EMI (IP) LIMITED

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Annual Financial Report and Audited Consolidated Financial Statements for the year ended December 31, 2014

February 27, 2015

vivendi

Friday, February 27 2015

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,433,803,509 00

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

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Selected key consolidated financial data

Preliminary comments

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively, i e , the date of their effective sale by Vivendi

The adjustments to previously published data are reported in Appendix 2 to the Financial Report and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2014 These adjustments were made to all periods as set out in the table of selected key consolidated financial data below in respect of data from the Consolidated Statements of Earnings and Cash Flows

	Year ended December 31				
	2014	2013	2012	2011	2010
Consolidated data					
Revenues	10 089	10 252	9 597	9 064	9 152
EBIT	736	637	(1 131)	1 269	777
Earnings attributable to Vivendi SA shareowners	4 744	1 967	179	2 681	2 198
of which earnings from continuing operations attributable to Vivendi SA shareowners	(290)	43	(1 565)	571	647
EBITA (a)	999	955	1 074	1 086	1 002
Adjusted net income (a)	626	454	318	270	514
Financial Net Debt / (Net Cash Position) (a)	(4 637)	11 097	13 419	12 027	8 073
Total equity	22 988	19 030	21 291	22 070	28 173
of which Vivendi SA shareowners' equity	22 606	17 457	18 325	19 447	24 058
Cash flow from operations before capital expenditures net (CFFO before capex net)	1 086	1 139	1 139	1 205	1 251
Capital expenditures net (capex net) (b)	(243)	(245)	(293)	(308)	(271)
Cash flow from operations (CFFO) (a)	843	894	846	897	980
Cash flow from operations after interest and income tax paid (CFAIT)	421	503	772	826	370
Financial investments	(1 244)	(107)	(1 689)	(289)	(655)
Financial divestments	17 807	3 471	201	4 205	1 494
Dividends paid with respect to previous fiscal year	1 348 (c)	1 325	1 245	1 731	1 721
Per share data					
Weighted average number of shares outstanding	1 345 8	1 330 6	1 298 9	1 281 4	1 273 8
Adjusted net income per share	**0 46**	**0.34**	**0 24**	**0.21**	**0 40**
Number of shares outstanding at the end of the period (excluding treasury shares)	1 351 6	1 339 6	1 322 5	1 287 4	1 278 7
Equity per share attributable to Vivendi SA shareowners	16 73	13 03	13 86	15 11	18 81
Dividends per share paid with respect to previous fiscal year	**1.00** (c)	**1 00**	**1 00**	**1 40**	**1 40**

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

a The non-GAAP measures of EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), and Cash flow from operations (CFFO) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes, or as described in this Financial Report, and Vivendi considers that they 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 In addition it should be noted that other companies may define and calculate these indicators differently from Vivendi, thereby affecting comparability

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

c On June 30, 2014, Vivendi SA paid an ordinary €1 per share to its shareholders from the additional paid-in capital, considered as a return of capital distribution to shareholders

Friday February 27, 2015

Nota

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

- 2013 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013, prepared under IFRS and the related Statutory Auditors' Report presented in pages 172 to 324 of the "Document de Référence" No D 14-0355, filed with the French Autorité des Marchés Financiers (AMF) on April 14, 2014, and on pages 172 to 324 of the English translation of this "Document de Référence", and
- 2012 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2012, prepared under IFRS and the related Statutory Auditors' Report presented in pages 168 to 319 of the "Document de Référence" No D 13-0170, filed with the AMF on March 18, 2013, and on pages 168 to 319 of the English translation of this "Document de Référence"

I – 2014 Financial Report

Preliminary comments

- On February 11, 2015, at 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, 2014 Having considered the Audit Committee's recommendation from its meeting held on February 20, 2015, the Supervisory Board, at its meeting held on February 27, 2015, reviewed the Annual Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2014, as previously approved by the Management Board on February 11, 2015
- The Consolidated Financial Statements for the year ended December 31, 2014 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
- In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT, SFR, Maroc Telecom, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations in accordance with the following terms
    - **Ongoing sales as of December 31, 2014** On September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT As a result, GVT has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation as from the third quarter of 2014 Its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2014 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses"
    - **Completed sales as of December 31, 2014** Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively All three businesses have been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations

The adjustments to previously published data are reported in Appendix 2 to the Financial Report and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2014

1 Significant events

1 1 Significant events in 2014

1.1.1 Group's Governance

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members Ms Katie Jacobs Stanton, Ms Virginie Morgon and Mr Philippe Bénacin
Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr Vincent Bolloré as Chairman The Board also appointed Mr Pierre Rodocanachi as Vice-Chairman and Mr Jean-René Fourtou, who had chaired the group since 2002, as Honorary Chairman The Board appointed Mr Daniel Camus as Chairman of the Audit Committee and Mr Philippe Bénacin as Chairman of the Corporate Governance, Nominations, and Remuneration Committee

The Supervisory Board also appointed the members to the Management Board, which is currently comprised of Messrs Arnaud de Puyfontaine, who serves as Chairman, Hervé Philippe and Stéphane Roussel

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative

1.1.2 Sale of SFR

On November 27, 2014, pursuant to an agreement entered into on June 20, 2014 and following approval by the French Competition Authority on October 27, 2014 subject to conditions (see below), Vivendi announced the closing of the combination between SFR and Numericable The main terms of this transaction are as follows

Cash proceeds	€13 5 billion, subject to the sale price adjustment on November 27, 2014, Vivendi received €13 366 billion in cash and, on December 3, 2014, Vivendi made a contribution of €200 million to the financing of the acquisition of Virgin Mobile by Numericable Group Under the terms of the agreement, the price adjustment to be calculated is based, among other things, on any exceptional changes in the net working capital, SFR's net debt, as well as certain restatements as contractually defined by the parties and is subject to a contradictory accounting analysis in accordance with the contract
Vivendi's interest in the combined entity	20% of Numericable - SFR (publicly-listed)
Altice's interest in the combined entity	Approximately 60% of Numericable - SFR (approximately 20% free float)
Earn-out	Earn-out of €750 million if the EBITDA-Capex aggregate of the combined entity is equal to or higher than €2 billion during any fiscal year, ending not later than December 31, 2024
Commitments given	Limited representations and warranties
Governance	- Minority representation for Vivendi on the Board of Directors, or 2 out of 10 directors, subject to Vivendi retaining a 20% interest in Numericable - SFR (1 director if Vivendi holds an interest between 10% and 20%) - Veto rights on certain exceptional matters subject to Vivendi retaining a 20% interest in Numericable - SFR - Numericable - SFR has notably given the French Competition Authority an undertaking not to disclose any strategic information on the pay-TV market, the distribution of pay-TV services, or ultramarine telecommunications markets to Vivendi
Liquidity - Lock-up period	- Standard 180-day lock-up period, including restrictions on any disposal or transfer of shares or equivalent transactions, following the date of settlement-delivery of the rights issue of Numericable Group (on November 20, 2014), at the request of the underwriting banks - Lock-up period until the end of November 2015, after which Vivendi may sell or distribute its Numericable - SFR shares, without restrictions, with a right of priority granted to Altice (pre-emption right or right of first offer) - Vivendi has agreed not to acquire any Numericable - SFR shares, directly or indirectly, until June 30, 2018 - Subject to Vivendi retaining its shares, Altice will have a call option at market value (subject to a floor[1]) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over one-month window periods starting on June 1, 2016, June 1, 2017 and June 1, 2018 - Tag-along rights for Vivendi if Altice sells its shares

As from the first quarter of 2014, SFR was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in the Statement of Financial Position of Vivendi as a discontinued operation The capital gain on the sale of SFR amounted to €2,378 million (after taxes), recognized in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations" Excluding the discontinuation[2] of amortization since April 1, 2014, in accordance with IFRS 5, the capital gain on the sale of SFR amounted to €3,459 million (please refer to Note 3 1 to the Consolidated Financial Statements for the year ended December 31, 2014)

Recognition of 20% interest in Numericable - SFR

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13 166 billion in cash as well as 97,387,845 shares in the new combined entity Numericable - SFR, which represents a 20% interest and voting rights Since that date, Vivendi deconsolidated SFR Given the significant restrictive nature of the commitments given by Vivendi and Numericable - SFR to the French Competition Authority with respect to all Numericable - SFR's operations, Vivendi's minority representation on Numericable - SFR's Board of Directors together with the other specific rights granted to Vivendi by Numericable - SFR's governance (see above) helps Vivendi

[1] Volume Weighted Average Price (VWAP) of Numericable Group s share price over the 20 business days before the closing date (which occurred on November 27 2014) €29 46 grossed-up at an annual rate of 5% during the period ranging from the closing date until the date of exercise of the call option

[2] When an operation is discontinued IFRS 5 requires the discontinuation of the amortization of the operation s tangible and intangible assets Therefore for SFR, reported as a discontinued operation since March 31 2014 Vivendi discontinued the amortization of tangible and intangible assets as from the second quarter of 2014, resulting in a positive impact attributable to Vivendi SA shareholders of €1 081 million on earnings from discontinued operations from April 1 to November 27 2014

adequately protect its proprietary interests as a minority shareholder Vivendi considers that it does not have the right to participate in Numericable - SFR's financial and operational policy-making processes, according to IAS 28 Without having a significant influence, the 20% interest in Numericable - SFR was recognized as an "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position, and, in accordance with IAS 39, was revalued at the stock market price at each reporting date (€3,987 million as of December 31, 2014) as the unrealized gains or losses were directly recognized in equity From November 27, 2014 to December 31, 2014, the reevaluation of Vivendi's interest in Numericable - SFR resulted in an unrealized gain of €743 million (before taxes)

1.1.3 Plan to sell GVT

On August 28, 2014, Vivendi's Supervisory Board decided to enter into exclusive negotiations with Telefonica to sell GVT After receiving a positive opinion from employee representatives, on September 18, 2014 it authorized the execution of an agreement with Telefonica for the sale of GVT This agreement, the key terms of which are described below, represents a total enterprise value of €7 45 billion (based on the stock market value and foreign exchange rates on the date the exclusive negotiations were entered into with Telefonica), corresponding to a 2014 estimated EBITDA multiple of 10x The closing of the transaction is subject to certain conditions, including the approval by the relevant regulatory authorities, and is expected to occur during the second quarter of 2015

Cash proceeds at the completion date	€4 66 billion subject to the sale price adjustment, based, among other things, on exceptional changes in net working capital, GVT's bank debt (approximately €480 million), as well as certain restatements as contractually defined by the parties, at the completion date of the sale Depending on these adjustments and the actual numbers as of the completion date, the amount of cash consideration paid, may be increased or decreased Moreover, the cash proceeds, net of adjustments, will also be decreased by any applicable taxes related to the sale, currently estimated at approximately €500 million The net sale price is estimated at approximately €3 75 billion
Consideration shares	7 4% interest in Telefonica Brasil (VIVO/GVT) and 5 7% interest (8 3% voting rights) in Telecom Italia
Financing	Capital increase at Vivo to fund cash proceeds, guaranteed by Telefonica
Conditions precedent	Completion of the transaction is subject to obtaining approvals from ANATEL (Agência Nacional de Telecomunicações) and CADE (Conselho Administrativo de Defesa Econômica) in Brazil, and other conditions customary in this type of transaction
Commitments given	Limited representations and warranties
Liquidity	With respect to Vivendi's interest in the combined VIVO/GVT entity - maximum 180 day lock-up period starting as from the completion date of the transaction, and - tag-along rights
Governance	No specific governance rights in VIVO/GVT and Telecom Italia

As from the third quarter of 2014, given the expected closing date of this transaction, GVT was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in Statement of Financial Position of Vivendi as a discontinued operation

1.1.4 Sale of Maroc Telecom group

On May 14, 2014, pursuant to the agreements entered into on November 4 2013 Vivendi sold its 53% interest in Maroc Telecom to Etisalat and received €4,138 million in cash proceeds from the sale after a contractual price adjustment (-€49 million) On the same date, Vivendi deconsolidated Maroc Telecom and recorded a capital gain of €786 million (before taxes and net of costs related to the sale), which is presented under "Earnings from discontinued operations" in 2014 The agreements, which are described in Note 3 3 to the Consolidated Financial Statements for the year ended December 31, 2014, contained representations and warranties customary to this type of transaction

1.1.5 Canal+ Group

Broadcasting rights for sport events

In 2014, Canal+ Group was awarded broadcasting rights to the following sport events

- the French Professional Soccer League 1, for four seasons (2016/2017 to 2019/2020) the two premium lots for an aggregate amount of €2,160 million (or €540 million per season), and
- the Champions League for three seasons (2015/2016 to 2017/2018)

On January 14, 2014, Canal+ Group was awarded broadcasting rights for the National French Rugby Championship "TOP 14" for five seasons (2014/2015 to 2018/2019) These exclusive rights related to all of the "TOP 14" matches across all media and all territories in which the Canal+ Group operates On July 30, 2014, the French Competition Authority suspended the agreement between Canal+ Group and the National Rugby League as from the 2015/2016 season and ruled that a new call for tenders should be organized for the four seasons (2015/2016 to 2018/2019) Following to this call for tenders carried out in December 2014 and January 2015, Canal+ Group secured exclusive rights related to all of the "TOP 14" matches These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover seasons 2015/2016 to 2018/2019

Acquisitions by Canal+ Overseas

On February 13, 2014, following approval from the French Competition Authority, Canal+ Overseas completed its acquisition of a 51% interest in Mediaserv, an overseas telecom operator

On October 28, 2014, Canal+ Overseas acquired a majority interest in Thema, a company specializing in the distribution of general, thematic and ethnic television channels in France and abroad Among other channels, Thema broadcasts the African fiction TV channel Nollywood

Launch of the A+ channel

On October 24, the A+ channel officially launched in Africa and will be broadcast in more than 20 countries in West and Central Africa through Canalsat A+ is positioning itself as "the great African channel", seeking to bring together a wide audience and offering rich, varied and high quality programming

TNT license in Congo

On December 12, 2014, Canal+ signed an operating agreement in relation to cable television services on digital terrestrial television in the Republic of Congo, where the company already offers television services via satellite

TVN interest in Poland

On October 16, 2014, Canal+ Group and ITI Group announced that they were jointly considering strategic options in relation to their 51% interest in TVN (FTA broadcaster in Poland)

Success at the box office for Non-Stop and Paddington

In March 2014, *Non-Stop*, directed by Jaume Collet-Serra and starring Liam Neeson and Julianne Moore, arrived in first place at the U S weekend box office with $56 million in revenue after its first operating weekend This success was largely confirmed wherever the film was subsequently released, including in France, Germany and China where it also dominated its competitors during its release To date, the film has generated $236 million in worldwide revenue

Since the end of November 2014, *Paddington*, produced by David Heyman (the Harry Potter saga, Gravity) and featuring Hugh Bonneville and Nicole Kidman has captivated audiences around the world *Paddington* is the biggest success for a Studiocanal film in the United Kingdom, where it earned £34 million in revenue in eight weeks In France, it sold 2 8 million tickets and it is off to a great start in the United States where it is distributed by the Weinstein Company As of February 4, 2015, *Paddington* had exceeded $200 million in worldwide revenues, a record for a family film produced by an independent studio

TV Series Development

In 2014, Studiocanal produced 57 hours of series television through its subsidiaries Red Production Company and Tandem Red produced season 4 of *Scott and Bailey*, and the new series *Happy Valley*, *Prey* and *The Driver* all of which broke audience and satisfaction records in the United Kingdom when broadcast Tandem produced Season 2 of *Crossing Lines*, the crime series with an international cast and the *Spotless* series, an original Canal+ creation

New partnerships entered into by Studiocanal

In May 2014, Canal+ and Studiocanal joined forces with writers and creators Søren Sveistrup and Adam Price and producer and CEO Meta Louise Foldager to create the production company SAM Productions ApS SAM will work with the strongest Scandinavian creative talents to produce TV-series for the international market Studiocanal joined SAM as a partner and will serve as the company's distributor

In September 2014, Studiocanal and The Picture Company - Andrew Rona and Alex Heineman's new production company - announced they had entered into a development and production agreement The first collaboration is the development of the adaptation of Tom Wood's *Victor the Assassin* book franchise to be directed by Pierre Morel In the past, the two producers, while at Silver Pictures, produced several hit action films for Studiocanal including *Without Identity* and *Non-Stop*, as well as the soon-to-be released *The Gunman*, also directed by Pierre More

In September 2014, Grand Electric, the new production company created by Eric Newman, and Studiocanal entered into an agreement for the acquisition, development and production of feature films for the European and American markets Under this agreement, Studiocanal will be both a creative and financial partner, will handle international sales and will distribute the new Grand Electric films in its territories

On September 4, 2014, Studiocanal and Svensk Filmindustri entered into a strategic partnership to distribute all Studiocanal films across the Nordic market (Sweden, Norway, Denmark and Finland) and co-produce films and TV-series This strategic partnership capitalizes upon Nordic titles and talents and targets the international market Svensk Filmindustri will be responsible for the Nordic market and Studiocanal will be responsible for international distribution

On October 8, 2014, Studiocanal extended its multi-year SVOD agreement with Amazon in the United Kingdom and Germany Amazon will have the exclusive first pay-TV rights to all Studiocanal theatrical titles in both territories, as well as hundreds of library titles added to its service

1 1 6 Universal Music Group (UMG)

Acquisition of Eagle Rock Entertainment Group Limited

On April 8, 2014, UMG acquired the entire issued share capital of Eagle Rock Entertainment Group Limited, an independent producer and distributor of music films and programming for DVD, television and digital media

Sale of interest in Beats

On August 1, 2014, UMG sold its interest in Beats to Apple for a net amount of €250 million (of which €221 million was received during the period) The net gain on sale, recorded as other income in the Statement of Earnings, amounted to €179 million

Sale of Parlophone Label Group

On July 1, 2013, Vivendi sold Parlophone Label Group to Warner Music Group for a consideration of €591 million The arbitration process in respect of contractual restatements to Parlophone Label Group's sale price completed at the end of November 2014 and UMG was awarded a further €30 million As a result, this restatement took the total amount received from Warner Music Group in respect of this sale to €621 million

New agreements entered into with Havas

Havas and Universal Music Group (UMG) announced the following agreements
- on September 29, 2014 digital brand integrations in select UMG music videos by using Mirriad's Academy Award-winning video technology, and
- on January 5, 2015 formation of Global Music Data Alliance (GMDA) related to consumer's data

1 1.7 Vivendi Village

Vivendi Village consists of the following companies as of December 31, 2014 Vivendi Ticketing (with See Tickets and Digitick), Watchever and Wengo

Watchever

In Germany, since the start of the second half of 2014, Vivendi is carrying out a transformation plan at Watchever to reduce costs while at the same time exploring new content and platform monetization models An exceptional provision of €44 million was recorded as of June 30, 2014, reduced by €18 million

1 1.8 Sale of Activision Blizzard shares

In accordance with the agreements entered into on October 11, 2013, the 83 million Activision Blizzard shares retained by Vivendi were subject to a two-tiered lock-up provision

- from October 11, 2013 until April 9, 2014, Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly, from April 10, until July 9, 2014, Vivendi can sell Activision Blizzard shares provided they constitute no more than the lesser of (i) 50% of Vivendi's 83 million remaining shares and (ii) 9% of the outstanding shares of Activision Blizzard, and
- from July 10, 2014 until January 7, 2015, Vivendi was subject to another lock-up provision, as from January 7, 2015, Vivendi may sell its remaining Activision Blizzard shares without restriction

Considering the initial intention of Vivendi Management to sell these shares at the end of the lock-up periods if market conditions were favorable, the 83 million Activision Blizzard shares were classified as "Assets held for sale"

On May 22, 2014, Vivendi sold a first tranche of 41 5 million Activision Blizzard shares for $852 million (€623 million) The €84 million capital gain is presented in "Earnings from discontinued operations" Taking into account the capital gain of €123 million recorded in 2013, the capital gain realized by Vivendi with respect to this first tranche of Activision Blizzard shares amounted to €207 million

As of December 31, 2014, the remaining interest of 41 5 million Activision Blizzard shares, valued at $836 million (€689 million) was reclassified in "available-for-sale securities" as Vivendi Management has decided not to sell this interest in the immediate future As of December 31, 2014, the unrealized capital gain with respect to this interest amounted to €273 million (before taxes), directly recognized in equity

1 1 9 Other

Early redemption of bonds

Following receipt of the cash proceeds from the sale of SFR on November 27, 2014, in order to enhance the structure of its financial position statement, Vivendi allocated a portion of the sale proceeds to the early redemption of all eight tranches of its euro and U S dollar denominated bonds that contained a make-whole option, representing an aggregate principal amount of €4 25 billion and $0 6 billion In addition, Vivendi cancelled all of its existing bank credit facilities for €7 1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019), with two one-year renewal options Please refer to Section 5

Distribution to shareholders

On June 30, 2014, Vivendi SA paid an ordinary €1 per share to its shareholders, from additional paid-in capital for an aggregate amount of €1,348 million, considered as a return of capital distribution to shareholders

1.2 Subsequent events

The significant events that occurred between December 31, 2014 and February 11, 2015 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2014) were as follows

- On January 19, 2015, following a call for tenders carried out by the National Rugby League, Canal+ Group secured exclusive rights related to all of the National French Rugby Championship's "TOP 14" matches These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover the seasons 2015-2016 to 2018-2019 please refer to Section 1 1 5, and
- In February 2015, Vivendi announced the creation of Vivendi Contents, managed by Mr Rodolphe Belmer, Chief Executive Officer of Canal+ Group Vivendi Contents will be in charge of the design, leadership and development of new content support for music and visual image, and will manage related investments

2 Earnings analysis

Preliminary comments

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively

In practice, income and charges from these four businesses have been reported as follows

- *their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations",*
- *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information, and*
- *their share of net income has been excluded from Vivendi's adjusted net income*

The adjustments to previously published data are presented in Appendix 2 to the Financial Report and in Note 31 to the Consolidated Financial Statements for the year ended December 31, 2014

2 1 Consolidated Statement of Earnings and Adjusted Statement of Earnings

CONSOLIDATED STATEMENT OF EARNINGS	Year ended December 31 2014	Year ended December 31 2013 (a)	Year ended December 31 2014	Year ended December 31 2013 (a)	ADJUSTED STATEMENT OF EARNINGS
Revenues	**10,089**	**10,252**	**10,089**	**10,252**	**Revenues**
Cost of revenues	(6 121)	(6 097)	(6 121)	(6 097)	Cost of revenues
Margin from operations	**3,968**	**4,155**	**3,968**	**4 155**	**Margin from operations**
Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2 811)	(3 008)	(2 811)	(3 008)	Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(158)	(192)	(158)	(192)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(344)	(350)			
Impairment losses on intangible assets acquired through business combinations	(92)	(6)			
Other income	203	88			
Other charges	(30)	(50)			
EBIT	**736**	**637**	**999**	**955**	**EBITA**
Income from equity affiliates	(18)	(21)	(18)	(21)	Income from equity affiliates
Interest	(96)	(266)	(96)	(266)	Interest
Income from investments	3	66	3	66	Income from investments
Other financial income	19	13			
Other financial charges	(751)	(300)			
Earnings from continuing operations before provision for income taxes	**(107)**	**129**	**888**	**734**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(130)	17	(200)	(170)	Provision for income taxes
Earnings from continuing operations	**(237)**	**146**			
Earnings from discontinued operations	5 262	2 633			
Earnings	**5,025**	**2,779**	**688**	**564**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**4 744**	**1,967**	**626**	**454**	**Adjusted net income**
continuing operations	**(290)**	**43**			
discontinued operations	5 034	1 924			
Non controlling interests	281	812	62	110	Non controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**3.52**	**1 48**	**0 46**	**0.34**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**3 51**	**1 47**	**0 46**	**0.34**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts

a Data published with respect to the year 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comment above)

