	*(1,690)*	-		*(1,690)*	*(1,564)*
Vivendi SA s stock repurchase program	18				(37)	(37)					(37)
Dividends paid by Vivendi SA (€1 40 per share)	18						(1 731)			(1 731)	(1 731)
Capital increase related to Vivendi SA s share-based compensation plans	21	9 926	55	97	11	163	41			41	204
of which Vivendi Employee Stock Purchase Plans (July 21 2011)		*9 372*	*52*	*91*		*143*					*143*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		-				-	*(5,983)*	*(12)*		*(5,995)*	*(5,995)*
of which acquisition of Vodafone s non-controlling interest in SFR	2						(5 037)	(12)		(6 049)	(6 049)
Activision Blizzard s stock repurchase program	18						(231)			(231)	(231)
sale of Activision Blizzard shares	18						236			236	236
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		9,926	55	97	(26)	126	(7,673)	(12)		(7,685)	(7,559)
Contributions by/distributions to non-controlling interests						-	*(721)*			*(721)*	*(721)*
of which dividends paid by subsidiaries to non-controlling interests	18						(521)			(521)	(521)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	2						(200)			(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control							*10*			*10*	*10*
Changes in non-controlling interests that do not result in a gain/(loss) of control			-				*(1,856)*	*12*	-	*(1,844)*	*(1,844)*
of which acquisition of Vodafone s non-controlling interest in SFR	2						(1 713)	12		(1 701)	(1 701)
Activision Blizzard s stock repurchase program	18						(271)			(271)	(271)
sale of Activision Blizzard shares	18						78			78	78
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)							(2,567)	12		(2,555)	(2,555)
Earnings							*3,727*			*3,727*	*3,727*
Charges and income directly recognized in equity	8						12	90	182	284	284
TOTAL COMPREHENSIVE INCOME (C)						-	3 739	90	182	4,011	4 011
TOTAL CHANGES OVER THE PERIOD (A+B+C)		*9,926*	*55*	*97*	*(26)*	*126*	*(6,501)*	*90*	*182*	*(6,229)*	*(6,103)*
Attributable to Vivendi SA shareowners		*9 926*	*55*	*97*	*(26)*	*126*	*(4 979)*	*70*	*172*	*(4 737)*	*(4 611)*
Attributable to non-controlling interests							*(1 522)*	*20*	*10*	*(1 492)*	*(1 492)*
BALANCE AS OF DECEMBER 31, 2011		1,247,263	6,860	8,225	(28)	15,057	7,094	23	(104)	7,013	22,070
Attributable to Vivendi SA shareowners		*1,247,263*	*6,860*	*8,225*	*(28)*	*15,057*	*4,641*	*23*	*(274)*	*4,390*	*19,447*
Attributable to non-controlling interests							*2,453*		*170*	*2,623*	*2,623*

The accompanying notes are an integral part of the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Vivendi is a limited liability company (société anonyme) incorporated under French law, subject to French commercial company law and, in particular, the French Commercial Code (*Code de commerce*) Vivendi was incorporated on December 18, 1987, for a term of 99 years expiring on December 17, 2086, except in the event of an early dissolution or unless the term is extended Its registered office is located at 42 avenue de Friedland - 75008 Paris (France) Vivendi is listed on Euronext Paris (Compartment A)

Vivendi is at the heart of the worlds of content, platforms and interactive networks and combines the world's leader in video games (Activision Blizzard), the world's leader in music (Universal Music Group), the French leader in alternative telecoms (SFR), the Moroccan leader in telecoms (Maroc Telecom group), the leading alternative broadband operator in Brazil (GVT) and the French leader in pay-TV (Canal+ Group)

The Consolidated Financial Statements reflect the financial and accounting situation of Vivendi and its subsidiaries (the "group") together with interests in equity affiliates Amounts are reported in euros and all values are rounded to the nearest million

On February 18, 2013, during a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2012 Having considered the Audit Committee's recommendation given at its meeting held on February 15, 2013, the Supervisory Board, at its meeting held on February 22, 2013, reviewed the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2012, as approved by the Management Board on February 18, 2013

On April 30, 2013, the Consolidated Financial Statements for the year ended December 31, 2012 will be submitted for approval at Vivendi's Annual General Shareholders' meeting

Note 1 Accounting policies and valuation methods

1.1 Compliance with accounting standards

The 2012 Consolidated Financial Statements of Vivendi SA have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and in accordance with IFRS published by the International Accounting Standards Board (IASB) with mandatory application as of December 31, 2012

1.2 Presentation of the Consolidated Financial Statements

1.2.1 Consolidated Statement of Earnings

The main line items presented in Vivendi's Consolidated Statement of Earnings are revenues, income from equity affiliates, interest, provision for incomes taxes, earnings from discontinued or held for sale operations, and earnings The Consolidated Statement of Earnings presents a subtotal for Earnings Before Interest and Tax (EBIT) equal to the difference between charges and income (excluding those financing activities, equity affiliates, discontinued or held for sale operations, and income taxes)

The charges and income related to financing activities consist of interest, income from investments, as well as other financial charges and income as defined in paragraph 1 2 3 and presented in Note 5

1.2.2 Consolidated Statement of Cash Flows

Net cash provided from operating activities

Net cash provided from operating activities is calculated using the indirect method based on EBIT EBIT is adjusted for non-cash items and changes in net working capital Net cash provided from operating activities excludes the cash impact of financial charges and income and net changes in working capital related to property, plant and equipment, and intangible assets

Net cash used for investing activities

Net cash used for investing activities includes changes in net working capital related to property, plant and equipment, and intangible assets as well as cash from investments (particularly dividends received from equity affiliates) It also includes any cash flows arising from the gain or loss of control of subsidiaries

Net cash used for financing activities

Net cash used for financing activities includes net interest paid on borrowings, cash and cash equivalents, bank overdrafts, as well as the cash impact of other items related to financing activities such as premiums from the early redemption of borrowings and the settlement of derivative instruments It also includes cash flows from changes in ownership interests in a subsidiary that do not result in a loss of control (including increases in ownership interests)

1.2.3 Operating performance of each operating segment and of the group

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), Adjusted net income (ANI), and Cash Flow From Operations (CFFO), non-GAAP measures, to be relevant indicators of the group's operating and financial performance

EBITA

Vivendi considers EBITA, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data The method used in calculating EBITA excludes the accounting impact of the amortization of intangible assets acquired through business combinations, impairment losses on goodwill and other intangibles acquired through business combinations, and other income and charges related to financial investing transactions and to transactions with shareowners This enables Vivendi to measure and compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or acquisitions

The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, impairment losses on goodwill and other intangibles acquired through business combinations, as well as other financial income and charges related to financial investing transactions and to transactions with shareowners that are included in EBIT The charges and income related to financial investing transactions include gains and losses recognized in business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as gains or losses incurred from the gain or loss of control in a business

Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance Vivendi Management uses adjusted net income because it better illustrates the underlying performance of continuing operations by excluding most non-recurring and non-operating items Adjusted net income includes the following items

- EBITA (**),
- income from equity affiliates (*) (**),
- interest (*) (**), 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 intangibles acquired through business combinations (**) as well as impairment losses on goodwill and other intangibles acquired through business combinations (*) (**),
- other income and charges related to financial investing transactions and to transactions with shareowners (*), as defined above,
- other financial charges and income (*) (**), equal to the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in the EBIT), as well as the effect of undiscounting assets and liabilities, and the financial components of employee benefits (interest cost and expected return on plan assets),
- earnings from discontinued operations (*) (**), and
- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SA's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period)

(*) Items as presented in the Consolidated Statement of Earnings, (**) Items as reported by each operating segment

Cash Flow From Operations (CFFO)

Vivendi considers cash flow from operations (CFFO), a non-GAAP measure, to be a relevant measure to assess the group's operating and financial performance The CFFO includes net cash provided by operating activities, before income tax paid, as presented in the Statement of Cash Flows, as well as dividends received from equity affiliates and unconsolidated companies It also includes capital expenditures, net that relate to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets

The difference between CFFO and net cash provided by operating activities, before income tax consists of dividends received from equity affiliates and unconsolidated companies and capital expenditures, net, which are included in net cash used for investing activities and of income tax paid, net, which are excluded from CFFO

1.2.4 Consolidated Statement of Financial Position

Assets and liabilities that are expected to be realized, or intended for sale or consumption, within the entity's normal operating cycle (generally 12 months), are recorded as current assets or liabilities If their maturity exceeds this period, they are recorded as non-current assets or liabilities Moreover, certain reclassifications have been made to the 2011 and 2010 Consolidated Financial Statements to conform to the presentation of the 2012 and 2011 Consolidated Financial Statements

1.3 Principles governing the preparation of the Consolidated Financial Statements

Pursuant to IFRS principles, the Consolidated Financial Statements have been prepared on a historical cost basis, with the exception of certain assets and liabilities detailed below

The Consolidated Financial Statements include the financial statements of Vivendi and its subsidiaries after eliminating intragroup items and transactions Vivendi has a December 31 year-end Subsidiaries that do not have a December 31 year-end prepare interim financial statements at that date, except when their year-end falls within the three months prior to December 31

Acquired subsidiaries are included in the Consolidated Financial Statements of the group as of the date of acquisition

1 3 1 Use of estimates

The preparation of Consolidated Financial Statements in compliance with IFRS requires the group management to make certain estimates and assumptions that they consider reasonable and realistic Even though these estimates and assumptions are regularly reviewed by Vivendi Management based, in particular, on past or anticipated achievements, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of group assets, liabilities, equity or earnings

The main estimates and assumptions relate to the measurement of

- revenue estimates of provisions for returns and price guarantees, and rewards as part of loyalty programs deducted from certain revenue items (please refer to Note 1 3 4),
- Activision/Blizzard revenue estimates of the service period over which revenue from the sale of boxes for video-games with significant online functionality is recognized (please refer to Note 1 3 4 1),
- provisions risk estimates, performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1 3 8 and 19),
- employee benefits assumptions are updated annually, such as the probability of employees remaining within the group until retirement, expected changes in future compensation, the discount rate and inflation rate (please refer to Notes 1 3 8 and 20),
- share-based compensation assumptions are updated annually, such as the estimated term, volatility and the estimated dividend yield (please refer to Notes 1 3 10 and 21),
- certain financial instruments fair value estimates (please refer to Notes 1 3 5 8, 1 3 7 and 23),
- deferred taxes estimates concerning the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1 3 9 and 6),
- goodwill and other intangible assets valuation methods adopted for the identification of intangible assets acquired through business combinations (please refer to Notes 1 3 5 2 and 2),
- goodwill, intangible assets with indefinite useful lives and assets in progress assumptions are updated annually relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates (please refer to Notes 1 3 5 7, 9, 11, and 12),
- Activision Blizzard content assets estimates of the future performance of franchises and other content assets related to games are recognized in the Statement of Financial Position (please refer to Notes 1 3 5 3 and 10), and
- UMG content assets estimates of the future performance of beneficiaries who were granted advances are recognized in the Statement of Financial Position (please refer to Notes 1 3 5 3 and 10)

Given the current economic crisis, notably in respect of sovereign exposures in countries considered to be at risk, Vivendi has reviewed the valuation of all its financial assets and liabilities This review did not have any significant impact on the 2012 Consolidated Financial Statements

1.3.2 Principles of consolidation

A list of Vivendi's major subsidiaries, joint ventures and associated entities is presented in Note 28

Consolidation

All companies in which Vivendi has a controlling interest, namely those in which it has the power to govern financial and operational policies to obtain benefits from their operations, are fully consolidated

A controlling position is deemed to exist when Vivendi holds, directly or indirectly, a voting interest exceeding 50% of total voting rights in an entity and no other shareholder or group of shareholders may exercise substantive participation rights that would enable it to veto or block ordinary decisions taken by Vivendi

A controlling position also exists when Vivendi, holding an interest of 50% or less in an entity, has (i) control over more than 50% of the voting rights of such entity by virtue of an agreement entered into with other investors, (ii) the power to govern the financial and operational policies of the entity by virtue of statute or contract, (iii) the right to appoint or remove from office a majority of the members of the board of directors or other equivalent governing body or (iv) the power to assemble the majority of voting rights at meetings of the board of directors or other governing body Revised IAS 27 presents the consolidated financial statements of a group as those of a single economic entity with two categories of owners Vivendi SA shareowners and the owners of non-controlling interests A non-controlling interest is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent As a result of this new approach, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control only impact equity, as control does not change within the economic entity Hence, in the event of the acquisition of an additional interest in a consolidated entity after January 1, 2009, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners Conversely, any acquisition of control achieved in stages or a loss of control give rise to profit or loss in the statement of earnings

Vivendi consolidates special purpose entities that it controls in substance where it either (i) has the right to obtain a majority of benefits, or (ii) retains the majority of residual risks inherent in the special purpose entity or its assets

Equity accounting

Entities over which Vivendi exercises significant influence as well as entities over which Vivendi exercises joint control are accounted for under the equity method

Significant influence is presumed to exist when Vivendi holds, directly or indirectly, at least 20% of voting rights in an entity unless it can be clearly demonstrated that Vivendi does not exercise significant influence Significant influence can be evidenced through other criteria, such as representation on the board of directors or the entity's equivalent governing body, participation in policy-making processes, material transactions with the entity or the interchange of managerial personnel

Companies that are jointly controlled by Vivendi, directly or indirectly, and a limited number of other shareholders under the terms of a contractual arrangement are also accounted for under the equity method

1.3.3 Foreign currency translation

The Consolidated Financial Statements are presented in millions of euros The functional currency of Vivendi SA and the presentation currency of the group is the euro

Foreign currency transactions

Foreign currency transactions are initially recorded in the functional currency of the entity at the exchange rate prevailing at the date of the transaction At the closing date, foreign currency monetary assets and liabilities are translated into the entity's functional currency at the exchange rate prevailing on that date All foreign currency differences are expensed, with the exception of differences resulting from borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity These differences are allocated directly to charges and income directly recognized in equity until the divestiture of the net investment

Financial statements denominated in a foreign currency

Except in cases of significant exchange rate fluctuation, financial statements of subsidiaries, joint ventures or other associated entities for which the functional currency is not the euro are translated into euros as follows the Consolidated Statement of Financial Position is translated at the exchange rate at the end of the period, and the Consolidated Statement of Earnings and the Consolidated Statement of Cash Flow are translated using average monthly exchange rates for the period The resulting translation gains and losses are recorded as foreign currency translation differences in charges and income directly recognized in equity In accordance with IFRS 1, Vivendi elected to reverse the accumulated foreign currency translation differences against retained earnings as of January 1, 2004 These foreign currency translation differences resulted from the translation into euro of the financial statements of subsidiaries having foreign currencies as their functional currencies Consequently, these adjustments are not applied to earnings on the subsequent divestiture of subsidiaries, joint ventures or associates, whose functional currency is not the euro

1 3.4 Revenues from operations and associated costs

Revenues from operations are recorded when it is probable that future economic benefits will be obtained by the group and when they can be reliably measured Revenues are reported net of discounts

1 3.4.1 Activision Blizzard

Video games

Revenues from the sale of boxes for video-games are recorded, net of a provision for estimated returns and price guarantees (please refer to Note 1 3 4 5 below) as well as rebates, if any Regarding boxes for video-games with significant online functionality, revenues are recorded ratably over the estimated relationship period with the customer, usually beginning in the month following the shipment of boxes for video-games developed by Activision Blizzard and upon activation of the subscription for Massively Multiplayer Online Role Playing Games (MMORPG) of Blizzard (*World of Warcraft* and its expansion packs) The estimated relationship period with the customer over which revenues are recognized currently ranges from a minimum of five months to a maximum of less than a year

Deferral of Activision Blizzard revenues

Activision Blizzard believes that online functionality for console games, along with its obligation to ensure durability, constitute, for certain games, a service forming an integral part of the game itself In this case, Activision Blizzard does not account separately for the revenues linked to the sale of the boxed software and those linked to the online services because it is not possible to determine their respective values, the online services not being charged for separately As a result, the company recognizes all of the revenues from the sale of these games ratably over the estimated service period, usually beginning the month following shipment

Regarding games that can be played with hardware, Activision Blizzard determines that certain hardware components have stand alone values with established fair values, as the hardware is either currently being sold separately or will be sold separately in the future Where this is the case, Activision Blizzard recognizes revenues for the hardware upon sale and defers the software revenues, if applicable, over the estimated service period based on the relative fair value of the components

Deferral of Blizzard's MMORPG revenues

Based upon the view that the service proposed by the expansion pack is closely linked to the initial *World of Warcraft* boxed software and to the subscription to online service, thus valuing a global approach of the game, revenues related to the sale of *World of Warcraft* boxed software, including the sale of expansion packs and other ancillary revenues, are deferred and recognized ratably over the estimated service relationship period with the customer beginning upon activation of the software by the customer through subscription

Other revenues

Revenues generated by subscriptions and prepaid cards for online games are recognized on a straight-line basis over the duration of the service

Revenues from third-party licensees in certain countries (Russia, China, and Taiwan) who distribute and host Blizzard's *World of Warcraft* game are recognized as royalties, when the sale to the customer is made on behalf of the third party Any upfront licensing fee received from third parties is recognized over the term of the contracts

Costs of revenues

Costs of revenues include manufacturing, warehousing, shipping and handling costs, royalty, research and development expenses, and the amortization of capitalized software development costs Costs of sales associated with revenues from the sale of boxes for video games with significant online functionality are recorded ratably according to the same method for revenues

1 3 4 2 Universal Music Group (UMG)

Recorded music

Revenues from the physical sale of recorded music, net of a provision for estimated returns (please refer to Note 1 3 4 5) and rebates, are recognized upon shipment to third parties, at the shipping point for products sold free on board (FOB) and on delivery for products sold free on destination

Revenues from the digital sale of recorded music, for which UMG has sufficient, accurate, and reliable data from certain distributors, are recognized based on their estimate at the end of the month in which those sales were made to the final customer In the absence of such data, revenues are recognized upon notification by the distribution platform (on-line or mobile music distributor) to UMG of a sale to the final customer

Music publishing

Revenues from the third-party use of copyrights on musical compositions owned or administered by UMG are recognized when royalty statements are received and collectability is assured

Costs of revenues

Costs of revenues include manufacturing and distribution costs, royalty and copyright expenses, artists' costs, recording costs, and direct overheads Selling, general and administrative expenses primarily include marketing and advertising expenses, selling costs, provisions for doubtful receivables and indirect overheads

1 3 4 3 SFR, Maroc Telecom group, and GVT

Separable components of bundled offers

Revenues from telephone packages are recognized as multiple-component sales in accordance with IAS 18 Revenues from the sale of telecommunication equipment (mobile phones and other equipment), net of discounts granted to customers through the distribution channel, are recognized upon activation of the line Revenues from telephone subscriptions are recognized on a straight-line basis over the subscription contract period Revenues from incoming and outgoing traffic are recognized when the service is rendered

Customer acquisition and loyalty costs for mobile phones, principally consisting of rebates on the sale of equipment to customers through distributors, are recognized as a deduction from revenues Customer acquisition and loyalty costs consisting of premiums not related to the sale of equipment as part of telephone packages and commissions paid to distributors are recognized as selling and general expenses

Equipment rentals

IFRIC 4 - Determining Whether an Arrangement Contains a Lease applies to equipment for which a right of use is granted Equipment lease revenues are generally recognized on a straight-line basis over the life of the lease agreement

Content sales

Sales of services provided to customers managed by SFR and Maroc Telecom group on behalf of content providers (mainly premium rate numbers) are either accounted for gross, or net of the content providers' fees when the provider is responsible for the content and for setting the price payable by subscribers

Custom contracts

Service access and installation costs invoiced primarily to the operator's clients on the installation of services such as a broadband connection, bandwidth service or IP connection are recognized over the expected duration of the contractual relationship and the supply of the primary service

Access to telecommunication infrastructures is provided to clients pursuant to various types of contracts lease arrangements, hosting contracts or Indefeasible Right of Use (IRU) agreements IRU agreements, which are specific to the telecommunication sector, confer an exclusive and irrevocable right to use an asset (cables, fiber optic or bandwidth) during a (generally lengthy) defined period without a transfer of ownership of the asset Revenue generated by leases, hosting contracts in the Netcenters and IRU agreements is recognized over the duration of the corresponding contract, except in the case of a finance lease whereby the equipment is considered as a sale on credit

In the case of IRU agreements and certain lease or service contracts, services are paid in advance the first year Where the contract is not qualified as a finance lease, these non-refundable advance payments are recorded as deferred income and recognized ratably over the contract term The deferral period is thus between 10 and 25 years for IRU agreements and between 1 and 25 years for leases or service contracts

Costs of revenues

Costs of revenues comprise purchasing costs (including purchases of mobile phones), interconnection and access costs, network, and equipment costs Selling, general and administrative expenses notably include commercial costs relating to marketing and customer care expenses

1 3 4 4 Canal+ Group

Pay and free-to-air television

Revenues from television subscription services for terrestrial, satellite or cable pay-television platforms are recognized over the service period, net of gratuities granted Revenues from advertising are recognized over the period during which advertising commercials are broadcasted Revenues from ancillary services (such as interactive or video-on-demand services) are recognized when the service is rendered Subscriber management and acquisition costs, as well as television distribution costs, are included in selling, general and administrative expenses

Equipment rentals

IFRIC 4 - Determining Whether an Arrangement Contains a Lease, applies to equipment for which a right of use is granted Equipment lease revenues are generally recognized on a straight-line basis over the life of the lease agreement

Film and television programming

Theatrical revenues are recognized as the films are screened Revenues from film distribution and from video and television or pay television licensing agreements are recognized when the films and television programs are available for telecast and all other conditions of sale have been met Home video product revenues, less a provision for estimated returns (please refer to Note 1 3 4 5) and rebates, are recognized upon shipment and availability of the product for retail sale Amortization of film and television capitalized and acquisition costs, theatrical print costs, home video inventory costs and television, and home video marketing costs are included in costs of revenues

1.3.4.5 Other

Provisions for estimated returns and price guarantees are deducted from sales of products to customers through distributors They are estimated based on past sales statistics and they take into account the economic environment and product sales forecast to final customers

The recognition of awards associated with loyalty programs in the form of free or discounted goods or services are recorded according to IFRIC 13 Loyalty programs of SFR (valid until the third quarter of 2012), Maroc Telecom, and Canal+ Group grant to existing customers awards in the form of free services, according to the length of the relationship with the customer and/or loyalty points for subsequent conversion into either handset renewal subsidies, or free services IFRIC 13 - Interpretation is based upon the principle of measuring loyalty awards by reference to their fair value Fair value is defined as the excess price over the sales incentive that would be granted to any new customer and, should any such excess price exist, would result in deferring the recognition of the revenue associated with the subscription in the amount of such excess price

Selling, general and administrative expenses primarily include salaries and employee benefits, rent, consulting and service fees, insurance costs, travel and entertainment expenses, administrative department costs, provisions for receivables and other operating expenses

Advertising costs are expensed as incurred

Slotting fees and cooperative advertising expenses are recorded as a reduction in revenues However, cooperative advertising at UMG and Activision Blizzard is treated as a marketing expense and expensed when its expected benefit is individualized and can be estimated

1.3.5 Assets

1.3 5 1 Capitalized financial interest

Until December 31, 2008, Vivendi did not capitalize financial interest incurred during the construction and acquisition period of intangible assets, and property, plant and equipment Since January 1, 2009, according to amended IAS 23 - Borrowing Costs, this interest is included in the cost of qualifying assets Vivendi applies this amendment to qualifying assets for which the commencement date for capitalization of costs is January 1, 2009 onwards

1 3 5.2 Goodwill and business combinations

Business combinations from January 1, 2009

Business combinations are recorded using the acquisition method Under this method, upon the initial consolidation of an entity over which the group has acquired exclusive control

- the identifiable assets acquired and the liabilities assumed are recognized at their fair value on the acquisition date, and
- non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets This option is available on a transaction-by-transaction basis

On the acquisition date, goodwill is initially measured as the difference between

(i) the fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree, and

(ii) the net fair value of the identifiable assets and liabilities assumed on the acquisition date

The measurement of non-controlling interests at fair value results in an increase in goodwill up to the extent attributable to these interests, thereby leading to the recognition of a "full goodwill" The purchase price allocation shall be performed within 12 months after the acquisition date If goodwill is negative, it is recognized in the Statement of Earnings Subsequent to the acquisition date, goodwill is measured at its initial amount less recorded accumulated impairment losses (please refer to Note 1 3 5 7 below)

In addition, the following principles are applied to business combinations

- on the acquisition date, to the extent possible, goodwill is allocated to each cash-generating unit likely to benefit from the business combination,
- contingent consideration in a business combination is recorded at fair value on the acquisition date, and any subsequent adjustment occurring after the purchase price allocation period is recognized in the Statements of Earnings,
- acquisition-related costs are recognized as expenses when incurred,
- in the event of the acquisition of an additional interest in a subsidiary, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners, and
- goodwill is not amortized

Business combinations prior to January 1, 2009

Pursuant to IFRS 1, Vivendi elected not to restate business combinations that occurred prior to January 1, 2004 IFRS 3, as published by the IASB in March 2004, retained the acquisition method However, its provisions differed from those of the revised standard on the main following items

- minority interests were measured at their proportionate share of the acquiree's net identifiable assets as there was no option of measurement at fair value,
- contingent consideration was recognized in the cost of acquisition only if the payment was likely to occur and the amounts could be reliably measured,
- transaction costs that were directly attributable to the acquisition formed part of acquisition costs, and
- in the event of the acquisition of an additional interest in a subsidiary, the difference between the acquisition cost and the carrying value of minority interests acquired was recognized as goodwill

1 3 5.3 Content assets

Activision Blizzard

Licensing activities and internally developed franchises are recognized as content assets at their acquisition cost or development cost (please refer to Note 1 3 5 4 below) and are amortized over their estimated useful life on the basis of the rate at which the related economic benefits are consumed Where appropriate, impairment loss is fully recognized against earnings for the period during which the loss is identified This generally leads to an amortization period of 3 to 10 years for licenses, and 11 to 12 years for franchises

UMG

Music publishing rights and catalogs include music catalogs, artists' contracts and publishing rights, acquired through business combinations, are amortized over a period of 15 years in selling, general and administrative expenses

Royalty advances to artists, songwriters, and co-publishers are capitalized as an asset when their current popularity and past performances provide a reasonable basis to conclude that the probable future recoupment of such royalty advances against earnings otherwise payable to them is reasonably assured Royalty advances are recognized as an expense as subsequent royalties are earned by the artist, songwriter or co-publisher Any portion of capitalized royalty advances not deemed to be recoverable against future royalties is expensed during the period in which the loss becomes evident These expenses are recorded in cost of revenues

Royalties earned by artists, songwriters, and co-publishers are recognized as an expense in the period during which the sale of the product occurs, less a provision for estimated returns

Canal+ Group

Film, television or sports broadcasting rights

When entering into contracts for the acquisition of film, television or sports broadcasting rights, the rights acquired are classified as contractual commitments They are recorded in the Statement of Financial Position and classified as content assets as follows

- film and television broadcasting rights are recognized at their acquisition cost, when the program is available for screening and are expensed over their broadcasting period,
- sports broadcasting rights are recognized at their acquisition cost, at the opening of the broadcasting period of the related sports season or upon the first payment and are expensed as they are broadcast, and
- expensing of film, television or sports broadcasting rights is included in cost of revenues

Theatrical film and television rights produced or acquired to be sold

Theatrical film and television rights produced or acquired before their initial exhibition, to be sold, are recorded as a content asset at capitalized cost (mainly direct production and overhead costs) or at their acquisition cost Theatrical film and television rights are amortized, and other related costs are expensed, pursuant to the estimated revenue method (i e , based on the ratio of the current period's gross revenues to estimated total gross revenues from all sources on an individual production basis) Vivendi considers that amortization pursuant to the estimated revenue method reflects the rate at which the entity plans to consume the future economic benefits related to the asset Accumulated amortization under this rate is, for this activity, generally not lower than the charge that would be obtained under the straight-line amortization method If, however, the accumulated amortization would be lower than this charge, a minimum straight-line amortization would be calculated over a maximum 12-year period, which corresponds to the typical screening period of each film

Where appropriate, estimated losses in value are provided in full against earnings for the period in which the losses are estimated, on an individual product basis

Film and television rights catalogs

Catalogs are comprised of film rights acquired for a second television exhibition, or produced or acquired film and television rights that are sold after their first television screening (i e , after their first broadcast on a free terrestrial channel) They are recognized as an asset at their acquisition or transfer cost and amortized as groups of films, or individually, based respectively on the estimated revenue method

1 3.5.4 Research and development costs

Research costs are expensed when incurred Development expenses are capitalized when the feasibility and, in particular, profitability of the project can reasonably be considered certain

Cost of software for rental, sale or commercialization

Capitalized software development costs comprise amounts paid to entitled beneficiaries for the use of their intellectual property content for developing new games (e g , software development, graphics and editorial content), direct costs incurred during the internal development of products and the acquisition costs of developed software Software development costs are capitalized when, notably, the technical feasibility of the software is established and they are deemed recoverable These costs are mainly generated by Activision Blizzard as part of the games development process and are amortized using the estimated revenue method (i e , based on the ratio of the current period's gross revenues to estimated total gross revenues) for a given product, which generally leads to the amortization of costs over a maximum period of 6 months commencing on a product's release date Technical feasibility is determined on a product-by-product basis Non-capitalized software development costs are immediately recorded as research and development costs The future recoverability of capitalized software development costs and intellectual property license costs is assessed every quarter When their recoverable value is less than their carrying value, an impairment loss is recognized against earnings for the period

Cost of internal use software

Direct internal and external costs incurred for the development of computer software for internal use, including website development costs, are capitalized during the application development stage Application development stage costs generally include software configuration, coding, installation and testing Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized These capitalized costs, mainly recognized at SFR, are amortized over 4 years Maintenance and minor upgrade and enhancement costs are expensed as incurred

1.3 5.5 Other intangible assets

Intangible assets acquired separately are recorded at cost, and intangible assets acquired in connection with a business combination are recorded at their fair value at the acquisition date The historical cost model is applied to intangible assets after they have been recognized Assets with an indefinite useful life are not amortized but are all subject to an annual impairment test Amortization is accrued for assets with a finite useful life Useful life is reviewed at the end of each reporting period

Other intangible assets include trade names, customer bases and licenses Music catalogs, trade names, subscribers' bases and market shares generated internally are not recognized as intangible assets

SFR, Maroc Telecom group and GVT

Licenses to operate telecom networks are recorded at historical cost based upon the discounted value of deferred payments and amortized on a straight-line basis from their effective service start date over their estimated useful life until maturity Licenses to operate in France are recognized in the amount of the fixed, upfront fee paid upon the granting of the license The variable fee, which cannot be reliably determined (equal to 1% of the revenues generated by the activity in the case of the telecommunication licenses in France), is recorded as an expense when incurred

1 3.5.6 Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses Historical cost includes the acquisition cost or production cost, the costs directly attributable to transporting an asset to its physical location and preparing it for use in operations, the estimated costs for the demolition and the collection of property, plant and equipment, and the rehabilitation of the physical location resulting from the incurred obligation

When property, plant and equipment include significant components with different useful lives, they are recorded and amortized separately Amortization is computed using the straight-line method based on the estimated useful life of the assets Useful life is reviewed at the end of each reporting period

Property, plant and equipment mainly consist of the network equipment of telecommunications activities, each part of which is amortized generally over 1 to 50 years The useful lives of the main components are as follows

- buildings over 8 to 25 years,
- fiber optic equipment 50 years
- pylons over 15 to 20 years,
- radio and transmission equipment over 3 to 10 years,
- switch centers 8 years, and
- servers and hardware over 1 to 8 years

Assets financed by finance lease contracts are capitalized at the lower of the fair value of future minimum lease payments and of the market value and the related debt is recorded as "Borrowings and other financial liabilities" In general, these assets are amortized on a straight-line basis over their estimated useful life, corresponding to the duration applicable to property, plant and equipment from the same category Amortization expenses on assets acquired under such leases are included in amortization expenses

After initial recognition, the cost model is applied to property, plant and equipment

Vivendi has elected not to apply the option available under IFRS 1, involving the remeasurement of certain property, plant and equipment at their fair value as of January 1, 2004

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to apply IFRIC Interpretation 4 - Determining whether an arrangement contains a lease, which currently mainly applies to commercial supply agreements for the Canal+ Group and GVT satellite capacity and for SFR, Maroc Telecom group, and GVT telecommunications services

- Indefeasible Right of Use (IRU) agreements confer an exclusive and irrevocable right to use an asset during a defined period IRU agreements are leases which convey a specific right of use for a defined portion of the underlying asset in the form of dedicated fibers or wavelengths IRU agreements are capitalized if the agreement period covers the major part of the useful life of the underlying asset IRU contract costs are capitalized and amortized over the contract term, and
- Some IRU contracts are commercial service agreements that do not convey a right to use a specific asset, contract costs under these agreements are consequently expensed as operational costs for the period

1.3.5.7 Asset impairment

Each time events or changes in the economic environment indicate a current risk of impairment of goodwill, other intangible assets, property, plant and equipment, and assets in progress, Vivendi re-examines the value of these assets In addition, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year, with some exceptions This test is performed to compare the recoverable amount of each Cash Generating Unit (CGU) or, if necessary, groups of CGU to the carrying value of the corresponding assets (including goodwill) A Cash Generating Unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets The Vivendi group operates through different communication businesses Each business offers different products and services that are marketed through different channels CGUs are independently defined at each business level, corresponding to the group operating segments Vivendi CGUs and groups of CGUs are presented in Note 9

The recoverable amount is determined as the higher of either (i) the value in use, or (ii) the fair value (less costs to sell) as described hereafter, for each individual asset If the asset does not generate cash inflows that are largely independent of other assets or groups of assets, the recoverable amount is determined for the group of assets In particular, an impairment test of goodwill is performed by Vivendi for each CGU or group of CGUs, depending on the level at which Vivendi Management measures return on operations