2 2 Earnings review

Earnings attributable to Vivendi SA shareowners analysis

In 2014, **earnings attributable to Vivendi SA shareowners** amounted to €4,744 million (or €3 52 per share), compared to €1,967 million (or €1 48 per share) in 2013, a €2,777 million increase (x2 4) This change notably included the capital gains on the divestitures of SFR (€2,378 million), Maroc Telecom (€786 million), Beats (€179 million) and half of the remaining interest in Activision Blizzard (€84 million), as well as conversely, premium paid (€642 million) on the early redemption of bonds following the sale of SFR

Earnings attributable to Vivendi SA shareowners for continuing operations, after non-controlling interests (Canal+ Group, Universal Music Group and Vivendi Village, as well as Corporate) was negative at €290 million in 2014, compared to a €43 million gain in 2013, an unfavorable change of €333 million The €99 million increase in EBIT, notably included the capital gain on the divestiture of Beats (€179 million), as well as the decrease in interest expense (+€170 million) more than offset by the increase in premium paid on the early redemption of bonds (€642 million in 2014 following the sale of SFR, compared to €182 million in 2013 following the sale of 88% of the interest in Activision Blizzard) and by the income tax expense (-€147 million)

Earnings attributable to Vivendi SA shareowners for discontinued operations, after non-controlling interest (SFR, Maroc Telecom, Activision Blizzard, and GVT), amounted to €5,034 million in 2014, compared to €1,924 million in 2013, a €3,110 million increase In 2014, the amount notably included the capital gains on the divestitures of SFR (€2,378 million) and Maroc Telecom (€786 million) as well as the capital gain on the divestiture of half of the remaining interest in Activision Blizzard (€84 million) In 2013, the amount notably included the capital gain on the sale of 88% of the interest in Activision Blizzard (€2,915 million), as well as, conversely, the impairment of SFR's goodwill (-€2,431 million)

Adjusted net income analysis

In 2014, **adjusted net income** was €626 million (or €0 46 per share[3]) compared to €454 million in 2013 (€0 34 per share), a €172 million increase (+37 9%) As a reminder, according to the application of IFRS 5 to SFR, Maroc Telecom, Activision Blizzard, and GVT, the Adjusted Statement of Earnings presents the results of Canal+ Group, Universal Music Group (UMG) and Vivendi Village's activities, as well as Corporate costs The increase in adjusted net income notably resulted from

- a decrease in interest expense (+€170 million),
- an increase in EBITA (+€44 million),
- a decrease in the share of adjusted net income attributable to non-controlling interests (+€48 million), and
- a decrease in income from equity affiliates (+€3 million),

partially offset by

- a decrease in income from investments (-€63 million), and
- an increase in income tax expense (-€30 million)

Detailed analysis of the main items from the Statement of Earnings

Revenues were €10,089 million, compared to €10,252 million in 2013 (-1 6%, or -1 4% at constant currency and perimeter[4]) For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report

Cost of revenues amounted to €6,121 million, compared to €6,097 million in 2013

Margin from operations decreased by €187 million to €3,968 million, compared to €4,155 million in 2013 (-4 5%)

Selling, general and administrative expenses, excluding the amortization of intangible assets acquired through business combinations, amounted to €2,811 million, compared to €3,008 million in 2013, a €197 million decrease (-6 5%)

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, were stable at €307 million (compared to €310 million in 2013), and were notably related to Canal+ Group's set-top boxes, as well as Studiocanal's catalogs, films, and television programs

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

[4] Constant perimeter reflects the following changes made in the consolidation scope

- *at Canal+ Group it excludes the impact in 2014 of the acquisitions of Red Production Company (November 22 2013) of Mediaserv (February 13 2014) and of Thema (October 28, 2014) and*
- *at UMG it excludes the impacts in 2013 of operating the Parlophone Label Group repertoire*

EBITA was €999 million, compared to €955 million in 2013, a €44 million increase (+4 6%) At constant currency, EBITA increased by €46 million (+4 8%) At constant currency and perimeter, EBITA increased by €74 million (+8 1%) This change primarily reflected the increase in Universal Music Group's EBITA (+€58 million at constant currency), notably due to the decrease in restructuring and integration costs (-€78 million) For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report
Restructuring charges and other operating charges and income amounted to a net charge of €158 million (compared to a net charge of €192 million in 2013) They notably included restructuring charges for €104 million, a €12 million decrease compared to 2013 the decrease in UMG's restructuring charges for €64 million was offset by the €44 million provision recorded as of June 30, 2014 with respect to Watchever's transformation plan in Germany, reduced by €18 million

EBIT was €736 million, compared to €637 million in 2013, a €99 million increase (+15 6%) This amount included

- amortization of intangible assets acquired through business combinations for €344 million, compared to €350 million in 2013, a €6 million decrease,
- impairment losses on intangible assets acquired through business combinations for €92 million, compared to €6 million in 2013 In 2014, they related to goodwill attributable to Digitick (€43 million) and Wengo (€48 million), and
- other charges and income for €173 million of net income and primarily included the capital gain on the sale of UMG's interest in Beats (€179 million) In 2013, other charges and income were a net income of €38 million and included the gain related to the dilution of Universal Music Group's interest dilution in Vevo (€18 million)

Income from equity affiliates amounted to €18 million, compared to €21 million in 2013

Interest was an expense of €96 million, compared to €266 million in 2013, a €170 million decrease (-64 1%)
In 2014, interest expense on borrowings amounted to €283 million, compared to €494 million in 2013 This €211 million decrease was attributable for (i) €167 million, to the decrease in the average outstanding borrowings to €9 7 billion in 2014 (compared to €15 3 billion in 2013) and (ii) €44 million, to the decrease in the average interest rate on borrowings to 2 94% in 2014 (compared to 3 22% in 2013) The early redemption of bonds for an aggregate amount of €3 billion carried out in October and November 2013 following the sale of 88% of the interest in Activision Blizzard, as well as the redemption, at maturity, of other bonds for €700 million in October 2013 and €894 million in January 2014, resulted in a €191 million reduction in interest compared to 2013 The bond redemptions for €4 7 billion in December 2014 following to the sale of SFR will only have an impact in 2015, interest expense on remaining bonds (€1,950 million as of December 31, 2014) amounted to €61 million in 2014, similar to 2013
Moreover, as a result of the application of IFRS 5 to GVT and SFR, interest expense was reported net of interests received by Vivendi SA on the financings granted to SFR and GVT, at market conditions, for €172 million in 2014 (compared to €222 million in 2013)
Interest income earned on cash and cash equivalents amounted to €15 million in 2014, compared to €6 million in 2013 This change was related to the increase in average cash and cash equivalents to €2 1 billion in 2014 (compared to €0 6 billion in 2013), which reflected the impact of the sales of businesses
For a breakdown of the impact of the sales carried out in 2014 on Vivendi's treasury, please refer to Section 5 of this Financial Report

Income from investments amounted to €3 million, compared to €66 million in 2013 It included interest income and dividends received from unconsolidated companies In 2013, it included interest income paid by PLG for €10 million and the dividend paid by Beats to UMG for €54 million

Other financial charges and income were a net charge of €732 million, compared to a net charge of €287 million in 2013, a €445 million increase In 2014, they mainly included the premium paid (€642 million) with respect to the early redemption of the bonds following the sale of SFR In 2013, they mainly included the premium paid (€182 million) with respect to the early redemption of bonds following the sale of 88% of the interest in Activision Blizzard Please refer to Note 5 to the Consolidated Financial Statements for the year ended December 31, 2014

Earnings from continuing operations before provision for income taxes amounted to a €107 million loss, compared to a €129 million gain in 2013, an unfavorable change of €236 million

Income taxes reported to adjusted net income was a net charge of €200 million, compared to €170 million in 2013, a €30 million increase (+17 7%) In 2013, income tax expense included certain non-recurring items (+€149 million), which reflected the change, during 2013, to the assessment of risks related to previous years' income taxes The effective tax rate reported to adjusted net income was at 22 0% in 2014 (compared to 22 5% in 2013)
In addition, **provision for income taxes** was a net charge of €130 million, compared to a net gain of €17 million in 2013 In addition to the non-recurring items, which explain the increase in income taxes reported to adjusted net income, this €147 million unfavorable impact reflected the change in tax savings related to Vivendi SA's Tax Group System, which was a €110 million income in 2014, compared to a €254 million income in 2013 This change was notably attributable to the entry of Canal+ France in Vivendi SA's Tax Group System in 2013 (an income of €258 million, of which €129 million related to current tax savings realized in 2013 and €129 million related to deferred tax savings expected in 2014) The exit of SFR from Vivendi SA's Tax Group System was anticipated at the end of 2013, hence had no impact on tax savings for 2014

Earnings from discontinued operations (before non-controlling interests) amounted to €5,262 million, compared to €2,633 million in 2013 They primarily included

- with respect to SFR, the capital gain on its sale on November 27, 2014 (€2,378 million, after taxes) as well as net earnings until the effective divestiture date (€1,299 million, before non-controlling interests), which comprised the discontinuation[5] of the amortization of tangible and intangible assets since April 1, 2014 (impact of +€1,088 million for the period from April 1 to November 27, 2014) In 2013, SFR's net earnings were -€2,004 million, after a -€2,431 million loss related to the goodwill impairment,
- with respect to GVT, net earnings of €304 million in 2014 compared to €89 million in 2013 GVT's net earnings comprised the discontinuation of the amortization of tangible and intangible assets since September 1, 2014, in compliance with IFRS 5 (impact of +€116 million for the period),
- with respect to Maroc Telecom group, the capital gain on its sale on May 14, 2014 (€786 million) as well as net earnings until the effective divestiture date (€407 million, before non-controlling interests), which comprised the discontinuation of amortization of tangible and intangible assets since July 1, 2013, in compliance with IFRS 5 (impact of +€181 million for 2014, compared to +€245 million for 2013) In 2013, Maroc Telecom group's net earnings were €782 million, before non-controlling interests and before deferred taxes related to its expected sale (-€86 million), and
- with respect to Activision Blizzard, the capital gain on the divestiture of 41 5 million Activision Blizzard shares on May 22, 2014 (€84 million) In 2013, it notably included the capital gain on the sale of 88% of the interest in Activision Blizzard on October 11, 2013 (€2,915 million) and Activision Blizzard's net earnings until the effective date of divestiture (€692 million, before non-controlling interests)

Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2014

Earnings attributable to non-controlling interests amounted to €281 million, compared to €812 million in 2013, a €531 million decrease (-65 4%) This change was primarily attributable to the sale of Activision Blizzard on October 11, 2013 (-€269 million) and the sale of Maroc Telecom group on May 14, 2014 (-€222 million) This change also included a favorable impact for Canal+ Group related to the acquisition of non-controlling interests on November 5, 2013 (-€75 million) partially offset by the increase in earnings of nc+ in Poland (+€27 million)

Adjusted net income attributable to non-controlling interests amounted to €62 million, compared to €110 million in 2013, a €48 million decrease resulting from the changes in Canal+ Group's non-controlling interest

The reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income is further described in Appendix 1 to this Financial Report In 2014, this reconciliation primarily included earnings from discontinued operations (+€5,034 million, after non-controlling interests) The reconciliation also included the premium paid and other costs related to the early redemptions of the bonds (-€698 million), the capital gain on the sale of Beats (+€179 million) as well as the amortization and impairment of intangible assets acquired through business combinations (-€327 million, after taxes) In 2013, this reconciliation primarily included earnings from discontinued operations (+€1,924 million, after non-controlling interests) offset by the amortization and impairment of intangible assets acquired through business combinations (-€246 million, after taxes), as well as the premium paid and other costs related to the early redemptions of bonds (-€202 million)

[5]When an operation is discontinued IFRS 5 requires the discontinuation of the amortization of the operation's tangible and intangible assets Therefore for SFR reported as a discontinued operation since March 31 2014 Vivendi discontinued the amortization of tangible and intangible assets as from the second quarter of 2014

2.3 Outlook for 2015

Preliminary comments. *The outlook presented below regarding revenues, income from operations, income from operations margin rates, adjusted net income as well as distributions and share repurchases 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 as well as the impact of certain transactions, if any In addition, the materialization of certain risks described in Section 6 of this report could have an impact on the group's operations and its ability to achieve its outlook Finally, Vivendi considers that the non-GAAP measures, income from operations, income from operations margin rates, and adjusted net income are relevant indicators of the group's operating and financial performance*

Vivendi expects a slight increase in revenues thanks to the growth of UMG's streaming and subscription activities and Canal+ Group's international operations 2015 income from operations margin should be close to 2014 level Vivendi also expects an increase in its adjusted net income of approximately 10%, mainly thanks to lower restructuring charges and decrease in interest expenses

In addition, it will be proposed to the Annual Shareholders' Meeting to be held on April 17, 2015 that an ordinary dividend of €1 be paid with respect to 2014[6], comprising €0 20 relative to the Group's business performance and a €0 80 return to shareholders as a result of the disposals of assets

The objective is to maintain this distribution level for the fiscal years 2015 and 2016, representing an additional return to shareholders of €2 billion

In addition to this distribution, a share repurchase program is planned to be launched, within the legal limit of 10% of the share capital, for approximately €2 7 billion in accordance with the market regulations on share repurchases The program will run over a period of 18 months

In total, the return to shareholders could reach approximately €5 7 billion by mid-2017 in addition to the €1 3 billion paid in 2014

[6] *With an ex-distribution date of April 21 2015 and a payment date of April 23, 2015*

3 Cash flow from operations analysis

Preliminary comments

- *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) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that they are relevant indicators of the group's operating and financial performance*
- *In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported as discontinued operations Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively*

  In practice, income and charges from these four businesses have been reported as follows

  - *their contribution until the effective sale, if any, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations",*
  - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information, and*
  - *their cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO, CFFO before capex, net and CFAIT*

In 2014, cash flow from operations (CFFO) generated by business segments was €843 million (compared to €894 million in 2013), a €51 million decrease (-5 8%) Capital expenditures remained stable at €243 million (compared to €245 million in 2013) and included the acquisition of set-top boxes by Canal+ Group for €115 million (compared to €133 million in 2013) Moreover, in 2013, CFFO included dividends (€54 million) paid by Beats, sold in August 2014 Excluding dividends received and capital expenditures, net cash provided by operating activities before income tax paid amounted to €1,079 million (compared to €1,082 million in 2013)

In 2014, cash flow from operations after interest and income tax paid (CFAIT) was €421 million (compared to €503 million in 2013), a €82 million decrease

Cash payments related to financial activities amounted to €702 million (compared to €596 million in 2013), a €106 million increase In 2014, they primarily included the premium paid (€642 million) related to the early redemption of bonds following the sale of SFR In 2013, they mainly included the premium paid (€182 million) related to the early redemption of bonds following the sale of 88% of the interest in Activision Blizzard Moreover, cash payments related to financial activities included interest paid, net for €96 million (compared to €266 million in 2013), a decrease of €170 million, and the results on foreign exchange risk hedging (a €47 million gain in 2014, compared to a €142 million loss in 2013)

Cash flows related to income taxes were made up of a €280 million inflow in 2014, compared with €205 million in 2013 These amounts notably included refunds received by Vivendi SA related to previous years (€366 million in 2014 with respect to 2011 Consolidated Global Profit Tax System and €201 million received in 2013 with respect to 2012 Vivendi SA's Tax Group System) In 2013, the amount of taxes paid included the additional contribution of 3% on the dividend paid by Vivendi SA (€40 million)

(in millions of euros)		Year ended December 31, 2014	2013 (a)	% Change
Revenues		10 089	10 252	-1 6%
Operating expenses excluding depreciation and amortization		(8 646)	(8 797)	+1 7%
EBITDA	(b)	*1 443*	*1 455*	*-0 8%*
Restructuring charges paid		(84)	(105)	+20 2%
Content investments net		19	(148)	na
of which film and television rights, net at Canal+ Group				
Acquisition of film and television rights		*(604)*	*(738)*	*+18 1%*
Consumption of film and television rights		*713*	*743*	*-4 1%*
		109	*5*	*x 19 7*
of which sports rights net at Canal+ Group				
Acquisition of sports rights		*(818)*	*(714)*	*-14 4%*
Consumption of sports rights		*801*	*759*	*+5 5%*
		(17)	*45*	*na*
of which payments to artists and repertoire owners, net at UMG				
Payments to artists and repertoire owners		*(554)*	*(599)*	*+7 5%*
Recoupment of advances and other movements		*613*	*561*	*+9 2%*
		59	*(38)*	*na*
Neutralization of change in provisions included in operating expenses		(154)	(78)	97 9%
Other cash operating items		(22)	(78)	+72 3%
Other changes in net working capital		(123)	36	na
Net cash provided by operating activities before income tax paid	(c)	***1,079***	***1,082***	***-0.2%***
Dividends received from equity affiliates	(d)	4	3	+32 3%
Dividends received from unconsolidated companies	(d)	3	54	96 1%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**1,086**	**1,139**	**-4 7%**
Capital expenditures net (capex net)	(e)	(243)	(245)	+0 9%
Cash flow from operations (CFFO)		**843**	**894**	**-5.8%**
Interest paid, net	(f)	(96)	(266)	+64 1%
Other cash items related to financial activities	(f)	(606)	(330)	-84 1%
of which *premium paid on early bonds redemption*		*(642)*	*(182)*	*x 3 3*
gains/(losses) on currency transactions		*47*	*(142)*	*na*
Financial activities cash payments		***(702)***	***(596)***	***-17 8%***
Payment received from the French State Treasury as part of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems		366	201	+82 1%
Other taxes paid		(86)	4	na
Income tax (paid)/received, net	(c)	***280***	***205***	***+36.6%***
Cash flow from operations after interest and income tax paid (CFAIT)		**421**	**503**	**-16 4%**

na not applicable

a Data published with respect to fiscal year 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comments above)

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

c As presented in net cash provided by operating activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5 3)

d As presented in net cash provided by/(used for) investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5 3)

e Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets as presented in the investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5 3)

f As presented in net cash provided by/(used for) financial activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5 3)

4 Business segment performance analysis

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 income from operations*

  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, 2014

  As defined by Vivendi, income from operations is calculated as EBITA as presented in the Adjusted Statement of Earnings, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance (please refer to Appendix 1 to this Financial Report)

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

- *In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported as discontinued operations In practice, income and charges from these four businesses have been reported as follows*

  - *their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations",*

  - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information, and*

  - *their share of net income has been excluded from Vivendi's adjusted net income*

  Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively

4 1 Revenues, EBITA and cash flow from operations by business segment

	Year ended December 31,				
(in millions of euros)	2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Revenues					
Canal+ Group	5,456	5,311	+2 7%	+2 6%	+0 4%
Universal Music Group	4 557	4,886	-6 7%	5 6%	-3 8%
Vivendi Village	96	71			
Elimination of intersegment transactions	(20)	(16)			
Total Vivendi	**10,089**	**10,252**	**-1 6%**	**-1 1%**	**-1 4%**
EBITA					
Canal+ Group	583	611	-4 7%	-4 8%	-6 3%
Universal Music Group	565	511	+10 7%	+11 3%	+20 2%
Vivendi Village	(79)	(80)			
Corporate	(70)	(87)			
Total Vivendi	**999**	**955**	**+4 6%**	**+4 8%**	**+8 1%**

	Year ended December 31			
(in millions of euros)	2014	2013	% Change	% Change at constant rate
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)				
Canal+ Group	722	689	+4 6%	
Universal Music Group	471	611	22 8%	
Vivendi Village	(38)	(72)		
Corporate	(69)	(89)		
Total Vivendi	**1,086**	**1,139**	**-4 7%**	
Cash flow from operations (CFFO)				
Canal+ Group	531	478	+11 1%	+10 9%
Universal Music Group	425	585	27 3%	27 8%
Vivendi Village	(44)	(80)		
Corporate	(69)	(89)		
Total Vivendi	**843**	**894**	**-5 8%**	**-6 4%**

a Constant perimeter reflects the following changes made in the consolidation scope

- at Canal+ Group it excludes the impacts in 2014 of the acquisitions of Red Production Company (on November 22, 2013) of Mediaserv (on February 13, 2014) and of Thema (on October 28, 2014), and
- at UMG it excludes the impacts in 2013 of operating the Parlophone Label Group repertoire

4 2 Comments on the operating performance of business segments

4 2.1 Canal+ Group

(in millions of euros)	Year ended December 31 2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Pay-TV in Mainland France	3,454	3 544	2 6%	2 6%	-2 6%
Free-to air TV in Mainland France	196	172	+14 8%	+14 8%	+14 8%
International Pay-TV	1 273	1,122	+13 5%	+13 4%	+6 6%
Studiocanal	533	473	+12 5%	+11 6%	+2 8%
Total Revenues	**5,456**	**5,311**	**+2.7%**	**+2.6%**	**+0.4%**
Income from operations	**618**	**660**	**-6 4%**	**-6 6%**	**-8 6%**
Income from operations' margin	*11 3%*	*12 4%*			
Charges related to equity-settled share-based compensation plans	(3)	(12)			
Other special items excluded from income from operations (including transition and restructuring costs)	(32)	(37)			
EBITA	**583**	**611**	**-4 7%**	**-4 8%**	**-6.3%**
EBITA margin	*10 7%*	*11 5%*			
Cash flow from operations (CFFO)	**531**	**478**	**+11 1%**	**+10.9%**	
Canal+ Group's Pay-TV					
Individual subscribers (in thousands)					
Mainland France	6,062	6 091	29		
International	4 986	4 352	+634		
Poland	*2,146*	*2,197*	*-51*		
Overseas	*494*	*485*	*+9*		
Africa	*1 552*	*1 083*	*+469*		
Vietnam	*794*	*587*	*+207*		
Total Canal+ Group	**11,048**	**10,443**	**+605**		
Subscriptions (in thousands)					
Mainland France (b)	9 463	9 534	-71		
International	5 886	5 137	+749		
Total Canal+ Group	**15,349**	**14,671**	**+678**		
Mainland France Pay-TV					
Churn, per individual subscriber with commitment	14 5%	14 9%	-0 4 pt		
Net ARPU in euros per individual subscriber with commitment	44 0	44 2	-0 5%		
Mainland France Free-to-air TV's rating shares (c)					
D8	3 3%	3 2%	+0 1 pt		
D17	1 2%	1 3%	0 1 pt		
i>Télé	0 9%	0 8%	+0 1 pt		
Total	**5 4%**	**5 3%**	**+0 1 pt**		

a Constant perimeter excludes the impacts in 2014 of the acquisitions of Red Production Company (on November 22, 2013), of Mediaserv (on February 13, 2014) and of Thema (on October 28, 2014)

b Includes individual and collective subscriptions with commitment and without commitment (Canal+, Canalsat and Canalplay)

c Source Médiamétrie Population four years and older

Revenues and EBITA

Canal+ Group's revenues amounted to €5,456 million, a 2 7% increase compared to 2013 (+0 4% at constant perimeter and currency)

At the end of December 2014, Canal+ Group had a total of 15 3 million subscriptions, an increase of 678,000 year-on-year, notably thanks to strong performance in Africa and Vietnam, as well as the growth in mainland France of Canalplay, its subscription video on demand offer For the first time, the total number of individual subscribers exceeds 11 million, compared to 10 4 million at the end of 2013

Revenues from pay-TV operations in mainland France were impacted by the higher VAT rate, which increased from 7% to 10% on January 1, 2014 Pay-TV revenues outside of mainland France showed significant growth thanks to a portfolio increase, notably in Africa

Advertising revenues were up due to higher audience ratings especially at i>Télé and D8, which was ranked as the fifth most watched French national channel in 2014

Studiocanal's revenues grew significantly, thanks to strong theatrical releases and rights sales (television and subscription video-on-demand), including *Paddington*, *Imitation Game*, *Non-Stop* and *RoboCop*, as well as the ramping up of the TV series production business with Red in Great Britain and Tandem in Germany

Canal+ Group's EBITA was €583 million, compared to €611 million at the end of 2013 This change mainly reflected the VAT increase in France, partially offset by strong results in other countries

Cash flow from operations (CFFO)

Canal+ Group's cash flow from operations amounted to €531 million in 2014, compared to €478 million in 2013, a €53 million increase This change mainly resulted from a decrease in net content investments and net capital expenditures, partially offset by an unfavorable change in EBITDA after changes in net working capital and transition costs paid

4.2.2 Universal Music Group (UMG)

	Year ended December 31,				
(in millions of euros)	2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Physical sales	*1 417*	*1 665*	*-14 9%*	*13 5%*	*-12 2%*
Digital sales	*1 636*	*1 705*	*-4 1%*	*-2 8%*	*-0 4%*
License and other	*635*	*622*	*+2 1%*	*+2 6%*	*+6 0%*
Recorded music	3 688	3 992	-7 6%	6 4%	4 4%
Music publishing	673	655	+2 8%	+4 2%	+4 2%
Merchandising and other	232	273	-14 9%	-15 0%	-15 0%
Elimination of intersegment transactions	(36)	(34)			
Total Revenues	**4,557**	**4,886**	**-6 7%**	**-5 6%**	**-3.8%**
Income from operations	**606**	**636**	**-4 6%**	**-3.8%**	**+2.3%**
Income from operations' margin	*13 3%*	*13 0%*			
Charges related to equity-settled share-based compensation plans	(2)	(6)			
Special items excluded from income from operations (including integration and restructuring costs)	(39)	(119)			
EBITA	**565**	**511**	**+10 7%**	**+11.3%**	**+20 2%**
EBITA margin	*12 4%*	*10 5%*			
Cash flow from operations (CFFO)	**425**	**585**	**-27 3%**	**-27.8%**	
Recorded music revenues by geographical area					
Europe	41%	39%			
North America	39%	40%			
Asia	11%	12%			
Rest of the world	9%	9%			
	100%	100%			

a Constant perimeter excludes the impacts in 2013 of operating the Parlophone Label Group repertoire

Recorded music sales of physical and digital supports (albums, tracks, DVDs and streaming), in millions of equivalent album units

Artist	2014	Artist	2013
Frozen	10 0	Eminem	8 3
Taylor Swift	8 8	Katy Perry	6 0
Sam Smith	4 6	Rihanna	4 9
Katy Perry	4 2	Imagine Dragons	4 4
Maroon 5	3 7	Luke Bryan	4 1
Ariana Grande	3 6	Lady GaGa	4 0
Eminem	3 5	Drake	3 9
Lana Del Rey	3 0	Justin Bieber	3 8
Helene Fischer	2 9	Taylor Swift	3 6
Lorde	2 9	The Beatles	3 4
Total	47 2	Total	46 4

Revenues and EBITA

Universal Music Group's (UMG) revenues were €4,557 million, down 5 6% at constant currency (-6 7% at actual currency) compared to 2013 Excluding the impact of Parlophone Label Group (divested in 2013 as part of the EMI Recorded Music acquisition remedies) and at constant currency, UMG's revenues were down 3 8% compared to 2013 due to the rapid transformation of the recorded music industry

Recorded music digital sales were flat compared to 2013 at constant currency and perimeter, as significant growth in subscription and streaming revenues offset the decline in digital download sales However, total recorded music revenues declined due to the continued industry decline in physical sales

In the United States, UMG had the top three albums of the year Disney's "Frozen" soundtrack, Taylor Swift's "1989" and Sam Smith's "In The Lonely Hour" Including track and stream equivalent albums, UMG had the top six, adding Ariana Grande "My Everything", Katy Perry "Prism" and Lorde "Pure Heroine" In France, UMG had the top three albums of the year from Stromae, Indila and Kendji Girac Globally, recorded music best sellers for 2014 included sales from the Disney "Frozen" soundtrack, the new release from Taylor Swift, the breakthrough releases from Sam Smith, Ariana Grande and 5 Seconds Of Summer and carryover sales from Katy Perry and Lorde

Reflecting this success, UMG won 33 awards and swept all four major categories at the 57th Annual Grammy Awards in February 2015 Sam Smith received three of the four major awards for Record of the Year, Song of the Year and Best New Artist and Beck won for Album of the Year

UMG's EBITA was €565 million, up 11 3% at constant currency (+10 7% at actual currency) compared to 2013 and up 20 2% excluding last year's contribution from divested Parlophone Label Group The favorable performance reflected the benefit of cost management and lower restructuring and integration costs that more than offset the decline in revenues

Cash flow from operations (CFFO)

UMG's cash flow from operations amounted to €425 million (compared to €585 million in 2013) In 2013, cash flow from operations benefited from exceptional proceeds in relation to an insurance settlement, property disposals and dividends (€54 million) from its interest in Beats, divested in August 2014 UMG s cash flow from operations was also impacted by the unfavorable changes in working capital related to the phasing of digital income receipts and royalty payments

4.2.3 Vivendi Village

(in millions of euros)	Year ended December 31 2014	2013
Digitick	15	13
See Tickets	36	31
Watchever	26	12
Wengo	19	15
Total Revenues	**96**	**71**
Income from operations	(34)	(78)
EBITA	(79)	(80)
Cash flow from operations (CFFO)	(44)	(80)

Revenues and EBITA

Vivendi Village's revenues amounted to €96 million, an increase of €25 million It included revenues from Digitick (€15 million, compared to €13 million in 2013), See Tickets (€36 million, compared to €31 million in 2013), Watchever (€26 million, compared to €12 million in 2013), and Wengo (€19 million, compared to €15 million in 2013)

Vivendi Village's EBITA amounted to -€79 million, compared to -€80 million in 2013 In 2014, it was notably impacted by Watchever's restructuring charges in Germany (-€44 million)

Cash flow from operations (CFFO)

Vivendi Village's cash flow from operations amounted to -€44 million, compared to -€80 million in 2013 This change was mainly related to the change in EBITDA

4.2.4 Corporate

(in millions of euros)	Year ended December 31, 2014	2013
Income from operations	(82)	(87)
EBITA	(70)	(87)
Cash flow from operations (CFFO)	(69)	(89)

EBITA

Corporate EBITA was -€70 million (compared to -€87 million in 2013), an increase of €17 million This increase was primarily due to the decrease in operating expenses and to non-recurring items related to pensions

Cash flow from operations (CFFO)

Corporate's cash flow from operations amounted to -€69 million, compared to -€89 million in 2013 This change was mainly attributable to the change in EBITA

4.2 5 GVT (discontinued operation)

GVT's revenues were €1,765 million, a 12 8% increase at constant currency compared to 2013 This performance was driven by continuous growth of the core segment (retail and SME), which increased 14 1% at constant currency, including a 56 8% year-on-year increase in pay-TV This service, which now represents 14 2% of GVT's total revenues, had 858,860 pay-TV subscribers, reflecting a 33 6% increase compared to 2013

GVT pursued its expansion in Brazil in a controlled and targeted manner and launched its services in six additional cities during 2014 It now operates in 156 cities in the South, Southeast, Midwest and Northeast regions in Brazil

GVT's EBITDA was €702 million, a 8 4% increase at constant currency compared to 2013 Its EBITDA margin reached 39 8% (41 4% for its telecom activities alone), which is the highest margin in the Brazilian telecom operator market

5 Treasury and capital resources

Preliminary comments.

- *Vivendi considers Financial Net Debt and Net Cash Position, non-GAAP measures, to be relevant indicators in measuring Vivendi's treasury and capital resources position*
  - *Financial Net Debt is calculated as the sum of long-term and short-term borrowings and other 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 and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets")*
  - *Net Cash Position is calculated as the sum of cash and cash equivalents as reported on the Consolidated Statement of Financial Position, derivative financial instruments in assets, and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets") less long-term and short-term borrowings and other financial liabilities*
- *Financial Net Debt and Net Cash Position should be considered in addition to, and not as substitutes for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP, and Vivendi considers that they are relevant indicators of treasury and capital resources position of the group Vivendi Management uses these indicators for reporting, management, 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 business acquisitions, capital expenditures, dividend payments, share repurchases, payments of contractual obligations and working capital*

5 1 Summary of Vivendi's exposure to credit and liquidity risks

As of December 31, 2014, Vivendi has a Net Cash Position of €4,637 million (including cash and cash equivalents for €6,845 million and bonds for €1,950 million), compared to a Financial Net Debt of €11,097 million as of December 31, 2013 (including bonds for €7,827 million, bank credit facilities for €2,075 million and commercial papers for €1,906 million), a €15,734 million favorable impact

In May 2014, Vivendi completed the sale of its 53% interest in Maroc Telecom group for €4,138 million and sold 41 5 million Activision Blizzard shares for €623 million Vivendi notably used this cash to redeem its drawn bank credit facilities and to pay an ordinary distribution of €1 per share to its shareholders from additional paid-in capital for an aggregate amount of €1,348 million

On November 27, 2014, Vivendi completed the sale of SFR to Numericable Group (please refer to Section 1 1 2) Cash proceeds received from the sale amounted to €13,166 million, or €13,500 million, net of the price adjustments (-€134 million) and of Vivendi's contribution to the financing of the acquisition of Virgin Mobile by Numericable Group (-€200 million)

At that date, to further enhance its balance sheet, Vivendi allocated a portion of the sale proceeds to the early redemption of all eight tranches of its euro and U S dollar denominated bonds that had a make-whole option, representing an aggregate principal amount of €4 25 billion and $0 6 billion This transaction, completed in December 2014, resulted in a net cash payment of a €642 million in addition to the principal amount of €4 7 billion

In addition, on November 27, 2014, following the receipt of cash proceeds from the sale of SFR Vivendi cancelled all of its existing bank credit facilities for €7 1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019), with two one-year renewal options As of December 31, 2014, this credit facility was undrawn

As a reminder, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Section 6) This letter of credit is guaranteed by a syndicate of 15 international banks with which Vivendi signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit This deposit, which significantly reduced the letter of credit's financing cost, resulted in a €975 million decrease in the group's Net Cash Position Prior to this deposit being placed, the letter of credit was recorded as an off-balance sheet financial commitment, with no impact on Vivendi's Financial Net Debt

As of December 31, 2014, Vivendi had €6,845 million in cash and cash equivalents, primarily comprised of monetary UCITS, term deposits and interest-bearing current accounts

In addition, on September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT The agreement represents a total enterprise value of €7 45 billion (on the basis of stock market prices and exchange rates on the date the exclusive negotiation agreements were entered into with Telefonica) The transaction is expected to close during the second quarter of 2015 After taking into account the estimated tax impact, GVT's external debt and the price adjustments at closing of the transaction, the expected net proceeds upon the sale is expected to amount to approximately €3 8 billion (please refer to Section 1 1 3)

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2013	**(1,041)**	**12,138**	**11,097**
Outflows/(inflows) related to continuing operations			
Operating activities	(1 359)	-	(1 359)
Investing activities	(16,326)	26	(16 300)
Financing activities	11,128	(9 212)	1 916
Foreign currency translation adjustments of continuing operations	(10)	(1)	(11)
Outflows/(inflows) related to continuing operations	**(6,567)**	**(9,187)**	**(15,754)**
Outflows/(inflows) related to discontinued operations	560	(450)	110
Reclassification of discontinued operations' Financial Net Debt as of December 31, 2014	203	(293)	(90)
Change related to discontinued operations	**763**	**(743)**	**20**
Financial Net Debt / (Net Cash Position) as of December 31, 2014	**(6,845)**	**2,208**	**(4,637)**

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

Financial Net Debt change during fiscal year 2014

As of December 31, 2014, Vivendi had a Net Cash Position of €4,637 million, compared to a Financial Net Debt of €11,097 million as of December 31, 2013), a €15,734 million favorable impact

This change notably reflected

- proceeds from the sales completed during fiscal year 2014 for €17 9 billion They primarily included net proceeds of €13,166 million from the sale of SFR, €4,138 million from the sale of Vivendi's 53% interest in Maroc Telecom group, €623 million from the sale of 41 5 million Activision Blizzard shares, and €221 million from the sale of UMG's interest in Beats,
- cash provided by operating activities of continuing operations[7] (€1,359 million),
- cash received from the exercise of stock options by the executive management and employees (€197 million), and
- restatement of GVT's Financial Net Debt as a discontinued operation (€217 million),

partially offset by

- the cash outflow related to the €1 per share distribution made to Vivendi SA shareowners (€1,348 million),
- the placing of cash deposits in relation to the appeal against the Liberty Media judgment (€975 million) and to the securities' class action in the United States (€45 million),
- cash payments related to financial activities (€702 million), of which €642 million related to the early redemption of bonds and €96 million related to net interest paid,
- acquisitions (€303 million) made by Canal+ Group for an aggregate amount of €244 million (primarily comprised of acquisitions of Mediaserv, Thema, and of an additional 9% interest in N-Vision) and by UMG for an aggregate amount of €59 million (notably included the acquisition of Eagle Rock and the contribution to Vevo's share capital increase), and
- cash outflows related to capital expenditures from continuing operations[7] (€243 million)

[7] *Continuing operations include Canal+ Group Universal Music Group, Vivendi Village and Corporate*

5 2 Net Cash Position as of December 31, 2014

As of December 31, 2014, Vivendi's Net Cash Position, in IFRS, amounted to €4,637 million

As of December 31, 2014, the group's cash and cash equivalents amounted to an aggregate of €6,845 million, placed primarily in monetary UCITS (€4,754 million) and in term deposits and interest-bearing current accounts (€1,851 million)

Moreover, borrowings and other financial liabilities amounted to €2,208 million (compared to €12,138 million as of December 31, 2013), a €9,930 million decrease following the redemptions of borrowings carried out during fiscal year 2014 €5,564 million in bonds, €1,655 million in bank credit facilities and €1,906 million in commercial papers

As of December 31, 2014, the group's bonds amounted to €1,950 million, compared to €7,827 million as of December 31, 2013 In 2014, Vivendi redeemed at maturity a €894 million bond, SFR's €300 million bond, and early redeemed bonds with make-whole options, of which €4,250 million in euro denominated bonds, and $595 million (€420 million) related to US dollar denominated bonds

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31 2014 (a)	December 31 2013
Borrowings and other financial liabilities	21	2 347	12 266
of which long-term (b)		*2,074*	*8 737*
short-term (b)		*273*	*3,529*
Derivative financial instruments in assets (c)		(139)	(126)
Cash deposits backing borrowings (c)			(2)
		2,208	**12,138**
Cash and cash equivalents (b)		(6 845)	(1,041)
Financial Net Debt / (Net cash position)		**(4,637)**	**11,097**

a As of December 31, 2014, in compliance with IFRS 5, Vivendi's Net Cash Position does not include the external Financial Net Debt of GVT (€217 million)

b As presented in the Consolidated Statement of Financial Position

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

5 3 Analysis of Financial Net Debt changes

(in millions of euros)	Refer to section	Year ended December 31 2014 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT	2	**(736)**		**(736)**
Adjustments		(447)		(447)
Content investments net	3	(19)		(19)
Gross cash provided by operating activities before income tax paid		***(1,202)***	-	***(1,202)***
Other changes in net working capital		123		123
Net cash provided by operating activities before income tax paid	3	***(1,079)***	-	***(1,079)***
Income tax paid net	3	(280)		(280)
Net cash provided by operating activities of continuing operations		**(1,359)**	-	**(1,359)**
Net cash provided by operating activities of discontinued operations		(2 234)		(2 234)
Operating activities		**(3,593)**	-	**(3,593)**
Financial investments				
Purchases of consolidated companies after acquired cash		100	116	216
of which investments realized by Canal+ Group	1	*86*	*95*	*181*
investments realized by UMG	1	*14*	*21*	*35*
Investments in equity affiliates		87		87
of which investments realized by Canal+ Group		*63*		*63*
investments realized by UMG		*24*		*24*
Increase in financial assets		1 057		1 057
of which cash deposit related to Vivendi s appeal against the Liberty Media judgment	6	*975*		*975*
cash deposit related to Securities Class Action in the United States	6	*45*		*45*
Total financial investments		***1,244***	***116***	***1,360***
Financial divestments				
Proceeds from sales of consolidated companies after divested cash		(16,929)	(90)	(17 019)
of which cash proceeds from the sale of SFR	1	*(13 366)*		*(13,366)*
financing of Virgin Mobile acquisition	1	*200*		*200*
SFR s net cash deconsolidated		*133*	*(89)*	*44*
proceeds from the sale of the 53% interest in Maroc Telecom group	1	*(4 138)*		*(4 138)*
Decrease in financial assets		(878)		(878)
of which proceeds from the sale of 41 5 million Activision Blizzard shares	1	*(623)*		*(623)*
proceeds from the sale of UMG s interest in Beats	1	*(221)*		*(221)*
Total financial divestments		***(17,807)***	***(90)***	***(17,897)***
Financial investment activities		**(16,563)**	**26**	**(16,537)**
Dividends received from equity affiliates		(4)		(4)
Dividends received from unconsolidated companies		(2)		(2)
Net investing activities excluding capital expenditures, net		**(16,569)**	**26**	**(16,543)**
Capital expenditures		249		249
Proceeds from sales of property plant equipment and intangible assets		(6)		(6)
Capital expenditures, net	3	***243***	-	***243***
Net cash provided by/(used for) investing activities of continuing operations		**(16,326)**	**26**	**(16,300)**
Net cash provided by/(used for) investing activities of discontinued operations		2 034	55	2 089
Investing activities		**(14,292)**	**81**	**(14,211)**
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		(197)		(197)
of which exercise of stock options by executive management and employees		*(197)*	-	*(197)*
(Sales)/purchases of Vivendi SA s treasury shares		32		32
Distribution to Vivendi SA s shareowners (€1 per share)	1	1 348		1 348
Other transactions with shareowners		2		2
Dividends paid by consolidated companies to their non controlling interests		34		34
Total transactions with shareowners		***1,219***	-	***1,219***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long term financial liabilities		(3)	3	
Principal payments on long term borrowings and decrease in other long-term financial liabilities		1,670	(1,670)	
of which bank credit facilities		*1 655*	*(1 655)*	-
Principal payments on short term borrowings		7 680	(7 680)	
of which bonds		*5 564*	*(5 564)*	
commercial paper		*1 906*	*(1 906)*	
Other changes in short term borrowings and other financial liabilities		(140)	140	
Non-cash transactions			(5)	(5)
Interest paid net	3	96		96
Other cash items related to financial activities	3	606		606
Total transactions on borrowings and other financial liabilities		***9,909***	***(9,212)***	***697***
Net cash provided by/(used for) financing activities of continuing operations		**11,128**	**(9,212)**	**1,916**
Net cash provided by/(used for) financing activities of discontinued operations		756	(508)	248
Financing activities		**11,884**	**(9,720)**	**2,164**
Foreign currency translation adjustments of continuing operations		(10)	(1)	(11)
Foreign currency translation adjustments of discontinued operations		4	3	7
Reclassification of Financial Net Debt from discontinued operations		203	(293)	(90)
Change in Financial Net Debt		**(5,804)**	**(9,930)**	**(15 734)**

5 4 Changes to financings

- In January 2014, Vivendi redeemed the 7 75% bond issued in January 2009, for €894 million, upon its contractual maturity
- On November 27, 2014, following the receipt of cash proceeds from the sale of SFR, Vivendi cancelled all of its existing bank credit facilities for €7 1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019) and with two one-year renewal options As of December 31, 2014, this credit facility was undrawn
- On December 15, 2014, Vivendi redeemed all its euro-denominated bonds with a make-whole option representing a total principal amount of €4 250 million and paid a net cash premium of €572 million
- On December 29, 2014, Vivendi redeemed all its U S dollar-denominated bonds with a make-whole option representing a total principal amount of $595 million (€420 million) and paid a net premium of €70 million

For a detailed analysis of the borrowings as of December 31, 2014, please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2014

6 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, 2014, provisions recorded by Vivendi for all claims and litigations amounted to €1,206 million, compared to €1,379 million as of December 31, 2013

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 11, 2015, the date of the Management Board meeting held to approve Vivendi's Financial Statements for the year ended December 31, 2014

Vivendi litigation

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 had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim These claims are currently being processed and verified by an independent claims administrator and by the parties Vivendi will then have the right to challenge the merits of these claims On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims On December 23, 2014, the Court entered the partial judgment

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals This appeal will be heard together with Vivendi's appeal in the Liberty Media case

Vivendi believes that it has solid grounds for an appeal Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial Several aspects of the verdict will also be challenged

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1 3 1 (Use of Estimates) and 1 3 8 (Provisions) Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and 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 The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel")

The Liberty Media jury returned its verdict on June 25, 2012 It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial

On January 9, 2013, the Court confirmed the jury's verdict It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015, these two cases will be heard together by the Court of Appeals

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2014, the provision in the amount of €945 million recorded as of December 31, 2012

Trial of Vivendi's Former Officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001 Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001 Vivendi joined the proceedings as a civil party

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris), following which the Public Prosecutor asked the Court to drop the charges against the defendants On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party Messrs Jean-Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr and Eric Licoys received suspended sentences and fines Messrs Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties The former Vivendi Officers as well as some civil parties appealed the decision The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr Edgar Bronfman Jr for insider trading On May 19, 2014, the Paris Court of Appeal rendered its judgment Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine The Court also upheld the convictions against Messrs Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2 5 million is suspended), respectively Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action") With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders An appeal has been filed with the French Supreme Court (Cour de Cassation) by certain of the defendants and some civil parties

LBBW and al against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002 Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities

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

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former CEO, between 2000 and 2002 On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities

Actions against Activision Blizzard, Inc , its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction The case will proceed on the merits

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled *In Re Activision Blizzard Inc Securities Litigation*

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston This action was consolidated into the *In Re Activision Blizzard Inc Securities Litigation* proceeding currently underway

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced The Court is expected to approve the settlement agreement at an upcoming hearing

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999 On July 3, 2007, the High Court of Nanterre ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first ruling On November 27, 2008, Unibail appealed against this decision On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal The hearing will take place on April 2, 2015

Vivendi Deutschland against FIG

Further to a claim filed by CGIS BIM (a former subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the annulment of the sale following a judgment of the Berlin Court of Appeal, which overruled a judgment rendered by the Berlin High Court CGIS BIM was ordered to repurchase the buildings and to pay damages Vivendi delivered a guarantee so as to pursue settlement negotiations As no settlement was reached, on September 3, 2008, CGIS BIM challenged the validity of the reasoning of the judgment On April 23, 2009, the Regional Berlin Court issued a decision setting aside the judgment of the Berlin Court of Appeal dated May 29, 2008 On June 12, 2009, FIG appealed that decision On December 16, 2010, the Berlin Court of Appeal rejected FIG's appeal and confirmed the decision of the Regional Berlin Court in April 2009, which decided in CGISBIM's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damages and interest This decision is now final In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS BIM on March 3, 2009 On June 19, 2013, the Berlin Regional Court ordered CGIS BIM to pay FIG the sum of €3 9 million together with interest from February 27, 2009 CGIS BIM has appealed this decision

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*). The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4.9 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT. At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba. This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal.

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT. The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware. Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica. On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo.

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side. Pending the conclusion of this settlement transaction (which is to be signed on the day of the closing of the sale of GVT), the case has been suspended.