The value in use of each asset or group of assets is determined as the discounted value of future cash flows (discounted cash flow method (DCF)) by using cash flow projections consistent with the budget of the following year and the most recent forecasts prepared by the operating segments

Applied discount rates are determined by reference to available external sources of information, usually based on financial institutions' benchmarks, and reflect the current assessment by Vivendi of the time value of money and risks specific to each asset or group of assets

Perpetual growth rates used for the evaluation of CGUs are those used to prepare budgets for each CGU or group of CGUs, and beyond the period covered, are consistent with growth rates estimated by the business by extrapolating growth rates used in the budgets, without exceeding the long-term average growth rate for the markets in which the group operates

The fair value (less costs to sell) is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable and willing parties, less costs to sell These values are determined on the basis of market data (stock market prices or comparison with similar listed companies, with the value attributed to similar assets or companies in recent transactions) or on discontinued future cash flows in the absence of reliable data

If the recoverable amount is lower than the carrying value of an asset or group of assets, an impairment loss equal to the difference is recognized in EBIT In the case of a group of assets, this impairment loss is recorded first against goodwill

The impairment losses recognized in respect of property, plant and equipment, and intangible assets (other than goodwill) may be reversed in a later period if the recoverable amount becomes greater than the carrying value, within the limit of impairment losses previously recognized Impairment losses recognized in respect of goodwill cannot be reversed at a later date

1.3 5 8 Financial assets

Financial assets consist of financial assets measured at fair value and financial assets recognized at amortized cost Financial assets are initially recognized at the fair value corresponding, in general, to the consideration paid, for which the best evidence is the acquisition cost (including associated acquisition costs, if any)

Financial assets at fair value

Financial assets at fair value include available-for-sale securities, derivative financial instruments with a positive value (please refer to Note 1 3 7) and other financial assets measured at fair value through profit or loss Most of these financial assets are actively traded in organized public markets, their fair value being calculated by reference to the published market price at period end For financial assets for which there exists no published market price in an active market, fair value is then estimated As a last resort, the group values financial assets at historical cost, less any impairment losses, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market

Available-for-sale securities consist of unconsolidated interests and other securities not qualifying for classification in the other financial asset categories described below Unrealized gains and losses on available-for-sale securities are recognized in charges and income directly recognized in equity until the financial asset is sold, collected or removed from the Statement of Financial Position in another way, or until there is objective evidence that the investment is impaired, at which time the accumulated gain or loss previously reported in charges and income directly recognized in equity is expensed in other financial charges and income

Other financial assets measured at fair value through profit or loss mainly consist of assets held for trading which Vivendi intends to sell in the near future (primarily marketable securities) Unrealized gains and losses on these assets are recognized in other financial charges and income

Financial assets at amortized cost

Financial assets at amortized cost consist of loans and receivables (primarily loans to affiliates and associates, current account advances to equity affiliates and unconsolidated interests, cash deposits, securitized loans and receivables, and other loans and receivables, and debtors) and held-to-maturity investments (financial assets with fixed or determinable payments and fixed maturity) At the end of each period, these assets are measured at amortized cost using the effective interest method If there is objective evidence that an impairment loss has been incurred, the amount of this loss, measured as the difference between the financial asset's carrying value and its recoverable amount (equal to the present value of estimated future cash flows discounted at the financial asset's initial effective interest rate), is recognized in profit or loss Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future

1 3.5.9 Inventories

Inventories are valued at the lower of cost or net realizable value Cost comprises purchase costs, production costs and other supply and packaging costs They are usually computed at the weighted average cost method Net realizable value is the estimated selling price in the normal course of business, less estimated completion costs and selling costs

1 3.5.10 Trade account receivables

Trade accounts receivable are initially recognized at fair value, which generally equals the nominal value Provisions for impairment of receivables are specifically evaluated in each business unit, generally using a default percentage based on the unpaid amounts during one reference period related to revenues for this same period Thus, for the group's businesses which are based partly or fully on subscription (Activision Blizzard, Canal+ Group, SFR and GVT), the depreciation rate of trade account receivables is assessed on the basis of historical account receivables from former customers, primarily on a statistical basis In addition, account receivables from customers subject to insolvency proceedings or customers with whom Vivendi is involved in litigation or a dispute are generally impaired in full

1 3 5 11 Cash and cash equivalents

The "cash and cash equivalents" category consists of cash in banks, monetary UCITS, which satisfy AMF position No 2011-13, and other highly liquid investments with initial maturities of generally three months or less Investments in securities, investments with initial maturities of more than three months without the possibility of early termination and bank accounts subject to restrictions (blocked accounts), other than restrictions due to regulations specific to a country or activity sector (e g , exchange controls), are not classified as cash equivalents but as financial assets Moreover, the historical performance of the investments is monitored regularly to confirm their cash equivalents accounting classification

1.3.6 Assets held for sale and discontinued operations

A non-current asset or a group of assets and liabilities is held for sale when its carrying value may be recovered principally through its divestiture and not by its continued utilization To meet this definition, the asset must be available for immediate sale and the divestiture must be highly probable These assets and liabilities are recognized as assets held for sale and liabilities associated with assets held for sale, without offset The related assets recorded as assets held for sale are valued at the lowest value between the fair value (net of divestiture fees) and the carrying value, or cost less accumulated depreciation and impairment losses, and are no longer depreciated

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for sale have been met or when Vivendi has sold the asset Discontinued operations are reported on a single line of the Statement of Earnings for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to divest the assets and liabilities of the discontinued operations In addition, cash flows generated by discontinued operations are reported on a separate line of the Statement of Consolidated Cash Flows for the relevant periods

1 3 7 Financial liabilities

Long-term and short-term borrowings and other financial liabilities include

- bonds and facilities, as well as various other borrowings (including commercial paper and debt related to finance leases) and related accrued interest,
- obligations arising in respect of commitments to purchase non-controlling interests,
- bank overdrafts, and
- the negative value of other derivative financial instruments Derivatives with positive values are recorded as financial assets in the Statement of Financial Position

Borrowings

All borrowings are initially accounted for at fair value net of transaction costs directly attributable to the borrowing Borrowings bearing interest are subsequently valued at amortized cost, applying the effective interest method The effective interest rate is the internal yield rate that exactly discounts future cash flows over the term of the borrowing In addition, where the borrowing comprises an embedded derivative (e g , an exchangeable bond) or an equity instrument (e g , a convertible bond), the amortized cost is calculated for the debt component only, after separation of the embedded derivative or equity instrument In the event of a change in expected future cash flows (e g , redemption earlier than initially expected), the amortized cost is adjusted against earnings to reflect the value of the new expected cash flows, discounted at the initial effective interest rate

Commitments to purchase non-controlling interests

Vivendi has granted commitments to purchase non-controlling interests to certain shareowners of its fully consolidated subsidiaries These purchase commitments may be optional (e g , put options) or firm (e g , forward purchase contracts)

The following accounting treatment has been adopted for commitments granted on or after January 1, 2009

- upon initial recognition, the commitment to purchase non-controlling interests is recognized as a financial liability for the present value of the purchase consideration under the put option or forward purchase contract, mainly offset through book value of non-controlling interests and the remaining balance through equity attributable to Vivendi SA shareowners,
- subsequent changes in the value of the commitment are recognized as a financial liability by an adjustment to equity attributable to Vivendi SA shareowners, and
- on maturity of the commitment, if the non-controlling interests are not purchased, the entries previously recognized are reversed, if the non-controlling interests are purchased, the amount recognized in financial liabilities is reversed, offset by the cash outflow relating to the purchase of the non-controlling interests

Derivative financial instruments

Vivendi uses derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates, and foreign currency exchange rates All instruments are either listed on organized markets or traded over-the-counter with highly-rated counterparties These instruments include interest rate and currency swaps, and forward exchange contracts All these derivative financial instruments are used for hedging purposes

When these contracts qualify as hedges for accounting purposes, gains and losses arising on these contracts are offset in earnings against the gains and losses relating to the hedged item When the derivative financial instrument hedges exposures to fluctuations in the fair value of an asset or a liability recognized in the Statement of Financial Position or of a firm commitment which is not recognized in the Statement of Financial Position, it is a fair value hedge The instrument is remeasured at fair value in earnings, with the gains or losses arising on remeasurement of the hedged portion of the hedged item offset on the same line of the Statement of Earnings, or, as part of a forecasted transaction relating to a non-financial asset or liability, at the initial cost of the asset or liability When the derivative financial instrument hedges cash flows, it is a cash flow hedge The hedging instrument is remeasured at fair value and the portion of the gain or loss that is determined to be an effective hedge is recognized through charges and income directly recognized in equity, whereas its ineffective portion is recognized in earnings, or, as part of a forecasted transaction on a non-financial asset or liability, they are recognized at the initial cost of the asset or liability When the hedged item is realized, accumulated gains and losses recognized in equity are released to the Statement of Earnings and recorded on the same line as the hedged item When the derivative financial instrument hedges a net investment in a foreign operation, it is recognized in the same way as a cash flow hedge Derivative financial instruments which do not qualify as a hedge for accounting purposes are remeasured at fair value and resulting gains and losses are recognized directly in earnings, without remeasurement of the underlying instrument

Furthermore, income and expenses relating to foreign currency instruments used to hedge highly probable budget exposures and firm commitments contracted pursuant to the acquisition of editorial content rights (including sports, audiovisual and film rights) are recognized in EBIT In all other cases, gains and losses arising on the fair value remeasurement of instruments are recognized in other financial charges and income

1.3.8 Other liabilities

Provisions

Provisions are recognized when, at the end of the reporting period, Vivendi has a legal obligation (legal, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be reliably estimated. Where the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. If no reliable estimate can be made of the amount of the obligation, no provision is recorded and a disclosure is made in the Notes to the Consolidated Financial Statements.

Employee benefit plans

In accordance with the laws and practices of each country in which it operates, Vivendi participates in, or maintains, employee benefit plans providing retirement pensions, post-retirement health care, life insurance and post-employment benefits to eligible employees, former employees, retirees and such of their beneficiaries who meet the required conditions. Retirement pensions are provided for substantially all employees through defined contribution plans, which are integrated with local social security and multi employer plans, or defined benefit plans, which are generally managed via group pension plans. The plan funding policy implemented by the group is consistent with applicable government funding requirements and regulations.

Defined contribution plans

Contributions to defined contribution and multi-employer plans are expensed during the year.

Defined benefit plans

Defined benefit plans may be funded by investments in various instruments such as insurance contracts or equity and debt investment securities, excluding Vivendi shares or debt instruments.

Pension expenses are calculated by independent actuaries using the projected unit credit method. This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan. The assumptions adopted in 2011 and 2012, and the means of determining these assumptions, are presented in Note 20. As such, the group recognizes pension-related assets and liabilities and the related net expense.

A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, net of past service cost and unrecognized actuarial gains and losses which remain unrecognized in the Statement of Financial Position. Where the value of plan assets exceeds benefit obligations, a financial asset is recognized up to the maximum cumulative amount of net actuarial losses, unrecognized past service cost, and the present value of future refunds and the expected reduction in future contributions.

Actuarial gains and losses are recognized through profit and loss for the year using the "corridor method": actuarial gains and losses in excess of 10% of the greater of the benefit obligation and the fair value of plan assets at the beginning of the fiscal year are divided by the expected average working life of beneficiaries. On January 1, 2004, in accordance with IFRS 1, Vivendi decided to record unrecognized actuarial gains and losses against consolidated equity.

The cost of plans is included in selling, general and administrative expenses, except for the financial component which is recorded in other financial charges and income. The financial component of this cost consists of the undiscounting of the actuarial liability and the expected return on plan assets.

Some other post-employment benefits, such as life insurance and medical coverage (mainly in the United States) are subject to provisions which are assessed through an actuarial computation comparable to the method used for pension provisions.

1.3.9 Deferred taxes

Differences existing at closing between the tax base value of assets and liabilities and their carrying value in the Consolidated Statement of Financial Position give rise to temporary differences. Pursuant to the liability method, these temporary differences result in the accounting of:

- deferred tax assets, when the tax base value is greater than the carrying value (expected future tax saving), and
- deferred tax liabilities, when the tax base value is lower than the carrying value (expected future tax expense).

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor tax income or loss.

For deductible temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax assets are recorded to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that a taxable profit will be available against which the temporary difference can be utilized.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy. As such, the assessment of the group's ability to utilize tax losses carried forward is to a large extent judgment-based. If the future taxable results of the group proved to differ significantly from those expected, the group would be required to increase or decrease the carrying value of deferred tax assets with a potentially material impact on the Statement of Financial Position and Statement of Earnings of the group.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from goodwill or *initial recognition of an asset or liability in a transaction which is not a business combination*, and that, at the transaction date, does not impact earnings, nor tax income or loss.

For taxable temporary differences resulting from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Current tax and deferred tax shall be charged or credited directly to equity, and not earnings, if the tax relates to items that are credited or charged directly to equity.

1.3.10 Share-based compensation

With the aim of aligning the interest of its executive management and employees with its shareholders' interest by providing them with an additional incentive to improve the company's performance and increase its share price on a long-term basis, Vivendi maintains several share-based compensation plans (share purchase plans, performance share plans, and bonus share plans) or other equity instruments based on the value of the Vivendi share price (stock options), which are settled either in equity instruments or in cash. Grants under these plans are approved by the Management Board and the Supervisory Board. In addition, the definitive grant of stock options and performance shares are contingent upon the achievement of specific performance objectives fixed by the Management Board and the Supervisory Board. Moreover, all granted plans are conditional upon active employment at the vesting date.

In addition, Activision Blizzard maintains several share-based compensation plans (restricted shares) or other equity instruments based on the value of the share price (stock options), which are settled in equity instruments. Grants under these plans are approved by the Board of Directors of Activision Blizzard. The final grant of these rights is contingent upon the achievement of specific performance objectives set by the Board of Directors.

Lastly, Universal Music Group maintains Equity Long-Term Incentive Plans. Under these plans, certain key executives are awarded equity units, which are settled in cash. These equity units are phantom stock units whose value is intended to reflect the value of Universal Music Group.

Please refer to Note 21 for details of the features of these plans.

Share-based compensation is recognized as a personnel cost at the fair value of the equity instruments granted This expense is spread over the vesting period, i e 3 years for stock option plans and 2 years for performance shares and bonus share plans at Vivendi, other than in specific cases

Vivendi and Activision Blizzard use a binomial model to assess the fair value of such instruments This method relies on assumptions updated at the valuation date such as the computed volatility of the relevant shares, the discount rate corresponding to the risk-free interest rate, the expected dividend yield, and the probability of relevant managers and employees remaining employed within the group until the exercise of their rights

However, depending on whether the equity instruments granted are equity-settled or cash-settled, the valuation and recognition of the expense will differ

Equity-settled instruments

- the expected term of the option granted is deemed to be the mid-point between the vesting date and the end of the contractual term,
- the value of the instruments granted is estimated and fixed at grant date, and
- the expense is recognized with a corresponding increase in equity

Cash-settled instruments

- the expected term of the instruments granted is deemed to be equal to one-half of the residual contractual term of the instrument for vested rights, and to the average of the residual vesting period at the remeasurement date and the residual contractual term of the instrument for unvested rights,
- the value of instruments granted is initially estimated at grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted pro rata taking into account the vested rights at each such reporting date,
- the expense is recognized as a provision, and
- moreover, as plans settled in cash are primarily denominated in US dollars, the value fluctuates based on the EUR/USD exchange rate

Share-based compensation cost is allocated to each operating segment, pro rata the number of equity instruments or equivalent instruments granted to their managers and employees

The dilutive effect of stock options and performance shares settled in equity through the issuance of Vivendi or Activision Blizzard shares which are in the process of vesting is reflected in the calculation of diluted earnings per share

In accordance with IFRS 1, Vivendi elected to retrospectively apply IFRS 2 as of January 1, 2004 Consequently, all share-based compensation plans for which rights remained to be vested as of January 1, 2004 were accounted for in accordance with IFRS 2

1.4 Related parties

Group-related parties are those companies over which the group exercises an exclusive control, joint control or significant influence, shareholders exercising joint control over group joint ventures, non-controlling interests exercising significant influence over group subsidiaries, corporate officers, group management and directors and companies over which the latter exercise an exclusive control, joint control, or significant influence

The transactions realized with subsidiaries over which the group exercises a control are eliminated in the intersegment operations (a list of the principal consolidated subsidiaries is presented in Note 28) Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's length basis under terms and conditions similar to those which would be offered by third parties The operating costs of Vivendi SA's headquarters in Paris and of its New York City office, after the allocation of a portion of these costs to each of the group's businesses, are included in the Holding and Corporate operating segment (Please refer to Note 3 for a detailed description of the transactions between the parent company and the subsidiaries of the group, aggregated by operating segments)

1.5 Contractual obligations and contingent assets and liabilities

Once a year, Vivendi and its subsidiaries prepare detailed reports on all material contractual obligations, commercial and financial commitments and contingent obligations, for which they are jointly and severally liable These detailed reports are updated by the relevant departments and reviewed by senior management on a regular basis To ensure completeness, accuracy and consistency of these reports, some dedicated internal control procedures are performed, including (but not limited to) the review of

- minutes of meetings of the shareholders, Management Board, Supervisory Board and committees of the Supervisory Board in respect of matters such as contracts, litigation, and authorization of asset acquisitions or divestitures,
- pledges and guarantees with banks and financial institutions,
- pending litigation, claims (in dispute) and environmental matters as well as related assessments for unrecorded contingencies with internal and/or external legal counsels,
- tax examiner's reports and, if applicable, notices of reassessments and tax expense analyses for prior years,
- insurance coverage for unrecorded contingencies with the risk management department and insurance agents and brokers with whom the group contracted,
- related-party transactions for guarantees and other given or received commitments, and more generally
- major contracts and agreements

1.6 New IFRS standards and IFRIC interpretations that have been published but are not yet effective

Among IFRS accounting standards and IFRIC interpretations issued by IASB / IFRIC at the date of approval of these Consolidated Financial Statements, but which are not yet effective, and for which Vivendi has not elected for an earlier application, the main standards which may have an impact on Vivendi are as follows

- Standards adopted in the European Union
  - Amendments to IAS 1 – *Presentation of Financial Statements Presentation of Items of Other Comprehensive Income*, on the presentation of items of other comprehensive income, and their recycling or not in the Statement of Earnings, which applies to periods beginning on or after January 1, 2013, and with retrospective effect as of January 1, 2012,
  - Amendments to IAS 19 – Employee Benefits, which applies to periods beginning on or after January 1, 2013, with retrospective effect as of January 1, 2012, and for which the main impacts are presented below,
  - New standards relating to the principles of consolidation IFRS 10 – Consolidated Financial Statements, IFRS 11 – *Joint Arrangements*, IFRS 12 - *Disclosure of Interests in Other Entities*, IAS 27 – *Separate Financial Statements*, and IAS 28 – *Investments in Associates and Joint Ventures*, which all apply to periods beginning on or after January 1, 2014 Vivendi intends to early apply these standards from January 1, 2013 and retrospectively from January 1, 2012, and
  - New standard IFRS 13 – *Fair Value Measurement*, relating to the definition of the fair value notion in terms of measurement and disclosures, which applies prospectively to periods beginning on or after January 1, 2013
- Standards not yet adopted in the European Union
  - Amendments to various IFRS included in the Annual Improvements to IFRSs 2009-2011 Cycle, as published by the IASB on May 2012, which apply to periods beginning on or after January 1, 2013, retrospectively from January 1, 2012, but are still subject to adoption in the European Union

Vivendi is currently finalizing the assessment of the potential impact on the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements in applying these standards and amendments No significant impact is expected for the time being, except for the amendments to IAS 1 and IAS 19, which main impact identified by comparison with the current accounting treatments applied by Vivendi relates to the suppression of the "corridor method", on the recognition through profit and loss for the year of the amortization of actuarial gains and losses on defined employee benefit plans Thus, actuarial gains and losses not yet recognized will be recorded against consolidated equity as of January 1, 2012 for an amount of -€119 million, and as from January 1, 2012, actuarial gains and losses will be immediately recognized in other comprehensive income in the Statement of Comprehensive Income and will no longer be recycled in profit and loss

Note 2 Major changes in the scope of consolidation

2.1 Acquisition of EMI Recorded Music by Vivendi and Universal Music Group (UMG)

In accordance with the agreement entered into with Citigroup Inc (Citi) on November 11, 2011, and following receipt of the regulatory approvals from the European Commission and the Federal Trade Commission in the United States on September 21, 2012, Vivendi and UMG completed the acquisition of 100% of the recorded music business of EMI Group Global Limited (EMI Recorded Music) on September 28, 2012 EMI Recorded Music has been fully consolidated since that date The transaction was also unconditionally cleared in New-Zealand (June 21, 2012), Japan (July 9, 2012), and Canada (August 20, 2012)

The purchase price, in enterprise value, amounted to £1,130 million (approximately €1,404 million) and included €1,363 million paid in cash, of which £991 million (approximately €1,230 million) was paid in early September 2012, when conditions to payment were satisfied As part of this transaction, Citi agreed to assume the full pension obligations in the United Kingdom, and UMG received commitments customary for this type of transaction In addition, Citi undertook to indemnify UMG against losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom

The approval by the European Commission was conditional upon the divestment of EMI's Parlophone label and certain other music assets worldwide, such as EMI France, EMI's classical music labels, Chrysalis, Mute and several other local EMI entities In accordance with IFRS 5 - *Non-current assets held for sale and discontinued operations*, Vivendi reclassified these assets as assets held for sale at market value in the Consolidated Statement of Financial Position as of December 31, 2012

The sale of Parlophone Label Group, part of EMI Recorded Music, for £487 million (approximately €600 million after taking into account the EUR/GBP foreign currency hedge in place) to be paid in cash, was announced on February 7, 2013 Additional, less significant divestments were also sold bringing the total amount of sales to exceed £530 million, all of which are pending regulatory approvals

With these sales, Vivendi nears the finalization of its regulatory commitments following the acquisition of EMI Recorded Music, while reinforcing UMG's position as a worldwide leader in music The combination of UMG's and EMI's Recorded Music businesses is expected to generate annual synergies of more than £100 million as previously stated As a result of the sale of Parlophone Label Group, the acquisition of EMI Recorded Music acquisition will be at less than 5xEBITDA multiple, including disposals, restructuring charges and synergies

Purchase price allocation

In accordance with the accounting standards applicable to business combinations, UMG has performed a provisional allocation of the purchase price using the fair value of assets acquired and liabilities incurred or assumed, based on analyses and appraisals prepared by UMG with third-party appraisers, if any The major acquired assets were the music rights and catalog The allocation of the purchase price will be finalized within the 12-month period as required by accounting standards and the final amount of goodwill may significantly differ from the amount presented below

(in millions of euros)		September 28 2012
Carrying value of EMI Recorded Music's assets and liabilities acquired by Vivendi	(A)	**(100)**
Fair value adjustments of EMI Recorded Music's acquired assets and incurred or assumed liabilities (provisional)		
Music rights and catalog		1 036
Deferred income tax net		(332)
Other		(94)
Total	(B)	**610**
Fair value of EMI Recorded Music's acquired assets and incurred or assumed liabilities	(C=A+B)	**510**
Fair value of EMI Recorded Music's assets and liabilities held for sale		**593**
Provisional goodwill		301
Purchase price of 100% of EMI Recorded Music		**1,404**

Moreover, the acquisition-related costs amounted to €56 million in 2012 and to €6 million in 2011 They were recorded as other charges from EBIT in the Consolidated Statement of Earnings and as investing activities in the Consolidated Statement of Cash Flows

2.2 Acquisition of Bolloré Group's channels by Vivendi and Canal+ Group

On December 2, 2011, Bolloré Group and Canal+ Group announced the entry into a definitive agreement regarding the acquisition by Canal+ Group of Bolloré Group's free-to-air channels, Direct 8 and Direct Star In February 2012, Canal+ Group exercised its option to acquire, in one transaction, a 100% interest in Bolloré Group's television business, in exchange for the issuance of Vivendi shares

On September 27, 2012, Vivendi carried out a share capital increase of 22,356 thousand shares, which it paid in consideration for the contribution made by Bolloré Media, representing an enterprise value of €336 million After taking into account a €16 million price adjustment related to debt and changes in working capital, the fair value of the transferred counterparty amounted to €320 million Bolloré Group committed to retain the Vivendi shares received in connection with the completion of this transaction for a minimum period of six months after September 27, 2012 Since that date, Vivendi and Canal+ Group have been granted guarantees capped at €120 million These guaranties expire 3 months after the expiration of the applicable statute of limitations for tax or social matters, and 18 months after September 27, 2012 for all other matters D8 and D17 have been fully consolidated since September 27, 2012 and were renamed D8 and D17, in connection with their launch on October 7, 2012

As part of the French Competition Authority's approval of the transaction on July 23, 2012, Vivendi and Canal+ Group undertook certain commitments These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from StudioCanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process These commitments are made for a 5-year period, renewable once if the French Competition Authority, after having performed a competitive analysis, deems it necessary In addition, on September 18, 2012, the French Broadcasting Authority (Conseil Supérieur de l'Audiovisuel) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the D8 shares for a minimum period of two and a half years

Following the closing of this transaction, Bolloré Group reported having increased its interest in Vivendi SA to 4 41% Subsequently, on October 16, 2012, it announced that it had crossed the 5% threshold in Vivendi SA's share capital

On December 13, 2012, Vivendi's Supervisory Board co-opted Vincent Bolloré, Chairman and Chief Executive Officer of the Bolloré Group, as a member of the Supervisory Board This cooptation will be submitted for ratification at the General Shareholders Meeting to be held on April 30, 2013

The purchase price allocation will be finalized within the 12-month period as required by accounting standards The final amount of goodwill may differ significantly from the provisional goodwill of €310 million recorded as of December 31, 2012

2.3 Strategic partnership among Canal+ Group, ITI, and TVN in Poland

In accordance with the agreement announced on December 19, 2011, and following the receipt on September 14, 2012 of unconditional approval from the Polish Competition and Consumer Protection Authority, on November 30, 2012, Canal+ Group, ITI, and TVN finalized the combination of their Polish Pay-TV platforms, which remain controlled by Canal+ Group, and the acquisition by Canal+ Group of a 40% interest in N-Vision, which has been accounted for under the equity method since that date

Following the merger of Canal+ Cyfrowy (Canal+ Group's Cyfra+ platform) with ITI Neovision (TVN's "n" platform), which created a new satellite TV platform in Poland, with a base of 2 5 million customers, Canal+ Group owns a 51% interest in the new structure "nc+" (compared to a previous 75% interest in Canal+ Cyfrowy), TVN and UPC own a 32% and 17% interest, respectively As Canal+ Group has the majority on the Supervisory Board and the power to govern the financial and operating policies of "nc+", the latter has been fully consolidated by Canal+ Group since November 30, 2012

Liquidity rights
The key liquidity rights under the agreements are as follows

- At the level of N-Vision
    - ITI has a put option to sell an additional 9% of N-Vision to Canal+ Group+, exercisable during a 90-day period beginning on December 18, 2013, on the basis of a value equal to Group Canal+' initial investment in N-Vision, i e for a cash price of €61 million Since the option is based on an equity affiliate interest given to a third party it does not relate to a commitment to purchase a non-controlling interest, and thus follows the accounting treatment of a derivative instrument,
    - Canal+ Group has a call option to acquire ITI's remaining N-Vision shares, exercisable at any time during the two 3-month periods beginning February 29, 2016 and February 28, 2017, at the then-prevailing market value,
    - conversely, in the event that Canal+ Group does not exercise its call option on ITI's interest in N-Vision, ITI has a call option to acquire Canal+ Group's interest in N-Vision, exercisable at any time during the two 3-month periods beginning May 30, 2016 and May 29, 2017, and between November 1, 2017 and December 31, 2017 and between May 1, 2018 and June 30, 2018, at the then-prevailing market value, and

- Canal+ Group and ITI each has the liquidity right, following the above call option periods, to sell its entire interest in N-Vision

- At the level of "nc+"
  - Canal+ Group has a call option to acquire TVN's 32% interest in "nc+" at market value, which is exercisable during the 3-month periods beginning November 30, 2015 and November 30, 2016,
  - if Canal+ Group exercises its call option, Canal+ Group will be required to acquire ITI's remaining interest in N-Vision, and
  - in the event that Canal+ Group does not exercise its call option, TVN has liquidity rights in the form of an Initial Public Offering of its interest in "nc+"

Purchase price allocation of ITI Neovision "n"

The purchase price of 100% interest in "n" was valued at €268 million The allocation of the fair value of the acquired assets and incurred or assumed liabilities will be finalized within the 12-month period as required by accounting standards The final amount of goodwill may differ significantly from the provisional goodwill of €213 million recorded as of December 31, 2012 and valued according to the full goodwill method

In addition, in accordance with accounting standards, the dilution of Canal+ Group by 24% due to its interest in Canal+ Cytrowy resulted in a €114 million income directly recognized in equity Finally, "n" acquisition-related costs amounted to €15 million, of which €8 million were incurred in 2011 These costs were recognized as other charges from EBIT in the Consolidated Statement of Earnings and as investing activities in the Consolidated Statement of Cash Flows

Interest in N-Vision

The 40% interest in N-Vision was acquired by Canal+ Group for €277 million, paid in cash Simultaneously, the €120 million loan granted in December 2011 by Canal+ Group to ITI has been redeemed As of December 31, 2012, this interest was valued using the most recent cash flow forecasts approved by the Management of TVN, resulting in a €119 million impairment loss (including the additional put option of 9% interest in N-Vision)

2.4 Other changes in the scope of consolidation

Acquisition by Canal+ Group of a non-controlling interest in Orange Cinema Series

On April 12, 2012, Multithématiques, a subsidiary of Canal+ Group, and Orange Cinema Series entered into a partnership via a joint company, Orange Cinema Series - OCS SNC, in which Multithématiques acquired an approximate 33% interest and to which Orange Cinema Series contributed the publishing and broadcasting operations of its pay cinema channels Since April 5, 2012, Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat On July 23, 2012, as part of the decision authorizing the merger of TPS group and CanalSatellite, the French Competition Authority required that Canal+ Group sell its non-controlling interest in Orange Cinema Series - OCS SNC or, upon failure to sell such interest, to relinquish certain of its rights contained in the shareholders' agreement between Multithématiques and Orange Cinema Series (please refer to Note 27)

Given Orange's decision not to approve any transferee, the French Competition Authority confirmed that Group Canal+ was required to apply the second part of the injunction (injunction 2(b)), requiring Multithématiques to

- dismiss the two members of Orange Cinema Series- OCS SNC' Board of Directors appointed by Multithématiques and replace them with independent representatives having no affiliation to Canal+ Group, and
- renounce certain rights provided in the shareholders' agreement, in particular those relating to
  - the transmission of information, notably regarding the company's performance,
  - the clause which caps the expected costs of the acquisition and production of programs in the annual budget,
  - the non-compete clause, and
  - the framework services contract between Multithématiques and Orange Cinema Series whereby certain group entities would have provided support services to Orange Cinema Series

On February 4, 2013, at the request of Multithématiques and in order to comply with the injunction 2(b) ordered by the French Competition Authority on July 23, 2012, the members of Orange Cinema Series - OCS SNC' Board of Directors resigned from their positions As a result, Multithématiques appointed, by letter with an effective date of February 4, 2013, two independent representatives with no affiliation to Multithématiques within the Board of Directors of Orange Cinema Series - OCS SNC

Acquisition by StudioCanal of a 100% interest in Hoyts Distribution

On July 17, 2012 StudioCanal announced the acquisition of a 100% interest in Hoyts Distribution, a company specializing in the distribution of feature films in Australia and New Zealand The company has been fully consolidated since that date

Creation of Numergy by SFR

On September 5, 2012, SFR, Bull, and Caisse des Dépôts et Consignations announced the creation of Numergy, a company offering cloud computing services to all economic players As of December 31, 2012, SFR held a 47% interest in Numergy, which is accounted for under the equity method As of December 31, 2012, SFR subscribed to the capital increase of this new company for €105 million, of which €26 million had been released

2.5 Acquisition of Vodafone's 44% interest in SFR in June 2011

In accordance with the agreement entered into on April 3, 2011, Vivendi acquired on June 16, 2011, a 44% interest in SFR from Vodafone for a total amount of €7,950 million, which was paid entirely in cash This transaction valued the 44% interest in SFR at €7,750 million as of January 1, 2011, to which was added a lump sum of €200 million related to the amount of cash generated by SFR between January 1 and June 30, 2011, paid as an interim dividend by SFR

In accordance with IAS 27 revised standard, this transaction was accounted for as a purchase of non-controlling interests and accordingly the consideration paid was fully recognized as a deduction from equity The difference between the consideration paid and the carrying value of non-controlling interests acquired as of June 16, 2011, i e , a net amount of €6,049 million, was recorded as a deduction from equity attributable to Vivendi SA shareowners

2.6 Changes in the group's activities

As publicly announced to shareholders on several occasions in 2012, Vivendi's Management Board and its Supervisory Board, have engaged in a review of Vivendi's strategic development marked by a desire to strengthen its positions in media and content Given the stage of completion of this strategic review and considering the uncertainty of the timing of potential disposals of certain telecom businesses, none of the group's business segments met the criteria of IFRS 5 standard neither as of December 31, 2012, nor as of February 18, 2013, the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2012

Note 3 Segment data

3.1 Operating segment data

The Vivendi group comprises six businesses operating at the heart of the worlds of content, platforms and interactive networks Each business offers different products and services that are marketed through different channels Given the unique customer base, technology, marketing and distribution requirements of each of these businesses, they are managed separately and represent the base of the internal reporting of the group The Vivendi group has six businesses engaging in the operations described below