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. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber should be scheduled shortly. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. This was rejected on November 7, 2013 as the Court found that only the arbitral tribunal could make such an application. On December 17, 2014, the Rio de Janeiro Court of Appeal overturned the lower court's decision and authorized the provision of the above-mentioned information solely to the arbitral tribunal, denying Dynamo access to the information.

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds 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. On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs. The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws. Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi. It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica.

Litigation involving Vivendi subsidiaries

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, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels. 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 Reunion was unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Reunion. In the context of this dispute, various jurisdictions have taken the opportunity to apply the fact 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. Noncompliance 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 On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion Parabole Réunion filed an appeal against this judgment On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages

On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy

These two actions have been consolidated into a single action On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Reunion The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance

BeIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015 On October 30, 2014, Canal+ Group appealed against this decision

Action brought by the French Competition Authority regarding Practices in the Pay-TV Sector

On January 9, 2009 further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ Group a notification of allegations It alleges that Canal+ Group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ Group colluded with TF1 and M6, on the one hand, and with Lagardère, on the other Vivendi and Canal+ Group have each denied these allegations

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ Group The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Canal+ Group's exclusive distribution rights on channels broadcast by the Group and independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case

Canal+ Group against TF1, M6, and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market Canal+ Group accused them of inserting pre-emption rights into co-production contracts, in such a way as to discourage competition The French Competition Authority is examining the case

Canal+ Group against TF1, and TMC Regie

On June 12, 2013, Group Canal+ SA and Canal+ Régie filed a complaint with the French Competition Authority against the practices of TF1 and TMC Régie in the television advertising market Group Canal+ SA and Canal+ Régie accused them of cross-promotion, having a single advertising division and refusing to promote the D8 channel during its launch The French Competition Authority is examining the case

Private Copying Levy Case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre (Tribunal de grande instance de Nanterre) by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top boxes and therefore it should be treated as an integrated hard drive Copie France believes that the applicable amount of the compensation is €45 per hard drive as opposed to €8 7

Aston France against Canal+ Group

On September 25, 2014, Aston notified the French Competition Authority about Canal+ Group's decision to stop selling its satellite subscription called "cards only" (enabling the reception of Canal+/Canalsat programs on Canal Ready-labeled satellite decoders, manufactured and distributed by third parties, including Aston) In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ Group before the Commercial Court of Paris, seeking a stay of the decision of the Canal+ Group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called "cards only" On October 17, 2014, the Paris Commercial Court issued an order denying Aston's requests On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruling in chambers, granted its request and suspended the decision of Canal + Group to stop selling its "cards only" subscriptions until the French Competition Authority renders its decision on the merits of the case

Complaints against Music Industry Majors in the United States

Several complaints have been filed before the Federal Courts in New York and California against Universal Music Group and the other music industry majors for alleged anti-competitive practices in the context of sales of CDs and Internet music downloads These complaints have been consolidated before the Federal Court in New York The motion to dismiss filed by the defendants was granted by the Federal Court on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010 The defendants filed a motion for rehearing which was denied They filed a petition with the US Supreme Court which was rejected on January 10, 2011 The discovery process is underway

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones UMG contests the merits of these actions

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Records and EMI Music Publishing filed a joint complaint against MP3Tunes and its founder, Michael Robertson, for copyright infringement on the sideload com and mp3tunes com websites The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records It found the defendants liable for knowingly allowing the unauthorized content on the websites On March 26, 2014, the jury awarded damages in the amount of $41 million On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of $12 2 million The defendants have appealed against the judgment

Mireille Porte against Interscope Records, Inc , Stefani Germanotta and Universal Music France

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Inc , Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris) for the alleged copyright infringement of several of Orlan's artistic works

James Clar against Rihanna Fenty, UMG Recordings, Inc and Universal Music France

On June 13, 2014, the artist James Clar filed a complaint against Rihanna Fenty, UMG Recordings, Inc and Universal Music France before the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris) for the alleged infringement of his work

Litigation involving GVT (discontinued operation)

Actions Related to the ICMS Tax

GVT, like all other telecommunications operators, is party in several Brazilian States to various proceedings concerning the application of the "ICMS" tax (*Imposto Sober Circulação de Mercadorias e Prestação de Serviços*), which is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services

GVT is notably 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 21 proceedings initiated by GVT, all have resulted in decisions favorable to GVT and 12 are no longer subject to appeal

Actions 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 Universalização dos Serviços de Telecomunicações*), 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 Integração 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 as GVT operates pursuant to a more flexible license that allows it to set its own tariffs

7 Forward looking statements

Cautionary note

This Financial Report, notably in Section 2 3, contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including the impact of certain transactions and the payment of dividends and distributions as well as share repurchases Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents of the group filed with the Autorité des Marches Financiers (the "AMF") (the French securities regulator), which are also available in English on Vivendi's website (www vivendi com) Accordingly, we caution you against relying on 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 the 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 Non-GAAP measures in Statement of Earnings

Income from operations, EBITA and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance, as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that they are relevant indicators to assess the group's operating and financial performance Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they better illustrate the underlying performance of continuing operations by excluding most non-recurring and non-operating items Each of these indicators are defined in Section 4 of this report or in Notes to the Consolidated Financial Statements for the year ended December 31, 2014

Reconciliation of EBIT to EBITA and to income from operations

	Year ended December 31	
(in millions of euros)	2014	2013
EBIT (a)	**736**	**637**
Adjustments		
Amortization of intangible assets acquired through business combinations	344	350
Impairment losses on intangible assets acquired through business combinations (a)	92	6
Other income (a)	(203)	(88)
Other charges (a)	30	50
EBITA	**999**	**955**
Adjustments		
Charges related to equity-settled share-based compensation plans	9	23
Special items excluded from income from operations (including transition/integration costs, and restructuring costs)	100	153
Income from operations	**1,108**	**1,131**

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

	Year ended December 31,	
(in millions of euros)	2014	2013
Earnings attributable to Vivendi SA shareowners (a)	**4,744**	**1,967**
Adjustments		
Amortization of intangible assets acquired through business combinations	344	350
Impairment losses on intangible assets acquired through business combinations (a)	92	6
Other income (a)	(203)	(88)
Other charges (a)	30	50
Other financial income (a)	(19)	(13)
Other financial charges (a)	751	300
Earnings from discontinued operations (a)	(5,262)	(2 633)
of which capital gain on the divestiture of SFR	*(2 378)*	-
impairment of SFR's goodwill	-	*2,431*
capital gain on the divestiture of Maroc Telecom group	*(786)*	-
capital gain on Activision Blizzard shares	*(84)*	*(2 915)*
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	37	(109)
Non recurring items related to provision for income taxes	5	28
Provision for income taxes on adjustments	(112)	(106)
Non-controlling interests on adjustments	219	702
Adjusted net income	**626**	**454**

a As reported in the Consolidated Statement of Earnings

Adjusted net income per share

	Year ended December 31,			
	2014		2013	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	626	626	454	454
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1 345 8	1 345 8	1 330 6	1 330 6
Potential dilutive effects related to share-based compensation	-	5 5		4 7
Adjusted weighted average number of shares	**1,345 8**	**1,351 3**	**1,330 6**	**1,335.3**
Adjusted net income per share (in euros)	0 46	0 46	0 34	0 34

a Net of treasury shares (50,033 shares as of December 31, 2014)

2. Adjustment of comparative information

In compliance with IFRS 5, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively

In practice, income and charges from these four businesses have been reported as follows

- their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations",
- their share of net income has been excluded from Vivendi's adjusted net income, and
- in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information

The adjustments to published data for the first quarter and the first half of 2014 are reported below and only relate to GVT

	2014		
(in millions of euros, except per share amounts)	Three months ended March 31	Three months ended June 30	Six months ended June 30
Adjusted earnings before interest and income taxes (EBITA) (as previously published)	**268**	**358**	**626**
Reclassifications related to the application of IFRS 5 for GVT	83	- 88	- 171
Adjusted earnings before interest and income taxes (EBITA) (restated)	**185**	**270**	**455**
Adjusted net income (as previously published)	**161**	**194**	**355**
Reclassifications related to the application of IFRS 5 for GVT	- 52	- 50	- 102
Adjusted net income (restated)	**109**	**144**	**253**
Adjusted net income per share (as previously published)	**0 12**	**0 14**	**0.26**
Adjusted net income per share (restated)	**0 08**	**0 11**	**0 19**

The adjustments to data published in the 2013 Annual Report are reported below and relate to GVT and SFR

(in millions of euros, except per share amounts)	2013 Three months ended March 31	Three months ended June 30	Six months ended June 30
Adjusted earnings before interest and income taxes (EBITA) (as published (a))	**629**	**762**	**1,391**
Reclassifications related to the application of IFRS 5 for GVT	- 99	- 98	- 197
Reclassifications related to the application of IFRS 5 for SFR	- 328	- 377	- 705
Adjusted earnings before interest and income taxes (EBITA) (restated)	**202**	**287**	**489**
Adjusted net income (as published (a))	**366**	**479**	**845**
Reclassifications related to the application of IFRS 5 for GVT	- 70	- 67	- 137
Reclassifications related to the application of IFRS 5 for SFR	- 232	254	- 486
Adjusted net income (restated)	**64**	**158**	**222**
Adjusted net income per share (as published (a))	**0 28**	**0 36**	**0 64**
Adjusted net income per share (restated)	**0 05**	**0 12**	**0 17**

(in millions of euros, except per share amounts)	2013 Three months ended September 30	Nine months ended September 30	Three months ended December 31,	Year ended December 31,
Adjusted earnings before interest and income taxes (EBITA) (as published (a))	**730**	**2,121**	**312**	**2,433**
Reclassifications related to the application of IFRS 5 for GVT	- 101	298	107	405
Reclassifications related to the application of IFRS 5 for SFR	334	1 039	- 34	1 073
Adjusted earnings before interest and income taxes (EBITA) (restated)	**295**	**784**	**171**	**955**
Adjusted net income (as published (a))	**403**	**1,248**	**292**	**1,540**
Reclassifications related to the application of IFRS 5 for GVT	- 75	212	- 62	274
Reclassifications related to the application of IFRS 5 for SFR	- 249	735	- 77	812
Adjusted net income (restated)	**79**	**301**	**153**	**454**
Adjusted net income per share (as published (a))	**0 30**	**0 94**	**0.22**	**1 16**
Adjusted net income per share (restated)	**0 06**	**0.23**	**0 11**	**0.34**

a As published in the 2013 Annual Report

3 Revenues and EBITA by business segment - 2014 and 2013 quarterly data

	2014			
(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				
Canal+ Group	1,317	1,350	1 300	1,489
Universal Music Group	984	1 019	1,094	1,460
Vivendi Village	21	25	23	27
Elimination of intersegment transactions	(5)	(5)	(5)	(5)
Total Vivendi	**2,317**	**2,389**	**2,412**	**2,971**
EBITA				
Canal+ Group	175	245	206	(43)
Universal Music Group	56	97	121	291
Vivendi Village	(20)	(67)	-	8
Corporate	(26)	(5)	(17)	(22)
Total Vivendi	**185**	**270**	**310**	**234**

	2013			
(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				
Canal+ Group	1 286	1,314	1,257	1,454
Universal Music Group	1 091	1,145	1,162	1,488
Vivendi Village	16	17	18	20
Elimination of intersegment transactions	(5)	(3)	(5)	(3)
Total Vivendi	**2,388**	**2,473**	**2,432**	**2,959**
EBITA				
Canal+ Group	183	247	217	(36)
Universal Music Group	55	88	112	256
Vivendi Village	(14)	(23)	(20)	(23)
Corporate	(22)	(25)	(14)	(26)
Total Vivendi	**202**	**287**	**295**	**171**

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III - Consolidated Financial Statements for the year ended December 31, 2014

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, 2014 on

- the audit of the accompanying consolidated financial statements of Vivendi, hereinafter referred to as "the Company",
- the justification of our assessments,
- 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 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 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 draw your attention to the following matters

- Note 1 3 5 8 to the financial statements describes the accounting principles applicable to financial assets, including non-consolidated investments We examined the accounting treatment applied to the group's investment in Numericable – SFR We ensured that Note 3 1 to the consolidated financial statements gives appropriate disclosures thereon
- Note 1 3 6 to the consolidated financial statements describes the applicable criteria for classification 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 3 to the consolidated financial statements provides appropriate disclosures with respect to management's position as of December 31, 2014
- At each financial year end, your Company systematically performs impairment tests on goodwill and assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in Note 1 3 5 7 to the 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 the positions as of December 31, 2014 We ensured that 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 26 to the consolidated financial statements describe the methods used to assess and recognize provisions for litigation We examined the methods used within the group to identify, calculate, and determine the accounting for such litigation We also examined the assumptions and data underlying the estimates made by the Company As stated in Note 1 3 1 to the 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 verifications

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 its fair presentation and its consistency with the consolidated financial statements

Paris-La Défense, February 27, 2015

The statutory auditors
French original signed by

KPMG AUDIT
Département de KPMG S A

ERNST & YOUNG et Autres

Baudouin Griton

Jean-Yves Jégourel

Consolidated Statement of Earnings

	Note	Year ended December 31, 2014	2013 (a)
Revenues	4	**10,089**	**10,252**
Cost of revenues	4	(6,121)	(6,097)
Selling, general and administrative expenses		(3,155)	(3,358)
Restructuring charges and other operating charges and income		(158)	(192)
Impairment losses on intangible assets acquired through business combinations	4	(92)	(6)
Other income	4	203	88
Other charges	4	(30)	(50)
Earnings before interest and income taxes (EBIT)	2	**736**	**637**
Income from equity affiliates	13	(18)	(21)
Interest	5	(96)	(266)
Income from investments		3	66
Other financial income	5	19	13
Other financial charges	5	(751)	(300)
Earnings from continuing operations before provision for income taxes		**(107)**	**129**
Provision for income taxes	6 2	(130)	17
Earnings from continuing operations		**(237)**	**146**
Earnings from discontinued operations	3	5,262	2,633
Earnings		**5,025**	**2,779**
Of which			
Earnings attributable to Vivendi SA shareowners		**4,744**	**1,967**
of which **earnings from continuing operations attributable to Vivendi SA shareowners**		**(290)**	**43**
earnings from discontinued operations attributable to Vivendi SA shareowners		5,034	1,924
Non-controlling interests		281	812
of which earnings from continuing operations		53	103
earnings from discontinued operations		228	709
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	(0 22)	0 03
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	(0 22)	0 03
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	7	3 74	1 45
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	7	3 73	1 44
Earnings attributable to Vivendi SA shareowners per share - basic	7	**3 52**	**1 48**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	3 51	1 47

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

a In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Earnings as discontinued operations (please refer to Note 3) Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively The adjustments to previously published data are presented in Note 31

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, 2014	2013
Earnings		**5,025**	**2,779**
Actuarial gains/(losses) related to employee defined benefit plans, net		(68)	(23)
Items not reclassified to profit or loss		**(68)**	**(23)**
Foreign currency translation adjustments		778	(1,429)
Unrealized gains/(losses), net		936	58
Other impacts, net		(94)	15
Items to be subsequently reclassified to profit or loss		**1,620**	**(1,356)**
Charges and income directly recognized in equity	8	**1,552**	**(1,379)**
Total comprehensive income		**6,577**	**1,400**
of which			
Total comprehensive income attributable to Vivendi SA shareowners		**6,312**	**789**
Total comprehensive income attributable to non-controlling interests		265	611

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

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2014	December 31, 2013
ASSETS			
Goodwill	9	9,329	17,147
Non-current content assets	10	2,550	2,623
Other intangible assets	11	229	4,306
Property, plant and equipment	12	717	7,541
Investments in equity affiliates	13	306	446
Non-current financial assets	14	6,144	654
Deferred tax assets	6	710	733
Non-current assets		**19,985**	**33,450**
Inventories	15	114	330
Current tax receivables	6	234	627
Current content assets	10	1,135	1,149
Trade accounts receivable and other	15	1,983	4,898
Current financial assets	14	49	45
Cash and cash equivalents	16	6,845	1,041
		10,360	**8,090**
Assets held for sale		-	1,078
Assets of discontinued businesses	3	5,393	6,562
Current assets		**15,753**	**15,730**
TOTAL ASSETS		**35,738**	**49,180**
EQUITY AND LIABILITIES			
Share capital		7,434	7,368
Additional paid-in capital		5,160	8,381
Treasury shares		(1)	(1)
Retained earnings and other		10,013	1,709
Vivendi SA shareowners' equity		**22,606**	**17,457**
Non-controlling interests		382	1,573
Total equity	17	**22,988**	**19,030**
Non-current provisions	18	2,888	2,904
Long-term borrowings and other financial liabilities	21	2,074	8,737
Deferred tax liabilities	6	657	680
Other non-current liabilities	15	121	757
Non-current liabilities		**5,740**	**13,078**
Current provisions	18	290	619
Short-term borrowings and other financial liabilities	21	273	3,529
Trade accounts payable and other	15	5,306	10,416
Current tax payables	6	47	79
		5,916	**14,643**
Liabilities associated with assets held for sale		-	-
Liabilities associated with assets of discontinued businesses	3	1,094	2,429
Current liabilities		**7,010**	**17,072**
Total liabilities		**12,750**	**30,150**
TOTAL EQUITY AND LIABILITIES		**35,738**	**49,180**

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 2014	2013 (a)
Operating activities			
EBIT	4	736	637
Adjustments	23	447	557
Content investments net		19	(148)
Gross cash provided by operating activities before income tax paid		***1,202***	***1,046***
Other changes in net working capital	15	(123)	36
Net cash provided by operating activities before income tax paid		***1,079***	***1,082***
Income tax paid net	6 3	280	205
Net cash provided by operating activities of continuing operations		***1,359***	***1,287***
Net cash provided by operating activities of discontinued operations	3	2 234	3 953
Net cash provided by operating activities		**3,593**	**5,240**
Investing activities			
Capital expenditures	2	(249)	(278)
Purchases of consolidated companies, after acquired cash		(100)	(42)
Investments in equity affiliates	13	(87)	-
Increase in financial assets	14	(1 057)	(65)
Investments		***(1,493)***	***(385)***
Proceeds from sales of property plant equipment and intangible assets	2	6	33
Proceeds from sales of consolidated companies, after divested cash	3	16 929	2 739
Disposal of equity affiliates	13	-	8
Decrease in financial assets	14	878	724
Divestitures		***17,813***	***3,504***
Dividends received from equity affiliates		4	3
Dividends received from unconsolidated companies		2	54
Net cash provided by/(used for) investing activities of continuing operations		***16,326***	***3,176***
Net cash provided by/(used for) investing activities of discontinued operations	3	(2,034)	(4 363)
Net cash provided by/(used for) investing activities		**14,292**	**(1,187)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share based compensation plans	20	197	195
Sales/(purchases) of Vivendi SA s treasury shares		(32)	-
Distribution to Vivendi SA's shareowners	17	(1 348)	(1 325)
Other transactions with shareowners		(2)	(1,046)
Dividends paid by consolidated companies to their non-controlling interests		(34)	(33)
Transactions with shareowners		***(1,219)***	***(2,209)***
Setting up of long term borrowings and increase in other long term financial liabilities	21	3	2,405
Principal payment on long-term borrowings and decrease in other long term financial liabilities	21	(1 670)	(1 910)
Principal payment on short term borrowings	21	(7 680)	(5 161)
Other changes in short term borrowings and other financial liabilities	21	140	36
Interest paid, net	5	(96)	(266)
Other cash items related to financial activities		(606)	(330)
Transactions on borrowings and other financial liabilities		***(9,909)***	***(5,226)***
Net cash provided by/(used for) financing activities of continuing operations		***(11,128)***	***(7,435)***
Net cash provided by/(used for) financing activities of discontinued operations	3	(756)	1 017
Net cash provided by/(used for) financing activities		**(11,884)**	**(6,418)**
Foreign currency translation adjustments of continuing operations		10	(20)
Foreign currency translation adjustments of discontinued operations	3	(4)	(72)
Change in cash and cash equivalents		**6,007**	**(2,457)**
Reclassification of discontinued operations cash and cash equivalents	3	(203)	(396)
Cash and cash equivalents			
At beginning of the period	16	**1,041**	**3,894**
At end of the period	16	**6,845**	**1,041**

a In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT (as from the third quarter of 2014), SFR (as from the first quarter of 2014) as well as Maroc Telecom and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Cash Flows as discontinued operations (please refer to Note 3) Vivendi deconsolidated SFR, Maroc Telecom group, and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively These adjustments are presented in Note 31 The accompanying notes are an integral part of the Consolidated Financial Statements

Consolidated Statements of Changes in Equity

Year ended December 31, 2014

(in millions of euros except number of shares)	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 2013	**1,339,610**	**7,368**	**8,381**	**(1)**	**15 748**	**5,236**	**184**	**(2,138)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	***1,339,610***	***7,368***	***8,381***	***(1)***	***15,748***	***3,604***	***185***	***(2,080)***	***1 709***	***17 457***
Attributable to non-controlling interests						***1,632***	***(1)***	***(58)***	***1 573***	***1,573***
Contributions by/distributions to Vivendi SA shareowners	***11,991***	***66***	***(3,221)***		***(3 155)***	***1,986***	***-***		***1,986***	***(1 169)***
Sales/(purchases) of Vivendi SA s treasury shares				(32)	(32)					(32)
Allocation of Vivendi SA s 2013 result			(2 004)		(2 004)	2 004			2 004	
Distribution to Vivendi SA s shareowners (€1 per share)			(1 348)		(1 348)					(1,348)
Capital increase related to Vivendi SA s share-based compensation plans	11 991	66	131	32	229	(18)			(18)	211
of which exercise of stock options by executive management and employees	*11 264*	*62*	*135*		*197*					*197*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		***-***			***-***	***6***	***-***		***6***	***6***
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***11,991***	**66**	**(3,221)**		**(3,155)**	**1,992**			**1,992**	**(1 163)**
Contributions by/distributions to non-controlling interests						***(107)***			***(107)***	***(107)***
of which dividends paid by subsidiaries to non controlling interests						(107)			(107)	(107)
Changes in non-controlling interests that result in a gain/(loss) of control						***(1,346)***			***(1,346)***	***(1,346)***
of which sale of the 53% interest in Maroc Telecom group						(1 328)			(1,328)	(1,328)
Changes in non-controlling interests that do not result in a gain/(loss) of control			***-***			***(4)***			***(4)***	***(4)***
CHANGES IN EQUITY ATTRIBUTABLE TO NON CONTROLLING INTERESTS (B)	**-**					**(1,457)**			**(1,457)**	**(1,457)**
Earnings	***-***			***-***		***5,025***			***5,025***	***5,025***
Charges and income directly recognized in equity	***-***		***-***			***(162)***	***938***	***778***	***1,552***	***1,552***
TOTAL COMPREHENSIVE INCOME (C)	**-**					**4,863**	**936**	**778**	**6,577**	**6,577**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***11,991***	***66***	***(3,221)***		***(3,155)***	***5,398***	***937***	***778***	***7 113***	***3,958***
Attributable to Vivendi SA shareowners	*11 991*	*66*	*(3 221)*		*(3 155)*	*6,581*	*935*	*788*	*8 304*	*5 149*
Attributable to non-controlling interests						*(1 183)*	*2*	*(10)*	*(1 191)*	*(1 191)*
BALANCE AS OF DECEMBER 31 2014	***1,351,601***	**7,434**	**5,160**	**(1)**	**12,593**	**10,634**	**1 121**	**(1,360)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	***1,351 601***	***7,434***	***5,160***	***(1)***	***12,593***	***10,185***	***1 120***	***(1,292)***	***10,013***	***22,606***
Attributable to non-controlling interests		***-***				***449***	***1***	***(68)***	***382***	***382***

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

Year ended December 31, 2013

(in millions of euros except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares		Additional paid in capital	Treasury shares	Subtotal	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
	Number of shares (in thousands)	Share capital								
BALANCE AS OF JANUARY 01 2013	1,323,962	7,282	8,271	(25)	15,528	6,346	126	(709)	5,763	21,291
Attributable to Vivendi SA shareowners	1,323,962	7,282	8,271	(25)	15,528	3,529	129	(861)	2,797	18,325
Attributable to non-controlling interests						2,817	(3)	152	2,966	2,966
Contributions by/distributions to Vivendi SA shareowners	15,648	86	110	24	220	(1,296)			(1,296)	(1,076)
Dividends paid by Vivendi SA (€1 per share)						(1,325)			(1,325)	(1,325)
Capital increase related to Vivendi SA s share-based compensation plans	15,648	86	110	24	220	29			29	249
of which Vivendi Employee Stock Purchase Plans (July 25 2013)	12,286	68	81		149					149
Changes in Vivendi SA s ownership interest in its subsidiaries that do not result in a loss of control						(581)			(581)	(581)
of which acquisition of Lagardère Group s non controlling interest in Canal+ France						(636)			(636)	(636)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	15,648	86	110	24	220	(1,877)			(1,877)	(1,657)
Contributions by/distributions to non-controlling interests						(431)			(431)	(431)
of which dividends paid by subsidiaries to non-controlling interests						(431)			(431)	(431)
Changes in non-controlling interests that result in a gain/(loss) of control		-				(1,273)			(1,273)	(1,273)
of which sale of 88% of the ownership interest in Activision Blizzard						(1 272)			(1 272)	(1 272)
Changes in non-controlling interests that do not result in a gain/(loss) of control						(300)			(300)	(300)
of which acquisition of Lagardère Group s non-controlling interest in Canal+ France						(387)			(387)	(387)
CHANGES IN EQUITY ATTRIBUTABLE TO NON CONTROLLING INTERESTS (B)				-		(2,004)		-	(2,004)	(2,004)
Earnings						2,779		-	2,779	2,779
Charges and income directly recognized in equity						(8)	58	(1 429)	(1,379)	(1,379)
TOTAL COMPREHENSIVE INCOME (C)						2,771	58	(1,429)	1,400	1,400
TOTAL CHANGES OVER THE PERIOD (A+B+C)	15,648	86	110	24	220	(1 110)	58	(1 429)	(2,481)	(2,261)
Attributable to Vivendi SA shareowners	15,648	86	110	24	220	75	56	(1 219)	(1 088)	(868)
Attributable to non-controlling interests						(1 185)	2	(210)	(1 393)	(1 393)
BALANCE AS OF DECEMBER 31, 2013	1,339,610	7,368	8,381	(1)	15,748	5,236	184	(2,138)	3,282	19,030
Attributable to Vivendi SA shareowners	1,339 610	7,368	8,381	(1)	15,748	3,604	185	(2,080)	1 709	17,457
Attributable to non-controlling interests					-	1,632	(1)	(58)	1,573	1,573

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

Notes to the Consolidated Financial Statements

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

Vivendi operates a number of companies that are leaders in content and media Canal+ Group is the French leader in pay-TV and is also present in African countries, Poland, and Vietnam, its subsidiary Studiocanal, is a leading European player in the production, acquisition, distribution and sale of films and TV series Universal Music Group is the world's leader in music Vivendi Village brings together Vivendi Ticketing, Wengo (expert counseling), Watchever (subscription video-on-demand) In addition, Vivendi controls GVT, the leading Brazilian alternative operator

Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014 and October 11, 2013, respectively, each date being the date of their effective sale by Vivendi Moreover, as a result of the plan to sell GVT, this business has been reported in Vivendi's Consolidated Statement of Earnings as a discontinued operation, in accordance with IFRS 5

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 11, 2015, at a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2014 They were examined by the Audit Committee at its meeting held on February 20, 2015 and the Supervisory Board, at its meeting held on February 27, 2015

On April 17, 2015, the Consolidated Financial Statements for the year ended December 31, 2014 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 2014 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, 2014

Vivendi applied from the first quarter of 2014 IFRIC 21 interpretation – *Levies*, issued by the IFRS Interpretation Committee (IFRS IC) on May 20, 2013, endorsed by the EU on June 13, 2014 and published in the EU Official Journal on June 14, 2014 IFRIC 21 clarifies the treatment of certain levies, in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*

IFRIC 21 specifically addresses the accounting of a liability to pay a levy imposed by public authorities on entities in accordance with legislation (i e , laws or regulations), except for income tax and value-added taxes Applying this interpretation has led to the modification, where necessary, of the analysis of the obligating event triggering recognition of the liability This interpretation, which mandatorily applies to accounting periods beginning on or after January 1, 2014 (and retrospectively as from January 1, 2013), had no material impact on Vivendi's Financial Statements

In addition and as a reminder, as from the Condensed Financial Statements for the first quarter of 2013, Vivendi voluntarily opted for the early application, with retrospective effect as from January 1, 2012, of the 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* (refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013 – pages 220 to 235 of the Annual Report) The application of these standards had no material impact on Vivendi's Financial Statements

1.2 Presentation of the Consolidated Financial Statements

1 2 1 Consolidated Statement of Earnings

The main line items presented in Vivendi's Consolidated Statement of Earnings are revenues, income from equity affiliates, interest, provision for 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 by operating activities

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

Net cash used for investing activities

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

Net cash used for financing activities

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

1 2 3 Operating performance of each operating segment and the group

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), 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 by 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 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 (*) (**), equal to interest expense on borrowings net of interest income earned on cash and cash equivalents,

- income from investments (*) (**), including dividends and interest received from unconsolidated companies, and
- taxes and non-controlling interests related to these items

It does not include the following items
- amortization of intangibles acquired through business combinations (**) as well as impairment losses on goodwill and other intangibles acquired through business combinations (*) (**),
- other income and charges related to financial investing transactions and to transactions with shareowners (*), as defined above,
- other financial charges and income (*) (**), equal to the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in the fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in the EBIT), as well as the effect of undiscounting assets and liabilities, and the financial components of employee benefits (interest cost and expected return on plan assets),
- earnings from discontinued operations (*) (**), and
- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SA's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period)

(*) 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 2013 and 2012 Consolidated Financial Statements to conform to the presentation of the 2014 and 2013 Consolidated Financial Statements

1.3 Principles governing the preparation of the Consolidated Financial Statements

Pursuant to IFRS principles, notably IFRS 13 – *Fair Value Measurement* relating to measurement and disclosures, the Consolidated Financial Statements have been prepared on a historical cost basis, with the exception of certain assets and liabilities detailed below

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

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

1 3 1 Use of estimates

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

The main estimates and assumptions relate to the measurement of

- revenue estimates of provisions for returns and price guarantees (please refer to Note 1 3 4),
- provisions risk estimates, performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1 3 8 and 18),

- 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 19),
- 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 20),
- certain financial instruments fair value estimates (please refer to Notes 1 3 5 8, 1 3 7 and 22),
- deferred taxes estimates concerning the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1 3 9 and 6),
- goodwill and other intangible assets valuation methods adopted for the identification of intangible assets acquired through business combinations (please refer to Notes 1 3 5 2),
- goodwill, intangible assets with indefinite useful lives and assets in progress assumptions are updated annually relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates (please refer to Notes 1 3 5 7, 9, 11, and 12), 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)

1 3 2 Principles of consolidation

A list of Vivendi's major subsidiaries, joint ventures and associated entities is presented in Note 27

Consolidation

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

The new model of control, introduced by IFRS 10 which supersedes the revised IAS 27 - *Consolidated and Separate Financial Statements*, and interpretation SIC 12 - *Consolidation - Special Purpose Entities*, is based on the following three criteria to be fulfilled simultaneously to conclude that the parent company exercises control

- a parent company has power over a subsidiary when the parent company has existing rights that give it the current ability to direct the relevant activities of the subsidiary, i e , the activities that significantly affect the subsidiary's returns Power may arise from existing or potential voting rights, or contractual agreements Voting rights must be substantial, i e , they shall be exercisable at any time without limitation, particularly during decision making related to significant activities The assessment of the exercise of power depends on the nature of the subsidiary's relevant activities, the internal decision-making process, and the allocation of rights among the subsidiary's other shareowners,

- the parent company is exposed, or has rights, to variable returns from its involvement with the subsidiary which may vary as a result of the subsidiary's performance The concept of returns is broadly defined and includes, among other things, dividends and other economic benefit distributions, changes in the value of the investment in the subsidiary, economies of scale, and business synergies, and

- the parent company has the ability to use its power to affect the returns Exercising power without having any impact on returns does not qualify as control

Consolidated Financial Statements of a group are presented as if the group was a single economic entity with two categories of owners (i) the owners of the parent company (Vivendi SA shareowners) and (ii) the owners of non-controlling interests A non-controlling interest is defined as the interest in a subsidiary that is not attributable, directly or indirectly, to a parent As a result, changes to a parent company's ownership interest in a subsidiary that do not result in a loss of control only impact equity, as control does not change within the economic entity Hence, in the event of the acquisition of an additional interest in a consolidated entity after January 1, 2009, Vivendi recognizes the difference between the acquisition price and the carrying value of non-controlling interests acquired as a change in equity attributable to Vivendi SA shareowners Conversely, any acquisition of control achieved in stages or a loss of control gives rise to profit or loss in the statement of earnings

Accounting for joint arrangements

IFRS 11, which supersedes IAS 31 – *Financial Reporting of Interests in Joint Ventures*, and interpretation SIC 13 - *Jointly Controlled Entities - Non-monetary Contributions by Venturers*, establishes principles for financial reporting by parties to a joint arrangement

In a joint arrangement, parties are bound by a contractual arrangement, giving these parties joint control of the arrangement An entity that is a party to an arrangement shall assess whether the contractual arrangement gives all the parties or a group of the parties, control of the arrangement collectively Once it has been established that all the parties or a group of the parties collectively control the arrangement, joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement

Joint arrangements are classified into two categories

- joint operations these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement Those parties are called joint operators A joint operator shall recognize 100% of wholly-owned assets/liabilities, expenses/revenues of the joint operation, and its share of any of those items held jointly, and
- joint ventures these are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement Those parties are called joint venturers Each joint venturer shall recognize its interest in a joint venture as an investment, and shall account for that investment using the equity method in accordance with IAS 28 (please refer below)

The elimination of proportionate consolidation for joint ventures has no impact on Vivendi, which already accounted for companies that were, directly or indirectly, jointly controlled by Vivendi under the equity method, and a limited number of other shareholders under the terms of a contractual arrangement

Equity accounting

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

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

1 3 3 Foreign currency translation

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

Foreign currency transactions

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

Financial statements denominated in a foreign currency

Except in cases of significant exchange rate fluctuation, financial statements of subsidiaries, joint ventures or other associated entities for which the functional currency is not the euro are translated into euros as follows the Consolidated Statement of Financial Position is translated at the exchange rate at the end of the period, and the Consolidated Statement of Earnings and the Consolidated Statement of Cash 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 euros of the financial statements of subsidiaries that use foreign currencies as their functional currencies Consequently, these adjustments are not applied to earnings on the subsequent divestiture of subsidiaries, joint ventures or associates whose functional currency is not the euro

1 3 4 Revenues from operations and associated costs

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

1 3 4 1 Canal+ Group

Pay and free-to-air television

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

Equipment rentals

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

Film and television programming

Theatrical revenues are recognized as the films are screened Revenues from film distribution and from video and 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 3) 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 2 Universal Music Group (UMG)

Recorded music

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

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

Music publishing

Revenues from 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 Other

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

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

Advertising costs are expensed when incurred

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

1 3 5 Assets

1 3 5 1 Capitalized financial interest

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 its revised standard in respect of the main following items

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

1 3 5 3 Content assets

Canal+ Group

Film, television or sports broadcasting rights

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

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

Theatrical 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 comprise 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

UMG

Music publishing rights and catalogs include music catalogs, artists' contracts and publishing rights, acquired through business combinations, amortized in selling, general and administrative expenses over a period not exceeding 15 years

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

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

1 3 5 4 Research and development costs

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

Cost of internal use software

Direct internal and external costs incurred for the development of computer software for internal use, including website development costs, are capitalized during the application development stage Application development stage costs generally include software configuration, coding, installation and testing Costs of significant upgrades and enhancements resulting in additional functionality are also capitalized These capitalized costs are amortized over 5 to 10 years Maintenance, minor upgrade, and enhancement costs are expensed as incurred

1 3 5 5 Other intangible assets

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

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

1 3 5 6 Property, plant and equipment

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

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

- buildings 5 to 40 years,
- equipment and machinery 3 to 8 years,
- set-top boxes 5 to 7 years, and
- other 2 to 10 years

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

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

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

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

The fair value (less costs to sell) is the price that would be received from the sale of an asset or group of assets in an orderly transaction between market participants at the measurement date, less costs to sell These values are determined on the basis of market data (stock market prices or comparison with similar listed companies, with the value attributed to similar assets or companies in recent transactions) or 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 first recorded against goodwill

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

1.3.5.8 Financial assets

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

Financial assets at fair value

Financial assets at fair value include available-for-sale securities, derivative financial instruments with a positive value (please refer to Note 1.3.7) and other financial assets measured at fair value through profit or loss. Most of these financial assets are actively traded in organized public markets, their fair value being calculated by reference to the published market price at period end. Fair value is estimated for financial assets which do not have a published market price on an active market. As a last resort, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market, the group values financial assets at historical cost, less any impairment losses.

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

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

Financial assets at amortized cost

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

1.3.5.9 Inventories

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

1.3.5.10 Trade accounts receivable

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

1.3.5.11 Cash and cash equivalents

The "cash and cash equivalents" category 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.

Accounting principles and valuation methods specific to telecommunications activities, divested in 2014 (SFR, Maroc Telecom Group) or currently in the process of being divested (GVT)

Revenues from operations and associated costs

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.

Content sales

Sales of services provided to customers managed 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 infrastructure 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.

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.

Other intangible assets

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.

Property, plant and equipment

These mainly consist of the network equipment for telecommunications activities, each part of which is amortized generally over 1 to 50 years for fiber optic equipment

In respect of commercial supply agreements for telecommunications capacities

- 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

Accounting principles and valuation methods applicable specifically to Activision Blizzard (video games), a business divested in 2013

Revenue and related costs

The major portion of Activision Blizzard revenue is generated by the sale of boxes for video games, net of a provision for estimated returns and price guarantees as well as rebates, if any Regarding video games with significant online functionality or Massively Multiplayer Online Role Playing Games, revenues are recorded ratably over the estimated relationship period with the customer, usually and respectively beginning in the month following the shipment or upon activation of the subscription 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 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 as for revenues

Content assets

Licensing activities and internally developed franchises are recognized as contents assets at their acquisition cost or development cost and are amortized over their estimated useful life on the basis of the rate at which the related economic benefits are consumed This generally leads to an amortization period of 3 to 10 years for licenses, and 11 to 12 years for franchises

Cost of software for rental, sale or commercialization

Software development costs (video games) 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 Non-capitalized software development costs are immediately recorded as research and development costs

1 3 7 Financial liabilities

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

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

Borrowings

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

The following accounting treatment has been adopted in respect of 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 the book value of non-controlling interests and the remaining balance through equity attributable to Vivendi SA shareowners,
- subsequent changes to the value of the commitment are recognized as a financial liability by an adjustment to equity attributable to Vivendi SA shareowners, and
- upon maturity of the commitment, if the non-controlling interests are not purchased, the previously recognized entries are reversed, if the non-controlling interests are purchased, the amount recognized in financial liabilities is reversed, offset by the cash outflow relating to the purchase of the non-controlling interests

Derivative financial instruments

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

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

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

1 3 8 Other liabilities

Provisions

Provisions are recognized when, at the end of the reporting period, Vivendi has a legal obligation (legal, regulatory or contractual) or a constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the obligation can be reliably estimated Where the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money If the amount of the obligation cannot be reliably estimated, no provision is recorded and a disclosure is made in the Notes to the Consolidated Financial Statements

Employee benefit plans

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

Defined contribution plans

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

Defined benefit plans

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

Pension expenses and defined benefit obligations are calculated by independent actuaries using the projected unit credit method This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan The assumptions adopted in 2013 and 2014, and the means of determining these assumptions, are presented in Note 19 A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, and includes past service cost and actuarial gains and losses

The cost of defined benefit plans consists of three components recognized as follows

- the service cost is included in selling, general and administrative expenses It comprises current service cost, past service cost resulting from a plan amendment or a curtailment, immediately recognized in profit and loss, and gains and losses on settlement,
- the financial component, recorded in other financial charges and income, consists of the undiscounting of the obligation, less the expected return on plan assets determined using the discount rate retained for the valuation of the benefit obligation, and
- the remeasurements of the net defined benefit liability (asset), recognized in items of other comprehensive income not reclassified to profit and loss, mainly consist of actuarial gains and losses, i e , changes in the present value of the defined benefit obligation and plan assets resulting from changes in actuarial assumptions and experience adjustments (representing the differences between the expected effect of some actuarial assumptions applied to previous valuations and the effective effect)

Where the value of plan assets exceeds benefit obligations, a financial asset is recognized up to the present value of future refunds and the expected reduction in future contributions

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

On January 1, 2004, in accordance with IFRS 1, Vivendi decided to record unrecognized actuarial gains and losses against consolidated equity

1 3 9 Deferred taxes

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

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

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

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability results from goodwill or initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, tax income or loss

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

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

1 3 10 Share-based compensation

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

In addition, Universal Music Group 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 20 for details of the features of these plans

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

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

However, depending on whether the 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 to the number of equity instruments or equivalent instruments granted to their managers and employees

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

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

14 Related parties

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

The transactions realized with subsidiaries over which the group exercises control are not included in the intersegment operations (a list of the principal consolidated subsidiaries is presented in Note 27) Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's length basis on terms and conditions similar to those which would be offered by third parties The operating costs of Vivendi SA's headquarters, after the allocation of a portion of these costs to each of the group's businesses, are included in the Corporate operating segment (Please refer to Note 2 for a detailed description of the transactions between the parent company and the subsidiaries of the group, aggregated by operating segments)

15 Contractual obligations and contingent assets and liabilities

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

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

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

The IFRS standards and IFRIC interpretations that have been published by the IASB and endorsed in the European Union, which are not yet effective but which have been applied in anticipation are detailed in Note 1 1

Among IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC 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 standard which may have an impact on Vivendi is IFRS 15 – *Revenue from Contracts with Customers*, issued by IASB on May 28 2014, which applies mandatorily from January 1, 2017, and still being endorsed in the EU Vivendi is currently assessing the potential impact on the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements in applying this standard

Note 2 Segment data

2.1 Operating segment data

The Vivendi group comprises several businesses that are leaders in content and media. 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, each business is managed separately and represents the base of the internal reporting of the group. The Vivendi group has the following main businesses:

- **Canal+ Group**: publishing and distribution of premium and thematic pay-TV channels as well as free-to-air channels in France, Poland, Africa and Vietnam as well as production and distribution of cinema film and TV series in Europe. In 2014 and 2013, Canal+ Group notably acquired Red Production Company (November 22, 2013), Mediaserv (February 13, 2014) and Thema (October 28, 2014), and
- **Universal Music Group**: sale of recorded music (physical and digital media), exploitation of music publishing rights as well as artist services and merchandising. In 2014, UMG notably acquired Eagle Rock Entertainment Limited (April 8, 2014).

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 in accordance with the following principles:

- the operating segment "**Vivendi Village**" includes other operations, notably Vivendi Ticketing (with See Tickets and Digitick), Wengo (expert advisory services), and Watchever (platform in broadcasting of audiovisual works),
- the operating segment "**Corporate**" includes the headquarter's costs, net of the allocation of a portion of these costs to each of the businesses,
- 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, and
- the operating segments presented hereunder are strictly identical to the information given to Vivendi's Management Board.

In addition, Vivendi's interests in SFR and GVT, discontinued businesses as of December 31, 2014 (please refer to Note 3), are no longer reported in segment data as a result of the application of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*:

- the 2013 Consolidated Statement of Earnings and 2013 Consolidated Statement of Cash Flows were adjusted to ensure consistency of information, and
- GVT's assets and liabilities were reclassified as unallocated assets as of December 31, 2014.

For a detailed description of the adjustments made to the previously published Financial Statements, please refer to Note 31.

As of December 31, 2014, Vivendi also presented data categorized according to four geographic regions, including France and the United States.