- **Activision Blizzard.** development, publishing and distribution of interactive entertainment software, online or on other media (such as console and PC),
- **Universal Music Group** sale of recorded music, including EMI Recorded Music since September 28, 2012, (physical and digital media), exploitation of music publishing rights as well as artist services and merchandising,
- **SFR** a telecommunication operator (mobile, broadband Internet and fixed telecommunications) in France,
- **Maroc Telecom group** a telecommunication operator (mobile, fixed telecommunications and Internet) in Africa, predominantly in Morocco as well as in Mauritania, Burkina Faso, Gabon, and Mali,
- **GVT**· a Brazilian fixed telecommunication and broadband Internet operator and, since October 2011, Brazilian pay-TV provider, and
- **Canal+ Group**· publishing and distribution of premium and thematic pay-TV channels as well as free-to-air channels in metropolitan France, Poland, Africa, French overseas territories and Vietnam as well as cinema film production and distribution in Europe

Vivendi Management evaluates the performance of these operating segments and allocates necessary resources to them based on certain operating indicators (segment earnings and cash flow from operations) Segment earnings relate to the EBITA of each business segment

Additionally, segment data is prepared according to the following principles

- the operating segment "**Holding & Corporate**" includes the cost of Vivendi SA's headquarters in Paris and of its New York City office, after the allocation of a portion of these costs to each of the businesses,
- the operating segment "**Non-core operations and others**" includes activities peripheral to the group, notably Vivendi Mobile Entertainment (which operates a service selling digital content on the Internet and on mobile phones under the "zaOza" brand), Wengo (the French leader in expert advisory services by phone), Digitick (the French leader in web ticketing), and See Tickets (a British ticketing company),
- intersegment commercial relations are conducted on an arm's length basis on terms and conditions similar to those which would be offered by third parties,
- the operating segments presented hereunder is strictly identical to the information given to Vivendi's Management Board, and
- in addition, the VTI/SFR merger had no impact on the Group's internal reporting, SFR and Maroc Telecom group's operational performance still reports separately to Vivendi's Management

Vivendi also presents data categorized according to six geographic regions, consisting of its five main geographic markets (France, Rest of Europe, United States, Morocco, and Brazil), as well as the rest of the world

Consolidated Statements of Earnings

Year ended December 31 2012

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	3 768	4 538	11 264	2 650	1 716	4,997		61		28 994
Intersegment revenues		6	24	39		16		4	(89)	
Revenues	**3 768**	**4,544**	**11,288**	**2,689**	**1 716**	**5,013**		**65**	**(89)**	**28,994**
Operating expenses excluding amortization and depreciation as well as charges related to share based compensation plans	(2 357)	(3 855)	(7 957)	(1 181)	(974)	(4 061)	(102)	(73)	89	(20 471)
Charges related to share based compensation plans	(96)	(15)	(32)	(3)	(2)	(12)	(9)	(1)		(170)
EBITDA	**1,315**	**674**	**3,299**	**1 505**	**740**	**940**	**(111)**	**(9)**	**-**	**8,353**
Restructuring charges		(79)	(187)	(79)			(7)			(352)
Gains/(losses) on sales of tangible and intangible assets	(1)		(1)	1	(1)	(7)				(9)
Other non recurring items		(18)		(1)		(12)	4			(27)
Depreciation of tangible assets	(70)	(52)	(868)	(347)	(229)	(175)	(1)	(2)		(1 744)
Amortization of intangible assets excluding those acquired through business combinations	(95)		(643)	(92)	(22)	(83)		(3)		(938)
Adjusted earnings before interest and income taxes (EBITA)	**1 149**	**525**	**1,600**	**987**	**488**	**663**	**(115)**	**(14)**	**-**	**5,283**
Amortization of intangible assets acquired through business combinations	(23)	(306)	(66)	(27)	(54)	(8)		(3)		(487)
Impairment losses on intangible assets acquired through business combinations		(94)				(665)		(1)		(760)
Reserve accrual regarding the Liberty Media Corporation litigation in the United States										(945)
Other income										22
Other charges										(235)
Earnings before interest and income taxes (EBIT)										**2,878**
Income from equity affiliates										(38)
Interest										(568)
Income from investments										9
Other financial income										37
Other financial charges										(210)
Provision for income taxes										(1 159)
Earnings from discontinued operations										
Earnings										**949**
Of which										
Earnings attributable to Vivendi SA shareowners										**164**
Non controlling interests										785

Year ended December 31, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	3 432	4 188	12 170	2 701	1 446	4 840		36		28,813
Intersegment revenues		9	13	38		17		5	(82)	
Revenues	**3,432**	**4,197**	**12,183**	**2,739**	**1,446**	**4,857**	-	**41**	**(82)**	**28,813**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(2 185)	(3 563)	(8,360)	(1,237)	(842)	(3 934)	(95)	(57)	82	(20 191)
Charges related to share-based compensation plans	(73)	(11)	(23)	(2)	(3)	(10)	(6)	(1)		(129)
EBITDA	**1 174**	**623**	**3,800**	**1,500**	**601**	**913**	**(101)**	**(17)**		**8,493**
Restructuring charges	(19)	(67)	(12)				(2)			(100)
Gains/(losses) on sales of tangible and intangible assets	(3)		(2)		(2)	(1)				(8)
Other non-recurring items			5	1			4	(1)		9
Depreciation of tangible assets	(52)	(49)	(919)	(318)	(181)	(141)	(1)	(1)		(1 662)
Amortization of intangible assets excluding those acquired through business combinations	(89)		(594)	(94)	(22)	(70)		(3)		(872)
Adjusted earnings before interest and income taxes (EBITA)	**1,011**	**507**	**2,278**	**1,089**	**396**	**701**	**(100)**	**(22)**	-	**5,860**
Amortization of intangible assets acquired through business combinations	(53)	(272)	(67)	(27)	(59)	(32)				(510)
Impairment losses on intangible assets acquired through business combinations	(4)	(7)				(386)				(397)
Other income										1 385
Other charges										(656)
Earnings before interest and income taxes (EBIT)										**5,682**
Income from equity affiliates										(18)
Interest										(481)
Income from investments										75
Other financial income										14
Other financial charges										(167)
Provision for income taxes										(1 378)
Earnings from discontinued operations										
Earnings										**3 727**
Of which										
Earnings attributable to Vivendi SA shareowners										**2,681**
Non-controlling interests										1,046

Consolidated Statements of Financial Position

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	**Total Vivendi**
December 31, 2012									
Segment assets (a)	4 199	8 867	20 777	6 008	5 085	7 371	192	235	52 734
incl investments in equity affiliates		*84*	*138*	-	-	*166*		-	*388*
Unallocated assets (b)									6 780
Total Assets									**59,514**
Segment liabilities (c)	1 991	3 548	4 071	1 675	680	2 925	4 053	60	19 003
Unallocated liabilities (d)									19 075
Total Liabilities									**38,078**
Increase in tangible and intangible assets	59	63	2 765	485	996	233	1	6	4 608
Capital expenditures net (capex, net) (e)	57	56	2 736	457	947	230	1	6	4 490
December 31, 2011									
Segment assets (a)	4 117	7 594	20 065	6 134	4 759	7 424	150	209	50 452
incl investments in equity affiliates		*85*	*45*	-		*5*			*135*
Unallocated assets (b)									5 267
Total Assets									**55,719**
Segment liabilities (c)	1 998	2 764	4 077	1 690	618	2 829	2 980	50	17 006
Unallocated liabilities (d)									16 643
Total Liabilities									**33,649**
Increase in tangible and intangible assets	32	55	1 845	515	748	261	1	4	3 461
Capital expenditures net (capex net) (e)	52	52	1 809	466	705	251	1	4	3 340

Additional operating segment data is presented in Note 9 "Goodwill" Note 10 "Content assets and commitments" and Note 13 "Intangible and tangible assets of telecom operations"

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

b Unallocated assets include deferred tax assets current tax receivables cash and cash equivalents as well as assets held for sale

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

d Unallocated liabilities include borrowings and other financial liabilities deferred tax liabilities current tax payables as well as liabilities related to assets held for sale

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

3.2 Geographic information

Revenues are broken down by the customers' location

	Year ended December 31,			
(in millions of euros)	2012		2011	
Revenues				
France	15,955	*55%*	16,800	*58%*
Rest of Europe	3,393	*12%*	3,173	*11%*
United States	3,395	*12%*	3,085	*11%*
Morocco	2,029	*7%*	2,166	*8%*
Brazil	1,797	*6%*	1,527	*5%*
Rest of the World	2,425	*8%*	2,062	*7%*
	28,994	***100%***	**28,813**	***100%***

(in millions of euros)	December 31, 2012		December 31, 2011	
Segment assets				
France	27,539	*52%*	27,339	*54%*
Rest of Europe	2,692	*5%*	1,958	*4%*
United States	10,815	*21%*	9,772	*19%*
Morocco	4,347	*8%*	4,620	*9%*
Brazil	5,127	*10%*	4,791	*10%*
Rest of the World	2,214	*4%*	1,972	*4%*
	52,734	***100%***	**50,452**	***100%***

In 2012 and 2011, acquisitions of tangible and intangible assets were mainly realized in France by SFR and Canal+ Group, in Morocco by Maroc Telecom SA, and in Brazil by GVT

Note 4 EBIT

Breakdown of revenues and cost of revenues

	Year ended December 31,	
(in millions of euros)	2012	2011
Product sales, net	8,262	7,598
Services revenues	20,648	21,175
Other	84	40
Revenues	**28,994**	**28,813**
Cost of products sold, net	(4,932)	(4,811)
Cost of service revenues	(9,444)	(9,585)
Other	12	5
Cost of revenues	**(14,364)**	**(14,391)**

Personnel costs and average employee numbers

		Year ended December 31,	
(in millions of euros except number of employees)	Note	2012	2011
Annual average number of full-time equivalent employees (in thousands)		**63 1**	**58 4**
Salaries		2 559	2 396
Social security and other employment charges		723	654
Capitalized personnel costs		(268)	(211)
Wages and expenses		**3,014**	**2,839**
Share-based compensation plans	21 1	170	129
Employee benefit plans	20 1	73	71
Other		275	266
Personnel costs		**3,532**	**3,305**

Additional information on operating expenses

Research and development expenditures amounted to €718 million in 2012 (compared to €722 million in 2011) and comprised all internal or external net costs brought to earnings for the periods reported

Advertising costs amounted to €900 million in 2012 (compared to €877 million in 2011)

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €116 million in 2012 (compared to €112 million in 2011)

Net expense recorded in the Statement of Earnings, with respect to operating leases amounted to €580 million in 2012 (compared to €576 million in 2011)

Amortization and depreciation of intangible and tangible assets

(in millions of euros)	Note	Year ended December 31, 2012	2011
Amortization (excluding intangible assets acquired through business combinations)		2 682	2 534
of which property, plant and equipment	12	*1,744*	*1,662*
content assets	10	*122*	*117*
other intangible assets	11	*816*	*755*
Amortization of intangible assets acquired through business combinations		487	510
of which content assets	10	*324*	*320*
other intangible assets	11	*163*	*190*
Impairment losses on intangible assets acquired through business combinations (a)	9-10	760	397
Amortization and depreciation of intangible and tangible assets		**3,929**	**3,441**

a Mainly relates to the impairment of Canal+ France's goodwill (€665 million) and certain goodwill, and music catalogs of Universal Music Group (€94 million) in 2012 and to the impairment of Canal+ France's goodwill (€380 million) in 2011

Other income and other charges

(in millions of euros)	Note	Year ended December 31 2012	2011
Impact related to the settlement of the litigation over the share ownership of PTC in Poland	26	-	1,255
Capital gain on the divestiture of businesses		5	14
Capital gain on financial investments		8	93
of which the sale of UMG's interest in Beats Electronics		*4*	*89*
Other		9	23
Other income		**22**	**1,385**
Downside adjustment on the divestiture of businesses		(3)	(5)
Downside adjustment on financial investments		(153)	(421)
of which impairment of Canal+ Group's N-Vision equity affiliate	2	*(119)*	-
the capital loss on the sale of the remaining 12 34% interest in NBC Universal		-	*(421)*
Other		(79)	(230)
of which acquisition costs related to EMI Recorded Music and ITI Neovision "n"	2	*(63)*	*(14)*
settlements with the Brazilian Authorities regarding ICMS	27	*(7)*	*(165)*
Other charges		**(235)**	**(656)**
Net total		**(213)**	**729**

Note 5 Financial charges and income

Interest

(in millions of euros)	Year ended December 31, 2012	2011
(Charge)/Income		
Interest expense on borrowings	(599)	(529)
Interest income from cash and cash equivalents	31	48
Interest	**(568)**	**(481)**
Fees and premiums on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments	*(15)*	*(52)*
	(583)	***(533)***

Other financial income and charges

(in millions of euros)	Note	Year ended December 31, 2012	2011
Expected return on plan assets related to employee benefit plans	20 2	12	9
Change in value of derivative instruments		23	-
Other		2	5
Other financial income		**37**	**14**
Effect of undiscounting liabilities (a)		(31)	(33)
Interest cost related to employee benefit plans	20 2	(38)	(35)
Fees and premiums on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments		(15)	(52)
Foreign exchange loss		(105)	(27)
of which GVT's euro borrowing to Vivendi SA	23	*(76)*	*(24)*
Change in value of derivative instruments		-	(10)
Other		(21)	(10)
Other financial charges		**(210)**	**(167)**
Net total		**(173)**	**(153)**

a In accordance with accounting standards, when the effect of the time value of money is material, assets and liabilities are initially recorded on the Statement of Financial Position in an amount corresponding to the present value of the expected revenues and expenses At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time As of December 31, 2012 and 2011, these adjustments only applied to liabilities (mainly trade accounts payable and provisions)

Note 6 Income taxes

6.1 French Tax Group and Consolidated Global Profit Tax Systems

Vivendi benefits from the French Tax Group System and considers that it benefited, until December 31, 2011 included, from the Consolidated Global Profit Tax System, as authorized under Article 209 quinquies of the French Tax Code

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% directly or indirectly owned by it, and that are located in France Universal Music in France, SFR (as of January 1, 2011), and Canal+ Group (excluding Canal+ France and its subsidiaries, in which Vivendi directly or indirectly owns at most 80% of the outstanding shares),
- Until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 50% directly or indirectly owned by it, and that are located in France or abroad, i e , besides the French companies that are at least 95% directly or indirectly owned by Vivendi Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Edition de Canal Plus (SECP) As a reminder, as of May 19, 2008, Vivendi applied to the French Ministry of Finance for the renewal of its authorization to use the Consolidated Global Profit Tax System and an authorization was granted by an order dated March 13, 2009, for a three-year period beginning with the taxable year 2009 and ending with the taxable year 2011
- The changes in French Tax Law in 2011 capped the deduction for tax losses carried forward at 60% of taxable income and terminated the Consolidated Global Profit Tax System as of September 6, 2011 Since 2012, the deduction for tax losses carried forward is capped at 50% of taxable income and the deductibility of interest is limited to 85% of financial charges, net

The impact of the French Tax Group and Consolidated Global Profit Tax Systems on the valuation of Vivendi's tax attributes (tax losses and tax credits carried forward) are as follows

- As Vivendi considers that its entitlement to the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, and thereby included fiscal year ending December 31, 2011, it filed on November 30, 2012, and asked for the refund of €366 million with respect to the tax saving for the fiscal year ended December 31, 2011 However, as this fiscal position may be challenged, Vivendi has accrued a €366 million provision for the associated risk (please refer to Note 6 6, below),
- Moreover, considering that the Consolidated Global Profit Tax System tax credits can be carried forward upon the maturity of the authorization on December 31, 2011, Vivendi will request a refund of the taxes due, under the French Tax Group System for the year ended December 31, 2012, excluding social contributions and exceptional contributions, or €208 million Similarly, this fiscal position may be challenged and Vivendi has accrued a €208 million provision for the associated risk (please refer to Note 6 6, below),
- Considering the above, as of December 31, 2011, Vivendi recorded tax attributes amounting to a potential tax saving for a total of €2,013 million On February 18, 2013, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2012, the 2012 tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were determined as an estimate, and as a result, the amount of tax attributes at such date could not be determined with certainty,
- After the impact of the estimated 2012 tax results and before the impact of the potential consequences of the ongoing tax audits (please refer to Note 6 6 below) on the amount of tax attributes, Vivendi SA should achieve tax saving from tax attributes of €1,567 million (undiscounted value based on the current income tax rate of 36 10%), and
- As of December 31, 2012, Vivendi SA valued its tax attributes under the French Tax Group System based on one year's forecast results, taken from the following year's budget On this basis, Vivendi would benefit from the French Tax Group System tax savings in an amount of €324 million (undiscounted value based on the current income tax rate of 36 10%)

6.2 Provision for income taxes

(in millions of euros)	Note	Year ended December 31	
		2012	2011
(Charge)/Income			
Current			
Use of tax losses and tax credits			
Tax savings related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	6.1	381	565
Tax savings related to the US tax group		20	40
Adjustments to prior year's tax expense		(21)	11
Consideration of risks related to previous years' income taxes		(62)	(253)
Other income taxes items		(1 471)	(1,584)
		(1,153)	**(1,221)**
Deferred			
Impact of Vivendi SA's French Tax Group System and of the Consolidated Global Profit Tax System	6.1	(48)	(129)
Impact of the US tax group		-	-
Other changes in deferred tax assets		2	43
Impact of the change(s) in tax rates		(4)	6
Other deferred tax income/(expenses)		44	(77)
		(6)	**(157)**
Provision for income taxes		**(1,159)**	**(1,378)**

6.3 Provision for income taxes and income tax paid by geographic region

(in millions of euros)	Year ended December 31	
	2012	2011
(Charge)/Income		
Current		
France	(510)	(549)
United States	(198)	(112)
Morocco	(257)	(313)
Brazil	(87)	(45)
Other jurisdictions	(101)	(202)
	(1,153)	**(1,221)**
Deferred		
France	(38)	(217)
United States	(22)	(83)
Morocco	3	3
Brazil	(11)	90
Other jurisdictions	62	50
	(6)	**(157)**
Provision for income taxes	**(1,159)**	**(1,378)**
Income tax (paid)/collected		
France	(189)	(322)
United States	(109)	(207)
Morocco	(256)	(338)
Brazil	(74)	(61)
Other jurisdictions	(134)	(162)
Income tax paid	**(762)**	**(1,090)**

6.4 Effective tax rate

(in millions of euros except %)	Note	Year ended December 31, 2012	2011
Earnings from continuing operations before provision for income taxes		**2,108**	**5,105**
Elimination			
Income from equity affiliates		38	18
Earnings before provision for income taxes		**2,146**	**5,123**
French statutory tax rate		**36 10%**	**36 10%**
Theoretical provision for income taxes based on French statutory tax rate		**(775)**	**(1,849)**
Reconciliation of the theoretical and effective provision for income taxes			
Permanent differences		**42**	**133**
of which other differences from tax rates		*66*	*88*
impacts of the changes in tax rates		*(4)*	*6*
Vivendi SA's French Tax Group System and Consolidated Global Profit Tax System	6 1	**333**	**436**
of which current tax savings		*381*	*565*
changes in related deferred tax assets		*(48)*	*(129)*
Other tax losses and tax credits		**(3)**	**(11)**
of which use of current losses of the period		*4*	*-*
use of unrecognized losses and tax credits		*31*	*56*
unrecognized losses		*(38)*	*(67)*
Other temporary differences		**(341)**	**19**
of which reserve accrual regarding the Liberty Media Corporation litigation in the United States		*(341)*	*-*
Adjustments to prior year's tax expense		**(65)**	**(248)**
of which consideration of risks related to previous years' income taxes		*(62)*	*(253)*
Capital gain or loss on the divestiture of or downside adjustments on financial investments or businesses		**(313)**	**(140)**
of which impairment of Canal+ France goodwill		*(240)*	*(137)*
impairment of Canal+ Group's N-Vision equity affiliate		*(43)*	*-*
Other		**(37)**	**282**
Effective provision for income taxes		**(1,159)**	**(1,378)**
Effective tax rate		**54 0%**	**26 9%**

6.5 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2012	2011
Opening balance of deferred tax assets/(liabilities)	**693**	**880**
Provision for income taxes	(6)	(157)
Charges and income directly recorded in equity (a)	(3)	(25)
Business combinations	(278)	(1)
Changes in foreign currency translation adjustments and other	3	(4)
Closing balance of deferred tax assets/(liabilities)	**409**	**693**

a Includes +€1 million recognized in other items of charges and income directly recognized in equity for the year ended December 31, 2012 (compared to -€24 million as of December 31, 2011)

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2012	December 31 2011
Deferred tax assets		
Deferred taxes, gross		
Tax attributes (a)	2,639	3 742
of which Vivendi SA (b)	*1,567*	*2 653*
Vivendi Holding I Corp (c)	*623*	*601*
Temporary differences (d)	1,734	1,404
Netting	(366)	(414)
Deferred taxes, gross	**4,007**	**4,732**
Deferred taxes unrecognized		
Tax attributes (a)	(2 138)	(3 175)
of which Vivendi SA (b)	*(1,243)*	*(2,281)*
Vivendi Holding I Corp (c)	*(623)*	*(601)*
Temporary differences (d)	(469)	(136)
Deferred taxes, unrecognized	**(2,607)**	**(3,311)**
Recorded deferred tax assets	**1,400**	**1,421**
Deferred tax liabilities		
Purchase accounting asset revaluations (e)	901	742
Other	456	400
Netting	(366)	(414)
Recorded deferred tax liabilities	**991**	**728**
Deferred tax assets/(liabilities), net	**409**	**693**

a The amounts of tax attributes, as reported in this table, were estimated at the end of the relevant fiscal years In jurisdictions which are material to Vivendi, mainly France and the United States, tax returns are filed at the latest on May 15 and September 15 of the following year, respectively Thus, the amounts of tax attributes reported in this table and the amounts reported to the tax authorities may differ significantly, and if necessary, may be adjusted at the end of the following year in the table above

b Relates to deferred tax assets recognizable in respect of tax attributes by Vivendi SA as head of the French Tax Group, representing €2,013 million as of December 31, 2011, of which €1,055 million related to tax losses (please refer to Note 6 1 above) and €958 million related to tax credits, after taking into account the estimated impact (-€446 million) of 2012 activities (taxable income and use or expiration of tax credits), but prior to taking into account the potential consequences of ongoing tax audits (please refer to Note 6 6 below)

In France, tax losses can be carried forward indefinitely and tax credits can be carried forward for a period of up to 5-years No tax credit matured as of December 31, 2012

c Relates to deferred tax assets recognizable in respect of tax attributes by Vivendi Holding I Corp in the United States as head of the US tax group, representing $848 million as of December 31, 2011, after taking into account the estimated impact (-€22 million) of 2012 activities (taxable income, capital losses, and tax credits that expired, as well as capital losses and tax credits generated), but prior to taking into account the potential consequences of ongoing tax audits (please refer to Note 6 6 below)

In the United States, tax losses can be carried forward for a period of up to 20-years and tax credits can be carried forward for a period of up to 10-years No tax credit will mature prior to December 31, 2022 and $6 million tax credits matured as of December 31, 2012

d Mainly relates the deferred tax assets related to non-deducted provisions upon recognition, including provisions relating to employee benefit plans, and share-based compensation plans

e These tax liabilities, generated by asset revaluations following the purchase price allocation of companies are terminated upon the amortization or divestiture of the underlying asset and generate no current tax charge

6.6 Tax audits

The fiscal year ended December 31, 2012 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations Various tax authorities have proposed or levied assessments for additional tax in respect of prior years It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of certain of these audits Vivendi Management believes however, that it has serious legal means to defend the positions it has chosen for the determination of the taxable income of the fiscal years currently under a tax audit Vivendi Management believes that these tax audits will not have a material and unfavorable impact on the results of operations, financial position or liquidity of Vivendi Moreover, the impact of the Consolidated Global Profit Tax System in 2011 was accrued (€366 million), as well as the impact related to the use of tax credits in 2012 (€208 million)

In addition, in respect of the Consolidated Global Profit Tax System, the consolidated income reported for fiscal years 2006, 2007, and 2008 is under audit by the French tax authorities This tax audit started in January 2010 In addition, in January 2011, the French tax authorities began a tax audit on the consolidated income reported for the fiscal year 2009 and in February 2013, the French tax authorities began a tax audit on the consolidated income reported for the fiscal year 2010 Finally, the consequences of the tax audit for fiscal years 2004 and 2005 did not materially impact the amount of tax attributes

Vivendi's US tax group had been under tax audit for the fiscal years ending December 31, 2005, 2006, and 2007 The consequences of this tax audit did not materially impact the amount of tax attributes Vivendi's US tax group is under tax audit for the fiscal years ending December 31, 2008, 2009, and 2010 This tax audit started in February 2012

Finally, Maroc Telecom is under a tax audit for the fiscal years ending December 31, 2005, 2006, 2007, and 2008 This tax audit is currently in progress

Note 7 Earnings per share

	Year ended December 31,			
	2012		2011	
	Basic	Diluted	Basic	Diluted
Earnings attributable to Vivendi SA shareowners (in millions of euros)	164	161 (a)	2 681	2,678 (a)
Number of shares (in millions)				
Weighted average number of shares outstanding (b) (c)	1,298 9	1,298 9	1 281 4	1,281 4
Potential dilutive effects related to share-based compensation (d)	-	3 5	-	2 4
Adjusted weighted average number of shares	**1,298 9**	**1,302.4**	**1,281 4**	**1,283.8**
Earnings attributable to Vivendi SA shareowners per share (in euros) (b)	0 13	0 12	2 09	2 09

Earnings from discontinued operations are not applicable over the presented periods Therefore, the caption "earnings from continuing operations attributable to Vivendi SA shareowners" relates to earnings attributable to Vivendi SA shareowners

a Only includes the potential dilutive effect related to stock option plans and restricted stock rights of Activision Blizzard for a non-material amount (please refer to Note 21 3)

b The weighted-average number of shares and earnings attributable to Vivendi SA shareowners per share have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33 - *Earnings per share* (please refer to Note 18)

c Net of treasury shares (please refer to Note 18)

d Does not include accretive instruments as of December 31, 2012 and December 31, 2011 which could potentially become dilutive The balance of common shares in connection with Vivendi SA's share-based compensation plans is presented in Note 21 2 2

Note 8 Charges and income directly recognized in equity

(in millions of euros)	Note	Year ended December 31, 2012		
		Gross	Tax	Net
Foreign currency translation adjustments (a)		(605)	-	(605)
Assets available for sale	15	63	-	63
Valuation gains/(losses) taken to equity		*55*	-	*55*
Transferred to profit or loss of the period		*8*	-	*8*
Cash flow hedge instruments	23	22	1	23
Valuation gains/(losses) taken to equity		*41*	*1*	*42*
Transferred to profit or loss of the period		*(19)*	-	*(19)*
Net investment hedge instruments	23	17	-	17
Valuation gains/(losses) taken to equity		*17*	-	*17*
Transferred to profit or loss of the period		-	-	-
Charges and income directly recognized in equity		**(503)**	**1**	**(502)**

(in millions of euros)	Note	Year ended December 31, 2011		
		Gross	Tax	Net
Foreign currency translation adjustments (a)		182	-	182
Transferred to profit or loss as part of the sale of NBC Universal interest (b)		*477*	-	*477*
Assets available for sale	15	15	-	15
Valuation gains/(losses) taken to equity		*15*	-	*15*
Transferred to profit or loss of the period		-	-	-
Cash flow hedge instruments	23	78	(24)	54
Valuation gains/(losses) taken to equity		*(5)*	*2*	*(3)*
Transferred to profit or loss of the period		*83*	*(26)*	*57*
Net investment hedge instruments	23	21	-	21
Valuation gains/(losses) taken to equity		-	-	-
Transferred to profit or loss of the period		*21*	-	*21*
Other impacts		12	-	12
Charges and income directly recognized in equity		**308**	**(24)**	**284**

a The change in foreign currency translation adjustments primarily resulted from fluctuations in the euro/dollar exchange rate (mainly at Activision Blizzard and Universal Music Group) and in the euro/Brazilian Real exchange rate (at GVT)

b Includes a foreign exchange loss attributable to the decline of the US dollar since January 1, 2004, recognized upon the sale of the remaining 12 34% interest in NBC Universal on January 25, 2011

Note 9 Goodwill

(in millions of euros)	December 31, 2012	December 31, 2011
Goodwill, gross	37,940	37,776
Impairment losses	(13,284)	(12,747)
Goodwill	**24,656**	**25,029**

Changes in goodwill

(in millions of euros)	December 31, 2011	Impairment losses	Business combinations		Divestitures changes in foreign currency translation adjustments and other	December 31 2012
Activision Blizzard	2 309	-			(54)	2,255
of which Activision	*2 265*	-	-		*(53)*	*2,212*
Blizzard	*44*	-			*(1)*	*43*
Universal Music Group	4,114	(85) (a)	304	(b)	(195)	4,138
SFR	9 152	-	1		-	9 153
Maroc Telecom Group	2,413	-	-		(6)	2,407
of which Maroc Telecom SA	*1 795*	-	-		*(5)*	*1,790*
subsidiaries	*618*	-	-		*(1)*	*617*
GVT	2 222	-	-		(216)	2,006
Canal+ Group	4,648	(665)	537		(7)	4 513
of which Canal+ France	*4,309*	*(665)*	-		*(9)*	*3 635*
StudioCanal	*192*	-	*14*		*1*	*207*
D8/D17	-	-	*310*	(c)	-	*310*
nc+	*25*	-	*213*	(d)	*(8)*	*230*
Non-core operations and others	171	(1)	7		7	184
Total	**25,029**	**(751)**	**849**		**(471)**	**24,656**

(in millions of euros)	December 31 2010	Impairment losses	Business combinations		Divestitures, changes in foreign currency translation adjustments and other	December 31 2011
Activision Blizzard	2 257	(4)	2		54	2 309
of which Activision	*2,209*	-	*2*		*54*	*2,265*
Blizzard	*44*	-	-		-	*44*
Distribution	*4*	*(4)*	-		-	-
Universal Music Group	4,011		5		98	4,114
SFR	9 170	-	-		(18)	9,152
Maroc Telecom Group	2,409		1		3	2 413
of which Maroc Telecom SA	*1 792*	-	-		*3*	*1,795*
subsidiaries	*617*	-	*1*		-	*618*
GVT	2 423	-			(201)	2 222
Canal+ Group	4,992	(386)	42		-	4,648
of which Canal+ France	*4 689*	*(380)*	-		-	*4,309*
StudioCanal	*149*	-	*42*		*1*	*192*
Non-core operations and others	83	-	88	(e)	-	171
Total	**25,345**	**(390)**	**138**		**(64)**	**25,029**

a Relates to impairment losses related to certain music catalogs of Universal Music Group

b Mainly relates to provisional goodwill attributable to the acquisition of EMI Recorded Music on September 28, 2012 (please refer to Note 2 1)

c Relates to provisional goodwill attributable to the acquisition of D8 and D17 on September 27, 2012 (please refer to Note 2 2)

d Relates to provisional goodwill attributable to the acquisition of "n", which was finalized on November 30, 2012 (please refer to Note 2 3)

e Mainly related to goodwill attributable to the acquisition of See Tickets in August 2011

Goodwill impairment test

In 2012, Vivendi tested the value of goodwill allocated to its cash-generating units (CGUs) or groups of CGU applying valuation methods consistent with previous years. Vivendi ensured that the recoverable amount of CGU or groups of CGU exceeded their carrying value (including goodwill). The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method (DCF)) and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent transactions). For a description of the methods used for the impairment test, please refer to Note 1.3.5.7.

Presentation of CGU or groups of CGUs tested

Operating Segments	Cash Generating Units (CGU)	CGU or groups of CGU tested
Activision Blizzard	Activision	Activision
	Blizzard	Blizzard
	Distribution	Distribution
Universal Music Group	Recorded music	Universal Music Group
	Artist services and merchandising	
	Music publishing	
	EMI Recorded music	(a)
SFR	Mobile	SFR (b)
	Broadband Internet and fixed	
Maroc Telecom Group	Mobile	Maroc Telecom
	Fixed and Internet	
	Onatel	Onatel
	Gabon Telecom	Gabon Telecom
	Mauritel	Mauritel
	Sotelma	Sotelma
GVT	GVT	GVT
Canal+ Group	Pay-TV in Metropolitan France	Canal+ France
	Canal+ Overseas	
	D8/D17 Free-to-air TV	D8/D17 Free to-air TV (a)
	StudioCanal	StudioCanal
	Other entities	Other entities (a)

a As of December 31, 2012, no goodwill impairment test regarding EMI Recorded Music, D8/D17 and "nc+" was undertaken given that the purchase price allocation date was close to the closing date, and considering that no triggering event had occurred between those dates.

b Due to the increased convergence of SFR's Mobile, and Broadband Internet and fixed services, Vivendi Management adjusted, in 2011, the level at which SFR's return on investments is monitored. Consequently, Vivendi now performs a goodwill impairment test by combining SFR's Mobile CGU and Broadband Internet and fixed CGU.

As of June 30, 2012, Vivendi tested the value of goodwill allocated to GVT, on the basis of an internal valuation of the recoverable amount of GVT. As a result, Vivendi Management concluded that the recoverable amount of GVT exceeded its carrying value as of June 30, 2012. As from June 30, 2012, no triggering event occurred that would require performing an impairment test regarding GVT as of December 31, 2012.

During the fourth quarter of 2012, Vivendi performed such test on each cash generating unit (CGU) or groups of CGU, except for GVT, on the basis of an internal valuation of recoverable amounts, except in the case of Activision Blizzard, Universal Music Group (UMG), and SFR, for which Vivendi required the assistance of third-party appraisers. As a result, Vivendi Management concluded that, except in the case of Canal+ France, the recoverable amount of each CGU or groups of CGU tested exceeded their carrying value as of December 31, 2012.