Consolidated Statements of Earnings

Year ended December 31, 2014

(in millions of euros)	Canal+ Group	Universal Music Group	Vivendi Village	Corporate	Eliminations	**Total Vivendi**
External revenues	5 440	4 554	95		-	10 089
Intersegment revenues	16	3	1	-	(20)	
Revenues	**5,456**	**4,557**	**96**	**-**	**(20)**	**10,089**
Operating expenses excluding amortization and depreciation	(4 615)	(3 869)	(125)	(57)	20	(8 646)
EBITDA	**841**	**688**	**(29)**	**(57)**	**-**	**1,443**
Restructuring charges		(50)	(44)	(10)	-	(104)
Gains/(losses) on sales of tangible and intangible assets	(1)	(2)			-	(3)
Other non-recurring items	(15)	(13)		(2)		(30)
Depreciation of tangible assets	(170)	(58)	(3)	(1)	-	(232)
Amortization of intangible assets excluding those acquired through business combinations	(72)		(3)		-	(75)
Adjusted earnings before interest and income taxes (EBITA)	**583**	**565**	**(79)**	**(70)**	**-**	**999**
Amortization of intangible assets acquired through business combinations	(8)	(334)	(2)		-	(344)
Impairment losses on intangible assets acquired through business combinations		(1)	(91)		-	(92)
Other income						203
Other charges						(30)
Earnings before interest and income taxes (EBIT)						**736**
Income from equity affiliates						(18)
Interest						(96)
Income from investments						3
Other financial income						19
Other financial charges						(751)
Provision for income taxes						(130)
Earnings from discontinued operations						5 262
Earnings						**5,025**
Of which						
Earnings attributable to Vivendi SA shareowners						**4 744**
earnings from continuing operations attributable to Vivendi SA shareowners						**(290)**
earnings from discontinued operations attributable to Vivendi SA shareowners						5 034
Non-controlling interests						281

Year ended December 31, 2013

(in millions of euros)	Canal+ Group	Universal Music Group	Vivendi Village	Corporate	Eliminations	**Total Vivendi**
External revenues	5 300	4 882	70		-	10 252
Intersegment revenues	11	4	1	-	(16)	
Revenues	**5,311**	**4,886**	**71**	**-**	**(16)**	**10,252**
Operating expenses excluding amortization and depreciation	(4 406)	(4 172)	(145)	(90)	16	(8 797)
EBITDA	**905**	**714**	**(74)**	**(90)**	**-**	**1,455**
Restructuring charges		(114)		(2)	-	(116)
Gains/(losses) on sales of tangible and intangible assets	(8)	6	(1)	-		(3)
Other non recurring items	(50)	(26)	(1)	6		(71)
Depreciation of tangible assets	(156)	(69)	(2)	(1)	-	(228)
Amortization of intangible assets excluding those acquired through business combinations	(80)		(2)	-		(82)
Adjusted earnings before interest and income taxes (EBITA)	**611**	**511**	**(80)**	**(87)**	**-**	**955**
Amortization of intangible assets acquired through business combinations	(7)	(341)	(2)	-	-	(350)
Impairment losses on intangible assets acquired through business combinations		(5)	(1)			(6)
Other income						88
Other charges						(50)
Earnings before interest and income taxes (EBIT)						**637**
Income from equity affiliates						(21)
Interest						(266)
Income from investments						66
Other financial income						13
Other financial charges						(300)
Provision for income taxes						17
Earnings from discontinued operations						2 633
Earnings						**2,779**
Of which						
Earnings attributable to Vivendi SA shareowners						**1,967**
earnings from continuing operations attributable to Vivendi SA shareowners						**43**
earnings from discontinued operations attributable to Vivendi SA shareowners						1 924
Non controlling interests						812

Consolidated Statements of Financial Position

(in millions of euros)	Canal+ Group	Universal Music Group	Vivendi Village	Corporate	GVT	SFR	**Total Vivendi**
December 31, 2014							
Segment assets (a)	7,829	8 677	154	5,896	-	-	22,556
Unallocated assets (b)							13,182
Total Assets							**35,738**
Segment liabilities (c)	2 609	3,463	129	2,404	-	-	8 605
Unallocated liabilities (d)							4 145
Total Liabilities							**12,750**
Increase in tangible and intangible assets	205	47	7	-		-	259
Capital expenditures, net (capex, net) (e)	190	46	7	-		-	243
December 31, 2013							
Segment assets (a)	7,500	8,256	251	154	4 674	18,304	39 139
Unallocated assets (b)							10,041
Total Assets							**49,180**
Segment liabilities (c)	2,542	3 402	78	2,213	548	5,913	14 696
Unallocated liabilities (d)							15 454
Total Liabilities							**30,150**
Increase in tangible and intangible assets	213	54	8	1	776	1 665	2 717
Capital expenditures, net (capex, net) (e)	211	26	8	-	769	1,610	2 624

Additional operating segment data is presented in Note 9 "Goodwill", and Note 10 "Content assets and commitments"

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

b Unallocated assets include deferred tax assets, current tax receivables and cash and cash equivalents As of December 31, 2014, they also included GVT's assets of discontinued businesses for €5,393 million As of December 31, 2013, they also included Maroc Telecom group's assets of discontinued businesses for €6,562 million and the remaining 83 million Activision Blizzard shares held by Vivendi, valued at €1,078 million (please refer to Note 3)

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 and current tax payables As of December 31, 2014, they also included GVT's liabilities associated with assets of discontinued businesses for €1,094 million (excluding financial liabilities to Vivendi SA) As of December 31, 2013, they also included Maroc Telecom group's liabilities associated with assets of discontinued businesses for €2,429 million (please refer to Note 3)

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

2.2 Geographic information

Revenues are broken down by customer location

(in millions of euros)	Year ended December 31, 2014		2013	
Revenues				
France	4,482	*44%*	4,491	*44%*
Rest of Europe	2,505	*25%*	2,462	*24%*
United States	1 748	*17%*	1,883	*18%*
Rest of the World	1,354	*14%*	1,416	*14%*
	10,089	***100%***	**10,252**	***100%***

(in millions of euros)	December 31, 2014		December 31, 2013	
Segment assets				
France	11,774	*52%*	24,950	*64%*
Rest of Europe	2 519	*11%*	2,483	*6%*
United States	7,660	*34%*	6,549	*17%*
Brazil	31	*0%*	4,725	*12%*
Rest of the World	572	*3%*	432	*1%*
	22,556	***100%***	**39,139**	***100%***

In 2014 and 2013, acquisitions of tangible and intangible assets were mainly realized in France by Canal+ Group

Note 3 Discontinued operations

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT, SFR, Maroc Telecom, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations in accordance with the following terms

- **Ongoing sales as of December 31, 2014** On September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT As a result, GVT has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation as from the third quarter of 2014 Its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2014 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses"
- **Completed sales as of December 31, 2014** Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively All three businesses have been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations

The adjustments to previously published data are presented in Note 31

3.1 Sale of SFR

On November 27, 2014, pursuant to an agreement entered into on June 20, 2014 and following approval by the French Competition Authority on October 27, 2014 subject to conditions (see below), Vivendi announced the closing of the combination between SFR and Numericable The main terms of this transaction are as follows

Cash proceeds	€13 5 billion, subject to the sale price adjustment on November 27, 2014, Vivendi received €13 366 billion in cash and, on December 3, 2014, Vivendi made a contribution of €200 million to the financing of the acquisition of Virgin Mobile by Numericable Group Under the terms of the agreement, the price adjustment to be calculated is based, among other things, on any exceptional changes in the net working capital, SFR's net debt, as well as certain restatements as contractually defined by the parties and is subject to a contradictory accounting analysis in accordance with the contract
Vivendi's interest in the combined entity	20% of Numericable - SFR (publicly-listed)
Altice's interest in the combined entity	Approximately 60% of Numericable - SFR (approximately 20% free float)
Earn-out	Earn-out of €750 million if the EBITDA-Capex aggregate of the combined entity is equal to or higher than €2 billion during any fiscal year, ending not later than December 31, 2024
Commitments given	Limited representations and warranties
Governance	- Minority representation for Vivendi on the Board of Directors, or 2 out of 10 directors, subject to Vivendi retaining a 20% interest in Numericable - SFR (1 director if Vivendi holds an interest between 10% and 20%) - Veto rights on certain exceptional matters subject to Vivendi retaining a 20% interest in Numericable - SFR - Numericable - SFR has notably given the French Competition Authority an undertaking not to disclose any strategic information on the pay-TV market, the distribution of pay-TV services, or ultramarine telecommunications markets to Vivendi
Liquidity - Lock-up period	- Standard 180-day lock-up period, including restrictions on any disposal or transfer of shares or equivalent transactions, following the date of settlement-delivery of the rights issue of Numericable Group (on November 20, 2014), at the request of the underwriting banks - Lock-up period until the end of November 2015, after which Vivendi may sell or distribute its Numericable - SFR shares, without restrictions, with a right of priority granted to Altice (pre-emption right or right of first offer) - Vivendi has agreed not to acquire any Numericable - SFR shares, directly or indirectly, until June 30, 2018 - Subject to Vivendi retaining its shares, Altice will have a call option at market value (subject to a floor[1]) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over one-month window periods starting on June 1, 2016, June 1, 2017 and June 1, 2018 - Tag-along rights for Vivendi if Altice sells its shares

As from the first quarter of 2014, SFR was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in the Statement of Financial Position of Vivendi as a discontinued operation The data presented below relates to the contribution of the operating segment "SFR" until the effective divestiture date, which includes SFR S A and its subsidiaries, as well as the interest held by Vivendi, through its subsidiary, SIG 50, in the telecommunication products and services distribution operations

Recognition of 20% interest in Numericable - SFR

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13 166 billion in cash as well as 97,387,845 shares in the new combined entity Numericable - SFR, which represents a 20% interest and voting rights Since that date, Vivendi deconsolidated SFR Given the significant restrictive nature of the commitments given by Vivendi and Numericable - SFR to the French Competition Authority with respect to all Numericable - SFR's operations, Vivendi's minority representation on Numericable - SFR's Board of Directors together with the other specific rights granted to Vivendi by Numericable - SFR's governance (see above) helps Vivendi adequately protect its proprietary interests as a minority shareholder Vivendi considers that it does not have the right to participate in Numericable - SFR's financial and operational policy-making processes, according to IAS 28 Without having a significant influence, the 20% interest in Numericable - SFR was recognized as an "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position, and, in accordance with IAS 39, was revalued at the stock market price at each reporting date (€3,987 million as of December 31, 2014) as the unrealized gains or losses were directly recognized in equity From November 27, 2014 to December 31, 2014, the reevaluation of Vivendi's interest in Numericable - SFR resulted in an unrealized gain of €743 million (before taxes)

[1] Volume Weighted Average Price (VWAP) of Numericable Group s share price over the 20 business days before the closing date (which occurred on November 27 2014), €29 46 grossed-up at an annual rate of 5% during the period ranging from the closing date until the date of exercise of the call option

Capital gain on the sale of SFR

In accordance with IFRS, the capital gain on the sale of SFR was calculated as the difference between the sale price of 100% of SFR and the value of SFR's net assets, as recorded in Vivendi's Consolidated Financial Statements on the date of the sale The components of the sale price are (i) the €13 166 billion cash proceeds, and (ii) the value of a 20% interest in the new combined entity Numericable-SFR, valued at the stock market's price on November 27, 2014 (€33 315 per share), or €3 244 billion The earn-out (€750 million) was excluded from the calculation at this stage, due to its contingent nature On this basis, the capital gain on the sale of SFR amounted to €2,378 million (after taxes), recognized in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations" Excluding the discontinuation[2] of amortization since April 1, 2014, in accordance with IFRS 5, the capital gain on the sale of SFR amounted to €3,459 million

Guarantees related to the sale of Maroc Telecom group

Vivendi has agreed to counter-guarantee SFR for any amount that may be claimed by Etisalat or any third party other than Etisalat in relation with the sale of its interest in Maroc Telecom

- with respect to the sale agreement entered into with Etisalat, this commitment will expire at the expiry of Etisalat's right to make a claim against Vivendi and SFR, i e , on May 14, 2018, and
- this commitment, which will also cover any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable Group within the applicable statutes of limitations

3 2 Plan to sell GVT

On August 28, 2014, Vivendi's Supervisory Board decided to enter into exclusive negotiations with Telefonica to sell GVT After receiving a positive opinion from employee representatives, on September 18, 2014 it authorized the execution of an agreement with Telefonica for the sale of GVT This agreement, the key terms of which are described below, represents a total enterprise value of €7 45 billion (based on the stock market value and foreign exchange rates on the date the exclusive negotiations were entered into with Telefonica), corresponding to a 2014 estimated EBITDA multiple of 10x The closing of the transaction is subject to certain conditions, including the approval by the relevant regulatory authorities, and is expected to occur during the second quarter of 2015

Cash proceeds at the completion date	€4 66 billion subject to the sale price adjustment, based, among other things, on exceptional changes in net working capital, GVT's bank debt (approximately €480 million), as well as certain restatements as contractually defined by the parties, at the completion date of the sale Depending on these adjustments and the actual numbers as of the completion date, the amount of cash consideration paid, may be increased or decreased Moreover, the cash proceeds, net of adjustments, will also be decreased by any applicable taxes related to the sale, currently estimated at approximately €500 million The net sale price is estimated at approximately €3 75 billion
Consideration shares	7 4% interest in Telefonica Brasil (VIVO/GVT) and 5 7% interest (8 3% voting rights) in Telecom Italia
Financing	Capital increase at Vivo to fund cash proceeds, guaranteed by Telefonica
Conditions precedent	Completion of the transaction is subject to obtaining approvals from ANATEL (Agência Nacional de Telecomunicações) and CADE (Conselho Administrativo de Defesa Econômica) in Brazil, and other conditions customary in this type of transaction
Commitments given	Limited representations and warranties
Liquidity	With respect to Vivendi's interest in the combined VIVO/GVT entity - maximum 180 day lock-up period starting as from the completion date of the transaction, and - tag-along rights
Governance	No specific governance rights in VIVO/GVT and Telecom Italia

As from the third quarter of 2014, given the expected closing date of this transaction, GVT was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in Statement of Financial Position of Vivendi as a discontinued operation

[2] When an activity is discontinued, IFRS 5 requires the discontinuation of the amortization of the operation's tangible and intangible assets Therefore, for SFR, reported as a discontinued operation since March 31, 2014, Vivendi discontinued the amortization of tangible and intangible assets as from the second quarter of 2014 resulting in a positive impact, attributable to Vivendi SA shareholders, of €1,081 million on earnings from discontinued operations from April 1 to November 27 2014

3 3 Sale of Maroc Telecom group

On May 14, 2014, pursuant to the agreements entered into on November 4, 2013, Vivendi sold its 53% interest in Maroc Telecom to Etisalat and received €4,138 million in total cash proceeds from sale, after a contractual price adjustment (-€49 million) On the same date, Vivendi deconsolidated Maroc Telecom and recorded a capital gain of €786 million (before taxes and net of costs related to the sale), which is presented under "Earnings from discontinued operations" in 2014 The agreements contained representations and warranties customary to this type of transaction The main terms of the sale were the following

- Vivendi provided certain customary representations and warranties to Etisalat relating to SPT (the holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries Vivendi also granted a number of specific guarantees,
- the amount of compensation to be paid by Vivendi in respect of indemnifiable losses incurred by Maroc Telecom or one of its subsidiaries was determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i e , 53% for Maroc Telecom),
- Vivendi's overall obligation to indemnify was capped at 50% of the initial sale price, and this threshold was increased to 100% in respect of claims related to SPT,
- the commitments to indemnify provided by Vivendi, other than those in respect of taxes and SPT, will remain in effect for a 24 month period following completion of the transaction (May 2016) Claims for tax-related indemnities must be made by January 15, 2018 The indemnity related to SPT remains in effect until the end of a four-year period following the closing (May 14, 2018), and
- to guarantee the payment of any specific indemnity amounts referenced above, Vivendi delivered a bank guarantee to Etisalat in the amount of €247 million, expiring on February 15, 2018 On July 8, 2014, Vivendi received a discharge of this guarantee for the amount of €229 million

3 4 Sale of Activision Blizzard shares

In accordance with the agreements entered into on October 11, 2013, the 83 million Activision Blizzard shares retained by Vivendi were subject to a two-tiered lock-up provision

- from October 11, 2013 until April 9, 2014, Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly, from April 10, until July 9, 2014, Vivendi can sell Activision Blizzard shares provided they constitute no more than the lesser of (i) 50% of Vivendi's 83 million remaining shares and (ii) 9% of the outstanding shares of Activision Blizzard, and
- from July 10, 2014 until January 7, 2015, Vivendi was subject to another lock-up provision, as from January 7, 2015, Vivendi may sell its remaining Activision Blizzard shares without restriction

Considering the initial intention of Vivendi Management to sell these shares at the end of the lock-up periods if market conditions were favorable, the 83 million Activision Blizzard shares were classified as "Assets held for sale"

On May 22, 2014, Vivendi sold a first tranche of 41 5 million Activision Blizzard shares for $852 million (€623 million) The €84 million capital gain is presented in "Earnings from discontinued operations" Taking into account the capital gain of €123 million recorded in 2013, the capital gain realized by Vivendi with respect to this first tranche of Activision Blizzard shares amounted to €207 million

As of December 31, 2014, the remaining interest of 41 5 million Activision Blizzard shares, valued at $836 million (€689 million) was reclassified in "available-for-sale securities" as Vivendi Management has decided not to sell this interest in the immediate future As of December 31, 2014, the unrealized capital gain with respect to this interest amounted to €273 million (before taxes), directly recognized in equity

3.5 Earnings from discontinued operations

In compliance with IFRS 5, the line "Earnings from discontinued operations" presented in Vivendi's Consolidated Statement of Earnings includes the operations of GVT (for the years 2014 and 2013), SFR (for the year 2013 and until the date of the sale on November 27, 2014), Maroc Telecom group (for the year 2013 and until the date of the sale on May 14, 2014), and Activision Blizzard (until the date of the sale on October 11, 2013) as well as the capital gain on completed divestiture with respect to discontinued operations

	2014 contributions					
(in million of euros)	GVT	SFR	Maroc Telecom Group	Other		**Total**
Revenues	1,765	8,981	969	-		11,715
EBITDA	702	2 129	530			3 361
Adjusted earnings before interest and income taxes (EBITA)	367	689	360	-		1 416
EBITA after discontinuation of amortization (a)	478	1,732	531	-		2,741
Earnings before interest and income taxes (EBIT)	457	1 676	531	-		2,664
Earnings before provision for income taxes	393	1 487	527	-		2,407
Provision for income taxes	(89)	(188)	(120)	-		(397)
Earnings	**304**	**1,299**	**407**	-		**2,010**
Capital gain on completed divestiture	na	2 378	786	84	(b)	3,248
Other	(2)	-	-	6		4
Earnings from discontinued operations	**302**	**3,677**	**1,193**	**90**		**5,262**
Of which attributable to Vivendi SA shareowners	302	3,663	979	90		5 034
non-controlling interests	-	14	214	-		228

	2013 contributions					
(in millions of euros)	GVT	SFR		Maroc Telecom Group	Activision Blizzard	**Total**
Revenues	1,709	10,199		2 559	2 328	16 795
EBITDA	707	2,766		1,453	989	5,915
Adjusted earnings before interest and income taxes (EBITA)	405	1,073		984	871	3,333
EBITA after discontinuation of amortization (a)	405	1 073		1 215	895	3 588
Earnings before interest and income taxes (EBIT)	355	(1 427)	(c)	1 202	891	1,021
Earnings before provision for income taxes	121	(1 689)	(c)	1 169	846	447
Provision for income taxes	(32)	(315)		(473)	(154)	(974)
Earnings	**89**	**(2,004)**	(c)	**696**	**692**	**(527)**
Capital gain on completed divestiture	na	na		na	2,915	2 915
Gain in value of the remaining interest	na	na		na	245	245
Earnings from discontinued operations	**89**	**(2,004)**	(c)	**696**	**3,852**	**2,633**
Of which attributable to Vivendi SA shareowners	89	(2 010)	(c)	261	3,584	1,924
non-controlling interests		6		435	268	709

na not applicable

a In compliance with IFRS 5, Vivendi discontinued the amortization of tangible and intangible assets of
- GVT as from September 1, 2014,
- SFR as from April 1, 2014,
- Maroc Telecom group as from July 1, 2013, and
- Activision Blizzard as from July 1, 2013

b Includes the capital gain on the divestiture of 41 5 million Activision Blizzard shares, completed on May 22, 2014

c Includes the impairment of SFR's goodwill for €2,431 million

3.6 Assets and liabilities of discontinued businesses

In compliance with IFRS 5, the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses" presented in Vivendi's Consolidated Statement of Financial Position report the contribution of discontinued operations at the closing date

- GVT as of December 31, 2014, and
- Maroc Telecom group as of December 31, 2013

(in millions of euros)	December 31, 2014 GVT
Goodwill	1,676
Intangible assets	171
Property, plant and equipment	2,694
Trade accounts receivable and other	657
Cash and cash equivalents	179
Other	16
Assets of discontinued businesses	**5,393**
Provisions	67
Borrowings and other financial liabilities	1 506
of which Borrowings from Vivendi (a)	*1,110*
Trade accounts payable and other	510
Other	121
Liabilities	**2,204**
Borrowings from Vivendi (a)	(1 110)
Liabilities associated with assets of discontinued businesses	**1,094**
	4,299

a This borrowing from Vivendi will be redeemed on the date of GVT's sale completion

(in millions of euros)	December 31 2013 Maroc Telecom Group
Goodwill	2 392
Intangible assets	386
Property, plant and equipment	2 466
Trade accounts receivable and other	845
Cash and cash equivalents	396
Other	77
Assets of discontinued businesses	**6,562**
Provisions	78
Borrowings and other financial liabilities	710
Trade accounts payable and other	1 541
Other	100
Liabilities associated with assets of discontinued businesses	**2,429**
	4,133

3.7 Statement of Cash Flows of discontinued operations

In accordance with IFRS 5, the line "Cash Flows of discontinued operations" of Vivendi's Consolidated Statement of Cash Flows takes into account GVT (for the years 2014 and 2013), SFR (for the year 2013 and until its effective sale in 2014), Maroc Telecom group (for the year 2013 and until its effective sale in 2014), and Activision Blizzard (until its effective sale in 2013)

	2014 contributions			
(in millions of euros)	GVT	SFR	Maroc Telecom Group	**Total**
Operating activities				
Gross cash provided by operating activities before income tax paid	710	1 846	345	2 901
Other changes in net working capital	(40)	(320)	27	(333)
Net cash provided by operating activities	**593**	**1,339**	**302**	**2,234**
Investing activities				
Capital expenditures net	(617)	(1 238)	(146)	(2 001)
Change in financial assets net	2	(35)	-	(33)
Net cash provided by/(used for) investing activities	**(615)**	**(1,273)**	**(146)**	**(2,034)**
Financing activities				
Dividends paid to non-controlling interests		(7)	(20)	(27)
Other transactions with non controlling interests		-	(11)	(11)
Interest paid net on financings	(22)	(6)	-	(28)
Interest paid on borrowings from Vivendi	(13)	(141)	-	(154)
Other transactions on borrowings and other financial liabilities	(25)	(410)	(101)	(536)
Net cash provided by/(used for) financing activities excluding intersegment transactions	**(60)**	**(564)**	**(132)**	**(756)**
Transactions with Vivendi on borrowings and other financial liabilities	110	237	-	347
Net cash provided by/(used for) financing activities	**50**	**(327)**	**(132)**	**(409)**
Foreign currency translation adjustments	(2)	-	(2)	(4)
Change in cash and cash equivalents	**26**	**(261)**	**22**	**(213)**
Cash and cash equivalents				
At beginning of the period	154	394	396	944
At end of the period	180	133	418	731

	2013 contributions				
(in millions of euros)	GVT	SFR	Maroc Telecom Group	Activision Blizzard	**Total**
Operating activities					
Gross cash provided by operating activities before income tax paid	717	2 565	1 448	907	5 637
Other changes in net working capital	(39)	(305)	29	(524)	(839)
Net cash provided by operating activities	**575**	**1,961**	**1 110**	**307**	**3,953**
Investing activities					
Capital expenditures net	(769)	(1 610)	(434)	(44)	(2 857)
Change in financial assets net	(4)	(28)	5	(1 479)	(1 506)
Net cash provided by/(used for) investing activities	**(773)**	**(1 638)**	**(429)**	**(1,523)**	**(4,363)**
Financing activities					
Dividends paid to non controlling interests		(3)	(328)	(66)	(397)
Interest paid net on financings	(23)	(16)	(29)	1	(67)
Interest paid on borrowings from Vivendi	(10)	(212)			(222)
Other transactions on borrowings and other financial liabilities	43	(46)	(13)	1 719	1 703
Net cash provided by/(used for) financing activities excluding intersegment transactions	**10**	**(277)**	**(370)**	**1,654**	**1,017**
Dividends paid to Vivendi		(982)		(98)	(1 080)
Transactions with Vivendi on borrowings and other financial liabilities	184	1 063			1 247
Net cash provided by/(used for) financing activities	**194**	**(196)**	**(370)**	**1,556**	**1 184**
Foreign currency translation adjustments	(28)		(1)	(43)	(72)
Change in cash and cash equivalents	**(32)**	**127**	**310**	**297**	**702**
Cash and cash equivalents					
At beginning of the period	186	267	86	2 989	3 528
At end of the period	154	394	396	3 286	4 230

Note 4 EBIT

Breakdown of revenues and cost of revenues

(in millions of euros)	Year ended December 31, 2014	2013
Product sales, net	4,701	5,028
Services revenues	5 322	5 196
Other	66	28
Revenues	**10,089**	**10,252**
Cost of products sold, net	(2,365)	(2 514)
Cost of service revenues	(3,748)	(3,576)
Other	(8)	(7)
Cost of revenues	**(6,121)**	**(6,097)**

Personnel costs and average employee numbers

(in millions of euros except number of employees)	Note	Year ended December 31 2014	2013
Annual average number of full-time equivalent employees (in thousands)		**15 0**	**14 6**
Salaries		1 015	1,043
Social security and other employment charges		251	241
Capitalized personnel costs		(3)	(3)
Wages and expenses		**1,263**	**1,281**
Share-based compensation plans	20 1	(8)	29
Employee benefit plans	19 1	10	17
Other		42	34
Personnel costs		**1,307**	**1,361**

Additional information on operating expenses

Advertising costs amounted to €407 million in 2014 (compared to €442 million in 2013)

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €115 million in 2014 (compared to €108 million in 2013)

Net expense recorded in the Statement of Earnings, with respect to operating leases amounted to €104 million in 2014 (compared to €97 million in 2013)

Amortization and depreciation of intangible and tangible assets

(in millions of euros)	Note	Year ended December 31 2014	2013
Amortization (excluding intangible assets acquired through business combinations)		307	310
of which property plant and equipment	12	*232*	*228*
content assets	10	*14*	*22*
other intangible assets	11	*61*	*60*
Amortization of intangible assets acquired through business combinations		344	350
of which content assets	10	*334*	*339*
other intangible assets	11	*10*	*11*
Impairment losses on intangible assets acquired through business combinations	10-11	92 (a)	6
Amortization and depreciation of intangible and tangible assets		**743**	**666**

a Primarily relates to full impairment losses of goodwill related to Digitick for €43 million and Wengo for €48 million (please refer to Note 9)

Other income and other charges

(in millions of euros)	Year ended December 31 2014		2013
Capital gain on financial investments	194	(a)	37
Capital gain on the divestiture of businesses	-		3
Other	9		48
Other income	**203**		**88**
Downside adjustment on financial investments	(17)		(28)
Other	(13)		(22)
Other charges	**(30)**		**(50)**
Net total	**173**		**38**

a Includes the capital gain of the sale of Universal Music Group's interest in Beats (€179 million)

Note 5 Financial charges and income

Interest

(in millions of euros)	Note	Year ended December 31 2014	2013
(Charge)/Income			
Interest expense on borrowings	21	*(283)*	*(494)*
Interest income on SFR's loans		*159*	*212*
Interest income on GVT's loans		*13*	*10*
Interest expense net of borrowings		(111)	(272)
Interest income from cash and cash equivalents		15	6
Interest from continuing operations		**(96)**	**(266)**
Premium paid and other costs related to the early redemptions of bonds (a)		(698)	(202)
		(794)	**(468)**

Other financial income and charges

(in millions of euros)	Note	Year ended December 31, 2014	2013
Expected return on plan assets related to employee benefit plans	19 2	12	13
Foreign exchange gain		7	-
Other financial income		**19**	**13**
Premium paid and other costs related to the early redemptions of bonds (a)		(698)	(202)
Effect of undiscounting liabilities (b)		(8)	(12)
Interest cost related to employee benefit plans	19 2	(31)	(31)
Foreign exchange loss		(8)	(45)
Change in value of derivative instruments			(1)
Other		(6)	(9)
Other financial charges		**(751)**	**(300)**
Net total		**(732)**	**(287)**

a Includes net premium paid related to the early redemption of bonds
- a net amount of €642 million in 2014, following the completion of the sale of SFR, and
- a net amount of €182 million in 2013, following the sale of 88% of Vivendi's interest in Activision Blizzard

b In accordance with applicable accounting standards, when the effect of the time value of money is material, assets and liabilities are initially recorded on the Statement of Financial Position in an amount corresponding to the present value of the expected revenues and expenses At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time As of December 31, 2014 and 2013, these adjustments only applied to liabilities (mainly trade accounts payable and provisions)

Note 6 Income taxes

6.1 French Tax Group and Consolidated Global Profit Tax Systems

Vivendi SA benefits from the French Tax Group System and considers that it benefited, until December 31, 2011 inclusive, from the Consolidated Global Profit Tax System, as authorized under Article 209 quinquies of the French Tax Code Since January 1, 2012, Vivendi only benefits from the French Tax Group System

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% owned directly or indirectly by it, and that are located in France for 2014, this mainly applied to Universal Music in France and Canal+ Group In 2014, SFR is no longer part of Vivendi's tax group following its sale to Numericable Group at the end of November 2014
- Until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that were at least 50% owned directly or indirectly by it, and located in France or abroad, i e , other than the French companies that were at least 95% owned directly or indirectly by Vivendi Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Edition de Canal Plus (SECP) As a reminder, on May 19, 2008, Vivendi lodged an appeal with the French Ministry of Finance in relation to 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
- In addition, as a reminder, on July 6, 2011, Vivendi lodged an appeal with the French Ministry of Finance in relation to the renewal of its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014
- The changes in French Tax Law in 2011 terminated the Consolidated Global Profit Tax System as of September 6, 2011 and capped the deduction for tax losses carried forward at 60% of taxable income Since 2012, the deduction for tax losses carried forward is capped at 50% of taxable income and the deductibility of interest is limited to 85% of financial charges, net (75% as from January 1, 2014)

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

- as Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, including fiscal year ending December 31, 2011, on November 30, 2012, Vivendi filed for a refund of €366 million with respect to the tax saving for the fiscal year ended December 31, 2011 As this request was denied by the tax authorities, in its Financial Statements for the year ended December 31, 2012, Vivendi accrued a €366 million provision for the associated risk, unchanged as of December 31, 2013 On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi Pursuant to this ruling, on December 23, 2014, Vivendi received a €366 million refund and moratorium interests of €43 million which were received on January 16, 2015 On December 2, 2014, the tax authorities appealed this ruling As a result, in its Financial Statements for the year ended December 31, 2014, Vivendi maintained the provision related to the €366 million principal refund increased by €43 million with respect to moratorium interests (please refer to Note 6 6),
- moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due, under the French Tax Group System for the year ended December 31, 2012, or €208 million, brought to €220 million, in 2013 when filing the tax return with respect to fiscal year ended December 31, 2012 This position was challenged by the tax authorities as part of an in-process control procedure and Vivendi accrued the associated risk for a principal amount of €208 million in provision in its Financial Statements for the year ended December 31, 2012, brought to €220 million as of December 31, 2013 In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €220 million principal refund, increased by an additional default interest of €11 million (please refer to Note 6 6),
- in the Financial Statements for the year ended December 31, 2014, the 2014 tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were estimated, and as a result, the amount of tax attributes as of December 31, 2014 could not be reliably determined Taking into account the impact of the estimated 2014 tax results and before the effects of the ongoing tax audits (please refer to Note 6 6) on the amount of tax attributes, Vivendi SA may achieve €1,400 million in tax savings from tax attributes (undiscounted value based on the current income tax rate of 38 00%), and
- as of December 31, 2014, Vivendi SA valued its tax attributes under the French Tax Group System on the basis of one year's forecasted results, taken from the following year's budget On this basis, Vivendi would achieve tax savings from the French Tax Group System in an amount of €126 million (undiscounted value based on the current income tax rate of 38 00%)

6 2 Provision for income taxes

(in millions of euros)	Note	Year ended December 31, 2014	2013
(Charge)/Income			
Current			
Use of tax losses and tax credits			
Related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	6 1	147	415
Related to the US tax group		66	25
Adjustments to prior year's tax expense		(21)	(22)
Consideration of risks related to previous years' income taxes		(3)	133
Other income taxes items		(283)	(375)
		(94)	**176**
Deferred			
Impact of Vivendi SA's French Tax Group System and of the Consolidated Global Profit Tax System	6 1	(37)	(161)
Impact of the US tax group		-	-
Other changes in deferred tax assets		21	2
Impact of the change(s) in tax rates		-	34
Reversal of tax liabilities		-	12
Other deferred tax income/(expenses)		(20)	(46)
		(36)	**(159)**
Provision for income taxes		**(130)**	**17**

6 3 Provision for income taxes and income tax paid by geographic area

(in millions of euros)	Year ended December 31, 2014	2013
(Charge)/Income		
Current		
France	(44)	199
United States	5	8
Other countries	(55)	(31)
	(94)	**176**
Deferred		
France	(61)	(163)
United States	(58)	(46)
Other countries	83	50
	(36)	**(159)**
Provision for income taxes	**(130)**	**17**
Income tax (paid)/collected		
France	320	277
United States	(5)	(8)
Other countries	(35)	(64)
Income tax (paid)/collected	**280**	**205**

6.4 Effective tax rate

(in millions of euros, except %)	Year ended December 31, 2014	2013
Earnings (before non-controlling interests)	**5,025**	**2,779**
Elimination		
Income from equity affiliates	18	21
Earnings from discontinued operations	(5,262)	(2 633)
Provision for income taxes	130	(17)
Earnings from continuing operations before provision for income taxes	**(89)**	**150**
French statutory tax rate	**38 00%**	**38 00%**
Theoretical provision for income taxes based on French statutory tax rate	**34**	**(57)**
Reconciliation of the theoretical and effective provision for income taxes		
Permanent differences	**74**	**(28)**
of which other differences from tax rates on earnings	*12*	*4*
impacts of the changes in tax rates	-	*34*
Changes in deferred tax assets related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	**(37)**	**(161)**
Other tax losses and tax credits	**(175)**	**(205)**
of which use of unrecognized losses and tax credits	*46*	-
unrecognized losses	*(221)*	*(205)*
Other temporary differences	**42**	**317**
of which reserve accrual regarding the Liberty Media Corporation litigation in the United States	-	*341*
Adjustments to prior year's tax expense	**(33)**	**130**
of which consideration of risks related to previous years' income taxes	*(3)*	*145*
Capital gain or loss on the divestiture of or downside adjustments on financial investments or businesses	**(35)**	**(2)**
of which impairment of Digitick goodwill	*(17)*	-
impairment of Wengo goodwill	*(18)*	-
Other	**-**	**23**
Provision for income taxes	**(130)**	**17**
Effective tax rate	**-146 1%**	**-11.3%**

6 5 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2014	2013
Opening balance of deferred tax assets/(liabilities)	**53**	**454**
Provision for income taxes (a)	(53)	(437)
Charges and income directly recorded in equity	54	- (b)
Business combinations	9	163
Divestitures in progress or completed	(20)	(206)
Changes in foreign currency translation adjustments and other	10	79
Closing balance of deferred tax assets/(liabilities)	**53**	**53**

a Includes income/(charges) related to taxes from discontinued operations in accordance with IFRS 5, these amounts were reclassified to the line "Earnings from discontinued operations" in the 2014 and 2013 Consolidated Statement of Earnings

b Includes -€43 million recognized in other items of charges and income directly recognized in equity for the year ended December 31, 2013 (please refer to Note 8)

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2014	December 31, 2013
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes (a)	2,437	2,591
of which Vivendi SA (b)	*1,400*	*1,527*
US tax group (c)	*419*	*364*
Temporary differences (d)	704	1,105
Netting	(124)	(501)
Recognizable deferred taxes	**3,017**	**3,195**
Deferred taxes, unrecognized		
Tax attributes (a)	(2,155)	(2,262)
of which Vivendi SA (b)	*(1,274)*	*(1,364)*
US tax group (c)	*(419)*	*(364)*
Temporary differences (d)	(152)	(200)
Deferred taxes, unrecognized	**(2,307)**	**(2,462)**
Recorded deferred tax assets	**710**	**733**
Deferred tax liabilities		
Asset revaluations (e)	484	591
Other	297	590
Netting	(124)	(501)
Recorded deferred tax liabilities	**657**	**680**
Deferred tax assets/(liabilities), net	**53**	**53**

a The amounts of tax attributes, as reported in this table, were estimated at the end of the relevant fiscal years In jurisdictions which are significant for Vivendi, mainly France and the United States, tax returns are filed on May 1[st] and September 15[th] of the following year at the latest, respectively The amounts of tax attributes reported in this table and the amounts reported to the tax authorities may therefore differ, and if necessary, may need to be adjusted at the end of the following year in the above table

b Relates to deferred tax assets recognizable in respect of tax attributes by Vivendi SA as head of the French Tax Group, representing €1,400 million as of December 31, 2014 (please refer to Note 6 1), of which €1,115 million related to tax losses and €285 million related to tax credits, taking into account the estimated impact (-€110 million) of 2014 transactions (taxable income and use or expiration of tax credits), but before taking into account the effects of ongoing tax audits (please refer to Note 6 6)
In France, tax losses can be carried forward indefinitely and Vivendi considers that tax credits can be carried forward for a minimum period of five years upon exit from the Consolidated Global Profit Tax System In 2014, €265 million tax credits matured as of December 31, 2014

c Relates to deferred tax assets recognizable in respect of tax attributes by Universal Music Group, Inc in the United States as head of the US tax group, representing $509 million as of December 31, 2014, taking into account the estimated impact (-$68 million) of the 2014 transactions (taxable income, capital losses, and tax credits that expired, capital losses and tax credits generated, but before taking into account the final outcome of ongoing tax audits (please refer to Note 6 6)

As a reminder, with respect to the divestiture of 88% of the interest in Activision Blizzard and in accordance with U S tax rules, Vivendi allocated to Activision Blizzard, the acquirer of the majority of the Activision Blizzard shares transferred in the transaction, a fraction of its tax losses estimated at more than $700 million In addition, Universal Music Group Inc replaced Vivendi Holding I LLC (formerly, Vivendi Holding I Corp) as head of the Tax Group System in the United States
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, 2021 and no tax credit had matured in 2014

d Mainly relates to the deferred tax assets associated with 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 purchase allocations 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 on December 31, 2014 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations Various tax authorities have proposed adjustments to the taxable income reported for prior years It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of these audits Vivendi Management believes that these tax audits should not have a material unfavorable impact on the financial position or liquidity of the group

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the consolidated income reported for fiscal years 2006, 2007, and 2008 is under audit by the French tax authorities This tax audit began in January 2010 In addition, in January 2011, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2009 and in February 2013, the French tax authorities expanded the audit to include the consolidated income reported for fiscal year 2010 Finally, the audit of Vivendi SA's tax group System for the years 2011 and 2012 began in July 2013 As of December 31, 2014, all of these audits were ongoing Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit In any event, a provision for the impact of the Consolidated Global Profit Tax System in 2011 has been accrued (€409 million), notwithstanding the decision of the Administrative Court of Montreuil on October 6, 2014, subject to the appeal filed by the Tax Authorities (please refer to Note 6 1), as well as a provision for the impact in relation to the use of tax credits in 2012 (€231 million)

In respect of the US tax group, the fiscal years ending December 31, 2005, 2006, and 2007 were under a tax audit The final outcome of this tax audit did not materially impact the amount of tax attributes Vivendi's US tax group was also under audit for the fiscal years ending December 31, 2008, 2009, and 2010 This tax audit has now been completed and its final outcome did not materially impact the amount of tax attributes In June 2014, the US tax authorities began a tax audit for fiscal years 2011 and 2012, and in December 2014, stated that they undertook a tax audit for fiscal year 2013 As of December 31, 2014, the audit with respect to these fiscal years was ongoing Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit

Note 7 Earnings per share

	Year ended December 31			
	2014		2013	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners	(290)	(290)	43	43
Earnings from discontinued operations attributable to Vivendi SA shareowners	5 034	5,034	1,924	1,921
Earnings attributable to Vivendi SA shareowners	4,744	4,744	1 967	1 964
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1 345 8	1 345 8	1,330 6	1 330 6
Potential dilutive effects related to share-based compensation (b)		5 5		4 7
Adjusted weighted average number of shares	**1,345.8**	**1,351.3**	**1,330 6**	**1,335.3**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners per share	(0 22)	(0 22)	0 03	0 03
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	3 74	3 73	1 45	1 44
Earnings attributable to Vivendi SA shareowners per share	3 52	3 51	1 48	1 47

a Net of treasury shares (please refer to Note 17)

b Does not include accretive instruments as of December 31, 2014 and 2013, which could be potentially dilutive The balance of common shares in connection with Vivendi SA's share-based compensation plans is presented in Note 20 2 1

Note 8 Charges and income directly recognized in equity

(in millions of euros)	Note	Year ended December 31, 2014 Gross	Tax	Net
Actuarial gains/(losses) related to employee defined benefit plans	19	(93)	25	(68)
Items not reclassified to profit or loss		**(93)**	**25**	**(68)**
Foreign currency translation adjustments (a)		**778**	**-**	**778**
Unrealized gains/(losses)		**907**	**29**	**936**
Change in fair value (b)		*920*	*(5)*	*915*
Transferred to profit or loss of the period (c)		*(95)*	*36*	*(59)*
Other (d)		*123*	*-*	*123*
Assets available for sale	14	948	31	979
Cash flow hedge instruments		15	(1)	14
Change in fair value		*6*	*(1)*	*5*
Transferred to profit or loss of the period		*9*		*9*
Net investment hedge instruments		(56)	-	(56)
Change in fair value		*(56)*	-	*(56)*
Transferred to profit or loss of the period			-	-
Hedging instruments	22	(41)	(1)	(42)
Other impacts		**(94)**	**-**	**(94)**
Items to be subsequently reclassified to profit or loss		**1,591**	**29**	**1,620**
Charges and income directly recognized in equity		**1,498**	**54**	**1,552**

(in millions of euros)	Note	Year ended December 31 2013 Gross	Tax	Net
Actuarial gains/(losses) related to employee defined benefit plans	19	(22)	(1)	(23)
Items not reclassified to profit or loss		**(22)**	**(1)**	**(23)**
Foreign currency translation adjustments (e)		**(1,429)**	**-**	**(1,429)**
Unrealized gains/(losses)		**99**	**(41)**	**58**
Change in fair value		*120*	*(42)*	*78*
Transferred to profit or loss of the period		*1*	*-*	*1*
Assets available for sale	14	121	(42)	79
Cash flow hedge instruments		2	1	3
Change in fair value		*16*	-	*16*
Transferred to profit or loss of the period		*(14)*	*1*	*(13)*
Net investment hedge instruments		(24)	-	(24)
Change in fair value		*15*	-	*15*
Transferred to profit or loss of the period		*(39)*	-	*(39)*
Hedging instruments	22	(22)	1	(21)
Other impacts		**16**	**(1)**	**15**
Items to be subsequently reclassified to profit or loss		**(1,314)**	**(42)**	**(1,356)**
Charges and income directly recognized in equity		**(1,336)**	**(43)**	**(1,379)**

a Mainly relates to foreign currency translation adjustments due to fluctuations in exchange rates at UMG (€730 million)

b Primarily includes unrealized capital gains related to 97 4 million shares in Numericable - SFR from November 27 to December 31, 2014 for €743 million (please refer to Note 3 1) and 41 5 million shares in Activision Blizzard in 2014 for €150 million (please refer to Note 3 4) In accordance with IAS 39, these available-for-sale securities were valued on stock market price at each reporting date, relevant unrealized gains and losses were directly recognized in equity and will be reclassified to profit or loss upon their sale, if any

c Relates to the reclassification to profit or loss of the gain realized on the sale of the interest in Beats by UMG in August 2014

d Relates to the unrealized gain generated from October 11 to December 31, 2013 with respect to 41 5 million Activision Blizzard shares held by Vivendi as of December 31, 2014 following their reclassification from assets held for sale to available-for-sale securities as Vivendi Management has decided not to sell this interest in the immediate future As of December 31, 2014, this interest amounted to $836 million (€689 million) and the unrealized capital gain with respect to this interest amounted to €273 million

e Includes the changes in foreign currency translation adjustments relating to discontinued operations for €685 million and the reclassification in earnings for €555 million as part of the sale of 88% of the interest in Activision Blizzard

Note 9 Goodwill

(in millions of euros)	December 31 2014	December 31, 2013
Goodwill gross	22,622	31 539
Impairment losses	(13 293)	(14,392)
Goodwill	**9,329**	**17,147**

Changes in goodwill

(in millions of euros)	December 31 2013	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	December 31 2014
Canal+ Group	4 464		110 (a)		(1)	4 573
Universal Music Group	4 100		6	-	550 (b)	4 656
Vivendi Village	185	(91) (c)	-		6	100
GVT	1 676		-	(1 676)	-	
SFR	6 722	-	77	(6 799)	-	
Total	**17,147**	**(91)**	**193**	**(8,475)**	**555**	**9,329**

(in millions of euros)	December 31 2012	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	December 31, 2013
Canal+ Group	4 513	-	(46)	-	(3)	4 464
Universal Music Group	4 138	(5)	64 (d)	5	(102)	4 100
Vivendi Village	184		2	-	(1)	185
GVT	2 006		-		(330)	1 676
SFR	9 153	(2 431)	-		-	6 722
Maroc Telecom Group	2 407		-	(2 392)	(15)	-
Activision Blizzard	2 255		-	(2,208)	(47)	
Total	**24,656**	**(2,436)**	**20**	**(4,595)**	**(498)**	**17,147**

a Notably includes goodwill attributable to Mediaserv and Thema acquired by Canal+ Overseas on February 13, 2014 and October 28, 2014, respectively

b Includes €549 million related to foreign currency translation (EUR/USD)

c Relates to full impairment losses on the goodwill of Digitick and Wengo (€43 million and €48 million, respectively)

d Mainly relates to a €57 million adjustment to goodwill attributable to EMI Recorded Music, recorded within the 12-month period for the purchase price allocation as required by IFRS 3 The final goodwill of EMI Recorded Music amounts to €358 million

Goodwill impairment test

In 2014, 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
Canal+ Group	Pay-TV in Mainland France	Pay-TV and free-to-air TV in France Africa and Vietnam (b)
	Canal+ Overseas (a)	
	Free-to-air TV	
	nc+ (Poland)	nc+
	Studiocanal	Studiocanal
Universal Music Group	Recorded music	Universal Music Group
	Artist services and merchandising	
	Music publishing	
Vivendi Village	See Tickets	See Tickets
	Digitick	Digitick
	Wengo	Wengo

a Relates to pay-TV in France overseas, Africa and Vietnam

b The process of integrating free-to-air TV operations (D8/D17 channels acquired on September 27, 2012) with pay-TV operations in mainland France, as well as the development of pay-TV in Vietnam reflects the further convergence of pay-TV and free-to-air TV operations in French-speaking countries in which Canal+ Group operates As a result, as of December 31, 2014, Vivendi performed a goodwill impairment test related to pay-TV and free-to-air TV operations in France, Africa and Vietnam by aggregating the CGU of pay-TV in Mainland France, Canal+ Overseas and free-to-air TV, which corresponds to the level of monitoring the return on such investments

During the fourth quarter of 2014, Vivendi performed a goodwill impairment test on each cash generating unit (CGU) or groups of CGU, on the basis of valuations of recoverable amounts determined with the assistance of third-party appraisers, for pay-TV and free-to-air TV in France, Africa and Vietnam as well as Universal Music Group and internal valuations for nc+ in Poland, Studiocanal, See Tickets, Digitick and Wengo As a result, Vivendi Management concluded that, as of December 31, 2014, except for the cases of Digitick and Wengo (see above), the recoverable amount for each CGU or groups of CGU tested exceeded their carrying value

As a reminder, as of December 31, 2013, Vivendi examined the value of goodwill of pay-TV in Mainland France and Canal+ Overseas (previously Canal+ France), using the usual valuation methods and concluded that its recoverable amount, based upon the DCF method, using the most recent cash flow forecasts approved by the Management of the group, exceeded its carrying value at that date Since November 5, 2013, Vivendi holds a 100% interest in pay-TV operations of Canal+ in France and Africa pursuant to the acquisition of Lagardère Group's 20% interest in Canal+ France for €1,020 million, in cash In accordance with IFRS 10, this transaction was recognized as the acquisition of a non-controlling interest and the difference between the consideration paid and the carrying value of the acquired non-controlling interest was recorded as a deduction from equity attributable to Vivendi SA shareowners

As a reminder, in respect of SFR as of December 31, 2013, Vivendi examined the value of SFR's goodwill 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 to take into account the strong impact on revenues of the new pricing policies decided by SFR in a competitive environment, partially offset by cost savings which were consistent with expectations under SFR's transformation plan, while maintaining high capital expenditures, notably due to SFR's acceleration of very-high speed mobile network investments As a result, Vivendi's Management concluded that SFR's recoverable amount was below its carrying value as of December 31, 2013 and decided to record a goodwill impairment loss of €2,431 million

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 2015 budget and the most recent forecasts prepared by the operating segments These forecasts are prepared for each operating segment, on the basis of financial targets as well as the following main key assumptions discount rate, perpetual growth rate and EBITA as defined in Note 1 2 3, capital expenditures, the competitive and regulatory environments, technological developments and level of commercial expenses The recoverable amount for each CGU or groups of CGU was determined based on its value in use in accordance with the main key assumptions set out below