- Canal+ France: as of December 31, 2011, Vivendi Management noted that Canal+ France's recoverable amount was below its carrying value, and consequently recorded an impairment loss of €380 million. As of December 31, 2012, as for the goodwill impairment test performed as of December 31, 2011, Canal+ France's recoverable amount was determined upon the basis of the value in use based on the DCF method, using the most recent cash flow forecasts approved by the Management of the group, as well as financial assumptions consistent with previous years: a discount rate of 9% and a perpetual growth rate of 1.50% (unchanged compared to December 31, 2011) - please refer to the table below. As a result, considering primarily the expected impact on revenues in Metropolitan France of the increase in the VAT rate from 7% to 10% as of January 1, 2014 and, to a lesser extent, the adverse changes in the macro-economic and competitive environment since the second half of 2012, Vivendi Management concluded that Canal+ France's recoverable amount was below its carrying value as of December 31, 2012, and consequently recorded an impairment loss of €665 million.
- SFR: as of December 31, 2011, and June 30, 2012, Vivendi had re-examined the value of SFR's goodwill and concluded that the recoverable amount of SFR exceeded its carrying value at those dates. As of December 31, 2012, Vivendi again examined the value of SFR's goodwill. At that date, and as of December 31, 2011 and June 30, 2012, SFR's recoverable amount was determined upon the basis of the usual valuation methods, in particular the value in use, based upon the DCF method. The most recent cash flow

forecasts, and financial assumptions approved by the Management of the group were used and were updated in order to take into account (i) the expected impact of the new tariff policies decided by SFR during the second half of 2012 and early 2013, following the evolution of the competitive environment, (ii) the downward adjustment in the perpetual growth rate assumption (0 50%, compared to 1% at the end of June 2012 and end of 2011) and (iii) the acceleration in very-high speed broadband investments As a result, Vivendi's Management concluded that SFR's recoverable amount, despite its decline, exceeded its carrying value as of December 31, 2012 - please refer to tables below

Presentation of key assumptions used for the determination of recoverable amounts

The value in use of each CGU or groups of CGU is determined as the discounted value of future cash flows by using cash flow projections consistent with the 2013 budget and the most recent forecasts prepared by the operating segments These forecasts are prepared for each operating segment on the basis of the financial targets as well as the following main key assumptions discount rate, perpetual growth rate, and EBITA as defined in Note 1 2 3, capital expenditures, competitive environment, regulatory environment, technological development and level of commercial expenses Except for Maroc Telecom, for which the recoverable amount is determined based on its stock market price, the recoverable amount for each CGU or groups of CGU was determined based on its value in use in accordance with the main key assumptions presented below

The Annual Report contains a detailed description of the 2013 operating performance projections for each operating segment of the group

Operating segments	CGU or groups of CGU tested	Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
		2012	2011	2012	2011	2012	2011
Activision Blizzard	Activision	DCF stock market price & comparables model	DCF stock market price & comparables model	10 50%	10 00%	4 00%	4 00%
	Blizzard	DCF stock market price & comparables model	DCF stock market price & comparables model	10 50%	10 00%	4 00%	4 00%
	Distribution	DCF & comparables model	DCF & comparables model	13 50%	13 00%	-4 00%	4 00%
Universal Music Group	Universal Music Group	DCF & comparables model	DCF & comparables model	9 25%	9 25%	1 00%	1 00%
SFR	SFR	DCF & comparables model	DCF	7 30%	7 00%	0 50%	1 00%
Maroc Telecom Group	Maroc Telecom	Stock market price	Stock market price	na*	na*	na*	na*
	Onatel	DCF	DCF	14 40%	13 70%	3 00%	3 00%
	Gabon Telecom	DCF	DCF	12 70%	11 70%	3 00%	3 00%
	Mauritel	DCF	DCF	17 40%	19 00%	3 00%	3 00%
	Sotelma	DCF	DCF	14 60%	13 50%	3 00%	3 00%
GVT (b)	GVT	DCF	DCF & comparables model	10 91%	11 54%	4 00%	4 00%
Canal+ Group	Canal+ France	DCF	DCF	9 00%	9 00%	1 50%	1 50%
	StudioCanal	DCF	DCF	9 00%	9 00%	0 00%	0 00%

na* not applicable
DCF Discounted Cash Flows

a The determination of recoverable amounts using a post-tax discount rate applied to post-tax cash flows provides recoverable amounts consistent with the ones that would have been obtained using a pre-tax discount rate applied to pre-tax cash flows

b Regarding GVT, an annual impairment test on the value of goodwill was performed in the second quarter of each fiscal year

Sensitivity of recoverable amounts

	December 31 2012				
	Discount rate		Perpetual growth rate		Cash flows
	Applied rate (in %)	Change in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Change in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Change in cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Activision Blizzard					
Activision	10 50%	+9 78 pts	4 00%	24 15 pts	58%
Blizzard	10 50%	+10 19 pts	4 00%	25 20 pts	68%
Universal Music Group	9 25%	+2 98 pts	1 00%	-4 91 pts	25%
SFR	7 30%	+0 68 pt	0 50%	1 21 pt	-10%
Maroc Telecom Group	(a)	(a)	(a)	(a)	(a)
GVT (b)	10 91%	+2 51 pts	4 00%	-6 25 pts	36%
Canal+ Group					
Canal+ France (c)	9 00%	(c)	1 50%	(c)	(c)
StudioCanal	9 00%	+3 23 pts	0 00%	-5 55 pts	28%

	December 31, 2011				
	Discount rate		Perpetual growth rate		Cash flows
	Applied rate (in %)	Change in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Change in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Change in cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Activision Blizzard					
Activision	10 00%	+14 16 pts	4 00%	-55 25 pts	68%
Blizzard	10 00%	+12 77 pts	4 00%	-41 25 pts	-70%
Universal Music Group	9 25%	+1 25 pt	1 00%	1 86 pt	-13%
SFR	7 00%	+2 49 pts	1 00%	-4 74 pts	32%
Maroc Telecom Group	(a)	(a)	(a)	(a)	(a)
GVT (b)	11 54%	+1 64 pt	4 00%	-3 41 pts	25%
Canal+ Group					
Canal+ France (c)	9 00%	(c)	1 50%	(c)	(c)
StudioCanal	9 00%	+1 99 pt	0 00%	-3 31 pts	-17%

a As of December 31, 2012, and December 31, 2011, Maroc Telecom was valued based on its stock market price

b The goodwill impairment tests on GVT were undertaken on June 30, 2012 and June 30, 2011

c In relation to the recognition of a goodwilll impairment loss on Canal+ France as of December 31, 2012 and December 31, 2011, please refer below for a sensitivity analysis , which presents (the increase)/decrease in impairment generated by a change of 25 points in the discount rate and the perpetual growth rate assumptions, and a 2% change in the cash flow assumption with each of these assumptions being taken separately for the goodwill impairment test

	Discount rate		Perpetual growth rate		Cash flows	
(in millions of euros)	Increase by 25 pts	Decrease by 25 pts	Increase by 25 pts	Decrease by 25 pts	Increase by 2%	Decrease by 2%
December 31, 2012	(133)	142	105	(98)	77	(77)
December 31, 2011	(149)	159	117	(109)	87	(87)

Note 10 Content assets and commitments

10.1 Content assets

(in millions of euros)	December 31, 2012		
	Content assets, gross	Accumulated amortization and impairment losses	Content assets
Internally developed franchises and other games content assets	493	(331)	162
Games advances	133	-	133
Music catalogs and publishing rights	7,222	(4 871)	2 351
Advances to artists and repertoire owners	618	-	618
Merchandising contracts and artists services	25	(15)	10
Film and television costs	5,522	(4 756)	766
Sports rights (a)	331	-	331
Content assets	**14,344**	**(9,973)**	**4,371**
Deduction of current content assets	(1,118)	74	(1,044)
Non-current content assets	**13,226**	**(9,899)**	**3,327**

(in millions of euros)	December 31, 2011		
	Content assets gross	Accumulated amortization and impairment losses	Content assets
Internally developed franchises and other games content assets	471	(315)	156
Games advances	91	-	91
Music catalogs and publishing rights	6,420	(4 743)	1,677
Advances to artists and repertoire owners	515	-	515
Merchandising contracts and artists services	25	(12)	13
Film and television costs	5 129	(4 409)	720
Sports rights (a)	379	-	379
Content assets	**13,030**	**(9,479)**	**3,551**
Deduction of current content assets	(1,096)	30	(1,066)
Non-current content assets	**11,934**	**(9,449)**	**2,485**

a Primarily relates to the rights to broadcast the French professional Soccer League 1 awarded in 2011 to Canal+ Group for four seasons (2012-2013 to 2015-2016), which are recognized as follows upon the start of the season or upon the initial payment, the rights for the 2012-2013 season were recorded in content assets for €427 million on August 1, 2012 (compared to €465 million on August 1, 2011) The remaining three seasons (2013-2014 to 2015-2016) were recognized as given off balance sheet commitments (please refer to Note 10 2 below)

Changes in main content assets

(in millions of euros)	Year ended December 31	
	2012	2011
Opening balance	**3,551**	**3,816**
Amortization of content assets excluding those acquired through business combinations	(122)	(117)
Amortization of content assets acquired through business combinations	(324)	(320)
Impairment losses on content assets acquired through business combinations	(9) (a)	(7)
Increase	2 585	2 277
Decrease	(2 252)	(2 251)
Business combinations	1,077 (b)	38
Changes in foreign currency translation adjustments and other	(135)	115
Closing balance	**4,371**	**3,551**

a Relates to the impairment of certain UMG music catalogs

b Primarily relates to the music catalogs acquired from EMI Recorded Music on September 28, 2012 (please refer to Note 2 1)

10.2 Contractual content commitments

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

Content liabilities are mainly part of "Trade accounts payable and other" or part of "Other non-current liabilities" whether they are current or non-current, as applicable (please refer to Note 16)

	Minimum future payments as of December 31, 2012				Total minimum future payments as of December 31, 2011
	Total	Due in			
(in millions of euros)		2013	2014-2017	After 2017	
Games royalties	22	22	-	-	28
Music royalties to artists and repertoire owners	1,579	1 477	102	-	1 398
Film and television rights (a)	189	189	-	-	235
Sports rights	374	374	-	-	438
Creative talent, employment agreements and others	119	41	72	6	49
Content liabilities	**2,283**	**2,103**	**174**	**6**	**2,148**

Off balance sheet commitments given/(received)

	Minimum future payments as of December 31 2012				Total minimum future payments as of December 31 2011
	Total	Due in			
(in millions of euros)		2013	2014-2017	After 2017	
Film and television rights (a)	2,590	1,138	1,411	41	2,143
Sports rights (b)	1,715	612	1,103		2,052
Creative talent employment agreements and others (c)	959	478	445	36	1 009
Given commitments	**5,264**	**2,228**	**2,959**	**77**	**5,204**
Film and television rights (a)	(114)	(72)	(42)	-	(85)
Sports rights	(12)	(7)	(5)	-	(15)
Creative talent, employment agreements and others (c)			not available		
Other	(199)	(78)	(121)	-	(63)
Received commitments	**(325)**	**(157)**	**(168)**	**-**	**(163)**
Total net	**4,939**	**2,071**	**2,791**	**77**	**5,041**

a Mainly includes contracts valid over several years for the broadcast of film and TV productions (mainly exclusivity contracts with major US studios) and pre-purchase contracts in the French movie industry, StudioCanal film production and co-production commitments (given and received) and broadcasting rights of CanalSat and Cyfra+/"n" multichannel digital TV packages They are recorded as content assets when the broadcast is available for initial release As of December 31, 2012, provisions recorded relating to these commitments amounted to €86 million, compared to €153 million as of December 31, 2011

In addition, this amount does not include commitments given in relation to channel right contracts for which Canal+ Group and GVT (following the launch of its pay-TV offer in October 2011) did not grant minimum guarantees The variable amount of these commitments cannot be reliably determined and is not reported in the Statement of Financial Position or in given commitments and is instead recorded as an expense for the period in which it was incurred Based on the estimation of the future subscriber number at Canal+ Group, commitments in relation to channel right contracts would have increased by €288 million as of December 31, 2012, compared to €143 million as of December 31, 2011

Moreover, according to the agreement entered into with cinema professional organizations on December 18, 2009, Société d'Edition de Canal Plus (SECP) is required to invest, every year for a five-year period (2010-2014), 12 5% of its annual revenues in the financing of European films With respect to audiovisual, in accordance with the agreements with producers and authors' organizations, Canal+ France is required to invest a percentage of its revenues in the financing of heritage work every year

Agreements with cinema organizations and with producers and authors' organizations are not recorded as off balance sheet commitments as the future estimate of these commitments cannot be reliably determined

b Notably includes the rights to broadcast the French professional Soccer League 1 awarded to Canal+ Group in 2011 The price paid by Canal+ Group represents €427 million per season, or a total of €1,281 million as of December 31, 2012 for the 2013-2014 to 2015-2016 seasons, compared to €1,708 million as of December 31, 2011 These commitments will be recognized in the Statement of Financial Position either upon the start of every season or upon initial payment

c Primarily relates to UMG which routinely commits to artists and other parties to pay agreed amounts upon delivery of content or other products ("Creative talent and employment agreements") Until the artist or the other party has delivered his or her content or the repayment of an advance, UMG discloses its obligation as an off balance sheet given commitment While the artist or the other party is obligated to deliver a content or other product to UMG (these arrangements are generally exclusive), this counterpart cannot be reliably determined and, thus, is not reported in received commitments

Note 11 Other intangible assets

(in millions of euros)	December 31 2012 Other intangible assets gross	Accumulated amortization and impairment losses	Other intangible assets
Software	5 447	(4,035)	1,412
Telecom licenses	2,960	(811)	2,149
Customer bases	962	(725)	237
Trade names	462	(53)	409
Other	2 110	(1,127)	983
	11,941	**(6,751)**	**5,190**

(in millions of euros)	December 31 2011 Other intangible assets, gross	Accumulated amortization and impairment losses	Other intangible assets
Software	5 015	(3,652)	1,363
Telecom licenses	1,848	(705)	1 143
Customer bases	986	(616)	370
Trade names	481	(52)	429
Other	1 956	(932)	1,024
	10,286	**(5,957)**	**4,329**

Software includes acquired software, net for €592 million as of December 31, 2012 (€636 million as of December 31, 2011), amortized over 4-years as well as SFR's internally developed software

Trade names relate to trade names acquired from GVT in 2009 and Activision in 2008

Other intangible assets notably include indefeasible rights of use (IRU) and other long-term occupational rights, net for €296 million as of December 31, 2012 (€328 million as of December 31, 2011)

Changes in other intangible assets

(in millions of euros)	Year ended December 31, 2012	2011
Opening balance	**4,329**	**4,408**
Depreciation	(979)	(945)
Acquisitions (a)	1,545	581
Increase related to internal developments	294	276
Divestitures/Decrease	(4)	(11)
Business combinations	38	14
Changes in foreign currency translation adjustments	(52)	(11)
Other	19	17
Closing balance	**5,190**	**4,329**

a Includes the acquisition by SFR of 4G spectrum (very-high-speed Internet - LTE) for €1,065 million in 2012 and €150 million in 2011

Depreciation is recognized as cost of revenues and in selling, general and administrative expenses It mainly consists of SFR's telecom licenses (-€73 million in 2012, compared to -€72 million in 2011), internally developed software (-€221 million in 2012, compared to -€199 million in 2011), and acquired software (-€244 million in 2012, compared to -€273 million in 2011)

Note 12 Property, plant and equipment

(in millions of euros)	December 31, 2012 Property plant and equipment, gross	Accumulated depreciation and impairment losses	Property plant and equipment
Land	242	(2)	240
Buildings	3,707	(2,143)	1,564
Equipment and machinery	13,939	(8,071)	5 868
Construction-in-progress	375	-	375
Other	4 637	(2,758)	1 879
	22,900	(12,974)	9,926

(in millions of euros)	December 31 2011 Property plant and equipment gross	Accumulated depreciation and impairment losses	Property plant and equipment
Land	227	(2)	225
Buildings	2 790	(1 616)	1,174
Equipment and machinery	13 443	(7 770)	5 673
Construction-in progress	323	-	323
Other	4,380	(2 774)	1,606
	21,163	(12,162)	9,001

As of December 31, 2012, other property, plant and equipment, net, notably included set-top boxes, for €974 million, compared to €807 million as of December 31, 2011 In addition, property, plant and equipment financed pursuant to finance leases amounted to €58 million, compared to €60 million as of December 31, 2011

Changes in property, plant and equipment

(in millions of euros)	Year ended December 31, 2012	2011
Opening balance	**9,001**	**8,217**
Depreciation	(1,743)	(1 662)
Acquisitions/Increase	2,769	2 604
Divestitures/Decrease	(39)	(29)
Business combinations	170	7
Changes in foreign currency translation adjustments	(232)	(140)
Other	-	4
Closing balance	9,926	9,001

The depreciation is recognized as cost of revenues and in selling, general and administrative expenses It mainly consists of the depreciation of buildings (-€151 million in 2012, unchanged compared to 2011) and equipment and machinery (-€1,081 million in 2012, compared to -€1,100 million in 2011)

Note 13 Intangible and tangible assets of telecom operations

(in millions of euros)	December 31 2012			
	SFR	Maroc Telecom Group	GVT	Total
Other intangible assets, net				
Software	1 112	182	56	1,350
Telecom licenses	2 002 (a)	147		2,149
Customer bases	152	2	72	226
Trade names	-	1	117	118
Other	816	50	13	879
	4,082	**382**	**258**	**4,722**
Property, plant and equipment, net				
Land	97	131	-	228
Buildings	1 182	315	16	1,513
Equipment and machinery	2 117	1 747	1,885	5,749
Construction-in-progress	314	-	-	314
Other	758	97	334	1 189
	4,468	**2,290**	**2,235**	**8,993**
Intangible and tangible assets of telecom operations, net	**8,550**	**2,672**	**2,493**	**13,715**

(in millions of euros)	December 31 2011			
	SFR	Maroc Telecom Group	GVT	Total
Other intangible assets, net				
Software	1 052	206	54	1,312
Telecom licenses	963 (a)	180	-	1,143
Customer bases	218	2	135	355
Trade names		1	129	130
Other	885	39	16	940
	3,118	**428**	**334**	**3,880**
Property, plant and equipment, net				
Land	83	131	-	214
Buildings	855	264	15	1 134
Equipment and machinery	2 271	1,730	1,532	5 533
Construction-in-progress	285	-	-	285
Other	750	115	167	1 032
	4,244	**2,240**	**1,714**	**8,198**
Intangible and tangible assets of telecom operations, net	**7,362**	**2,668**	**2,048**	**12,078**

a SFR holds licenses for its networks and for the supply of its telecommunications services in France, for a 15-year period for GSM (between March 2006 and March 2021) and a 20-year period for both UMTS (between August 2001 and August 2021) and LTE (between January 2012 and January 2032), with the following financial conditions

- for the GSM license, an annual payment over 15 years comprised of a (i) fixed portion in an amount of €25 million for each year (capitalized over the period based on a present value of €278 million in 2006) and (ii) a variable portion equal to 1% of the yearly revenues generated by this technology,
- for the UMTS license, the fixed amount paid in 2001 (€619 million) was recorded as an intangible asset and the variable part of the fee is equal to 1% of the yearly revenues generated by this technology Moreover, as part of this license, SFR acquired new spectrum for €300 million in June 2010, over a 20-year period, and
- for the LTE licenses, the fixed amounts paid in October 2011 (€150 million) and January 2012 (€1,065 million), respectively, were recorded as intangible assets at the acquisition date of the spectrum band, and the variable portion of the fee is equal to 1% of the yearly revenues generated by this technology

The variable portions of the fees that cannot be reliably determined are not recorded in the Statement of Financial Position They are recorded as an expense, when incurred

SFR's network coverage commitments related to telecommunication licenses

- On November 30, 2009, the "Autorité de Régulation des Communications Electroniques et des Postes" or "Arcep" (the French Telecommunications Regulatory Agency) addressed a notice to SFR regarding its compliance in the UMTS network coverage of the French metropolitan population 98% by December 31, 2011, and 99 3% by December 31, 2013 As of December 31, 2011, with 98 4% of the French metropolitan population covered, SFR was in compliance with its coverage commitments As of December 31, 2012, the network coverage was 99 0%
- As part of the grant of the first band of LTE spectrum in October 2011, SFR has committed itself to ensure a specific coverage rate for the French metropolitan population 25% by October 11, 2015, 60% by October 11, 2019, and 75% by October 11, 2023
- As part of the grant of the second band of LTE spectrum in January 2012, SFR has committed itself to comply with the following obligations

  (i) SFR is required to provide the following very high-speed mobile network coverage
  - coverage of 98% of the French metropolitan population by January 2024 and 99 6% by January 2027,
  - coverage in the priority zone (approximately 18% of the French metropolitan population and 63% of the territory) within this zone, SFR is required to cover 40% of the population by January 2017 and 90% of the population by January 2022,
  - coverage obligations at a departmental level SFR has to cover 90% of the population of each French department by January 2024, and 95% of the population of each French department by January 2027,

  (ii) SFR and Bouygues Telecom have a mutual network sharing or spectrum pooling obligation in the priority zone,

  (iii) SFR has an obligation to offer national roaming to Free Mobile within the priority zone upon building of its own 2 6 GHz network covering at least 25% of the French population provided that it has not signed a national roaming agreement with another operator, and

  (iv) SFR has a joint coverage obligation with the other 800 MHz license holders to cover the hot-spots that have been identified by the French administration within the framework of the "white zones" program (beyond 98% of the population) within 15 years

Note 14 Investments in equity affiliates

		Voting interest		Value of equity affiliates	
(in millions of euros)	Note	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
N-Vision	2	40%	-	162	-
Numergy	2	47%	-	104	-
Other		na*	na*	122	135
				388	**135**

na* not applicable

Note 15 Financial assets

(in millions of euros)	Note	December 31, 2012	December 31, 2011
Cash management financial assets (a)		301	266
Other loans and receivables (b)		222	340
Derivative financial instruments		137	101
Available-for-sale securities (c)		197	125
Cash deposits backing borrowings		6	12
Other financial assets		15	28
Financial assets	23	**878**	**872**
Deduction of current financial assets		(364)	(478)
Non-current financial assets		**514**	**394**

a Primarily relates to US treasuries and government agency securities with a maturity exceeding three months held by Activision Blizzard for $387 million as of December 31, 2012 (compared to $344 million as of December 31, 2011)

b As of December 31, 2011, other loans and receivables notably included SFR's cash deposits relating to Qualified Technological Equipment (QTE) operations for €53 million as well as a €120 million loan granted by Canal+ Group to ITI in December 2011 in connection with the strategic partnership involving Polish pay-TV This loan was redeemed at the closing of the transaction, on November 30, 2012 (please refer to Note 2 3) Moreover, all of SFR's QTE contracts were early redeemed as of December 31, 2012

c As of December 31, 2012 and as of December 31, 2011, the available-for-sale securities did not include significant publicly quoted securities and were not the subject of any significant impairment with respect to fiscal years 2012 and 2011

Note 16 Net working capital

Changes in net working capital

(in millions of euros)	December 31 2011	Changes in operating working capital (a)	Business combinations	Changes in foreign currency translation adjustments	Other (b)	December 31, 2012
Inventories	805	(80)	29	(12)	(4)	738
Trade accounts receivable and other	6,730	(291)	284	(84)	(52)	6,587
Working capital assets	**7,535**	**(371)**	**313**	**(96)**	**(56)**	**7,325**
Trade accounts payable and other	13,987	(307)	579	(125)	62	14 196
Other non-current liabilities	864	26	56	(19)	75	1 002
Working capital liabilities	**14,851**	**(281)**	**635**	**(144)**	**137**	**15,198**
Net working capital	**(7,316)**	**(90)**	**(322)**	**48**	**(193)**	**(7,873)**

(in millions of euros)	December 31 2010	Changes in operating working capital (a)	Business combinations	Changes in foreign currency translation adjustments	Other (b)	December 31 2011
Inventories	750	53	1	5	(4)	805
Trade accounts receivable and other	6 711	95	24	(30)	(70)	6,730
Working capital assets	**7,461**	**148**	**25**	**(25)**	**(74)**	**7,535**
Trade accounts payable and other	14 451	(101)	71	6	(440) (c)	13,987
Other non-current liabilities	1 074	(58)	-	(7)	(145)	864
Working capital liabilities	**15,525**	**(159)**	**71**	**(1)**	**(585)**	**14,851**
Net working capital	**(8,064)**	**307**	**(46)**	**(24)**	**511**	**(7,316)**

a Excludes content investments made by Activision Blizzard, UMG, and Canal+ Group

b Mainly includes the change in net working capital relating to content investments, capital expenditures, and other investments

c Notably includes the interim dividend due as of December 31, 2010 by SFR to Vodafone, paid in January 2011 (€440 million)

Trade accounts receivable and other

(in millions of euros)	December 31, 2012	December 31, 2011
Trade accounts receivable	5,458	5,684
Trade accounts receivable write-offs	(1,315)	(1,202)
Trade accounts receivable, net	**4,143**	**4,482**
Other	2,444	2,248
Trade accounts receivable and other	**6,587**	**6,730**

Vivendi does not consider there to be a significant risk of non-recovery of non-impaired past due receivables Vivendi's trade receivables do not represent a significant concentration of credit risk due to its broad customer base, the broad variety of customers and markets, as well as the subscription-based business model of most of its business segments (Activision Blizzard, SFR, GVT, and Canal+ Group) as well as the geographic diversity of its business operations (please refer to Note 3 2) Please also refer to Note 1 3 5 10 for a description of the method used to evaluate trade account receivable provisions

Trade accounts payable and other

(in millions of euros)	Note	December 31, 2012	December 31, 2011
Trade accounts payable		6,578	6,684
Music royalties to artists and repertoire owners	10 2	1,477	1,375
Game deferred revenues (a)		1,251	1,139
Prepaid telecommunication revenues (b)		817	900
Other		4,073	3,889
Trade accounts payable and other		**14,196**	**13,987**

a Relates to the impact of the change in deferred net revenues at Activision Blizzard and related costs of sales associated with the sale of boxes for certain games with significant online functionality (please refer to Note 1 3 4 1)

b Mainly includes subscriptions that are not past due and prepaid cards sold but not consumed, mobile phones held by distributors, roll-over minutes of SFR's mobile operations and the current portion of SFR's deferred revenues of fixed operations

Other non-current liabilities

(in millions of euros)	Note	December 31, 2012	December 31, 2011
Advance lease payments in respect of Qualified Technological Equipment operations	15	-	53
Liabilities related to SFR GSM license (a)	13	154	172
Prepaid revenues from indefeasible rights of use (IRU) and other long-term occupational rights (b)		340	365
Non-current content liabilities	10 2	180	56
Other		328 (c)	218
Other non-current liabilities		**1,002**	**864**

a Relates to the discounted value of the liability The nominal value amounted to €206 million as of December 31, 2012, compared to €231 million as of December 31, 2011

b Relates to deferred revenues associated with indefeasible right of use (IRU) agreements, leases or services contracts

c Notably includes the long-term portion of capital (€63 million) subscribed by Numergy, not yet released (please refer to Note 2 4)

Note 17 Cash and cash equivalents

(in millions of euros)	December 31, 2012	December 31, 2011
Cash	920	667
Cash equivalents (a)	2,974	2,637
of which UCITS	*2,699*	*2,265*
certificates of deposit and term deposits	*275*	*372*
Cash and cash equivalents	**3,894**	**3,304**

a Cash equivalents mainly includes Activision Blizzard's cash and cash equivalents for €2,989 million as of December 31, 2012 (compared to €2,448 million as of December 31, 2011), invested, if any, in money market funds with initial maturity dates not exceeding 90 days

Note 18 Equity

Share capital of Vivendi SA

(in thousands)	December 31, 2012	December 31 2011
Common shares outstanding (nominal value €5.5 per share)	**1,323,962**	**1,247,263**
Treasury shares	(1 461)	(1,329)
Voting rights	**1,322,501**	**1,245,934**

The increase in the number of common shares outstanding in 2012 is due to the grant of 41 6 million bonus shares to Vivendi SA shareholders in May 2012 (please see below), the acquisition of the Direct 8 and Direct Star channels in exchange for 22 4 million shares in September 2012 (please refer to Note 2 2) as well as the employee stock purchase plan (12 3 million shares) of July 2012 (please refer to Note 21)

As of December 31, 2012, Vivendi held 1,461 thousand treasury shares, or 0 11% of its share capital These shares are backed to the hedging of performance share plans The carrying value of the portfolio amounted to €25 million as of December 31, 2012 and its market value amounted to €25 million as of December 31, 2012

In addition, as of December 31, 2012, approximately 53 million stock options were outstanding, representing a maximum nominal share capital increase of €294 million or 4 03% of the company's share capital

Non-controlling interests

(in millions of euros)	December 31 2012	December 31, 2011
Activision Blizzard	1,183	1 009
Maroc Telecom Group	1,073	1 131
Canal+ Group	692	471
Other	23	12
Total	**2,971**	**2,623**

Distributions to shareowners of Vivendi SA and its subsidiaries

Dividend proposed by Vivendi SA with respect to fiscal year 2012

On February 18, 2013, the date of Vivendi's Management Board's meeting which approved its Consolidated Financial Statements as of December 31, 2012 and the appropriation of earnings for the fiscal year then ended, Vivendi's Management Board decided to propose to shareowners a dividend distribution of €1 per share, which would represent a total distribution of approximately €1 3 billion to be paid in cash on May 17, 2013, following the coupon detachment on May 14, 2013, by withdrawal from the reserves This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 22, 2013 The additional contribution of 3% on dividends will be recorded as a tax charge upon the payment of the dividend on May 17, 2013

Dividend paid by Vivendi SA with respect to fiscal year 2011

At the Annual General Shareholders' Meeting of April 19, 2012, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2011 As a result, the dividend payment was set at €1 per share, representing a total distribution of €1,245 million, paid in cash on May 9, 2012, following the coupon detachment on May 4, 2012

Bonus shares granted to Vivendi SA shareowners
At its meeting held on February 29, 2012, following the Supervisory Board's recommendation, Vivendi's Management Board decided to grant to its shareowners one bonus share for each 30 shares held This transaction resulted in the issuance on May 9, 2012, by a €229 million withdrawal from additional paid-in capital, of 41 6 million new shares with a nominal value of €5 5 each and entitlement as from January 1, 2012

Dividend distributed by subsidiaries
On February 7, 2013, Activision Blizzard announced that its Board of Directors had declared a dividend of $0 19 per common share to its shareholders This dividend will be paid in cash on May 15, 2013

The Supervisory Board of Maroc Telecom group will propose to the Annual Shareholders' Meeting, to be held on April 24, 2013, the payment of an ordinary dividend of MAD 7 4 per share, which corresponds to 100% of distributable earnings from 2012 This dividend will be paid in cash on May 31, 2013

In 2012, dividend payments to subsidiaries' non-controlling interests amounted to €481 million (€721 million in 2011) and mainly included Maroc Telecom SA for €345 million in 2012 (compared to €384 million in 2011) and Activision Blizzard for €62 million in 2012 (compared to €55 million in 2011) Moreover, on June 16, 2011, at the completion of the acquisition of its 44% interest in SFR, a €200 million interim dividend was paid to Vodafone

Activision Blizzard

Stock repurchase program of Activision Blizzard
On February 2, 2012, Activision Blizzard announced that its Board of Directors had authorized a stock repurchase program under which Activision Blizzard can repurchase shares of its outstanding common stock up to an amount of $1 billion This program will end at the earlier of March 31, 2013 or on the date of the Board of Directors' decision to discontinue it In 2012, Activision Blizzard repurchased approximately 4 million shares of its common stock in connection with this program, for a total amount of $54 million In addition, during the first half of 2012, Activision Blizzard settled a $261 million purchase of 22 million shares of its common stock pursuant to the previous $1 5 billion stock repurchase program In total, Activision Blizzard repurchased approximately 26 million shares of its common stock in 2012, for a total amount of $315 million, or €241 million (compared to $692 million or €502 million in 2011)

Vivendi's ownership interest in Activision Blizzard
As a reminder, on November 15, 2011, Vivendi sold 35 million Activision Blizzard shares into the market for $422 million (€314 million)
As of December 31, 2012, Vivendi held 684 million shares out of a total of 1,112 million Activision Blizzard shares, or a 61 5% interest (compared to approximately 60% as of December 30, 2011) Moreover, as of December 31, 2012, the outstanding Activision Blizzard stock instruments represented 77 million new shares to be issued in favor of their beneficiaries (52 million shares due to stock options and 25 million restricted shares, compared to 53 million and 17 million shares, respectively, as of December 31, 2011, please refer to Note 21 3 2), and the stock repurchase program authorized in February 2012 not consumed for up to $946 million, representing approximately 86 million potential treasury shares (under the assumption of a stock price of $11 per share)

As part of its earnings release announced on February 7, 2013, the Board of Activision Blizzard is considering, or may consider during 2013, substantial stock repurchases, dividends, acquisitions, licensing or other non-ordinary course transactions These potential transactions could be financed by debt

Note 19 Provisions

(in millions of euros)	Note	December 31 2011	Addition	Utilization	Reversal	Business combinations	Divestitures changes in foreign currency translation adjustments and other	December 31 2012
Employee benefits (a)		507	43	(78)	(19)	60	38	551
Restructuring costs		48	322 (b)	(154)	-	52	(10)	258
Litigations	27	479	1 015 (c)	(54)	(82)	4	(5)	1 357
Losses on onerous contracts		237	19	(104)	(10)		1	143
Contingent liabilities due to disposal (d)	26 4	41		-			(17)	24
Cost of dismantling and restoring sites (e)		70	1	(3)			15	83
Other (f)		773	748 (g)	(107)	(63)	29	9	1 389
Provisions		**2,155**	**2,148**	**(500)**	**(174)**	**145**	**31**	**3,805**
Deduction of current provisions		(586)	(316)	91	139	(12)	(27)	(711)
Non-current provisions		**1,569**	**1,832**	**(409)**	**(35)**	**133**	**4**	**3,094**

(in millions of euros)	Note	December 31 2010	Addition	Utilization	Reversal	Business combinations	Divestitures changes in foreign currency translation adjustments and other	December 31 2011
Employee benefits (a)		511	40	(78)	(3)	-	37	507
Restructuring costs		42	87	(90)	(6)	1	14	48
Litigations	27	443	262	(198)	(46)	12	6	479
Losses on onerous contracts		394	72	(165)	(61)	2	(5)	237
Contingent liabilities due to disposal (d)	26 4	50		(3)		-	(6)	41
Cost of dismantling and restoring sites (e)		63	-	(2)			9	70
Other (f)		526	351	(64)	(66)		26	773
Provisions		**2,029**	**812**	**(600)**	**(182)**	**15**	**81**	**2,155**
Deduction of current provisions		(552)	(299)	290	48	-	(73)	(586)
Non-current provisions		**1,477**	**513**	**(310)**	**(134)**	**15**	**8**	**1,569**

a Includes employee deferred compensation as well as provisions for defined employee benefit plans (€499 million as of December 31, 2012 and €446 million as of December 31, 2011, please refer to Note 20 2), but excludes employee termination reserves recorded under restructuring costs

b Includes restructuring provisions SFR (€170 million), Maroc Telecom (€72 million), and UMG (€79 million)

c Notably includes the €945 million reserve accrual regarding the Liberty Media Corporation litigation in the United States (please refer to Note 27)

d Certain commitments given in relation to divestitures are the subject of provisions These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi

e SFR and GVT are required to dismantle and restore each telephony antenna site following termination of a site lease

f Notably includes provisions for fiscal and legal litigations for which the amount is not detailed because such disclosure could be prejudicial to Vivendi

g Notably includes the reserve accruals related to the impacts of the Consolidated Global Profit Tax System in 2011 (€366 million), as well as the impact related to the use of tax credits in 2012 (€208 million) (please refer to Note 6)

Note 20 Employee benefits

20.1 Analysis of expenses related to employee benefit plans

The following table provides information about the cost of employee benefit plans excluding its financial component The total cost of defined benefit plans is set forth in Note 20 2 2 below

(in millions of euros)	Note	Year ended December 31, 2012	2011
Employee defined contribution plans		57	55
Employee defined benefit plans	20 2 2	16	16
Employee benefit plans		**73**	**71**

20.2 Employee defined benefit plans

20.2 1 Assumptions used in the evaluation and sensitivity analysis

Discount rate, expected return on plan assets, and rate of compensation increase

The assumptions underlying the valuation of defined benefit plans were made in compliance with accounting policies presented in Note 1 3 8 and have been applied consistently for several years Demographic assumptions (including notably the rate of compensation increase) are company specific Financial assumptions (notably including the discount rate and the expected rate of return on investments) are made as follows

- determination by independent actuaries and other independent advisors of the discount rate for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices, and as reviewed by Vivendi's Finance Department, representing, at year-end, the best estimate of expected trends in future payments from the first benefit payments, and
- the expected return on plan assets is determined for each plan according to the portfolio composition and the expected performance of each component

	Pension benefits		Post-retirement benefits	
	2012	2011	2012	2011
Discount rate (a)	3 6%	4 6%	3 6%	4 3%
Expected return on plan assets (b)	3 6%	3 7%	na*	na*
Rate of compensation increase	2 0%	1 9%	3 1%	3 0%
Expected average working life (in years)	10 3	9 8	4 8	5 3
Weighted average duration of the benefit obligation (in years)	14 2	14 6	10 5	10 1

na* not applicable

a A 50 basis point increase (or a 50 basis point decrease, respectively) in the 2012 discount rate would have led to a decrease of €1 million in pre-tax expense (or an increase of €2 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €65 million (or an increase of €71 million, respectively)

b A 50 basis point increase (or a 50 basis point decrease, respectively) in the expected return on plan assets for 2012 would have led to a decrease of €1 million in pre-tax expense (or an increase of €1 million, respectively)

Assumptions used in accounting for the pension benefits, by country

	United States		United Kingdom		Germany		France	
	2012	2011	2012	2011	2012	2011	2012	2011
Discount rate	3 50%	4 25%	4 25%	5 00%	3 25%	4 50%	3 25%	4 50%
Expected return on plan assets	3 50%	4 25%	4 25%	3 36%	3 25%	na*	3 25%	4 55%
Rate of compensation increase	na*	na*	4 50%	5 00%	2 00%	2 00%	3 41%	3 47%

na* not applicable

Assumptions used in accounting for post-retirement benefits, by country

	United States		Canada	
	2012	2011	2012	2011
Discount rate	3 50%	4 25%	4 00%	4 75%
Rate of compensation increase	3 50%	3 50%	na*	na*

na* not applicable

Pension plan assets

Weighted-average range of investment allocation by asset category for each major plan

	Minimum	Maximum
Equity securities	6%	6%
Real estate	1%	1%
Debt securities	57%	57%
Diversified funds	16%	16%
Cash and other	20%	20%

Allocation of pension plan assets

	December 31, 2012	December 31, 2011
Equity securities	6%	6%
Real estate	1%	1%
Debt securities	57%	67%
Diversified funds	16%	17%
Cash and other	20%	9%
Total	100%	100%

Pension plan assets which were not transferred have a limited exposure to stock market fluctuations These assets do not include occupied buildings or assets used by Vivendi nor shares or debt instruments of Vivendi

Cost evolution of post-retirement benefits

For the purpose of measuring post-retirement benefits, Vivendi assumed the annual growth in the per capita cost of covered health care benefits would slow down from 7 3% for categories under 65 years old and 65 years old and over in 2012, to 4 5% in 2021 for these categories In 2012, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €12 million and the pre-tax expense by €1 million Conversely, a one-percentage-point decrease in the assumed cost evolution rates would have decreased post-retirement benefit obligations by €10 million and the pre-tax expense by less than €1 million

20.2 2 Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2012	2011	2012	2011	2012	2011
Current service cost	19	16	-	-	19	16
Amortization of actuarial (gains)/losses	8	7	-	-	8	7
Amortization of past service cost	1	(7)	-	-	1	(7)
Effect of curtailments/settlements	(12)	-	-	-	(12)	-
Adjustment related to asset ceiling	-	-	-	-	-	-
Impact on selling, administrative and general expenses	**16**	**16**	-	-	**16**	**16**
Interest cost	31	28	7	7	38	35
Expected return on plan assets	(12)	(9)	-	-	(12)	(9)
Impact on other financial charges and income	**19**	**19**	**7**	**7**	**26**	**26**
Net benefit cost	**35**	**35**	**7**	**7**	**42**	**42**

In 2012, benefits paid amounted to (i) €29 million (compared to €27 million in 2011) with respect to pensions, of which €7 million (compared to €5 million in 2011) was paid by pension funds, and (ii) €12 million (unchanged compared to 2011) was paid with respect to post-retirement benefits

20.2.3 Analysis of net benefit obligations with respect to pensions and post-retirement benefits

Benefit obligation, fair value of plan assets and funded status over a five-year period

	Pension benefits					Post-retirement benefits				
	December 31,					December 31				
(in millions of euros)	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
Benefit obligation	857	668	625	539	482	163	158	159	142	135
Fair value of plan assets	367	272	240	203	189	-	-	-	-	-
Underfunded obligation	**(490)**	**(396)**	**(385)**	**(336)**	**(293)**	**(163)**	**(158)**	**(159)**	**(142)**	**(135)**

Changes in value of benefit obligations, fair value of plan assets, and funded status

		Employee defined benefit plans					
		Year ended December 31 2012					
(in millions of euros)	Note	Benefit obligation (A)	Fair value of plan assets (B)	Underfunded obligation (C)=(B)-(A)	Unrecognized actuarial (gains)/losses and past service cost (D)	Adjustment related to asset ceiling (E)	Net (provision)/asset recorded in the statement of financial position (C)+(D)+(E)
Opening balance		**826**	**272**	**(554)**	**126**		**(428)**
Current service cost		19		(19)			(19)
Amortization of actuarial (gains)/losses					(8)		(8)
Amortization of past service cost					(1)		(1)
Effect of curtailments		(21)		21	(9)		12
Effect of settlements							
Adjustment related to asset ceiling							
Impact on selling, administrative and general expenses							*(16)*
Interest cost		38		(38)			(38)
Expected return on plan assets			12	12			12
Impact on other financial charges and income							*(26)*
Net benefit cost							**(42)**
Actuarial gains/(losses) arising from changes in demographic assumptions		1		(1)	1		
Actuarial gains/(losses) arising from changes in financial assumptions		106		(106)	106		
Experience gains/(losses) (a)		(13)	13	26	(26)		
Benefits paid		(43)	(43)				
Contributions by plan participants		1	1				
Contributions by employers			63	63			63
Plan amendments		1		(1)	1		
Business combinations (b)		111	51	(60)			(60)
Divestitures of businesses							
Transfers							
Other (foreign currency translation adjustments)		(6)	(2)	4	(1)		3
Closing balance		**1,020**	**367**	**(653)**	**189**		**(464)**
of which wholly or partly funded benefits		*533*					
wholly unfunded benefits (c)		*487*					
of which assets related to employee benefit plans							*35*
provisions for employee benefit plans (d)	19						*(499)*

		Employee defined benefit plans					
		Year ended December 31 2011					
		Benefit obligation	Fair value of plan assets	Underfunded obligation	Unrecognized actuarial (gains)/losses and past service cost	Adjustment related to asset ceiling	Net (provision)/asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(C)=(B)-(A)	(D)	(E)	(C)+(D)+(E)
Opening balance		**784**	**240**	**(544)**	**117**		**(427)**
Current service cost		16		(16)			(16)
Amortization of actuarial (gains)/losses					(7)		(7)
Amortization of past service cost		(8)		8	(1)		7
Effect of curtailments							
Effect of settlements							
Adjustment related to asset ceiling							
Impact on selling, administrative and general expenses							*(16)*
Interest cost		35		(35)			(35)
Expected return on plan assets			9	9			9
Impact on other financial charges and income							*(26)*
Net benefit cost							(42)
Actuarial gains/(losses) arising from changes in demographic assumptions							
Actuarial gains/(losses) arising from changes in financial assumptions		7		(7)	7		
Experience gains/(losses) (a)		1		(1)	1		
Benefits paid		(39)	(39)				
Contributions by plan participants		1	1				
Contributions by employers			49	49			49
Plan amendments		6		(6)	6		
Business combinations							
Divestitures of businesses							
Transfers							
Other (foreign currency translation adjustments)		23	12	(11)	3		(8)
Closing balance		**826**	**272**	**(554)**	**126**		**(428)**
of which wholly or partly funded benefits		*389*					
wholly unfunded benefits (c)		*437*					
of which assets related to employee benefit plans							*18*
provisions for employee benefit plans (d)	19						*(446)*

a Includes the impact on the benefit obligation resulting from the difference between benefits estimated at the previous year-end and benefits paid during the year and the difference between the expected return on plan assets at the previous year end and the actual return on plan assets during the year As a reminder in 2010 2009 and 2008 (gains)/losses that result from actual experience in respect of benefit obligations amounted to -€4 million €1 million and €1 million respectively and gains/(losses) that result from actual experience in respect of plan assets amounted to €9 million €3 million and -€43 million respectively

b Relates to the impact of the acquisition of EMI Recorded Music on the value of the obligations plan assets and underfunded obligation for €111 million €52 million and €59 million

c In accordance with local laws and practices certain plans are not covered by pension funds As of December 31 2012 they principally comprise supplementary pension plans in the United States pension plans in Germany and post retirement benefit plans in the United States

d Includes a current liability of €46 million as of December 31 2012 (compared to €37 million as of December 31 2011)

Benefit obligation, fair value of plan assets, and funded status detailed by country

(in millions of euros)	Pension benefits		Post retirement benefits		Total	
	December 31		December 31		December 31	
	2012	2011	2012	2011	2012	2011
Benefit obligation						
US companies	118	121	144	139	262	260
UK companies	225	205	-		225	205
German companies	183	108			183	108
French companies	216	171			216	171
Other	115	63	19	19	134	82
	857	668	163	158	1,020	826
Fair value of plan assets						
US companies	53	56	-		53	56
UK companies	188	154	-		188	154
German companies	3	-	-		3	-
French companies	67	51			67	51
Other	56	11			56	11
	367	272	-	-	367	272
Underfunded obligation						
US companies	(65)	(65)	(144)	(139)	(209)	(204)
UK companies	(37)	(51)	-		(37)	(51)
German companies	(180)	(108)	-		(180)	(108)
French companies	(149)	(120)	-		(149)	(120)
Other	(59)	(52)	(19)	(19)	(78)	(71)
	(490)	(396)	(163)	(158)	(653)	(554)

In 2011, Vivendi took into account the impact of the change in the legislation in relation to the indexation of retirement plans in the United Kingdom, which resulted in a non-significant decrease of its commitments

20.2 4 Additional information on pension benefits in France

Vivendi maintains ten pension plans in France, of which four make investments through insurance companies The allocation of assets by category of the various plans was as follows

	Equity securities	Real estate	Debt securities	Cash	Total
Corporate Supplementary Plan	12 1%	6 4%	77 5%	4 0%	100%
Corporate Management Supplementary Plan	15 0%	5 9%	75 4%	3 7%	100%
SFR Supplementary Plan	12 0%	6 0%	81 0%	1 0%	100%
Canal+ Group IDR* Plan	9 9%	8 1%	82 0%	-	100%

IDR (Indemnités de départ en retraite)* indemnities payable on retirement

The asset allocation remains fairly stable over time Contributions to the four plans amounted to €17 million in 2012 (compared to €4 million in 2011), and are estimated to be €7 million in 2013

Payments to all ten pension plans in France amounted to €17 million in 2012 (compared to €5 million in 2011), and are estimated to be €8 million in 2013

20.2.5 Benefits estimation and future payments

For 2013, hedge fund contributions and benefit payments to retirees by Vivendi are estimated at €45 million in respect of pensions, of which €23 million to pension funds and €12 million to post-retirement benefits

Estimates of future benefit payments to beneficiaries by the relevant pension funds or by Vivendi (in nominal value) are as follows

(in millions of euros)	Pension benefits	Post-retirement benefits
2013	33	12
2014	42	11
2015	25	11
2016	24	11
2017	32	11
2018-2022	190	51

Note 21 Share-based compensation plans

21.1 Impact on the Consolidated Statement of Earnings

(in millions of euros)		Year ended December 31,	
Charge/(Income)	Note	2012	2011
Stock options, performance shares and bonus shares		*32*	*28*
Employee stock purchase plans		*33*	*25*
"Stock appreciation rights" and "restricted stock units"		*-*	*(5)*
Vivendi stock instruments	21 2	65	48
Activision Blizzard stock instruments	21 3	103	67
UMG employee equity unit plan	21 4	9	7
Subtotal (including Activision Blizzard's capitalized costs)		**177**	**122**
equity-settled instruments		*168*	*120*
cash-settled instruments		*9*	*2*
(-) Activision Blizzard's capitalized costs (a)		(7)	7
Charge/(Income) related to share-based compensation plans	3	**170**	**129**

a Share-based compensation costs directly attributable to games development are capitalized in compliance with the accounting principles described in Note 1 3 5 4 In 2012, €21 million were capitalized (compared to €19 million in 2011) and €14 million were amortized (compared to €26 million in 2011), representing a net impact of +€7 million (compared to -€7 million in 2011)

21.2 Plans granted by Vivendi

21.2 1 Information on plans granted by Vivendi

Vivendi has granted several share-based compensation plans to its employees During 2012 and 2011, Vivendi granted stock option and performance share plans, wherever the fiscal residence of the beneficiaries, and bonus share plan for employees of all the group's French subsidiaries, as well as stock purchase plans for its employees and retirees (employee stock purchase plan and leveraged plan)

The accounting methods applied to value and recognize these granted plans are described in Note 1 3 10
More specifically, the volatility applied in valuing the plans granted by Vivendi in 2012 and 2011 is calculated as the weighted average of (a) 75% of the historical volatility of Vivendi shares computed on a 6 5-year period and (b) 25% of the implied volatility based on Vivendi put and call options traded on a liquid market with a maturity of 6 months or more
The risk-free interest rate used is the rate of French "Obligations Assimilables du Trésor" (OAT) with a maturity corresponding to the expected term of the instrument at the valuation date
The expected dividend yield at grant date is based on Vivendi's dividend distribution policy, which is an expected dividend representing approximately 45% to 55% of adjusted net income

Equity-settled instruments

The definitive grant of equity-settled instruments, excluding bonus share plan, is subject to the satisfaction of performance conditions Such performance conditions include an external indicator, thus following AFEP and MEDEF recommendations The objectives underlying the performance conditions are determined by the Supervisory Board upon proposal by the Human Resources Committee

The value of the granted equity-settled instruments is estimated and set at grant date For the main stock option plans, performance share plans and bonus share plans of 2012 and 2011, the applied assumptions were as follows

	2012		2011
Grant date	July 16, (a)	April 17,	April 13,
Data at grant date			
Option strike price (in euros) (b)	na*	13 63	19 93
Share price (in euros)	15 75	12 53	20 56
Expected volatility	na*	27%	25%
Expected dividend yield	6 35%	7 98%	7 30%
Performance conditions achievement rate (c)	na*	100%	100%

na* not applicable

a Vivendi's Management Board decided to grant 50 bonus shares to the employees of all the group's French subsidiaries

b In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares in connection with outstanding plans, were adjusted to take into account the impact, for the beneficiaries of the grant, of one bonus share on May 9, 2012 to each shareowner per 30 shares held by a withdrawal from additional paid in capital This adjustment had no impact on share-based compensation expense related to the relevant stock option and performance share plans

c Beginning in 2012, for both performance shares and stock options, the objectives underlying the performance conditions are assessed once on a cumulative basis at the expiry of a two-year period (each year during two years for plans granted in 2011) Their definitive grant will be effective upon the satisfaction of the following new performance conditions

- internal indicator (70%) EBITA margin rate which will be recorded as of December 31, 2013 on the basis of cumulative 2012 and 2013 fiscal years (compared to adjusted net income (45%) and cash flow from operations (25%) for plans granted in 2011), and
- external indicators (30%) the performance of Vivendi share between January 1, 2012 and December 31, 2013, compared to two stock indices Europe Stoxx 600 Telecommunications (70%, compared to 60% for plans granted in 2011) and a range of Media values (30%, compared to 40% for plans granted in 2011)

As the performance conditions related to the 2011 plan were satisfied at year-end 2012, the definitive grant of stock options and performance shares from April 13, 2011 became effective as of December 31, 2012 The acquisition of these instruments is conditional upon active employment at the vesting date

Stock option plans

Stock options granted in 2012 and 2011 vest at the end of a three-year period and expire at the end of a ten-year period (with a 6 5 year expected term) and the compensation cost determined at grant date is recognized on a straight-line basis over the vesting period

On April 17, 2012, 2,514 thousand stock options were granted, compared to 2,527 thousand granted on April 13, 2011 After taking into account a 2 35% risk-free interest rate (3 21% in 2011), the fair value of each option granted was €0 96, compared to €2 16 per option on April 13, 2011, corresponding to a global fair value of €2 million (compared to €5 million in 2011)

Performance share plans

Performance shares granted in 2012 and 2011 vest at the end of a two-year period The compensation cost is therefore recognized on a straight-line basis over the vesting period Performance shares are available at the end of a four-year period from the date of grant However, as the shares granted are ordinary shares of the same class as existing shares composing the share capital of Vivendi SA, employee shareholders are entitled to dividends and voting rights attached to these shares at the end of the two-year vesting period The compensation cost corresponds to the value of the equity instruments received by the beneficiary, and is equal to the difference between the fair value of the shares to be received and the discounted value of dividends that were not received over the vesting period

On April 17, 2012, 1,818 thousand performance shares were granted, compared to 1,679 thousand granted on April 13, 2011 After taking into account a discount for non-transferability of 7 10% of the share price on April 17, 2012 (4 50% on April 13, 2011), the fair value of each granted performance share was €9 80, compared to €16 84 per share on April 13, 2011 corresponding to a global fair value of €18 million (compared to €28 million in 2011)

50 bonus share plan

On July 16, 2012, Vivendi adopted a 50 bonus share plan per employee of all the group's French subsidiaries These shares will be issued at the end of a two-year period, i e, July 17, 2014, subject to the employee being in active employment at this date and without any performance conditions The compensation cost was recognized on a straight-line basis over this period The shares will only be available after another two-year period However, as the shares granted are ordinary shares of the same class as existing shares making up the share capital of Vivendi SA, employee shareholders will be entitled to dividend and voting rights relating to all their shares from the end of the two year vesting period

On July 16, 2012, 729 thousand bonus shares were granted After taking into account a discount for non-transferability of 9 30% of the share price on July 16, 2012, the fair value of each granted bonus share was €12 40, a total of €9 million

Employee stock purchase and leveraged plans

Vivendi also maintains share purchase plans (stock purchase and leveraged plans) that allow substantially all of its employees and retirees to purchase Vivendi shares through capital increases reserved to them These shares, which are subject to certain sale or transfer restrictions, may be purchased by employees with a maximum discount of 20% on the average opening market price for Vivendi shares during the 20 trading days preceding the date of approval of the share capital increase by the Management Board (purchase date) The difference between the subscription price of the shares and the share price on the date of grant (corresponding to the subscription period closing date) represents the benefit granted to the beneficiaries Furthermore, Vivendi applies a discount for non-transferability in respect of the restrictions on the sale or transfer of the shares during a five-year period, which is deducted from the benefit granted to the employees The value of the stock purchase plans granted is estimated and fixed at grant date

For the employee stock purchase and leveraged plans subscribed in 2012 and 2011, the applied assumptions were as follows

	2012	2011
Grant date	June 25	June 23
Subscription price (in euros)	10 31	15 27
Data at grant date		
Share price (in euros)	13 57	18 39
Discount to face value	24 02%	16 97%
Expected dividend yield	7 37%	8 16%
Risk-free interest rate	1 37%	2 44%
5-year interest rate	6 51%	6 15%
Repo rate	0 36%	0 36%

Under the **employee stock purchase plans**, 2,108 thousand shares were subscribed in 2012 (1,841 thousand shares subscribed in 2011) After taking into account a 15 3% discount for non-transferability to the share price on the grant date (10 0% in 2011), the fair value per subscribed share was €1 2 on June 25, 2012, compared to €1 3 per subscribed share on July 23, 2011

Under the **leveraged plans** implemented in 2012 and 2011, virtually all employees and retirees of Vivendi and its French and foreign subsidiaries were entitled to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share A financial institution mandated by Vivendi hedges this transaction

In 2012, 9,845 thousand shares were subscribed under the leveraged plans (compared to 7,320 subscribed shares in 2011) After taking into account a 1 5% discount for non-transferability measured after the leveraged impact (1 0% in 2011), the fair value per subscribed share on June 25, 2012 was €3 1, compared to €2 9 per subscribed share on June 23, 2011

Therefore, stock purchase and leveraged plans resulted in a capital increase totaling €127 million on July 19, 2012 (including issue premium), compared to €143 million on July 21, 2011

Cash-settled instruments

In 2006 and 2007, Vivendi granted specific instruments to its US resident managers and employees, with economic features similar to those granted to non-US resident managers and employees, except that these equity instruments are settled in cash only The value of the cash-settled instruments granted is initially estimated as of the grant date and is then re-estimated at each reporting date until the payment date and the expense is adjusted pro rata taking into account the vested rights at each such reporting date All the rights for these plans were definitively vested as of April 2010

Stock appreciation right plans

When the instruments entitle the beneficiaries thereof to receive the appreciation in the value of Vivendi share, they are known as "stock appreciation rights" (SAR) which are the economic equivalent of stock options Under a SAR plan, the beneficiaries will receive a cash payment upon exercise of their rights based on the Vivendi share price equal to the difference between the Vivendi share price upon exercise of the SAR and their strike price as set at the grant date SAR expire at the end of a ten-year period The following table presents the value of outstanding stock appreciation right plan measured as of December 31, 2012

	2007	2006	
Grant date	April 23,	September 22,	April 13,
Data at grant date			
Strike price (in US dollars)	41 34	34 58	34 58
Number of instruments granted (in thousands)	1,281	24	1,250
Data at the valuation date (December 31 2012)			
Expected term (in years)	2 1	1 8	1 6
Share price (in US dollars)	22 49	22 49	22 49
Expected volatility	29%	29%	29%
Risk-free interest rate	0 07%	0 06%	0 05%
Expected dividend yield	5 87%	5 87%	5 87%
Fair value of the granted option as of December 31, 2012 (in US dollars)	**0 20**	**0 40**	**0.34**

Restricted stock unit plans

Under an RSU plan, the beneficiaries received, at the end of a four-year period following the grant date, a cash payment based on the Vivendi share price equal to the Vivendi share price at that date, plus the value of dividends paid on Vivendi shares in respect of the two fiscal periods subsequent to the two-year vesting period, and converted into the local currency at the prevailing exchange rate In 2011, the beneficiaries of the RSU plan granted in 2007 received a cash payment for an aggregate consideration of €2 million Consequently, there are no more RSU plans at Vivendi

21 2 2 Information on outstanding Vivendi plans since January 1, 2011

Equity-settled instruments

	Stock options		Performance shares
	Number of stock options outstanding	Weighted average strike price of stock options outstanding	Number of performance shares outstanding
	(in thousands)	(in euros)	(in thousands)
Balance as of December 31, 2010	**48,922**	**21 4**	**1,827**
Granted	2,565	19 9	1,768
Exercised	(554)	13 9	(509)
Cancelled	(1,026)	19 7	(125)
Balance as of December 31, 2011	**49,907**	**21 5**	**2,961**
Granted	2 650	13 7	1 918
Exercised	(479) (a)	13 0	(981)
Cancelled	(411)	18 4	(138)
Adjusted	1,739	20 4	124
Balance as of December 31, 2012	**53,406** (b)	**20.5**	**3,884** (c)
Exercisable as of December 31, 2012	**42,817**	**21 4**	**-**
Acquired as of December 31, 2012	**42,857**	**21 4**	**231**

a The weighted average share price for Vivendi shares at the dates of exercise for the options was €16 70 (compared to €19 99 for stock options exercised in 2011)

b The total intrinsic value of outstanding stock options was €22 million

c The weighted-average remaining period before issuing shares under performance shares was 1 2 years

Regarding the grant of 50 bonus shares, the remaining number of bonus shares was 697 thousand as of December 31, 2012 During 2012, 32 thousand shares were cancelled

Please refer to Note 18 for the potential impact on the share capital of Vivendi SA of the outstanding stock options, the performance shares and bonus shares

Information on stock options as of December 31, 2012 is as follows

	Outstanding stock options			Vested stock options	
Range of strike prices	Number	Weighted average strike price	Weighted average remaining contractual life	Number	Weighted average strike price
	(in thousands)	(in euros)	(in years)	(in thousands)	(in euros)
Under €18	11 111	15 4	5 9	3,160	13 3
€18-€20	17 019	18 5	4 3	14,421	18 3
€20-€22	7,395	21 3	2 3	7 395	21 3
€22-€24	6 296	22 6	5 3	6,296	22 6
€24-€26	5 714	25 7	3 3	5,714	25 7
€26-€28	5 871	27 7	4 3	5,871	27 7
€28 and more	-	-	-	-	
	53,406	**20 5**	**4 4**	**42,857**	**21 4**

Cash-settled instruments

As of December 31, 2012, the remaining outstanding SAR amounted to 5,064 thousand (compared to 5,057 thousand as of December 31, 2011) In 2012, 35 thousand SAR were exercised and 123 thousand were forfeited All rights related to SAR were vested and their total intrinsic value amounted to $2 million As of December 31, 2012, the amount accrued for these instruments was €2 million (compared to €2 million as of December 31, 2011)

21.3 Plans granted by Activision Blizzard

21 3 1 Information on plans granted by Activision Blizzard

As part of the creation of Activision Blizzard on July 10, 2008, Vivendi assumed the outstanding plans of Activision

The accounting methods applied to value these granted plans are described in Note 1 3 10 More precisely, the volatility applied in valuing the plans granted by Activision Blizzard consists of the historical volatility of Activision Blizzard shares and the implied volatility based on traded put and call options The risk-free interest rate used was a forward rate and the expected dividend yield assumption was based on the company's historical and expected future amount of dividend payouts

On July 28, 2008, the Board of Directors of Activision Blizzard adopted the Activision Blizzard Inc 2008 Incentive Plan, further amended and restated by the Board of Directors and the Compensation Committee of this Board with stockholder approval (as so amended and restated, the "2008 Plan") The 2008 Plan authorizes the Compensation Committee of the Board of Directors to provide Activision Blizzard's stock-based compensation in the form of stock options, share appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other performance or value-based awards The stock-based compensation program of Activision Blizzard for the most part currently utilizes a combination of options and restricted stock units Under the terms of the 2008 Plan, the exercise price for the options, must be equal to or greater than the closing price per share of the common stock of Activision Blizzard on the date the award is granted, as reported on NASDAQ

For the main stock option plans, performance share plans and bonus share plans of 2012 and 2011, the applied assumptions were as follows

	2012	2011
Weighted-average data at grant date (a)		
Option strike price (in US dollars)	10 95	12 54
Share price (in US dollars)	10 95	12 54
Expected volatility	41%	44%
Expected dividend yield	1 65%	1 34%
Performance conditions achievement rate	na*	na*

na* not applicable

a Relates to the weighted-average by number of instruments for each grant per fiscal year

Stock option plans

Stock options have time-based vesting schedules, generally vesting annually over a period of three to five years and the options expire at the end of a ten-year period

In 2012, 4,296 thousand stock options were granted, compared to 4,052 thousand stock options in 2011 The weighted-average fair values of the granted options were $3 47 per option (with a 1 12% risk-free interest rate) compared to $4 17 in 2011 (with a 1 91% risk-free interest rate)
For stock options granted in 2012, the expected term was 7 05 years, compared to 6 58 years for the options granted in 2011

Restricted stock plans

Restricted stocks either have time-based vesting schedules, generally vesting in their entirety on the third anniversary of the date of grant or vesting annually over a period of three to five years, or vest only if certain performance measures are met Concerning the restricted stocks granted in 2012 and 2011, the shares are vested at the end of a three-year period

In 2012, 15,498 thousand restricted stocks were granted, compared to 4,918 thousand restricted stocks in 2011 The weighted-average fair values of the granted restricted stocks were $11 81 per instrument compared to $12 30 in 2011

In addition, in connection with the consummation of the Activision and Vivendi Games business combination on July 9, 2008, the Chief Executive Officer of Activision Blizzard received a grant of 2,500,000 market performance-based restricted shares, which vested in 20% increments on each of the first, second, third, and fourth anniversaries of the date of grant, with another 20% vesting on December 31, 2012, the expiration date of the Chief Executive Officer's employment agreement with Activision Blizzard As of December 31, 2012, the market performance measure was not achieved and all of the market performance-based restricted shares granted to the Chief Executive Officer were forfeited

21.3.2 Information on outstanding Activision Blizzard plans since January 1, 2011

	Stock options		Restricted stocks
	Number of stock options outstanding	Weighted average strike price of stock options outstanding	Number of restricted stocks outstanding
	(in thousands)	(in US dollars)	(in thousands)
Balance as of December 31, 2010	**61,175**	**10.5**	**16,572**
Granted	4,052	12 5	4,918
Exercised	(9 605)	7 2	(3,125)
Forfeited	(1 719)	11 1	(1 226)
Expired	(741)	15 1	-
Balance as of December 31, 2011	**53,162**	**11 1**	**17,139**
Granted	4 296	11 0	15 498
Exercised	(4,790) (a)	6 9	(3,554)
Forfeited	(423)	12 4	(3 478)
Expired	(497)	14 9	-
Balance as of December 31, 2012	**51,748** (b)	**11 5**	**25,605** (c)
Exercisable as of December 31, 2012	**39,473**	**11 4**	-
Acquired as of December 31, 2012	**39,473**	**11 4**	-

a The weighted average share price for the shares of Activision Blizzard on the date on which the options were exercised was $12 15 (compared to $12 06 in 2011)

b The total intrinsic value of outstanding stock options was $37 million

c For restricted stocks, the weighted average remaining period before issuing shares was 1 7 years

Please refer to Note 18 for the potential impact on Vivendi's ownership interest in Activision Blizzard of the outstanding stock options and the restricted stock plans

Information on stock options as of December 31, 2012 is as follows

	Outstanding stock options			Vested stock options	
Range of strike prices	Number	Weighted average strike price	Weighted average remaining contractual life	Number	Weighted average strike price
	(in thousands)	(in US dollars)	(in years)	(in thousands)	(in US dollars)
Under $2	111	1 8	0 2	111	1 8
$2-$4	488	2 8	0 9	488	2 8
$4-$6	1 607	5 5	2 2	1 607	5 5
$6-$8	4 373	7 0	3 0	4 373	7 0
$8-$10	5 714	9 3	4 5	5 680	9 3
$10-$12	22 602	11 3	7 5	13 150	11 3
$12-$14	8 663	13 0	6 6	6,394	13 1
$14-$16	3 540	15 0	5 5	3,127	15 0
$16-$17	4 590	16 5	5 4	4 483	16 5
$17 and more	60	18 4	5 6	60	18 4
	51,748	**11 5**	**6 1**	**39,473**	**11 4**

21.4 UMG long-term incentive plan

Effective January 1, 2010, UMG implemented long-term incentive arrangements under which certain key executives of UMG are awarded phantom equity units and phantom stock appreciation rights whose value is intended to reflect the value of UMG These units are simply units of account and do not represent an actual ownership interest in either UMG or Vivendi The equity units are notional grants of equity that will be payable in cash upon settlement no later than 2015 or earlier under certain circumstances The stock appreciation rights are essentially options on those notional shares that provide additional compensation tied to any increase in value of UMG over the term The SAR's are also settled in cash only no later than 2015 or earlier under certain circumstances There is a guaranteed minimum payout of $25 million

Payouts under the plan generally coincide with terms of employment, but can be accelerated or reduced under certain circumstances The values for both payouts are based upon third party valuations While the participants' rights vest at the end of a fixed vesting period, compensation expense is recognized over the vesting period as services are rendered At each closing date, the expense is recognized based on the portion of the vesting period that has elapsed and the fair value of the units calculated using an appropriate grant date model in accordance with IFRS 2

As of December 31, 2012, the amount accrued under these arrangements was €22 million (€14 million as of December 31, 2011) There have been no payments made to date

Note 22 Borrowings and other financial liabilities

(in millions of euros)	Note	December 31 2012 Total	December 31 2012 Long-term	December 31 2012 Short-term	December 31 2011 Total	December 31 2011 Long-term	December 31 2011 Short-term
Bonds	22 1	10 888	10,188	700	9,276	7 676	1 600
Bank credit facilities (drawn confirmed)	22 2	2 423	2 326	97	4 917	4,558	359
Commercial paper issued	22 2	3,255		3 255	529	-	529
Bank overdrafts		192		192	163	-	163
Accrued interest to be paid		205		205	200	-	200
Other		751	120	631	621	173	448
Nominal value of borrowings		**17,714**	12,634	5,080	**15,706**	12,407	3,299
Cumulative effect of amortized cost and reevaluation due to hedge accounting		(1)	4	(5)	(12)	(8)	(4)
Commitments to purchase non-controlling interests		8	8	-	11	10	1
Derivative financial instruments	23	36	21	15	5	-	5
Borrowings and other financial liabilities		**17,757**	**12,667**	**5,090**	**15,710**	**12,409**	**3,301**

22.1 Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	December 31 2012		Maturing during the following periods 2013	2014	2015	2016	2017	After 2017	December 31 2011
€700 million (December 2012)	2 500%	2 65%	Jan-20	700			-	-	-	-	700	-
$550 million (April 2012)	2 400%	2 50%	Apr-15	420	(a)	-		420	-	-	-	-
$650 million (April 2012)	3 450%	3 56%	Jan-18	491			-	-		-	491	-
$800 million (April 2012)	4 750%	4 91%	Apr-22	604			-	-	-		604	-
€1,250 million (January 2012)	4 125%	4 31%	Jul-17	1,250		-	-	-	-	1 250	-	
€500 million (November 2011)	3 875%	4 04%	Nov-15	500		-		500		-		500
€500 million (November 2011)	4 875%	5 00%	Nov-18	500			-	-	-	-	500	500
€1,000 million (July 2011)	3 500%	3 68%	Jul 15	1 000			-	1 000	-	-	-	1 000
€1,050 million (July 2011)	4 750%	4 67%	Jul-21	1 050	(b)	-		-		-	1 050	750
€750 million (March 2010)	4 000%	4 15%	Mar 17	750			-	-	-	750	-	750
€700 million (December 2009)	4 875%	4 95%	Dec-19	700			-	-	-	-	700	700
€500 million (December 2009)	4 250%	4 39%	Dec-16	500			-	-	500	-		500
€300 million - SFR (July 2009)	5 000%	5 05%	Jul 14	300		-	300	-	-	-	-	300
€1,120 million (January 2009)	7 750%	7 69%	Jan 14	894			894	-	-	-	-	894
$700 million (April 2008)	6 625%	6 85%	Apr-18	529			-	-	-	-	529	541
€700 million (October 2006)	4 500%	5 47%	Oct-13	700		700			-	-	-	700
€1,000 million - SFR (July 2005)	3 375%	4 14%	Jul 12	-		-	-	-	-		-	1 000
$700 million (April 2008)	5 750%	6 06%	Apr-13	-	(c)		-	-	-	-	-	541
€600 million (February 2005)	3 875%	3 94%	Feb-12					-	-	-	-	600
Nominal value of bonds				**10,888**		700	1,194	1 920	500	2 000	4,574	**9,276**

a A USD/EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche denominated in US dollar and issued in April 2012 with a 1 3082 EUR/USD rate, or a €420 million counter value at maturity As of December 31, 2012, the counter value of this bond converted at the closing rate amounted to €415 million

b In April 2012, this bond was increased by €300 million

c In April/May 2012, this bond was early redeemed through a tender offer

The bonds denominated in euro are listed on the Luxembourg Stock Exchange

The bonds denominated in US dollar were converted into euro based on the closing rate, i e , 1 3244 EUR/USD as of December 31, 2012 (compared to 1 29290 EUR/USD as of December 31, 2011)

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

22.2 Bank credit facilities

(in million of euros)	Maturity	Maximum amount	December 31 2012	Maturing during the following periods 2013	2014	2015	2016	2017	After 2017	December 31 2011
€1 5 billion revolving facility (May 2012)	May 17	1 500 (a)	-		-		-			-
€1 1 billion revolving facility (January 2012)	Jan 17	1 100 (b)								
€40 million revolving facility (January 2012)	Jan 15	40			-			-		
€5 0 billion revolving facility (May 2011)										
tranche B €1 5 billion	May 14	1 500	725		725		-		-	725
tranche C €2 0 billion	May 16	2 000	819		-		819			410
€1 0 billion revolving facility (September 2010)	Sep-15	1 000	350			350				
€1 2 billion revolving facility SFR (June 2010)	Jun-15	1 200			-					
€2 billion revolving facility (February 2008)		(a)								890
€2 billion revolving facility (August 2006)		(a)			-					2 000
Securitization program SFR (March 2011)		- (c)					-			422
GVT BNDES		570	406	30	45	76	76	57	122	299
Maroc Telecom MAD 3 billion loan	Jul 14	94	94	54	40					149
Canal+ Group VSTV	Feb 14	35	29	13	16		-		-	22
Drawn confirmed bank credit facilities			**2,423**	**97**	**826**	**426**	**895**	**57**	**122**	**4,917**
Undrawn confirmed bank credit facilities			6 616	6	784	1 918	1 209	2 628	71	7 164
Total of group's bank credit facilities			**9,039**	**103**	**1,610**	**2,344**	**2,104**	**2,685**	**193**	**12,081**
Commercial paper issued (d)			3 255	3 255						529

a In May 2012, Vivendi set up a €1 5 billion syndicated bank credit facility maturing in May 2017, which permitted the early refinancing of two credit facilities for a total amount of €3 billion (the €2 billion credit facility of August 2006 maturing in August 2013 for €1 7 billion and in August 2012 for €0 3 billion as well as the €1 billion credit facility of February 2008, maturing in February 2013)

b In January 2012, Vivendi set up a €1 1 billion bank credit facility with a 5-year maturity, which permitted the early refinancing of the €1 5 billion credit facility initially maturing in December 2012 and SFR's €0 5 billion syndicated loan initially maturing in March 2012

c SFR's securitization program was terminated in June 2012

d The commercial paper is backed to confirmed bank credit facilities It is recorded as short-term borrowing on the Consolidated Statement of Financial Position Moreover, in June 2012, Vivendi increased the maximum amount authorized by the Banque de France regarding Vivendi SA's commercial paper program from €3 billion to €4 billion

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

Moreover, in connection with its appeal of the verdict rendered in the Liberty Media Corporation litigation, Vivendi will shortly deliver a letter of credit issued by Bank of America for the benefit of Liberty Media Corporation, for €975 million (damages and interest, as well as legal costs) This off-balance sheet financial commitment will have no impact on Vivendi's net debt (please refer to Note 23 2 3)

Vivendi SA's syndicated bank credit facilities (€7 1 billion as of December 31, 2012) contain customary provisions related to events of default and covenants relating to negative pledge, divestiture and merger transactions In addition, at the end of each half year, Vivendi SA is required to comply with a financial covenant of Proportionate Financial Net Debt[1] to Proportionate EBITDA[2] over a twelve-month rolling period not exceeding 3 for the duration of the loans Non-compliance with this covenant could result in the early redemption of the facilities if they were drawn, or their cancellation As of December 31, 2012, Vivendi SA was in compliance with these financial covenants

SFR's bank credit facility (€1 2 billion as of December 31, 2012) contains customary default, negative pledge, and merger and divestiture covenants In addition, the facility is subject to a change in SFR's control provision Moreover, at the end of each half year, SFR must comply with the following two financial covenants (i) a ratio of Financial Net Debt to consolidated EBITDA over a twelve-month rolling period not exceeding 3 5, and (ii) a ratio of consolidated earnings from operations (consolidated EFO) to consolidated net financing costs (interest) equal to or greater than 3 Non-compliance with these financial covenants could result in the early redemption of the loan As of December 31, 2012, SFR was in compliance with these financial covenants

[1] *Defined as the difference between Vivendi s Financial Net Debt and the share of Financial Net Debt attributable to non-controlling interests of Activision Blizzard and Maroc Telecom group*

[2] *Defined as the difference between Vivendi s modified EBITDA and modified EBITDA attributable to non-controlling interests of Activision Blizzard and Maroc Telecom group, plus dividends received from entities that are not consolidated*

The renewal of Vivendi SA's and SFR's confirmed bank credit facilities when they are drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its financial obligations with respect to loan contracts

The credit facilities granted to GVT by the BNDES (approximately BRL 1 5 billion as of December 31, 2012) contain a change in control trigger and are subject to certain financial covenants pursuant to which GVT is required to comply at the end of each half year with at least three of the following financial covenants (i) a ratio of equity to total asset equal to or higher than 0 40 (0 35 for the credit facilities granted in November 2011), (ii) a ratio of Financial Net Debt to EBITDA not exceeding 2 50, (iii) a ratio of current financial liabilities to EBITDA not exceeding 0 45, and (iv) a ratio of EBITDA to net financial expenses of at least 4 00 (3 50 for the credit facilities granted in November 2011) As of December 31, 2012, GVT was in compliance with its covenants

22.3 Breakdown of the nominal value of borrowings by maturity, nature of the interest rate, and currency

Breakdown by maturity

(in millions of euros)	December 31, 2012		December 31, 2011	
Maturity				
< 1 year (a)	5,080	*29%*	3,299	*21%*
Between 1 and 2 years	2 057	*12%*	4,017	*26%*
Between 2 and 3 years	2,380	*13%*	2 037	*13%*
Between 3 and 4 years	1,406	*8%*	1,603	*10%*
Between 4 and 5 years	2 073	*12%*	1,391	*9%*
> 5 years	4,718	*26%*	3 359	*21%*
Nominal value of borrowings	**17,714**	***100%***	**15,706**	***100%***

a Short-term borrowings (with a maturity of less than one year) included in particular the commercial paper for €3,255 million as of December 31, 2012 (compared to €529 million as of December 31, 2011), with a 30-day weighted-average remaining period at year-end 2012 In addition, they included the €700 million bond issued in October 2006 and maturing in October 2013

As of December 31, 2012, the average "economic" term of the group's financial debt, pursuant to which all undrawn amounts on available medium-term credit lines may be used to redeem group borrowings with the shortest term was of 4 4 years (compared to 4 0 years at year-end 2011)

Breakdown by nature of interest rate

(in millions of euros)	Note	December 31, 2012		December 31, 2011	
Fixed interest rate		11 666	*66%*	9 993	*64%*
Floating interest rate		6 048	*34%*	5,713	*36%*
Nominal value of borrowings before hedging		**17,714**	***100%***	**15,706**	***100%***
Pay-fixed interest rate swaps		*450*		*1 000*	
Pay-floating interest rate swaps		*(1,450)*		*(1,750)*	
Net position at fixed interest rate	23 2	***(1,000)***		***(750)***	
Fixed interest rate		10,666	*60%*	9,243	*59%*
Floating interest rate		7,048	*40%*	6 463	*41%*
Nominal value of borrowings after hedging		**17,714**	***100%***	**15,706**	***100%***

Please refer to Note 23 2 1 for a description of the group's interest rate risk management instruments

Breakdown by currency

(in millions of euros)	Note	December 31 2012		December 31, 2011	
Euro - EUR		14 420	*81%*	13 751	*88%*
US dollar - USD		2 046	*12%*	1 084	*7%*
Other (of which MAD BRL, PLN and FCFA)		1,248	*7%*	871	*5%*
Nominal value of borrowings before hedging		**17,714**	***100%***	**15,706**	***100%***
Currency swaps USD		*1 303*		*563*	
Other currency swaps		*(813)* (a)		*(78)*	
Net total of hedging instruments	23 2	***490***		***485***	
Euro - EUR		14 910	*84%*	14 236	*91%*
US dollar - USD		743	*4%*	521	*3%*
Other (of which MAD BRL, PLN and FCFA)		2 061	*12%*	949	*6%*
Nominal value of borrowings after hedging		**17,714**	***100%***	**15,706**	***100%***

a Notably included a forward GBP/EUR contract for a nominal amount of £430 million, put into place in order to cover the proceeds from the forthcoming sale of certain assets of EMI Recorded Music Please refer to Note 23 2 2 for a description of the group's foreign currency risk management

22.4 Credit ratings

As of February 18, 2013, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2012, the credit ratings of Vivendi were as follows

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

a On October 26, 2012, Standard & Poor's removed the credit watch negative that it had placed in Vivendi's debt on July 4, 2012 and confirmed Vivendi's rating, with a negative outlook, of the BBB long-term debt and the A-2 short-term debt rating

Note 23 Financial instruments and management of financial risks

23.1 Fair value of financial instruments

Financial instruments classified as liabilities under Vivendi's Statement of Financial Position include bonds and bank credit facilities, other financial liabilities (including commitments to purchase non-controlling interests), as well as trade accounts payable and other non-current liabilities As assets under Vivendi's Statement of Financial Position, they include financial assets measured at fair value and at historical cost, trade accounts receivable and other, as well as cash and cash equivalents In addition, financial instruments include derivative instruments (assets or liabilities) and assets available for sale

Accounting category and fair value of financial instruments

		December 31, 2012		December 31, 2011	
(in millions of euros)	Note	Carrying value	Fair value	Carrying value	Fair value
Assets					
Cash management financial assets		*301*	*301*	*266*	*266*
Available-for-sale securities		*197*	*197*	*125*	*125*
Derivative financial instruments		*137*	*137*	*101*	*101*
Other financial assets at fair value through profit or loss		*15*	*15*	*28*	*28*
Financial assets at amortized cost		*228*	*228*	*352*	*352*
Financial assets	15	878	878	872	872
Trade accounts receivable and other, at amortized cost	16	6 587	6 587	6,730	6,730
Cash and cash equivalents	17	3 894	3,894	3,304	3 304
Liabilities					
Borrowings at amortized cost		*17,713*	*18,637*	*15,694*	*16,079*
Derivative financial instruments		*36*	*36*	*5*	*5*
Commitments to purchase non-controlling interests, at fair value through profit or loss		*8*	*8*	*11*	*11*
Borrowings and other financial liabilities	22	17,757	18,681	15 710	16,095
Other non-current liabilities, at amortized cost	16	1,002	1 002	864	864
Trade accounts payable and other, at amortized cost	16	14,196	14 196	13,987	13 987

The carrying value of trade accounts receivable and other, cash and cash equivalents, and trade accounts payable is a reasonable approximation of fair value, due to the short maturity of these instruments

Valuation method for financial instruments at fair value

The following tables present the fair value method of financial instruments according to the three following levels

- Level 1 fair value measurement based on quoted prices in active markets for identical assets or liabilities,
- Level 2 fair value measurement based on observable market data (other than quoted prices included within Level 1), and
- Level 3 fair value measurement based on valuation techniques that use inputs for the asset or liability that are not based on observable market data

As a reminder, the other financial instruments at amortized cost are not included in the following tables

(in millions of euros)	Note	December 31, 2012			
		Total	Level 1	Level 2	Level 3
Assets					
Cash management financial assets	15	301	301	-	-
Available-for-sale securities	15	197	-	154	43
Derivative financial instruments	23 2	137	-	137	-
Other financial assets at fair value through profit or loss		15	9	-	6
Cash and cash equivalents	17	3,894	3,894	-	-
Liabilities					
Commitments to purchase non-controlling interests		8	-	-	8
Derivative financial instruments	23 2	36	-	36	-

(in millions of euros)	Note	December 31, 2011			
		Total	Level 1	Level 2	Level 3
Assets					
Cash management financial assets	15	266	266	-	-
Available-for-sale securities	15	125	1	77	47
Derivative financial instruments	23 2	101	-	101	-
Other financial assets at fair value through profit or loss		28	15	-	13
Cash and cash equivalents	17	3,304	3,304	-	-
Liabilities					
Commitments to purchase non-controlling interests		11	-	2	9
Derivative financial instruments	23 2	5	-	5	-

In 2012 and 2011, there was no transfer of financial instruments measured at fair value between level 1 and level 2 In addition, as of December 31, 2012 and December 31, 2011, financial instruments measured at level 3 fair value did not include any significant amount

23.2 Management of financial risks and derivative financial instruments

As part of its business, Vivendi is exposed to several types of financial risks market risk, credit (or counterparty) risk, as well as liquidity risk Market risks are defined as the risks of fluctuation in future cash flows of financial instruments (receivables and payables, as described in Note 23 1 above) that depend on the evolution of financial markets For Vivendi, market risks may therefore primarily impact interest rates and foreign currency exchange positions, in the absence of significant investments in the markets for stocks and bonds Vivendi's Financing and Treasury Department centrally manages significant market risks, as well as its liquidity risk within the group, reporting directly to Vivendi's chief financial officer, a member of the Management Board The Department has the necessary expertise, resources (notably technical resources), and information systems for this purpose However, the cash and exposure to financial risks of Maroc Telecom group and Activision Blizzard are managed independently The Finance Committee monitors the liquidity positions in all business units and the exposure to interest rate risk and foreign currency exchange rate risk on a bi-monthly basis Short- and long-term financing activities are mainly performed at the group's headquarters and are subject to the prior agreement of the Management and Supervisory Board, in accordance with the Internal Regulations However, in terms of optimizing financing operations within the group's debt management framework within the limits already approved by the Supervisory Board, a simple notification is required

Vivendi uses various derivative financial instruments to manage and reduce its exposure to fluctuations in interest rates and foreign currency exchange rates All instruments are either listed on organized markets or traded over-the-counter with highly-rated counterparties All derivative financial instruments are used for hedging purposes and speculative hedging is forbidden

Derivative financial instrument values on the Statement of Financial Position

(in millions of euros)	Note	December 31 2012 Assets	December 31 2012 Liabilities	December 31, 2011 Assets	December 31, 2011 Liabilities
Interest rate risk management	23 2 1	**104**	**(10)**	**60**	-
Pay-fixed interest rate swaps		-	(10)	-	-
Pay floating interest rate swaps		104	-	60	
Foreign currency risk management	23 2 2	**13**	**(26)**	**41**	**(5)**
Other	23 4	**20**	-	-	-
Derivative financial instruments		**137**	**(36)**	**101**	**(5)**
Deduction of current derivative financial instruments		(12)	15	(39)	5
Non-current derivative financial instruments		**125**	**21**	**62**	-

23.2.1 Interest rate risk management

Interest rate risk management instruments are used by Vivendi to reduce net exposure to interest rate fluctuations, to adjust the respective proportion of fixed or floating interest rates in the total debt and to optimize average net financing costs In addition, Vivendi's internal procedures prohibit all speculative transactions

Average gross borrowings and average cost of borrowings

In 2012, average gross borrowings amounted to €17 1 billion (compared to €13 7 billion in 2011), of which €10 2 billion was at fixed-rates and €6 9 billion at floating rates (compared to €7 2 and €6 5 billion in 2011, respectively) After management, the average cost of borrowings was 3 50%, with a fixed rate ratio of 60% (compared to 3 87%, with a fixed-rate ratio of 53% in 2011)

Interest rate hedges

Interest rate risk management instruments used by Vivendi include pay-floating and pay-fixed interest rate swaps Pay-floating swaps effectively convert fixed rate borrowings to LIBOR and EURIBOR indexed ones Pay-fixed interest rate swaps convert floating rate borrowings into fixed rate borrowings These instruments enable the group to manage and reduce volatility in future cash flows required for interest payments on borrowings

In 2012, Vivendi SA early terminated swaps (notional amount of €300 million) belonging to the pay-floating interest rate swap portfolio (aggregate notional amount of €750 million), maturing in 2017, thus generating an unrealized gain of €19 million Simultaneously, the balance of this portfolio (notional amount of €450 million) was reclassified as an economic hedge and Vivendi set up a pay-fixed interest rate swaps for a notional amount of €450 million, generating an unrealized gain of €37 million These unrealized gains were recorded in charges and income, directly recognized in equity, and recycled in financial income over the remaining term of the borrowing hedged

The tables below show the notional amounts of interest rate risk management instruments used by Vivendi

	December 31 2012								
	Notional amounts							Fair value	
(in millions of euros)	Total	2013	2014	2015	2016	2017	After 2017	Assets	Liabilities
Pay-fixed interest rate swaps	450					450		-	(10)
Pay floating interest rate swaps	(1,450)				(1,000)	(450)		104	-
Net position at fixed interest rate	**(1,000)**				**(1,000)**	- (a)		**104**	**(10)**
Breakdown by accounting category of rate hedging instruments									
Cash Flow Hedge	-							-	-
Fair Value Hedge	(1 000)				(1 000)			55	-
Economic Hedging (b)	-					- (a)		49	(10)

(in millions of euros)	December 31 2011								
	Notional amounts							Fair value	
	Total	2012	2013	2014	2015	2016	After 2016	Assets	Liabilities
Pay-fixed interest rate swaps	1,000	1,000						-	-
Pay-floating interest rate swaps	(1,750)					(1 000)	(750)	60	-
Net position at fixed interest rate	**(750)**	**1,000**				**(1,000)**	**(750)**	**60**	**-**
Breakdown by accounting category of rate hedging instruments									
Cash Flow Hedge	-								-
Fair Value Hedge	(1 750)					(1 000)	(750) (c)	60	-
Economic Hedging (b)	1 000	1 000						-	-

a Includes pay-floating interest rate swaps for a notional amount of €450 million as well as pay-fixed swaps for a notional amount of €450 million, maturing in 2017, both of which qualified as economic hedges

b The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39

c In 2012, Vivendi SA early redeemed €300 million swaps from the €750 million pay-floating interest rate swap portfolio maturing in 2017

Outstanding and average income from investments

In 2012, average cash and cash equivalents amounted to €3 4 billion (compared to €4 1 billion in 2011), bearing interest at floating rates The average interest income rate amounted to 0 91% in 2012 (compared to 1 16% in 2011) They mainly included Activision Blizzard's cash and cash equivalents, invested in money market funds with initial maturity dates not exceeding 90 days

Sensitivity to changes in interest rates

As of December 31, 2012, given the relative weighting of the group's fixed-rate and floating-rate positions, an increase of 100 basis points in short-term interest rates (or a decrease of 100 basis points) would have resulted in a €29 million increase in interest expense (or a decrease of €29 million), unchanged compared to 2011

23.2.2 Foreign currency risk management

Excluding Maroc Telecom group and Activision Blizzard, the group's foreign currency risk management is centralized by Vivendi SA's Financing Department and primarily seeks to hedge budget exposures (80%) resulting from monetary flows generated by activities performed in currencies other than the euro as well as from external firm commitments (100%), primarily relating to the acquisition of editorial content (including sports, audiovisual and film rights) and certain capital expenditures (set-top boxes for example), realized in currencies other than the euro Most of the hedging instruments are foreign currency swaps or forward contracts that have a maturity of less than one year Considering the foreign currency hedge put into place, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2012, would have a non-significant cumulative impact on net earnings (below €1 million as of December 31, 2012 and December 31, 2011) In addition, the group may also hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities Nevertheless, due to their non-significant nature, net exposures to subsidiaries net working capital (internal flows of royalties as well as external purchases) are generally not hedged The relevant risks are realized at the end of each month by translating the sum into the functional currency of the relevant operating entities

The principal currency hedged by the group is the US dollar In particular, Vivendi converted in euros the $550 million bond issued in April 2012, by setting up a USD-EUR foreign currency hedge (cross-currency swap) with a 1 3082 EUR/USD rate, or a €420 million counter value maturing in April 2015

In addition, as part of the acquisition of EMI Recorded Music for £1,130 million, which was completed on September 28, 2012 (please refer to Note 2 1)

- Vivendi had partially hedged the acquisition price through forward purchase contracts denominated in GBP for a notional amount of £600 million, with a 0 8144 EUR/GBP rate From an accounting perspective, these GBP purchases were considered as cash flow hedges On October 1, 2012, this hedge was unwound for €737 million at the completion in the acquisition
- Simultaneously Vivendi partially hedged the expected income from the sale of certain EMI Recorded Music assets, in accordance with commitments made by Vivendi to the European Commission, through forward sale contracts denominated in GBP for a notional amount of £430 million, with an average rate of 0 7965 EUR/GBP From an accounting perspective, these GBP sales were considered as net investment hedges and will be unwound once the effective sale of Parlophone to Warner Music group (please refer to Note 2 1)

Finally, the intercompany loan granted by Vivendi to GVT under market terms for a total amount of €1,001 million (drawn for €811 million as of December 31, 2012) is not subject to any foreign currency hedging in GVT's Statement of Financial Position Incurred foreign exchange losses amounted to €76 million in 2012 and €24 million in 2011 This intercompany loan is mainly aimed at financing the significant increase in GVT's capital expenditures program related to the geographic expansion of its telecommunication network

As a reminder, from December 2009 to January 2011, following the agreement to sell the 20% interest in NBC Universal to GE for a total amount of $5,800 million, Vivendi gradually hedged its investment in NBC Universal using currency forward sales contracts denominated in US dollar, at an average exchange rate of 1 33 EUR/USD From an accounting perspective, these forward contracts were qualified as net investment hedges in NBC Universal

The following tables present the notional amount of foreign currency risk management instruments used by the group, the positive amounts relate to currencies to be received, the negative amounts relate to currencies to be delivered

	December 31 2012						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(931)	(59)	(162)	(586)	(124)	12	(3)
Purchases against the euro	1,421	1 257	37	15	112	1	(20)
Other	-	105	(97)	(8)	-	-	(3)
	490	**1,303**	**(222)**	**(579)**	**(12)**	**13**	**(26)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(87)	(6)	(58)	(8)	(15)	1	(1)
Purchases against the euro	446	446 (a)	-	-	-	1	(11)
Other	-	92	(92)	-	-	-	(3)
	359	532	(150)	(8)	(15)	2	(15)
Fair Value Hedge							
Sales against the euro	(154)	(53)	(98)	(3)	-	1	(2)
Purchases against the euro	456	441	-	15		-	(6)
Other	-	20	(12)	(8)	-	-	-
	302	408	(110)	4	-	1	(8)
Net Investment Hedge							
Sales against the euro	(575)	-	-	(575) (b)	-	10	-
Purchases against the euro	-	-	-	-		-	-
Other	-	-	-	-	-	-	-
	(575)	-	-	(575)	-	10	-
Economic Hedging (c)							
Sales against the euro	(115)	-	(6)	-	(109)	-	-
Purchases against the euro	519	370	37	-	112	-	(3)
Other	-	(7)	7	-	-	-	-
	404	363	38	-	3	-	(3)

	December 31 2011						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(338)	(53)	(112)	(80)	(93)	5	(5)
Purchases against the euro	823	606	40	7	170	36	-
Other	-	10	-	(10)	-	-	-
	485	**563**	**(72)**	**(83)**	**77**	**41**	**(5)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(97)	-	(65)	(9)	(23)	-	(2)
Purchases against the euro	70	69	-	1	-	5	-
Other	-	-	-	-	-	-	-
	(27)	69	(65)	(8)	(23)	5	(2)
Fair Value Hedge							
Sales against the euro	(54)	(6)	(47)	(1)	-	5	-
Purchases against the euro	476	476	-	-	-	28	-
Other	-	21	(11)	(10)	-	-	-
	422	491	(58)	(11)	-	33	-
Economic Hedging (c)							
Sales against the euro	(187)	(47)	-	(70)	(70)	-	(3)
Purchases against the euro	277	61	40	6	170	3	-
Other	-	(11)	11	-	-	-	-
	90	3	51	(64)	100	3	(3)

a Notably includes the hedge associated with the $550 million bond issued in April 2012, with a 1 3082 EUR/USD rate, or a counter-value of €420 million at maturity in April 2015

b Mainly includes the hedge associated with the forthcoming sale of EMI Recorded Music assets as of December 31, 2012 (please refer to Note 2 1), with an average rate of 0 7965 EUR/GBP, for a notional amount of £430 million, or a counter value at maturity of € 533 million

c The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39

23.2.3 Liquidity risk management

Contractual maturity of the group's Financial Net Debt future cash flows

The table below presents the carrying value and the future undiscounted cash flows, as defined in the contractual maturity schedules, of assets and liabilities that constitute Vivendi's Financial Net Debt

	December 31 2012							
	Carrying	Contractual maturity of cash outflows / (inflows)						
(in millions of euros)	value	Total	2013	2014	2015	2016	2017	After 2017
Nominal value of borrowings (a)	*17,714*	*17,714*	*5,080*	*2,057*	*2,380*	*1,406*	*2,073*	*4,718*
Cumulative effect of amortized cost and reevaluation due to hedge accounting	*(1)*	-						
Interest to be paid (b)	-	*2 586*	*534*	*502*	*402*	*331*	*302*	*515*
Borrowings	17,713	20,300	5,614	2,559	2 782	1 737	2 375	5 233
Commitments to purchase non controlling interests	8	8					4	4
Derivative financial instruments	36	30	18	3	3	3	3	
Borrowings and other financial liabilities	**17,757**	**20,338**	**5,632**	**2,562**	**2,785**	**1,740**	**2,382**	**5,237**
Cash management financial assets	(301)	(301)	(301)					
Derivative financial instruments	(137)	(156)	(40)	(29)	(28)	(28)	(11)	(20)
Cash deposits backing borrowings	(6)	(6)	(6)					
Cash and cash equivalents (c)	(3 894)	(3 894)	(3,894)					
Financial Net Debt	**13,419**	**15,981**	**1,391**	**2,533**	**2,757**	**1,712**	**2,371**	**5,217**
Undrawn confirmed bank credit facilities (d)		**6,616**	**6**	**784**	**1,918**	**1,209**	**2,628**	**71**

	December 31 2011							
	Carrying	Contractual maturity of cash outflows / (inflows)						
(in millions of euros)	value	Total	2012	2013	2014	2015	2016	After 2016
Nominal value of borrowings (a)	*15 706*	*15,706*	*3 299*	*4 017*	*2,037*	*1 603*	*1,391*	*3 359*
Cumulative effect of amortized cost and reevaluation due to hedge accounting	*(12)*	-						
Interest to be paid (b)	-	*2 230*	*544*	*436*	*360*	*266*	*196*	*428*
Borrowings	15,694	17,936	3,843	4 453	2 397	1 869	1 587	3,787
Commitments to purchase non-controlling interests	11	11	1				4	6
Derivative financial instruments	5	5	5					
Borrowings and other financial liabilities	**15,710**	**17,952**	**3,849**	**4,453**	**2,397**	**1,869**	**1,591**	**3,793**
Cash management financial assets	(266)	(266)	(266)					
Derivative financial instruments	(101)	(142)	(54)	(16)	(16)	(15)	(16)	(25)
Cash deposits backing borrowings	(12)	(12)	(12)					
Cash and cash equivalents (c)	(3 304)	(3,304)	(3,304)					
Financial Net Debt	**12,027**	**14,228**	**213**	**4,437**	**2,381**	**1,854**	**1,575**	**3,768**
Undrawn confirmed bank credit facilities		**7,164**	**2,044**	**110**	**799**	**2,261**	**1,730**	**220**

a Future contractual undiscounted cash flows related to the nominal value of currency borrowings are estimated based on the applicable exchange rate as of December 31, 2012 and December 31, 2011, respectively

b Interest to be paid on floating rate borrowings is estimated based on floating rates as of December 31, 2012 and December 31, 2011, respectively

c Cash and cash equivalents include cash held outside the United States by the Activision Blizzard's non-American subsidiaries for €1,936 million (compared to €1,266 million as of December 31, 2011) If these funds are needed in the future to finance American transactions, Activision Blizzard would accrue and pay the required US taxes to repatriate these funds However, Activision Blizzard's intent is to permanently reinvest these funds outside of the United States and their current business plans do not demonstrate a need to repatriate them to fund their activities in the United States d In connection with its appeal of the verdict rendered in the Liberty Media Corporation litigation, Vivendi will shortly deliver a letter of credit issued by Bank of America for the benefit of Liberty Media Corporation, for €975 million (damages and interest, as well as legal costs) This off-balance sheet financial commitment will have no impact on Vivendi's net debt (please refer below)

Group financing policy

Vivendi's financing policy consists of incurring long-term debt, mainly in bond and banking markets, at a variable or fixed rate, in euros or in US dollars, depending on general corporate needs and market conditions

- Non-current financial debts are primarily raised by Vivendi SA, which centralizes the group's financing management, except for Activision Blizzard and Maroc Telecom group In this context, in 2012, Vivendi pursued its policy of disintermediation, having recourse in priority to the bond market Vivendi also sought to diversify its investor base by issuing on the American bond market and pursued its policy of maintaining the "economic" average term of the group's debt above 4 years In addition, Vivendi has a Euro Medium Term Notes program on the Luxembourg Stock Exchange, which is renewed each year, in order to take advantage of every euro bond market opportunity Vivendi's bank counterparties must meet certain criteria of financial soundness, reflected in their credit rating with Standard & Poor's and Moody's Moreover, to comply with the rating agencies' prudential regulations regarding liquidity management, Vivendi arranges to the extent possible, the refinancing of all expiring bank credit facilities or bonds one year in advance As a result, in 2012, Vivendi made three bond issuances in euro for a total amount of €2,250 million (January, April and December 2012), and one issuance in US dollars for $2,000 million (April 2012)
- Contractual agreements for credit facilities granted to Vivendi SA do not include provisions that tie the conditions of the loan to its financial ratings from rating agencies They contain customary provisions related to events of default and at the end of each half-year, Vivendi SA is notably required to comply with a financial covenant (please refer to Note 22 2) The credit facilities granted to group companies other than Vivendi SA are intended to finance either the general needs of the borrowing subsidiary or specific projects
- In 2012, investments, working capital, debt service (including the redemption of borrowings), and the payment of income taxes and the dividend distribution, were financed by cash flow from operations, net, asset disposals, and borrowing or share issuances (Direct 8 and Direct Star) For the foreseeable future and based on the current financial conditions on the financial market, subject to potential transactions which may be implemented in connection with the group's change in scope, Vivendi intends to maintain this financing policy for its investments and operations

As of December 31, 2012

- The group's bond debt amounted to €10,888 million (compared to €9,276 million as of December 31, 2011) In 2012, Vivendi issued bonds in euros and in US dollars for a total amount of €3,758 million and redeemed bonds for a total amount of €2,048 million (of which $700 million (or €448 million) were early redeemed in April/May 2012) The group's bond debt represented 61% of the borrowings in the Statement of Financial Position (compared to 59% as of December 31, 2011)
- The total amount of the group's confirmed credit facilities amounted to €9,039 million (compared to €12,083 million as of December 31, 2011) The group's aggregate amount of credit facilities neither drawn nor backed by commercial paper amounted to €3,361 million (compared to €6,635 million as of December 31, 2011) The decrease in the amount of credit facilities neither drawn nor backed by commercial paper was notably due to the disintermediation policy, the increase in the outstanding amount of commercial paper, and the financing of the acquisition of EMI Recorded Music by drawing on credit facilities
- Vivendi SA's and SFR's total confirmed credit facilities amounted to €8,340 million as of December 31, 2012 (including €2 billion in available swinglines), compared to €11,242 million as of December 31, 2011 All these credit facilities have a maturity greater than one year These credit facilities were drawn for €1,894 million as of December 31, 2012 Considering the €3,255 million commercial paper issued at that date and backed to bank credit facilities, these facilities were available up to a maximum amount of €3,191 million
- In connection with its appeal of the verdict rendered in the Liberty Media Corporation litigation, Vivendi will shortly deliver a letter of credit issued by Bank of America for the benefit of Liberty Media Corporation, for €975 million (damages and interest, as well as legal costs) The latter was guaranteed by a syndicate of fifteen international banks with which Vivendi has signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit The Reimbursement Agreement notably contains events of default and acceleration clauses similar to those contained in Vivendi's credit facilities In certain circumstances, these provisions could cause Vivendi to have to post cash collateral for the benefit of the banks In the same way, if one of the 15 banks defaults in respect of its obligations and was not able to issue a guarantee sufficient enough to provide comfort to Bank of America, Vivendi could be caused to substitute such bank with another bank or, as a last resort, be obligated to post cash collateral in the amount of such bank's participation in the letter of credit
- The short-term borrowings mainly included issued commercial paper The "economic" average term of the group's debt was 4 4 years (compared to 4 0 years as of December 31, 2011)

- Finally, there is no restriction on the use of the financial resources which the group's companies benefit (including Vivendi SA) that may materially affect, directly or indirectly, the group's activities

On October 26, 2012, Standard & Poor's removed the credit watch negative that it had placed on Vivendi's debt on July 4, 2012 and confirmed the rating, with a negative outlook, of the BBB long-term debt and the A-2 short-term debt rating, which is used as a reference for the issuance program of commercial paper Vivendi reaffirmed its commitment to maintaining such credit rating

As of February 18, 2013, the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2012, Vivendi SA and SFR had available confirmed credit facilities amounting to €8,340 million, of which €500 million were drawn Considering the amount of commercial paper issued at that date, and backed on bank credit facilities for €3,991 million, these facilities were available for an aggregate amount of €3,849 million Moreover, the sale of Parlophone, announced on February 7, 2013, for £487 million (please refer to Note 2 1), should be finalized during the second half of 2013

Group financing organization

Excluding primarily Activision Blizzard and Maroc Telecom, Vivendi SA centralizes daily cash surpluses (cash pooling) of all controlled entities (a) that are not subject to local regulations restricting the transfer of financial assets or (b) that are not subject to other contractual agreements In particular, the increase to a 100% ownership interest in SFR on June 16, 2011, has enabled Vivendi SA to centralize all of SFR's cash surpluses on a daily basis from July 1, 2011 through a cash pooling account

Alternatively, in particular at Activision Blizzard and Maroc Telecom, cash surpluses are not pooled by Vivendi SA but rather, as the case may be, distributed as dividends when they are not used to finance investments of the relevant subsidiaries, as common stock repurchases or to redeem borrowings used to finance their investments Regarding Activision Blizzard, up until July 9, 2013, the distribution of any dividend by Activision Blizzard requires the affirmative vote of a majority of the independent directors if Activision Blizzard's Financial Net Debt, after giving effect to such dividend, exceeds $400 million

Taking into account the foregoing, Vivendi considers that the cash flows generated by its operating activities, its cash and cash equivalents, as well as the amounts available through its current bank credit facilities will be sufficient to cover its operating expenses and capital expenditures, service its debt (including the redemption of borrowings), pay its income taxes and dividends, as well as to fund its financial investment projects, if any, for the next twelve months, subject to potential transactions which may be implemented in connection with the group's change in scope In addition, Vivendi considers that the bank commitments received on September 28, 2012 to cover the letter of credit to be soon put in place in connection with its appeal of the Liberty Media Corporation litigation will be sufficient to suspend enforcement of the judgment by Liberty Media Corporation until the appeal is resolved

23.3 Credit and investment concentration risk and counterparty risk management

Vivendi's risk management policy aims at minimizing the concentration of its credit (bank credit facilities, bonds, derivatives) and investment risks as well as counterparty risk, as regards the setting-up of bank credit facilities, derivatives or investments, by entering into transactions with highly rated commercial banks only Moreover, regarding bond issues, Vivendi distributes its transactions among selected financial investors

In addition, Vivendi's trade receivables do not represent a significant concentration of credit risk due to its broad customer base, the broad variety of customers and markets, and the geographic diversity of its business operations

23.4 Equity market risk management

As of December 31, 2012 and as of December 31, 2011, Vivendi's exposure to equity market risk was non-significant

In addition, as of December 31, 2012, Vivendi holds call options and has granted put options on listed or unlisted shares Vivendi is thus exposed to the risk of fluctuation in their values As of December 31, 2012, Vivendi's net exposure was not significant, given that the unrealized losses on the put granted to ITI group on a 9% interest in N-Vision (-€19 million, please refer to Note 2 3) were offset by the unrealized gain on Deezer warrants (€20 million)

Note 24 Consolidated Cash Flow Statement

24.1 Adjustments

(in millions of euros)	Note	Year ended December 31, 2012	2011
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	4	3,929	3 441
Change in provision, net		102	(130)
Other non-cash items from EBIT		1	-
Other			
Reserve accrual regarding the Liberty Media Corporation litigation in the United States	27	945	-
Other income from EBIT	4	(22)	(1 385)
Other charges from EBIT	4	235	656
Proceeds from sales of property, plant, equipment and intangible assets	3	9	8
Adjustments		**5,199**	**2,590**

24.2 Investing and financing activities with no cash impact

In 2012, investing and financing activities with no cash impact amounted to €596 million (of which €336 million due to the share capital increase and €260 million due to the group's retained earnings increase) and were mainly related to

- the grant of bonus shares to Vivendi SA shareowners by a €229 million withdrawal from additional paid-in capital (please refer to Note 18),
- Vivendi SA's share capital increase of 22,356 thousand shares, which it paid in consideration for the contribution made by Bolloré Media, (the free-to-air channels Direct 8 and Direct Star), representing an enterprise value of €336 million (please refer to Note 2 2), and
- The strategic partnership in Poland, finalized on November 30, 2012 This transaction, described in Note 2 3, generated an increase in consolidated retained earnings from equity of €260 million (€114 million related to the gain on the dilution of Cyfra+ and €131 million related to the recognition of ITI Neovision non-controlling interests at fair value)

In 2011, there were no significant investing and financing activities with no cash impact

Note 25 Transactions with related parties

25.1 Corporate officers

Situation of corporate officers

At a meeting held on June 28, 2012, the Supervisory Board terminated Mr Jean-Bernard Lévy's term of office as Chairman of the Management Board The Supervisory Board also terminated the terms of office of the following members of the Management Board Mr Abdeslam Ahizoune, Mr Amos Genish, Mr Lucian Grainge, and Mr Bertrand Meheut It also appointed Mr Jean-François Dubos as Chairman of the Management Board The Management Board is currently composed of Mr Jean-François Dubos and Mr Philippe Capron
In addition, as a reminder, on March 26, 2012, Mr Frank Esser resigned from his offices as member of Vivendi's Management Board and as Chairman and Chief Executive Officer (CEO) of SFR

Compensation of corporate officers

The total gross compensation, including benefits in kind, that the group paid to the members of the Management Board, amounted to €25 million in 2012 (compared to €18 million in 2011) This amount mainly included the fixed compensation component of the members of the Management Board for the duration of their mandate (€5 million in 2012, compared to €9 million in 2011), the variable compensation component with respect to the previous year (€12 million paid in 2012 with respect to 2011, compared to €8 million paid in 2011 with respect to 2010), as well as Mr Jean-Bernard Levy and Mr Frank Esser's severance payments (€6 million)

After having considered the recommendation of the Corporate Governance and Nominating Committee and the Chairman of the Human Resources Committee, the Supervisory Board determined on June 28, 2012, that in accordance with the provisions approved by the General Shareholders' Meeting of April 30, 2009, the conditions for Mr Jean-Bernard Lévy to receive severance pay had been satisfied This severance pay amounts to sixteen months of fixed and variable compensation (based on six months' payment plus one additional month's payment for each year of service within the group after 2002), which totals €3 9 million Mr Jean-Bernard Lévy, in accordance with the provisions approved by the General Shareholders' Meeting of April 30, 2009, retains the rights to all of his stock options and performance shares, subject to the satisfaction of the relevant performance conditions attached thereto Moreover, in March 2013, he will receive the variable compensation component with respect to 2012 prorated, as approved by the Supervisory Board on February 22, 2013

In accordance with his employment contract, Mr Frank Esser's severance pay amounted to €3 9 million (of which €2 3 million was paid in 2012 and the balance in January 2013), corresponding to his contractual severance payments (twenty-four months of fixed compensation + target bonus) and conventional compensation

The members of the Management Board in office as of December 31, 2012 are entitled to receive severance payments upon termination, corresponding to a contractual termination payment As of December 31, 2012, the total estimated amount of these severance payments to be paid to Management Board members was approximately €0 8 million At the General Shareholders' Meeting to be held on April 30, 2013, it will be proposed that Mr Philippe Capron be entitled to receive a contractual severance payment of a gross amount of eighteen months' compensation (fixed compensation + target bonus)

The total charge recorded by the group with respect to share-based compensation plans (stock options, performance shares, and employee stock purchase) granted to members of the Management Board, in office or no longer in office, amounted to €6 million in 2012

The total amount of net pension plan obligations to members of the Management Board in office as of December 31, 2012, amounted to €5 million as of that date (compared to €30 million and €13 million of provisions for members of the Management Board in office as of December 31, 2011) Mr Jean-Bernard Lévy and Mr Franck Esser lost their pension rights, which were under the supplemental pension plan

The fixed compensation paid to the Chairman of the Supervisory Board amounted to €700,000 in 2012 (unchanged compared to 2011) and the total amount of fees paid to the other members of the Supervisory Board amounted to €1 2 million with respect to 2012 (unchanged compared to 2011)

A detailed description of the compensation and benefits of corporate officers of the group is presented in the Annual Report

25.2 Other related parties

As a reminder, during 2011, Vivendi acquired Vodafone's 44% interest in SFR and completed the sale of its 20% interest in NBC Universal as from January 1, 2011, Vodafone and NBC Universal are no longer considered as related parties

Therefore, excluding corporate officers, Vivendi's main related parties were those companies over which the group exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence (please refer to Note 28 for a list of its main subsidiaries, fully consolidated or accounted for under the equity method), and non-controlling interests that exercise significant influence on group affiliates i e , the Kingdom of Morocco, which owns 30% of Maroc Telecom group, Lagardère, which owns 20% of Canal+ France, and since November 30, 2012, TVN, which owns 32% of Canal+ Cyfrowy (a subsidiary of Canal+ Group)

Agreements entered into in 2006 with Lagardère that give Canal+ France the right to broadcast their theme channels on its multi-channel offer for a period of five years have been extended through June 30, 2013

Note 26 Contractual obligations and other commitments

Vivendi's material contractual obligations and contingent assets and liabilities include

- contracts entered into, which relate to the group's business operations, such as content commitments (please refer to Note 10 2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including finance leases (please refer to Note 12), off-balance sheet operating leases and subleases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments,
- commitments related to the group's scope contracted through acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments resulting from shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets,
- commitments related to the group's financing borrowings issued and undrawn confirmed bank credit facilities as well as management of interest rate, foreign currency and liquidity risks (please refer to Notes 22 and 23), and
- contingent assets and liabilities related to litigations in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 27)

26.1 Contractual obligations and commercial commitments

		As of December 31 2012				Total as of December 31 2011
		Total	Payments due in			
(in millions of euros)	Note		2013	2014 2017	After 2017	
Borrowings and other financial liabilities	23 2 3	20 338	5 632	9 469	5 237	17 952
Content liabilities	10 2	2 283	2 103	174	6	2 148
Future minimum payments related to the consolidated statement of financial position items		**22,621**	**7,735**	**9,643**	**5,243**	**20,100**
Contractual content commitments	10 2	4 939	2 071	2 791	77	5 041
Commercial commitments	26 1 1	2 911	1 417	942	552	3 568
Operating leases and subleases	26 1 2	2 735	495	1 387	853	2 589
Items not recorded in the consolidated statement of financial position		**10,585**	**3,983**	**5,120**	**1,482**	**11,198**
Contractual obligations and commercial commitments		**33,206**	**11,718**	**14,763**	**6,725**	**31,298**

26.1.1 Off balance sheet commercial commitments

	Minimum future payments as of December 31, 2012				Total minimum future payments as of December 31 2011
	Total	Payments due in			
(in millions of euros)		2013	2014 - 2017	After 2017	
Satellite transponders	846	119	382	345	677
Investment commitments (a)	1,487	1,093	237	157	2 522
Other	786	294	442	50	614
Given commitments	**3,119**	**1,506**	**1,061**	**552**	**3,813**
Satellite transponders	(201)	(82)	(119)	-	(144)
Other (b)	(7)	(7)		-	(101)
Received commitments	**(208)**	**(89)**	**(119)**	**-**	**(245)**
Net total	**2,911**	**1,417**	**942**	**552**	**3,568**

a Mainly relates to SFR and Maroc Telecom group

- SFR the total amount included €262 million as of December 31, 2012 (compared to €337 million as of December 31, 2011) related to public service delegations Businesses related to these delegations of public service consist of setting up and operating telecommunication facilities in certain areas of France for local or regional authorities, as delegates As of December 31, 2011, investment commitments also included €1,065 million related to the 4G license (very-high-speed Internet - LTE) which was granted by the Arcep on December 22, 2011, and paid in January 2012 (please refer to Note 13)

- Maroc Telecom SA and its capital expenditure program at the end of 2011, the third capital expenditure agreement entered into, between Maroc Telecom and the Moroccan State in 2009, pursuant to which Maroc Telecom had committed to carrying out a capital expenditure program for a total amount of MAD 10 5 billion (approximately €930 million) expired On January 16, 2013, Maroc Telecom and the Moroccan State entered into a fourth capital expenditure agreement pursuant to which Maroc Telecom has committed to carrying out a capital expenditure program for a total amount of more than MAD 10 billion (approximately €908 million) between 2013 and 2015, which moreover should create 500 direct jobs This program aims to modernize and expand the infrastructure to meet the growing needs of mobile traffic and broadband Internet as well as the deployment of a fiber optic network for very-high speed broadband access b Mainly related, as of December 31, 2011, to commitments received from Bouygues Telecom to SFR in connection with the agreement to share their investments and fiber-optic horizontal networks in very high density areas

26.1 2 Off balance sheet operating leases and subleases

(in millions of euros)	Minimum future leases as of December 31 2012				Total - minimum future leases as of December 31 2011
	Total	Due in			
		2013	2014 - 2017	After 2017	
Buildings (a)	2,633	470	1,329	834	2 409
Other	212	64	103	45	221
Leases	**2,845**	**534**	**1,432**	**879**	**2,630**
Buildings (a)	(110)	(39)	(45)	(26)	(41)
Subleases	**(110)**	**(39)**	**(45)**	**(26)**	**(41)**
Net total	**2,735**	**495**	**1,387**	**853**	**2,589**

a Mainly relates to offices and technical premises

As of December 31, 2012, provisions of €15 million were recorded in the Statement of Financial Position with respect to operating leases (compared to €17 million as of December 31, 2011) These provisions mainly related to unoccupied buildings

26.2 Other commitments given or received relating to operations

Ref	Context	Characteristics (nature and amount)	Expiry
	Given commitments		
(a)	Obligations related to the permission to use the Consolidated Global Profit System	Balance of €3 million to be paid	-
	Individual rights to training for French employees	Approximately 1 6 million hours (approximately 1 5 million hours as of December 31, 2011)	-
	SFR s network coverage commitments related to telecom licenses	Please refer to Note 13	-
(b)	GSM-R commitments	Bank guarantee, joint and several guarantees with Synérail for a total amount of €92 million (compared to €66 million as of December 31 2011)	-
	Obligations in connection with pension plans and post-retirement benefits	Please refer to Note 20	-
	Commitment to contribute to the VUPS pension fund	Guarantee expired in January 2011	2011
(c)	Other guarantees given	Cumulated amount of €190 million (€216 million as of December 31 2011)	-
	Received commitments		
(d)	Agreements on the digital distribution of music rights	Minimum guarantees	-
	Other guarantees received	Cumulated amount of €191 million (€241 million as of December 31 2011)	-

a By an order dated March 13, 2009, an authorization to use the Consolidated Global Profit Tax System under Article 209 quinquies of the French Tax Code was renewed for the period beginning on January 1, 2009 and ending on December 31, 2011 Under the terms of the permission to use the Consolidated Global Profit Tax System, Vivendi undertook to continue to perform its previous years' commitments, in particular with regard to job creation

b On February 18, 2010, a group comprised of SFR, Vinci and AXA (30% each) and TDF (10%) entered into a contract with Réseau Ferré de France regarding the public-private partnership GSM-R This 15-year contract, valued at approximately €1 billion, covers the financing, building, operation and maintenance of the digital telecommunications network that enables conference mode communications (voice and data) between train drivers and teams on the ground It will be rolled out gradually until 2015 over 14,000 km of conventional and high-speed railway lines in France

c Vivendi grants guarantees in various forms to financial institutions on behalf of its subsidiaries in the course of their operations

d Mainly relates to commitments received by UMG from third parties in connection with agreements subject to minimum guarantees on the digital distribution of music rights

26.3 Share purchase and sale commitments

In connection with the purchase or sale of operations and financial assets, Vivendi has granted or received commitments to purchase or sell securities Vivendi has notably committed to sell certain EMI Recorded Music assets (please refer to Note 2 1)
In addition, the liquidity rights regarding the strategic partnership among Canal+ Group, ITI, and TVN are detailed in Note 2 3 and the liquidity right regarding Lagardère's 20% interest in Canal+ France is detailed in Note 26 5 below

Furthermore, Vivendi and its subsidiaries have granted or received purchase or sale options related to shares in equity affiliates and unconsolidated investments, which include Numergy, Vevo, Beats, and Spotify

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

Ref	Context	Characteristics (nature and amount)	Expiry
	Contingent liabilities		
(a)	NBC Universal transaction (May 2004) and subsequent amendments (2005 2010)	Breaches of tax representations Obligation to cover the Most Favored Nation provisions and Remedial actions	2014
	Creation of Activision Blizzard (July 2008)	Tax sharing and indemnity agreements	
	Divestiture of UMG manufacturing and distribution operations (May 2005)	Various commitments for manufacturing and distribution services	2015
(b)	Takeover of Neuf Cegetel (April 2008)	Commitments undertaken in connection with the authorization of the take over by the French Minister of the Economy Industry and Employment	2013
	Acquisition of Bolloré Group s channels (September 2012)	Commitments undertaken in connection with the authorization of the acquisition (please refer to Note 2 2) with the French Competition Authority the French Broadcasting Authority	 2017 2015
	Merger of Cyfra+ and n platforms (November 2012)	Reciprocal guarantees in favor of TVN PLN 1 billion in the event of a breach of any representation or warranty or covenants and PLN 300 million in the event of a breach of specific representation or warranty	 2015
(c)	Canal+ Group's pay TV activities in France (January 2007 July 2012)	New approval of the acquisition of TPS and CanalSatellite subject to compliance with injunctions ordered by the French Competiton Authority Tax and social guarantees with a €162 million cap expired on January 4 2011	2017 2011
(d)	Divestiture of Canal+ Nordic (October 2003)	Distribution guarantees given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary	
(e)	Divestiture of NC Numéricâble (March 2005)	Specific guarantees capped at €241 million (including tax and social risks)	2014
	Divestiture of PSG (June 2006)	Unlimited specific guarantees	2018
(f)	Divestiture of Sithe (December 2000)	Specific guarantees capped at $480 million	
(g)	Sale of real estate assets (June 2002)	Autonomous first demand guarantees capped at €150 million in total (tax and decennial guarantees)	2017
(h)	Early settlement of rental guarantees related to the last three buildings in Germany (November 2007)	Cancellation in October 2012 of guarantees of rental payments obligations following the sale of the companies (€277 million as of December 31 2011)	2012
(i)	Divestiture of PTC shares (December 2010)	Commitments undertaken in order to end litigation over the share ownership of PTC in Poland	
	Other contingent liabilities	Cumulated amount of €10 million (€30 million as of December 31 2011)	
	Contingent assets		
	Acquisition of EMI Recorded Music (September 2012)	Commitments received in connection with the acquisition (please refer to Note 2 1)	
(j)	Acquisition of Tele2 France by SFR (July 2007)	Commitments on the handling and distribution of audio visual content expired in July 2012	2012
	Acquisition of Bolloré Group s channels (September 2012)	Guarantees capped at €120 million (please refer to Note 2 2)	2017
	Acquisition of 40% of N Vision (November 2012)	Guarantees made by ITI capped at approximately €28 million for general guarantees and €277 million for specific guarantees (including tax matters free and full ownership of shares sold authorizations / approvals for the exercise of the activity)	 2014
	Merger of Cyfra+ and TVN s n platform (November 2012)	Reciprocal guarantees in favor of TVN PLN 1 billion in the event of a breach of any representation or warranty or covenants PLN 300 million in the event of a breach of specific representation or warranty and PLN 145 million related to Neovision s unutilized tax losses carried forward	 2015
	Acquisition of Kinowelt (April 2008)	General and specific guarantees regarding movie rights property given by the sellers to EuroMedien Babelsberg GmbH expired and Specific guarantees notably on film rights were granted by the sellers	2011
(e)	Divestiture of NC Numéricâble (March 2005)	€151 million counter-guaranteed by France Telecom	2014
(h)	Early settlement of rental guarantees related to the last three buildings in Germany (November 2007)	Commitments expired in October 2012 Pledge over the cash of the divested companies sold (€40 million as of December 31 2011) and Counter guarantee provided by the purchaser in the amount of €200 million cancelled in October 2012	2012
(k)	Divestiture of Xfera (2003)	Guarantees amount to €71 million	
	Other contingent assets	Cumulated amount of €58 million (€47 million as of December 31 2011)	

The accompanying notes are an integral part of the contingent assets and liabilities described above

a As part of the NBC Universal transaction which occurred in May 2004, Vivendi and General Electric (GE) gave certain reciprocal commitments customary for this type of transaction, and Vivendi retained certain liabilities relating to taxes and excluded assets Vivendi and GE undertook to indemnify each other against losses resulting from, among other things, any breach of their respective representations, warranties and covenants

Neither party will have any indemnification obligations for losses arising as a result of any breach of representations and warranties (i) for any individual item where the loss is less than $10 million and (ii) in respect of each individual item where the loss is equal to or greater than $10 million except where the aggregate amount of all losses exceeds $325 million In that event, the liable party will be required to pay the amount of losses which exceeds $325 million, but in no event will the aggregate indemnification payable exceed $2,088 million

In addition, Vivendi will have indemnification obligations for 50% of every US dollar of loss up to $50 million and for all losses in excess of $50 million relating to liabilities arising out of the Most Favored Nation provisions set forth in certain contracts As part of the unwinding of IACI's interest in VUE on June 7, 2005, Vivendi's commitments with regard to environmental matters were amended and Vivendi's liability is now subject to a de minimis exception of $10 million and a payment basket of $325 million

The representations and warranties given as part of the NBC Universal transaction other than those regarding authorization, capitalization and tax representations terminated on August 11, 2005 Notices of environmental claims related to remediation must be brought by May 11, 2014 Other claims, including those related to taxes, will be subject to applicable statutes of limitations
The sale of Vivendi's interest in NBC Universal to GE completed on January 25, 2011 did not modify these commitments

b As part of the takeover of Neuf Cegetel, the approval from the Ministry of Economy, Industry and Employment, dated April 15, 2008, resulted in additional commitments from Vivendi and its subsidiaries They address competitor access and new market entrants to wholesale markets on SFR's fixed and mobile networks, acceptance on the fixed network of an independent television distributor if such a player appears, as well as the availability, on a non-exclusive basis, of ADSL on eight new channels which are leaders in their particular field (Paris Première, Teva, Jimmy, Ciné Cinéma Famiz, three M6 Music channels and Fun TV) Most of these commitments have expired, excluding those related to pay-TV, which will expire in April 2013

c On August 30, 2006, the TPS/Canal+ Group merger was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six years, with the exception of those commitments concerning the availability of channels and VOD, which could not exceed five years
On October 28, 2009, the French Competition Authority opened an enquiry regarding the implementation of certain undertakings given by Canal+ Group in connection with the merger of CanalSatellite and TPS
For more information on the enquiry into compliance with certain undertakings given in connection with the merger of Canal Satellite and TPS, please refer to Note 27, below
On December 21, 2012, the French Council of State rejected Vivendi and Canal + Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012 Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million Under the second motion, the transaction was cleared once again, subject to compliance with 33 injunctions
Canal+ Group has implemented a number of these injunctions, which have been by, for some since July 23, 2012 and others since October 23, 2012, mainly focusing on

- Acquisition of movie rights
  - by limiting the duration of output deals to three years, requiring separate agreements for different types of rights (1st pay-TV window, 2nd pay-TV window, series, etc) and prohibiting output deals for French films, and
  - by divesting its interest in Orange Cinema Series – OCS SNC or by adopting measures limiting its influence on Orange Cinema Series – OCS SNC
- Distribution of pay-TV channels
  - by the distribution of a minimum number of independent channels, the distribution of any channel holding premium rights, and by drafting a model distribution deal relating to independent channels included in the CanalSat offer,
  - by the obligation to promote, in a transparent and separate manner, the distribution of exclusive independent channels on each owned platform serving more than 500,000 subscribers, and
  - by making all its own movie channels distributed by Canal+ Group (Cine+ channels) available to third-party distributors (unbundling)
- Video on demand (VOD) and subscription video on demand (SVOD)
  - by separating contracts entered into for the purchase of VOD and SVOD rights on a non-exclusive basis, and not combining them with rights purchased for linear distribution on pay-TV,
  - by offering StudioCanal's VOD and SVOD rights to any interested operator, and
  - by forbidding exclusive distribution deals for the benefit of Canal+ Group's VOD and SVOD offers on Internet Service Providers platforms

These injunctions are imposed for a period of five years, renewable once At the end of the five-year period, the French Competition Authority will review the competition situation in order to determine whether the injunctions should be kept in place If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be waived or partially or totally revised An independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012, will be responsible for monitoring the injunctions implementation

In addition, as part of the sale of a 20% interest in Canal+ France to Lagardère Active on January 4, 2007, Canal+ Group made tax and social representations and warranties to Lagardère Active with a €162 million cap on the entities held by Canal+ France, excluding CanalSatellite, Multithématiques and the TPS entities The tax and social guarantees expired on January 4, 2011

Moreover, Vivendi granted a counter-guarantee, in favor of TF1 and M6 to assume commitments and guarantees made by TF1 and M6 in connection with some of the contractual content commitments and other long term obligations of TPS and other obligations recognized in the Statement of Financial Position of TPS As of December 31, 2012, the remaining amount of these commitments was not significant and the counter-guarantee expired on January 4, 2013 d In connection with the divestiture of Canal+ Nordic in October 2003, Canal+ Group has retained distribution guarantees given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary, which guarantees are covered by a counter-guarantee given by the buyers

e As part of the divestiture of NC Numéricâble on March 31, 2005, the Canal+ Group granted specific guarantees with a €241 million cap (including tax and social risks) Specific risks relating to cable networks used by NC Numéricâble are included in this maximum amount and are counter-guaranteed by France Telecom up to €151 million

f In connection with the sale of its 49 9% interest in Sithe to Exelon in December 2000, Vivendi granted customary representations and guarantees Claims, other than those made in relation to foreign subsidiary commitments, are capped at $480 million In addition, claims must exceed $15 million, except if they relate to foreign subsidiaries or the divestiture of certain electrical stations to Reliant in February 2000 Some of these guarantees expired on December 18, 2005 Some environmental commitments still exist and any potential liabilities related to contamination risks will survive for an indefinite period of time

g In connection with the sale of real estate assets in June 2002 to Nexity, Vivendi granted two autonomous first demand guarantees, one for €40 million and one for €110 million, to several subsidiaries of Nexity (Nexim 1 to 6) The guarantees are effective until June 30, 2017

h After having sold the companies carrying credit lease commitments in relation to the Berlin buildings Lindencorso, Anthropolis and Dianapark (the "Companies"), in November 2007, Vivendi continued to guarantee certain lease payment obligations As a result of the early exercise by the Companies of their call options on the buildings, Vivendi's guarantees were terminated on October 5, 2012, for an amount of €277 million as of December 31, 2011 In return, the counter-guarantee provided by the acquirors of the Companies to Vivendi (€200 million) was cancelled, as well as the pledge over the cash of the divested companies to the benefit of Vivendi (€40 million as of December 31, 2011) Vivendi has retained tax guarantees given at the time of the disposal of the Companies

i On December 14, 2010, Vivendi, Deutsche Telekom, Mr Solorz-Zak (Elektrim's main shareholder) and Elektrim's creditors, including the Polish State and Elektrim's bondholders, entered into various agreements to put an end to the litigation surrounding the share capital ownership of Polska Telefonia Cyfrowa (PTC), a mobile telecommunication operator With respect to these agreements, Vivendi notably entered into the following commitments

- Vivendi granted to Deutsche Telekom a guarantee over Carcom that capped at €600 million and maturing in August 2013,
- Vivendi committed to compensate Elektrim SA (Elektrim) for the tax consequences of the transaction, with a cap at €20 million This commitment expired in July 2011 and the claims have been settled in June 2012,
- Vivendi committed to compensate Law Debenture Trust Company (LDTC) against any recourse for damages that could be brought against LDTC in connection with the completed transaction, for an amount up to 18 4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter, and
- Vivendi committed to compensate Elektrim's administrator for the consequences of any action for damages that may be taken against it, in connection with the decisions that were taken to end certain procedures

j The Share Purchase Agreement dated as of October 2, 2006 between Tele2 Europe SA and SFR contains representations and warranties which expired on January 20, 2009 and warranties relating to claims arising with respect to tax and social matters, which expired end of March 2012 On July 18, 2007, by way of implementation of the European Union antitrust regulation, the European Commission approved the purchase of the fixed and internet activities of Tele2 France by SFR, subject to commitments on the handling and distribution of audio-visual content for a five-year period All these commitments expired on July 18, 2012

k Vivendi received guarantees in respect of the repayment of amounts paid in July 2007 (€71 million), in the event of a favourable decision of the Spanish Courts concerning Xfera's tax litigation seeking to cancel the 2001, 2002 and 2003 radio spectrum fees These guarantees include a first demand bank guarantee relating to 2001 fees for an amount of €57 million

Several guarantees given in 2012 and during prior years in connection with asset acquisitions or disposals have expired However, the time periods or statute of limitations of certain guarantees relating, among other things, to employees, environment and tax liabilities, in consideration of share ownership, or given in connection with the dissolution or winding-up of certain businesses are still in effect To the best of Vivendi's knowledge, no material claims for indemnification against such liabilities have been made to date

In addition, Vivendi regularly delivers, at the settlement of disputes and litigations, commitments for damages to third parties, which are typical in such transactions

26.5 Shareholders' agreements

Under existing shareholders' or investors' agreements (primarily those relating to Activision Blizzard, Maroc Telecom group, Canal+ France, as well as "nc+"), Vivendi holds certain rights (such as pre-emptive rights, priority rights) which give it control over the capital structure of consolidated companies partially owned by minority shareholders Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties

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

Strategic agreements among Vivendi, Canal+ Group, Lagardère, and Lagardère Holding TV

Pursuant to the Canal+ France strategic agreements entered into on January 4, 2007, Lagardère was granted rights to maintain its economic interest in Canal+ France, with varying rights according to the level of its participation in Canal+ France Under no circumstances will Lagardère have any joint control of Canal+ France The main provisions of these strategic agreements are as follows

- The Chairman and all the members of the Management Board of Canal+ France are appointed by Canal+ Group Lagardere is represented by two members out of the ten members of the supervisory board
- Lagardère has certain veto rights over Canal+ France and, in certain cases, over its major subsidiaries including in the event of a change in the by-laws, a major permanent change in the business, its transformation into a company in which the partners would have unlimited liability, a single investment representing more than a third of consolidated revenues, a tender offer for the company's shares, in certain circumstances the entry of a third party as a shareholder, and certain other rights (including a tag-along right, an anti-dilution right, and certain bidding rights in the event of the sale of Canal+ France) intended to protect its economic interest Vivendi has a pre-emptive right in the event of a sale of Lagardère's equity interest
- Between 2008 and 2014, Lagardère will have a liquidity right exercisable between March 15 and April 15 of each calendar year, provided, however, that Lagardère owns at least 10% but no more than 20% of the share capital and voting rights of Canal+ France, (and taking into account the fact that Lagardère did not exercise its right to exercise its call option enabling it to own 34% of the capital of Canal+ France) Pursuant to this liquidity right, Lagardère is entitled to request a public offering of Canal+ France shares Similarly, as in 2010 and 2011, on March, 26, 2012, Lagardère exercised its liquidity right for 2012 On May 30, 2012, Lagardère confirmed the exercise of its liquidity right On June 27, 2012, Vivendi notified Lagardère of its intention not to acquire its 20% interest at the proposed price A new Initial Public Offering (IPO) process was launched on July 12, 2012, which has not been successful to date
- The financing of Canal+ France has been structured through a mechanism which includes shareholders' loans and the delivery of guarantees with respect to Canal+ France's obligations Pursuant to this mechanism, Lagardère has the option to participate in such financing and guarantee arrangements pro rata its level of ownership in the share capital of the company

Strategic partnership among Canal+ Group, ITI, and TVN

For a detailed description of the key liquidity rights under the strategic partnership regarding pay-TV in Poland, please refer to Note 2 3

In addition, in compliance with Article L 225-100-3 of the French Commercial Code, it is stated that some rights and obligations of Vivendi resulting from shareholders' agreements (Maroc Telecom group, and Canal+ Cyfrowy) may be amended or terminated in the event of a change in control of Vivendi or a tender offer being made for Vivendi These shareholders' agreements are subject to confidentiality provisions

26.6 Collaterals and pledges

As of December 31, 2012, the amount of the group's assets that were pledged or mortgaged for the benefit of third parties was €209 million (compared to €203 million as of December 31, 2011) This amount primarily includes GVT's pledged assets with respect to judicial guarantees for various litigations

(in millions of euros)	December 31, 2012	December 31 2011
On intangible assets	8	12
On tangible assets	47	52
On financial assets	146	131
On cash	8	8
Total	**209**	**203**

Moreover, Vivendi does not hold any third-party guarantees in respect of any of its receivables outstanding as of December 31, 2012 nor did it have any as of December 31, 2011

Note 27 Litigation

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

The costs which may result from these proceedings are only recognized as provisions when they are likely to be incurred and when the obligation can reasonably be quantified or estimated, in which case, the amount of the provision represents Vivendi's best estimate of the risk, provided that Vivendi may, at any time, reassess such risk if events occur during such proceedings As of December 31, 2012, provisions recorded by Vivendi for all claims and litigations amounted to €1,357 million, compared to €479 million at December 31, 2011 (please refer to Note 19)

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature, including, to the company's knowledge, any pending or threatened proceedings in which it is a defendant, which may have or have had in the previous twelve months a significant impact on the company's and on its group's financial position, profit, business and property, other than those described herein

The status of proceedings disclosed hereunder is described as of February 18, 2013, the date of the Management Board meeting held to approve Vivendi's financial statements for the year ended December 31, 2012

Trial of Vivendi's former officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (*Parquet de Paris*) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001 Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001 Vivendi joined the proceedings as a civil party

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*), following which the Public Prosecutor asked the Court to drop the charges against the defendants

On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party Messrs Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr and Eric Licoys received suspended sentences and fines Messrs Messier and Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties The former Vivendi officers as well as some civil parties appealed the decision The trial before the Court of appeals is scheduled to take place from October 28 to November 26, 2013

On January 7, 2010, Philippe Foiret summoned Vivendi and Veolia to appear before a Criminal Court in an attempt to hold them liable for the offences committed by their former managers On January 27, 2012, the Criminal Court dismissed Mr Foiret's application

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi, Messrs Messier and Hannezo in the United States District Court for the Southern District of New York and in the United States District Court for the Central District of California On September 30, 2002, the New York court decided to consolidate these claims under its jurisdiction into a single action entitled *In re Vivendi Universal S A Securities Litigation*

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action

On January 29, 2010, the jury returned its verdict It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934 Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001 However, the jury concluded that neither Mr Jean-Marie Messier nor Mr Guillaume Hannezo were liable for the alleged misstatements As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0 15 and €11 00 per ordinary share and $0 13 and $10 00 per ADR, depending on the date of purchase of each ordinary share or ADR Those figures represent approximately half the amounts sought by the plaintiffs in the class action

The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v National Australia Bank case, that American securities law only applies to 'the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States "

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange The Court denied Vivendi's post-trial motions challenging the jury's verdict The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011 On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class Recipients of the notice have 150 days from that date to provide information and documentation evidencing the validity of their claim Vivendi will then have the right to challenge the merits of these claims At the end of this process, which should be completed during the second quarter of 2013, the judge will be able to determine the total amount of damages and enter a final judgment, thereby enabling Vivendi to commence its appeal

Vivendi believes that it has solid grounds for an appeal at the appropriate times Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial Several aspects of the verdict will also be challenged

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1 3 1 (Use of Estimates) and 1 3 8 (Provisions) Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve, compared to an accrual of €550 million as of December 31, 2009

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002 The plaintiffs allege that the defendants violated certain provisions of the US Exchange Act of 1934 and breached certain contractual representations and warranties The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009 for purposes of trial The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel")

The Liberty Media jury returned its verdict on June 25, 2012 It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million Vivendi has filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial

On January 9, 2013, the Court confirmed the jury's verdict It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year U S Treasury bills On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013 On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments

On the basis of the verdict rendered on June 25, 2012, and following the entry of the final judgment by the Court, at December 31, 2012, Vivendi recognized a provision in the amount of €945 million

LBBW et al against Vivendi

On March 4, 2011, twenty-six institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002 Then on April 10 and on 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 Finally, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis

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

On April 27, 2012, sixty-seven institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former leader, between 2000 and 2002 On September 6, 2012, twenty-four new plaintiffs joined these proceedings, however, in November 2012, two plaintiffs withdrew from the proceedings

Lagardère against Vivendi, Canal+ Group and Canal + France

On February 12, 2013, Lagardère Holding TV, a 20% shareholder of Canal + France, filed a complaint against Vivendi, Canal+ Group and Canal + France with the Paris Commercial Court The Lagardère group is seeking nullification of the cash management agreement entered into between Canal + France and Canal+ Group on the grounds that it constitutes a related party agreement and hence, is seeking restitution, under penalty, from Canal+ Group, of the entire cash surplus given over by Canal+ France under the agreement, i e , the sum of €1 6 billion Vivendi formally denies the allegations of the Lagardère Group as to the nature of this agreement, which should be considered ordinary course, and intends to vigorously defend its rights

Vivendi Deutschland against FIG

Further to a claim filed by CGIS BIM (a subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the annulment of the sale following a judgment of the Berlin Court of Appeal, which overruled a judgment rendered by the Berlin High Court CGIS BIM was ordered to repurchase the buildings and to pay damages Vivendi delivered a guarantee so as to pursue settlement negotiations As no settlement was reached, on September 3, 2008, CGIS BIM challenged the validity of the reasoning of the judgment On April 23, 2009, the Regional Berlin Court issued a decision setting aside the judgment of the Berlin Court of Appeal dated May 29, 2008 On June 12, 2009, FIG appealed that decision On December 16, 2010, the Berlin Court of Appeal rejected FIG's appeal and confirmed the decision of the Regional Berlin Court in April 2009, which decided in CGIS's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damages and interest This decision is now final In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS on March 3, 2009 The Court, which had previously suspended this proceeding, must now rule on the validity of this claim

Free against SFR

On May 21, 2012, Free filed a complaint against SFR with the Paris Commercial Court Free is challenging SFR's model of subsidizing mobile phone purchases through what Free calls "concealed" consumer loans and claims this constitutes an unfair and deceptive trade practice On January 15, 2013, the Court dismissed Free's claims and ordered it to pay to SFR €300,000 in damages for defamation and €100,000 for costs Free appealed this decision

Vivendi's complaint against France Télécom before the European Commission for abuse of a dominant position

On March 2, 2009, Vivendi and Free jointly filed a complaint against France Télécom before the European Commission (the "Commission"), for abuse of a dominant position Vivendi and Free allege that France Télécom imposes excessive tariffs on offers for access to its fixed network and on telephone subscriptions In July 2009, Bouygues Telecom joined in this complaint In a letter dated February 2, 2010, the Commission informed the parties of its intention to dismiss the complaint On September 17, 2010, Vivendi filed an appeal before the Court of First Instance of the European Union in Luxemburg

Complaint against France Télécom and Orange before the French Competition Authority

On August 9, 2010, SFR filed a complaint before the French Competition Authority against France Télécom and Orange for anti-competitive practices on the professional mobile market This case is under investigation

Complaint lodged with the French Competition Authority by Orange Réunion, Orange Mayotte and Outre Mer Telecom against Société Réunionnaise du Radiotéléphone (SRR)

Orange Réunion and Orange Mayotte filed a complaint against SRR (an SFR subsidiary) for alleged discriminatory practices On September 15, 2009, the French Competition Authority imposed temporary protective measures on SRR, requiring it to propose to its subscribers offers which do not discriminate based on the network used, except where they reflect the differences in costs amongst the network operators On August 18, 2011, the French Competition Authority provided SRR with a report stating that SRR had not complied with the order and, on January 24, 2012, the French Competition Authority ordered SRR to pay a fine of €2 million The investigation is ongoing

Complaint of Bouygues Telecom against SFR and Orange in connection with the call termination and mobile markets

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices in the call termination and mobile markets ("price scissoring") On May 15, 2009, the French Competition Authority (the "Authority") resolved to postpone its decision on the issue and remanded the case for further investigation On December 13, 2010, SFR was heard on these allegations by the instructing magistrate On August 18, 2011, SFR received a notification of grievances in which the Authority noted the existence of abusive price discrimination practices On December 13, 2012, the Authority fined SFR €65 708 million SFR has appealed this decision

SFR against France Télécom

On August 10, 2011, France Télécom filed a claim against SFR before the Paris Commercial Court France Télécom asked the Court to compel SFR to stop the overflow traffic at the point of interconnection of their respective networks

CLCV against SFR and other telecom operators

On January 7, 2013, the French consumer protection association, CLCV (consumption, housing and quality of life) sued several French telecom operators, including SFR, before the Paris Tribunal of First Instance It is seeking the removal of certain clauses that it considers abusive from subscription contracts

Parabole Réunion

In July 2007, the group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius Pursuant to a decision dated September 18, 2007, the Canal+ Group was prohibited, under fine, from allowing the broadcast by third parties of these channels or those replacement channels that have substituted these channels Canal+ Group appealed this decision In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS Parabole Réunion was again unsuccessful in its claims concerning the content of the channels in question On September 19, 2008, Parabole Réunion appealed to the French Supreme Court On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion In the context of this dispute, various jurisdictions have taken the opportunity to recall that in the event of the loss of the TPS Foot channel, Canal + Group must make available to Parabole Réunion a channel of similar attractiveness Non-compliance with this order would result in a penalty On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (Tribunal de grande instance de Nanterre) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court) On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels

In parallel with the foregoing proceedings, on October 21, 2008, Parabole Réunion and its shareholders filed a claim against Canal Réunion, Canal Overseas, CanalSatellite Réunion, Canal+ France, Canal+ Group and Canal+ Distribution, seeking the enforcement of the agreement entered into on May 30, 2008, pursuant to which the companies would combine their TV channel broadcasting activities in the Indian Ocean The execution of this agreement was contingent upon the satisfaction of certain conditions precedent As these conditions were not satisfied, the agreement became null and void On June 15, 2009, the Commercial Court rejected Parabole Réunion's claim Parabole Réunion appealed this decision and the appeal was denied On May 23, 2011, Parabole Réunion appealed to the French Supreme Court This appeal was dismissed on May 30, 2012

On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy

Action brought by the French Competition Authority regarding practices in the Pay TV sector

On January 9, 2009, further to its voluntary investigation and a complaint by France Télécom, the French Competition Authority sent Vivendi and Groupe Canal+ a notification of allegations It alleges that Groupe Canal+ has abused its dominant position in certain Pay TV markets and that Vivendi and Groupe Canal+ colluded with TF1 and M6, on the one hand, and with Lagardère, on the other Vivendi and Groupe Canal+ have each denied these allegations

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Groupe Canal+ The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Groupe Canal+'s exclusive distribution rights on channels broadcast by the group and by independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV On December 17, 2010, France Télécom appealed the decision before the Court of Appeal Vivendi and Groupe Canal+ joined these appeal proceedings On July 15, 2011, France Télécom withdrew its application for an annulment of the decision of the Competition Authority

Inquiry into compliance with certain undertakings given in connection with the merger of CanalSatellite and TPS

The French Competition Authority opened an inquiry into compliance with certain undertakings given by Vivendi and Canal+ Group in connection with the merger of TPS and CanalSatellite

On September 20, 2011, the French Competition Authority rendered a decision in which it established that Canal+ Group had not complied with certain undertakings – some it considered essential – on which depended its decision authorizing, in 2006, the acquisition of TPS and CanalSatellite by Vivendi and Canal+ Group As a consequence, the French Competition Authority withdrew the merger authorization, requiring Vivendi and Canal+ Group to re-notify the transaction to the French Competition Authority within one month Furthermore, the French Competition Authority ordered Canal+ Group to pay a €30 million fine

On October 24, 2011, the transaction was re-notified to the French Competition Authority On November 4, 2011, Vivendi and Canal+ Group filed an appeal before the French Council of State against the French Competition Authority's decision dated September 20, 2011 As part of this procedure, Canal+ Group had filed two Priority Constitutional Questions (*QPCs*) concerning this decision, which were referred to the French Constitutional Council by the French Council of State on July 17, 2012 On October 12, 2012, the French Constitutional Council declared that the legal and statutory provisions in question were constitutional

On July 23, 2012, the French Competition Authority issued its decision on this new notification It authorizes the acquisition of TPS and CanalSatellite by Vivendi and Canal+ Group, subject to compliance with a certain number of injunctions These injunctions are primarily focused on the acquisition of film rights from American studios and French producers, the participation of Canal+ Group in Orange Cinema Series, the distribution of premium channels and non-linear services (video on demand and subscription video on demand)

On August 30, 2012, Vivendi and Canal+ Group filed an appeal before the French Council of State to obtain the cancellation of the July 23, 2012 decision In addition, Vivendi and Canal+ Group have filed two motions, one seeking a suspension of the September 20, 2011 decision and the other seeking a suspension of the July 23, 2012 decision

The French Council of State rejected these requests for suspension on September 17, 2012 and October 22, 2012, respectively A hearing on the merits of the cancellation of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012 was held on December 14, 2012 On December 21, 2012, the French Council of State essentially confirmed the two decisions of the French Competition Authority, however, it reduced the fine of €30 million to €27 million because two of the alleged breaches were unfounded

Complaints against music industry majors in the United States

Several complaints have been filed before the Federal Courts in New York and California against Universal Music Group and the other music industry majors for alleged anti-competitive practices in the context of sales of CDs and Internet music downloads These complaints have been consolidated before the Federal Court in New York The motion to dismiss filed by the defendants was granted by the Federal Court, on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010 The defendants filed a motion for rehearing which was denied They filed a petition with the US Supreme Court which was rejected on January 10, 2011 The discovery process is underway

FBT & Eminem against UMG

On May 21, 2007, FBT (the label owned by Eminem) filed suit against UMG claiming breach of contract in connection with the production of an album and requesting that the court order additional payment of royalties for on-line sales of music downloads and ringtones On March 6, 2009, the Los Angeles Court dismissed FBT's claims and FBT appealed The Court of Appeal overturned the lower court's decision On March 21, 2011, the U S Supreme Court, without ruling on the merits of the case, refused to hear an appeal from UMG, which is within its judicial discretion In a decision dated June 27, 2012, the Court allowed FBT and Eminem to broaden the scope of their complaint and challenge the calculation of royalties on music downloads outside the United States On October 19, 2012, the parties entered into a settlement agreement that ended this litigation

Complaints against UMG regarding royalties for digital downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on-line sales of music downloads and master ringtones UMG contests the merits of these actions

Studio Infinity Ward, subsidiary of Activision Blizzard

After concluding an internal human resources inquiry into breaches of contract and insubordination by two senior employees at Infinity Ward, Activision Blizzard terminated the employment of Jason West and Vince Zampella on March 1, 2010 On March 3, 2010, West and Zampella filed a complaint against Activision Blizzard in the Los Angeles Superior Court for breach of contract and wrongful termination On April 9, 2010, Activision Blizzard filed a cross complaint against West and Zampella, asserting claims for breach of contract and fiduciary duty In addition, 38 current and former employees of Infinity Ward filed a complaint against Activision Blizzard in the Los Angeles Superior Court on April 27, 2010 for breach of contract and violation of the Labor Code of the State of California On July 8, 2010, an amended complaint was filed which added a further seven plaintiffs They claim that the company failed to pay bonuses and other compensation allegedly owed to them

On December 21, 2010, Activision Blizzard filed a consolidated cross complaint to add Electronic Arts as a party, the discovery having shown the complicity of Electronic Arts in the case The Los Angeles Court, following Activision Blizzard's request, agreed to transfer the case to the Complex Division On May 31, 2012, the parties entered into a settlement agreement that ended this dispute

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP, Telefonica's Brazilian subsidiary, filed a claim against Vivendi before the Civil Court of São Paulo (3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo) The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (approximately 5 5 million euros) corresponding to the expenses incurred by TELESP in connection with its offer for GVT At the beginning of September, 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeals On the merits, Vivendi refuted all of Telefonica's claims In particular, Vivendi believes that Telefonica cannot claim to have suffered any "loss of chance" considering that its President confirmed in a public statement that it did not want to outbid Vivendi Vivendi has also filed a counterclaim seeking to be compensated for damages suffered as a result of the "smear campaign" carried out against Vivendi by Telefonica since late 2009

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds filed a complaint for damages against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange) According to Dynamo, a former shareholder of GVT that sold the vast majority of its stake in the company before November 13, 2009 (the date on which Vivendi took control of GVT), the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi Vivendi, noting that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations

Hedging-Griffo against Vivendi

On September 4, 2012, Hedging-Griffo filed a complaint against Vivendi before the Arbitration Chamber of the Bovespa (São Paulo Stock Exchange) seeking to obtain damages for losses they allegedly incurred due to the conditions under which Vivendi completed the acquisition of GVT in 2009 Hedging-Griffo demanded compensation for the difference between the price at which they sold their GVT shares on the market and the price paid by Vivendi in connection with the tender offer for the GVT shares Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telephonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi

Actions related to the ICMS tax

GVT is party in several Brazilian States to various proceedings concerning the application of the "ICMS" tax ICMS (Impostors Sober Circulaçãos de Mercadorias e Prestaçãos de Serviços) is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services

On August 5, 2011, Confaz, the national council in charge of coordinating the tax policies of the Brazilian States, published a draft proposal allowing GVT, as well as all other companies that dispute the application of ICMS on Internet and Broadband services, to enter into negotiations with the objective of settling the past disputes and clarifying the rules for the future As of today, GVT has reached agreement with all of the states in which it operates with the exception of Rio de Janeiro

In addition, GVT is a party to litigation in various Brazilian States concerning the application of the ICMS tax on voice telecommunication services GVT argues that the ICMS tax should not apply to monthly plans Of the twenty proceedings initiated by GVT, eighteen have resulted in decisions favorable to GVT and twelve are no longer subject to appeal

Action related to the FUST and FUNTTEL taxes in Brazil

The Brazilian tax authorities argue that the assessment of the taxes known as "FUST" (Fundo da Universalizaçãos dos Serviços de Telecomunicaçõs), a federal tax to promote the supply of telecommunications services throughout the whole Brazilian territory, including in areas that are not economically viable, and "FUNTTEL" (Fundo para Desenvolvimento Tecnológioco das Telecomunicações), a federal tax to finance technological investments in Brazilian telecommunications services, should be based on the company's gross revenue without deduction for price reductions or interconnection expenses and other taxes, which would lead to part of that sum being subject to double taxation GVT is challenging this interpretation and has secured a suspension of payment of the sums claimed by the tax authority from the federal judge

Proceedings brought against telecommunications operators in Brazil regarding the application of the PIS and COFINS taxes

Several proceedings were initiated against all the telecommunications operators in Brazil, including GVT, seeking to prevent invoices from being increased by taxes known as "PIS" (Programa de Integraçãos Social) and "COFINS" (Contribuição para Financiamento da Seguridade Social), which are federal taxes that apply to revenue from the provision of telecommunications services GVT believes that the arguments in its defense have a stronger basis than those of the historic operators insofar as GVT operates pursuant to a more flexible license that allows it to set its own tariffs

Note 28 Major consolidated entities or entities accounted under equity method

As of December 31, 2012, approximately 690 entities were consolidated or accounted for using the equity method (compared to approximately 590 entities as of December 31, 2011)

	Note	Country	December 31 2012 Accounting Method	December 31 2012 Voting Interest	December 31 2012 Ownership Interest	December 31 2011 Accounting Method	December 31 2011 Voting Interest	December 31 2011 Ownership Interest
Vivendi S.A.		**France**		**Parent company**			**Parent company**	
Activision Blizzard, Inc (a)	18	**United States**	**C**	**61.5%**	***61 5%***	**C**	**60%**	***60%***
Activision Publishing Inc		United States	C	100%	*61 5%*	C	100%	*60%*
Blizzard Entertainment, Inc		United States	C	100%	*61 5%*	C	100%	*60%*
ATVI C V		Netherlands	C	100%	*61 5%*	C	100%	*60%*
Coöperatie Activision Blizzard International U A		Netherlands	C	100%	*61 5%*	C	100%	*60%*
AB Partners C V		Netherlands	C	100%	*61 5%*	C	100%	*60%*
Activision Blizzard Benelux B V		Netherlands	C	100%	*61 5%*	C	100%	*60%*
Activision Blizzard Deutschland GmbH		Germany	C	100%	*61 5%*	C	100%	*60%*
Activision Blizzard France S A S		France	C	100%	*61 5%*	C	100%	*60%*
Activision Blizzard Pty Limited		Australia	C	100%	*61 5%*	C	100%	*60%*
Blizzard Entertainment Korea Limited		Korea	C	100%	*61 5%*	C	100%	*60%*
Blizzard Entertainment S A S		France	C	100%	*61 5%*	C	100%	*60%*
Activision Blizzard UK Limited		United Kingdom	C	100%	*61 5%*	C	100%	*60%*
Universal Music Group, Inc		**United States**	**C**	**100%**	***100.0%***	**C**	**100%**	***100%***
PolyGram Holding Inc		United States	C	100%	*100%*	C	100%	*100%*
UMG Recordings Inc		United States	C	100%	*100%*	C	100%	*100%*
Vevo		United States	E	50%	*50%*	E	50%	*50%*
SIG 104		France	C	100%	*100%*	C	100%	*100%*
Centenary Holding B V		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal International Music B V		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal Entertainment GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Universal Music LLC		Japan	C	100%	*100%*	C	100%	*100%*
Universal Music France S A S		France	C	100%	*100%*	C	100%	*100%*
Universal Music Holdings Limited		United Kingdom	C	100%	*100%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd	2 1	United Kingdom	C	100%	*100%*			
SFR Société Française du Radiotéléphone S.A.		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société Réunionnaise du Radiotéléphone S C S		France	C	100%	*100%*	C	100%	*100%*
Société Financière de Distribution S A.		France	C	100%	*100%*	C	100%	*100%*
5 sur 5 S A		France	C	100%	*100%*	C	100%	*100%*
La Poste Telecom		France	E	49%	*49%*	E	49%	*49%*
Numergy	2 4	France	E	47%	*47%*			-
Maroc Telecom S.A.		**Morocco**	**C**	**53%**	***53%***	**C**	**53%**	***53%***
Mauritel S A		Mauritania	C	51%	*22%*	C	51%	*22%*
Onatel S A		Burkina Faso	C	51%	*27%*	C	51%	*27%*
Gabon Telecom S A		Gabon	C	51%	*27%*	C	51%	*27%*
Sotelma S A		Mali	C	51%	*27%*	C	51%	*27%*
Global Village Telecom (Holding) S.A.		**Brazil**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Global Village Telecom Ltda		Brazil	C	100%	*100%*	C	100%	*100%*
POP Internet Ltda		Brazil	C	100%	*100%*	C	100%	*100%*
Innoweb Ltda		Brazil	C	100%	*100%*	C	100%	*100%*
Groupe Canal+ S.A.		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Canal+ France S A		France	C	80%	*80%*	C	80%	*80%*
Société d Edition de Canal Plus (b)		France	C	49%	*39%*	C	49%	*39%*
Multithématiques S A S		France	C	100%	*80%*	C	100%	*80%*
TPS Star S N C (c)		France	-	-		C	100%	*80%*
Canal+ Overseas S A S		France	C	100%	*80%*	C	100%	*80%*
Canal+ Distribution S A S		France	C	100%	*80%*	C	100%	*80%*
D8	2 2	France	C	100%	*100%*		-	
StudioCanal S A		France	C	100%	*100%*	C	100%	*100%*
TVN (d)	2 3	Poland	E	40%	*21%*			
Canal+ Cyfrowy S A (d)	2 3	Poland	C	51%	*51%*	C	75%	*75%*
VSTV (e)		Vietnam	C	49%	*49%*	C	49%	*49%*
Other								
See Tickets		United Kingdom	C	100%	*100%*	C	100%	*100%*
Digitick		France	C	100%	*100%*	C	92%	*92%*
Vivendi Mobile Entertainment		France	C	100%	*100%*	C	100%	*100%*
Wengo		France	C	100%	*95%*	C	100%	*100%*
Elektrim Telekomunikacja		Poland	C	100%	*100%*	C	100%	*100%*

C Consolidated, E Equity

a Vivendi consolidates Activision Blizzard and its subsidiaries because it holds the right to appoint a majority of members to Activision Blizzard's Board of Directors and thus has the power to govern Activision Blizzard's financial and operational policies in order to obtain benefits from its operations Until July 2013, the approval of certain matters by the Activision Blizzard Board of Directors requires the affirmative vote of a majority of the votes present or otherwise able to be cast by the board and at least a majority of the independent directors of the board However, until July 2013, the distribution of any dividend by Activision Blizzard requires the affirmative vote of a majority of the independent directors if Activision Blizzard's pro forma net debt, after giving effect to such dividend, exceeds $400 million Moreover, due to Activision Blizzard's stock repurchase program, the exercise of stock options, restricted stocks, and other dilutive instruments by Activision Blizzard's employees, Vivendi's ownership interest in Activision Blizzard may fluctuate from time to time

b In 2011, Canal+ SA was renamed Société d'Edition de Canal Plus This company is consolidated because (i) Vivendi has majority control over the board of directors, (ii) no other shareholder or shareholder group is in a position to exercise substantive participating rights that would allow them to veto or block decisions taken by Vivendi and (iii) Vivendi assumes the majority of risks and benefits pursuant to an agreement with this company via Canal+ Distribution S A S Indeed, Canal+ Distribution, wholly-owned by Vivendi, guarantees this company's results in return for exclusive commercial rights to its subscriber base

c On October 1, 2012, the company TPS Star S N C was merged with the company Multithématiques S A S by means of a transfer of assets

d On November 30, 2012, as part of the strategic partnership involving Polish pay-TV, Canal+ Group acquired a 40% interest in N-Vision, which indirectly holds 52% of TVN Simultaneously, Canal+ Group's ownership of Canal+ Cyfrowy S A (Cyfra+ platform) was diluted by the contribution of the company ITI Neovision ("n" platform) Therefore, as of December 31, 2012, Canal+ Group held a 51% interest in Canal+ Cyfrowy, which owns the company ITI Neovision at 100%

e VSTV (Vietnam Satellite Digital Television Company Limited) is 49% held by Canal+ Group and 51% by VCTV, a VTV subsidiary (the Vietnamese public television company) This company has been consolidated by Vivendi given that Canal+ Group has both operational and financial control over it due to a general delegation that was granted by the majority shareholder and to the company's bylaws

Note 29 Statutory auditors fees

Fees paid by Vivendi SA to its statutory auditors and members of their firms in 2012 and 2011 were as follows

	KPMG S A				Ernst & Young et Autres				Total	
	Amount		Percentage		Amount		Percentage			
(in millions of euros)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Statutory audit certification consolidated and individual financial statements audit										
Issuer	0 7	0 7	7%	14%	0 9	0 9	12%	11%	1 6	1 6
Fully consolidated subsidiaries	4 1	3 5	42%	68%	5 1	5 0	69%	64%	9 2	8 5
Other work and services directly related to the statutory audit										
Issuer	0 6	0 1	6%	2%	0 1	0 6	1%	8%	0 7	0 7
Fully consolidated subsidiaries	2 7	0 6	28%	12%	0 4	1 0	5%	13%	3 1	1 6
Subtotal	8 1	4 9	83%	96%	6 5	7 5	87%	96%	14 6	12 4
Other services provided by the network to fully consolidated subsidiaries										
Legal, tax and social matters	1 2	0 1	12%	2%	0 9	0 1	12%	1%	2 1	0 2
Other	0 4	0 1	5%	2%	0 1	0 2	1%	3%	0 5	0 3
Subtotal	1 6	0 2	17%	4%	1 0	0 3	13%	4%	2 6	0 5
Total	**9 7**	**5 1**	**100%**	**100%**	**7 5**	**7 8**	**100%**	**100%**	**17 2**	**12 9**

The 2012 fees included the non-recurring assignments undertaken by statutory auditors in relation with the transactions underway

Note 30 Subsequent events

The main events that occurred between December 31, 2012 and February 18, 2013, the date of the Management Board meeting that approved the financial statements for the fiscal year 2012 are as follows

- January 9, 2013 U S court ruling in the lawsuit between Vivendi and Liberty Media Corporation (please refer to Note 27),
- January 16, 2013 Maroc Telecom and the Moroccan State entered into a fourth capital expenditure agreement (please refer to Note 26),
- February 7, 2013 Vivendi and Universal Music Group entered into a definitive agreement to sell Parlophone Label Group, a unit of *EMI Recorded Music, to Warner Music Group* for £487 million (approximately €600 million) to be paid in cash,
- February 12, 2013 Lagardère Holding TV, a 20% shareholder of Canal+ France, filed a complaint against Vivendi, Canal+ Group and Canal+ France with the Paris Commercial Court Lagardère Group is seeking restitution, under penalty, from Canal+ Group, of the entire cash surplus given over by Canal+ France (please refer to Note 27), and
- February 15, 2013 Vivendi and Universal Music Group signed a definitive agreement for the sale of Sanctuary Records to BMG for £40 million to be paid in cash

Note 31 Audit exemptions for UMG subsidiaries in the United Kingdom

Vivendi S A has provided guarantees to the following UMG subsidiaries, incorporated in England and Wales, under the registered number indicated, in order for them to claim exemption from audit under section 479A of the UK Companies Act 2006

Name	Company Number
BACKCITE LIMITED	2358972
CENTENARY UK LIMITED	3478918
DECCA MUSIC GROUP LIMITED	718329
UNIVERSAL MUSIC (UK) HOLDINGS LIMITED	3383881
UNIVERSAL MUSIC ARTS & ENTERTAINMENT LIMITED	859087
UNIVERSAL MUSIC GROUP INTERNATIONAL LIMITED	1778189
UNIVERSAL MUSIC HOLDINGS (UK) LIMITED	337803
UNIVERSAL MUSIC LEISURE LIMITED	3384487
DALMATIAN SONGS LIMITED	3506757
DUB DUB PRODUCTIONS LIMITED	3034298
UNIVERSAL MUSIC PUBLISHING BL LIMITED	2037678
UNIVERSAL MUSIC PUBLISHING INTERNATIONAL MGB LIMITED	2200287
UNIVERSAL MUSIC PUBLISHING PGM LIMITED	3771282
UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED	5092413
UNIVERSAL/ANXIOUS MUSIC LIMITED	1862328
UNIVERSAL/DICK JAMES MUSIC LIMITED	698804
UNIVERSAL/ISLAND MUSIC LIMITED	761597
UNIVERSAL/MCA MUSIC LIMITED	410065
UNIVERSAL/MOMENTUM MUSIC 2 LIMITED	2850484
UNIVERSAL/MOMENTUM MUSIC LIMITED	1946456
HELTER SKELTER AGENCY LIMITED	3522889
SANCTUARY (W A R) LIMITED	5221402
SANCTUARY (UB40) LIMITED	5158521
SANCTUARY ARTIST SERVICES LIMITED	1890289
SANCTUARY MUSIC PUBLISHING COPYRIGHTS LIMITED	2873472
SANCTUARY MUSIC PUBLISHING LIMITED	2898402
SANCTUARY STUDIOS LIMITED	3050388
THE SANCTUARY GROUP LIMITED	284340
V2 MUSIC GROUP LIMITED	3205625
UMGI (ATW) LIMITED	5103127
EMI Music France Holdco Ltd	6405604
E M I Overseas Holdings Ltd	403200
EMI Group Electronics Ltd	461611
EMI Group Holdings (UK)	3158108
EMI Group International Holdings Ltd	1407770
EMI Group Worldwide	3158106
EMI Ltd	53317
EMI Music UK Holdco Ltd	6388809
Virgin Music Group	2259349
Virgin Records Overseas Ltd	335444
EMI Music Italy Holdco Ltd	6420934
EMI Recorded Music Holdings (Italy) Ltd	6420969
EMI (IP) Ltd	3984464
EMI Catalogue Investments Holland Ltd	3038313
EMI Group America Finance Ltd	2415597
EMI Group Danish Investments Ltd	2421891
EMI Group Finance Denmark Ltd	2422007
EMI Investments Holland Ltd	3038307
EMI Recorded Music Holdings (UK) Ltd	6407212
EMIG 4 Ltd	3038275
VRL 1 Ltd	3967882