Operating segments	CGU or groups of CGU tested	Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
		2014	2013	2014	2013	2014	2013
Canal+ Group	Pay TV and free to-air TV in France Africa and Vietnam	DCF & comparables model	(b)	(c)	(d)	(e)	(f)
	nc+	DCF	(g)	9 75%	(g)	3 00%	(g)
	Studiocanal	DCF	DCF	9 75%	9 00%	1 00%	0 00%
Universal Music Group	Universal Music Group	DCF & comparables model	DCF & comparables model	8 90%	9 15%	1 00%	1 00%
Vivendi Village	See Tickets	DCF	DCF	11 50%	11 50%	2 00%	2 00%
	Digitick	DCF	DCF	11 50%	11 50%	2 00%	2 00%
	Wengo	DCF	DCF	13 20%	15 00%	2 00%	(h)
GVT	GVT	(i)	DCF	(i)	11 24%	(i)	4 00%
SFR	SFR	(j)	DCF & comparables model	(j)	7 30%	(j)	0 50%

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 Pay-TV in Mainland France and Canal+ Overseas DCF & comparables model
Free-to-air TV DCF

c Pay-TV - Mainland France 8 04%, France overseas 9 04%, Africa 10 04%, Vietnam 10 88%
Free-to-air TV 9 5%

d Pay-TV - Mainland France 8 3%, France overseas 9 3%, Africa 10 3%
Free-to-air TV 9 5%

e Pay-TV - Mainland France 1 5%, France overseas 1 5%, Africa 3 14%, Vietnam 4 5%
Free-to-air TV 2%

f Pay-TV - Mainland France 1 5%, France overseas 2 2%, Africa 3 17%
Free-to-air TV 2%

g As of December 31, 2013, no goodwill impairment test in respect of nc+ (pay-TV in Poland) was undertaken given that the completion date of the goodwill of "n", acquired on November 30, 2012 was close to the closing date, and considering that no triggering event had occurred between those dates

h As of December 31, 2013, the terminal value was determined by using an EBITDA multiple

i Considering the current plan to sell GVT, and in accordance with IFRS 5, GVT has been classified as a discontinued operation since the third quarter of 2014

j SFR was sold on November 27, 2014 (please refer to Note 3 1)

Sensitivity of recoverable amounts

	December 31 2014				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay TV and Free to-air TV in France Africa and Vietnam	(a)	+0 28 pt	(b)	-0 39 pts	-4%
nc+	9 75%	+6 31 pts	3 00%	10 25 pts	-49%
Studiocanal	9 75%	+1 66 pt	1 00%	2 57 pts	18%
Universal Music Group	8 90%	+0 62 pt	1 00%	-0 77 pt	-8%

	December 31 2013				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay TV in Mainland France and Canal+ Overseas	(c)	+0 23 pt	(d)	-0 32 pt	-3%
Free-to-air TV	9 50%	+1 84 pt	2 00%	2 74 pts	21%
Studiocanal	9 00%	+2 19 pts	0 00%	3 53 pts	21%
Universal Music Group	9 15%	+2 25 pts	1 00%	2 98 pts	22%
GVT	11 24%	+1 26 pt	4 00%	-2 57 pts	20%
SFR	7 30%	(e)	0 50%	(e)	(e)

a Pay-TV - Mainland France 8 04%, France overseas 9 04%, Africa 10 04%, Vietnam 10 88%
Free-to-air TV 9 5%

b Pay-TV - Mainland France 1 5%, France overseas 1 5%, Africa 3 14%, Vietnam 4 5%
Free-to-air TV 2%

c Pay-TV - Mainland France 8 3%, France overseas 9 3%, Africa 10 3%
Free-to-air TV 2%

d Pay-TV - Mainland France 1 5%, France overseas 2 2%, Africa 3 17%
Free-to-air TV 2%

e SFR was sold on November 27, 2014 (please refer to Note 3 1)

Note 10 Content assets and commitments

10.1 Content assets

(in millions of euros)	December 31 2014 Content assets gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	6 003	(5,244)	759
Sports rights	411	-	411
Music catalogs and publishing rights	7,897	(6 031)	1,866
Advances to artists and repertoire owners	642	-	642
Merchandising contracts and artists services	27	(20)	7
Content assets	**14,980**	**(11,295)**	**3,685**
Deduction of current content assets	(1,155)	20	(1,135)
Non-current content assets	**13,825**	**(11,275)**	**2,550**

(in millions of euros)	December 31 2013 Content assets gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	5 678	(4,875)	803
Sports rights	380	-	380
Music catalogs and publishing rights	6 992	(5,032)	1,960
Advances to artists and repertoire owners	621	-	621
Merchandising contracts and artists services	25	(17)	8
Content assets	**13,696**	**(9,924)**	**3,772**
Deduction of current content assets	(1,176)	27	(1,149)
Non-current content assets	**12,520**	**(9,897)**	**2,623**

Changes in main content assets

(in millions of euros)	Year ended December 31 2014	2013
Opening balance	**3,772**	**4,371**
Amortization of content assets excluding those acquired through business combinations	(14)	(81)
Amortization of content assets acquired through business combinations	(334)	(344)
Increase	2,339	2 495
Decrease	(2,352)	(2,332)
Business combinations	27	3
Divestitures in progress or completed	-	(347)
Changes in foreign currency translation adjustments and other	247	7
Closing balance	**3,685**	**3,772**

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 15)

(in millions of euros)	Minimum future payments as of December 31 2014 Total	Due in 2015	Due in 2016-2019	Due in After 2019	Total minimum future payments as of December 31 2013
Film and television rights (a)	193	193		-	208
Sports rights	400	400	-		402
Music royalties to artists and repertoire owners	1 721	1 699	22	-	1 614
Creative talent employment agreements and others	119	42	75	2	111
Content liabilities	**2,433**	**2,334**	**97**	**2**	**2,335**

Off balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of December 31 2014				Total minimum future payments as of December 31, 2013
	Total	Due in			
		2015	2016-2019	After 2019	
Film and television rights (a)	2 443	982	1 416	45	2 383
Sports rights (b)	3 087	635	2 452		1 350
Creative talent employment agreements and others (c)	807	367	401	39	754
Given commitments	**6,337**	**1,984**	**4,269**	**84**	**4,487**
Film and television rights (a)	(199)	(85)	(89)	(25)	(179)
Sports rights	(3)	(3)			(10)
Creative talent employment agreements and others (c)			not available		
Received commitments	**(202)**	**(88)**	**(89)**	**(25)**	**(189)**
Total net	**6,135**	**1,896**	**4,180**	**59**	**4,298**

a Mainly includes contracts valid over several years for the broadcast of film and TV productions (mainly exclusivity contracts with major US studios, as well as the license agreement entered into on March 29, 2013 in respect of the entire HBO new series, for 5 years, as of May 2013) and pre-purchase contracts relating to the French movie industry, Studiocanal film production and co-production commitments (given and received) and broadcasting rights of Canalsat and nc+ multichannel digital TV packages They are recorded as content assets when the broadcast is available for initial release or after the initial significant payment As of December 31, 2014, provisions recorded relating to these commitments amounted to €73 million, compared to €71 million as of December 31, 2013
In addition, this amount does not include commitments in relation to channel right contracts, ISP (Internet Service Provider) royalties and non-exclusive distribution of channels, under which Canal+ Group has not granted or received minimum guarantees The variable amount of these commitments cannot be reliably determined and is not reported in the Statement of Financial Position or in 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 a net amount of €342 million as of December 31, 2014, compared to €354 million as of December 31, 2013
Moreover, according to the agreement entered into with organizations of cinema professionals 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 entered into with producers and authors' organizations, Canal+ Group is required to invest, in France, 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 broadcasting rights of Canal+ Group for the following sport events
- the French professional Soccer League 1, for the 2015/2016 season (€427 million) and the four seasons (2016/2017 to 2019/2020) awarded on April 4, 2014 for the two premium lots (€2,160 million), compared to €854 million as of December 31, 2013 with respect to the two seasons 2014/2015 and 2015/2016,
- the Soccer Champions League for three seasons (2015/2016 to 2017/2018) awarded on April 11, 2014 for one lot,
- the Soccer English Premier League for the 2015/2016 season, renewed in January 2013 for three seasons, and
- the Formula 1 World Championship awarded in February 2013

These commitments will be recognized in the Statement of Financial Position either upon the start of every season or upon a significant initial payment

Moreover, on January 19, 2015, following to a call for tenders carried out by the National Rugby League, Canal+ Group secured exclusive rights related to all of the National French Rugby Championship's "TOP 14" matches These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover the seasons 2015/2016 to 2018/2019

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

Note 11 Other intangible assets

(in millions of euros)	December 31, 2014 Other intangible assets, gross	Accumulated amortization and impairment losses	Other intangible assets
Software	242	(204)	38
Customer bases	230	(178)	52
Trade names	44	(25)	19
Other	337	(217)	120
	853	**(624)**	**229**

(in millions of euros)	December 31, 2013 Other intangible assets, gross	Accumulated amortization and impairment losses	Other intangible assets
Software	5 158	(3,906)	1 252
Telecom licenses	2 505	(620)	1 885
Customer bases	956	(811)	145
Trade names	167	(51)	116
Other	1 825	(917)	908
	10,611	**(6,305)**	**4,306**

Changes in other intangible assets

(in millions of euros)	Year ended December 31 2014	2013	
Opening balance	**4,306**	**5,190**	
Depreciation	(278)	(924)	(a)
Acquisitions	275	477	
Increase related to internal developments	169	264	
Divestitures/Decrease	(11)	(4)	
Business combinations	60	33	
Divestitures in progress or completed	(4 310)	(678)	
Changes in foreign currency translation adjustments and other	18	(52)	
Closing balance	**229**	**4,306**	

a Relates to the depreciation of other intangible assets as published in the 2013 Financial Report This amount was not adjusted to take into account the impact of the application of IFRS 5 to Maroc Telecom group

Depreciation of other intangible assets related to continuing operations (primarily Canal+ Group and UMG) was recognized as cost of revenues and in selling, general and administrative expenses (-€61 million in 2014 and -€60 million in 2013)

Depreciation of other intangible assets related to discontinued businesses was recognized in the line "Earnings from discontinued operations" for -€207 million in 2014 and -€853 million in 2013 (of which -€729 million related to SFR)

Note 12 Property, plant and equipment

(in millions of euros)	December 31 2014 Property plant and equipment gross	Accumulated depreciation and impairment losses	Property, plant and equipment
Land	4	-	4
Buildings	133	(101)	32
Equipment and machinery	488	(402)	86
Set top boxes	976	(584)	392
Construction-in-progress	36	-	36
Other	597	(430)	167
	2,234	(1,517)	717

(in millions of euros)	December 31 2013 Property plant and equipment gross	Accumulated depreciation and impairment losses	Property, plant and equipment
Land	82	(2)	80
Buildings	3 052	(1 718)	1 334
Equipment and machinery	8 768	(4 704)	4 064
Set top boxes	2 197	(1 224)	973
Construction-in-progress	353	-	353
Other	2 109	(1 372)	737
	16,561	(9,020)	7,541

Changes in property, plant and equipment

(in millions of euros)	Year ended December 31, 2014	2013
Opening balance	**7,541**	**9,926**
Depreciation	(643)	(1,851) (a)
Acquisitions/Increase	1,404	2,448
Divestitures/Decrease	(42)	(115)
Business combinations	25	(40)
Divestitures in progress or completed	(7,542)	(2,381)
Changes in foreign currency translation adjustments and other	(26)	(446)
Closing balance	**717**	**7,541**

a Relates to the depreciation of property, plant and equipment as published in the 2013 Financial Report This amount was not adjusted for the impact on the Consolidated Income Statement of the application of IFRS 5 to Activision Blizzard and Maroc Telecom group as well as SFR and GVT (please see below)

Depreciation of property, plant and equipment related to continuing operations (primarily Canal+ Group and UMG) was recognized as cost of revenues and in selling, general and administrative expenses for -€232 million in 2014 and -€228 million in 2013 It mainly consists of set top boxes (-€129 million in 2014, compared to -€125 million in 2013)

Depreciation of property, plant and equipment related to discontinued operations was recognized as earnings from discontinued operations It amounted to -€411 million in 2014 and -€1,624 million in 2013 and primarily pertains to SFR and GVT for €212 million and -€199 million, respectively in 2014 (compared to -€932 million and -€281 million, respectively, in 2013)

Note 13 Investments in equity affiliates

	Voting interest		Value of equity affiliates	
(in millions of euros)	December 31, 2014	December 31 2013	December 31, 2014	December 31 2013
N Vision (a)	49%	49%	213	215
VEVO	48%	47%	71	58
Numergy	-	47%	-	95
Other	na	na	22	78
			306	446

na not applicable

a As of December 31, 2014, N-Vision, which indirectly owns a 51% interest in TVN (FTA broadcaster in Poland), was held by Canal+ Group (49% interest) and ITI (51% interest) On October 16, 2014 Canal+ Group and ITI announced that they were jointly considering strategic options in respect of their interest in TVN

Note 14 Financial assets

(in millions of euros)	December 31, 2014		December 31, 2013
Available-for-sale securities (a)	4,881		360
Other loans and receivables	1 160	(b)	206
Derivative financial instruments	139		126
Cash deposits backing borrowings	-		2
Other financial assets	13		5
Financial assets	**6,193**		**699**
Deduction of current financial assets	(49)		(45)
Non-current financial assets	**6,144**		**654**

a As of December 31, 2014, available-for-sale securities notably included
- 97,387,845 Numericable - SFR shares valued at stock market price on the closing date, or €40 94/share, for an aggregate value of €3,987 million (please refer to Note 3 1), and
- 41,499,688 Activision Blizzard shares valued at stock market price on the closing date, or USD$20 15/share, for an aggregate value of $836 million (€689 million) (please refer to Note 3 4)

As of December 31, 2013, available-for-sale securities included securities held by UMG in Beats for €161 million On August 1, 2014, these securities were sold for a net amount of €250 million resulting in a €179 million net gain on sale

Available-for-sale securities did not include any other publicly quoted securities as of December 31, 2014 and December 31, 2013, and were not subject to any impairment with respect to fiscal years 2014 and 2013

b Relates to the cash deposits of €975 million as part of the appeal against the Liberty Media judgment and €45 million ($55 million) as part of the securities class action in the United States Please refer to Note 26

Note 15 Net working capital

Changes in net working capital

(in millions of euros)	December 31 2013	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31 2014
Inventories	330	16	19	(257)	6		114
Trade accounts receivable and other	4 898	135	107	(3 218)	42	19	1 983
Working capital assets	**5,228**	**151**	**126**	**(3,475)**	**48**	**19**	**2,097**
Trade accounts payable and other (c)	10 416	20	138	(5 422)	156	(2)	5 306
Other non current liabilities	757	8	(8)	(576)	13	(73)	121
Working capital liabilities	**11,173**	**28**	**130**	**(5,998)**	**169**	**(75)**	**5,427**
Net working capital	**(5,945)**	**123**	**(4)**	**2,523**	**(121)**	**94**	**(3,330)**

(in millions of euros)	December 31 2012	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31 2013
Inventories	738	(20)	(3)	(376)	(9)		330
Trade accounts receivable and other	6 587	(8)	(192)	(1 419)	(79)	9	4 898
Working capital assets	**7,325**	**(28)**	**(195)**	**(1,795)**	**(88)**	**9**	**5,228**
Trade accounts payable and other (c)	14 196	(252)	(8)	(3 506)	(211)	197	10 416
Other non current liabilities	1 002	(84)	17	(12)	(23)	(143)	757
Working capital liabilities	**15 198**	**(336)**	**9**	**(3 518)**	**(234)**	**54**	**11,173**
Net working capital	**(7,873)**	**308**	**(204)**	**1 723**	**146**	**(45)**	**(5,945)**

a Excludes content investments made by Canal+ Group and UMG In 2013, related to amounts as published in the 2013 Annual Report, does not include the adjustments from the impact of the application of IFRS 5 to Activision Blizzard and Maroc Telecom group as well as GVT and SFR on the Consolidated Statement of Cash Flows

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

c Includes trade accounts payable for €2,215 million (€5,454 million as of December 31, 2013) as well as music royalties to artists and repertoire owners of UMG whose maturity is lesser than one year for €1,699 million as of December 31, 2014 (€1,598 million as of December 31, 2013) Please refer to Note 10 2

Note 16 Cash and cash equivalents

(in millions of euros)	December 31, 2014	December 31, 2013
Cash	240	525
Cash equivalents	6,605	516
of which UCITS	*4,754*	*46*
Term deposits and interest-bearing current accounts	*1,851*	*470*
Cash and cash equivalents	**6,845**	**1,041**

As of December 31, 2014, outstanding cash and cash equivalents of Vivendi amounted to €6,845 million, of which €6,524 million is held by Vivendi SA and invested in the following financial institutions with at least an A2/A rating

- €4,754 million in ten UCTIS monetary funds, managed by five management companies, and
- €1,770 million in term deposits and interest-bearing current accounts within eight banks Term deposits with initial maturities greater than three months contain an option to terminate at any time and present an insignificant risk of changing in value

Note 17 Equity

Share capital of Vivendi SA

(in thousands)	December 31 2014	December 31 2013
Common shares outstanding (nominal value €5 5 per share)	**1,351,601**	**1,339,610**
Treasury shares	(50)	(51)
Voting rights	**1,351,551**	**1,339,559**

As of December 31, 2014, Vivendi held 50 thousand treasury shares, representing a non-significant portion of its share capital These shares are backed to the partial hedging of performance share plans As of December, 31, 2014, the market value of the portfolio amounted to approximately €1 million

In addition, as of December 31, 2014, approximately 42 7 million stock options were outstanding, representing a potential maximum nominal share capital increase of €235 million (i e , 3 16%)

Non-controlling interests

(in millions of euros)	December 31, 2014	December 31, 2013
Canal+ Group	369	368
Maroc Telecom Group (a)	-	1,176
Other	13	29
Total	**382**	**1,573**

a On May 14, 2014, Vivendi sold its 53% interest in Maroc Telecom group (please refer to Note 3 3)

Distributions to shareowners of Vivendi SA

On June 30, 2014, Vivendi SA paid an ordinary €1 per share to its shareholders from additional paid-in capital for an aggregate amount of €1,348 million, considered as a return of capital distribution to shareholders

On February 11, 2015, the date of Vivendi's Management Board's meeting which approved the Consolidated Financial Statements as of December 31, 2014 and the appropriation of earnings for the fiscal year then ended, Vivendi's Management Board decided to propose to shareholders an ordinary dividend of €1 per share, comprising €0 20 relative to the Group's business performance and a €0 80 return to shareholders as a result of the disposals of assets Based on Vivendi's share capital outstanding shares as of December 31, 2014, this dividend would represent a total distribution estimated at approximately €1 4 billion, to be paid in cash on April 23, 2015, following the coupon detachment on April 21, 2015 This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 27, 2015

Share repurchase program

In addition to this distribution, a share repurchase program will be submitted to shareholders' approval, within the legal limit of 10% of the share capital, for approximately €2 7 billion in accordance with the market regulations on share repurchases The program will run over a period of 18 months

Note 18 Provisions

(in millions of euros)	Note	December 31 2013	Addition	Utilization	Reversal	Business combinations	Divestitures changes in foreign currency translation adjustments and other	December 31 2014
Employee benefits (a)		674	26	(53)	(51)	4	54	654
Restructuring costs (b)		156	79	(121)	-		(42)	72
Litigations (c)	26	1 379	276	(116)	(45)	3	(291)	1 206
Losses on onerous contracts		128	40	(43)	(1)			124
Contingent liabilities due to disposal (d)		24	7	(1)	(13)			17
Cost of dismantling and restoring sites		75		(1)	-		(74)	
Other (e)		1 087	110	(52)	(53)	1	14	1 105
Provisions		**3,523**	**538**	**(387)**	**(163)**	**8**	**(341)**	**3,178**
Deduction of current provisions		(619)	(325)	165	66	(4)	427	(290)
Non-current provisions		**2,904**	**213**	**(222)**	**(97)**	**4**	**86**	**2,888**

(in millions of euros)	Note	December 31 2012	Addition	Utilization	Reversal	Business combinations	Divestitures changes in foreign currency translation adjustments and other	December 31 2013
Employee benefits (a)		715	23	(56)	(16)	10	(2)	674
Restructuring costs (b)		258	199	(256)	(1)	(5)	(39)	156
Litigations (c)	26	1 357	143	(58)	(41)	13	(35)	1 379
Losses on onerous contracts		143	13	(62)	(1)	35		128
Contingent liabilities due to disposal (d)		24	3	-	(3)			24
Cost of dismantling and restoring sites		83		(4)	-		(4)	75
Other (e)		1 389	99	(111)	(245)	34	(79)	1 087
Provisions		**3 969**	**480**	**(547)**	**(307)**	**87**	**(159)**	**3,523**
Deduction of current provisions		(711)	(277)	237	130	(7)	9	(619)
Non-current provisions		**3,258**	**203**	**(310)**	**(177)**	**80**	**(150)**	**2,904**

a Includes deferred employee compensation as well as provisions for defined employee benefit plans (€608 million as of December 31, 2014 and €619 million as of December 31, 2013, please refer to Note 19 2), but excludes employee termination reserves recorded under restructuring costs

b As of December 31, 2014, mainly relates to provisions for restructuring at UMG (€38 million) As of December 31, 2013, mainly relates to provisions for restructuring at SFR (€85 million) and UMG (€67 million)

c Notably includes the reserve accrual in relation to the Liberty Media Corporation litigation and securities class action in the United States for €945 million and €100 million, respectively

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

e Notably includes litigation provisions for which the amount is not detailed because such disclosure could be prejudicial to Vivendi

Note 19 Employee benefits

19.1 Analysis of expenses related to employee benefit plans

The table below provides information about the cost of employee benefit plans excluding its financial component The total cost of defined benefit plans is set forth in Note 19 2 2 below

(in millions of euros)	Note	Year ended December 31, 2014	2013
Employee defined contribution plans		20	16
Employee defined benefit plans	19 2 2	(10)	1
Employee benefit plans		**10**	**17**

19 2 Employee defined benefit plans

19 2 1 Assumptions used in the evaluation and sensitivity analysis

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

The assumptions underlying the valuation of defined benefit plans were made in compliance with the accounting policies presented in Note 1 3 8 and have been applied consistently for several years Demographic assumptions (including notably the rate of compensation increase) are company specific Financial assumptions (notably the discount rate) are determined by independent actuaries and other independent advisors and reviewed by Vivendi's Finance Department The discount rate is therefore determined for each country by reference to yields on notes issued by investment grade companies having a credit rating of AA and maturities identical to that of the valued plans, generally based on relevant rate indices The discount rates selected are therefore used, at year-end, to determine a best estimate by Vivendi's Finance Department of expected trends in future payments from the first benefit payments

In accordance with amended IAS 19, the expected return on plan assets is estimated using the discount rate used to value the obligations of the previous year

In weighted average

	Pension benefits		Post-retirement benefits	
	2014	2013	2014	2013
Discount rate (a)	2 9%	3 6%	3 8%	4 5%
Rate of compensation increase	2 0%	2 0%	3 0%	2 9%
Duration of the benefit obligation (in years)	14 7	14 2	10 8	10 0

a A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2014 discount rate would have led to a decrease of €1 million in pre-tax expense (or an increase of €1 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €66 million (or an increase of €73 million, respectively)

Assumptions used in accounting for pension benefits, by country

	United States		United Kingdom		Germany		France	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount rate	3 75%	4 50%	3 75%	4 50%	2 00%	3 00%	2 00%	3 00%
Rate of compensation increase (weighted average)	na	na	5 00%	5 00%	2 00%	2 00%	3 43%	3 36%

na not applicable

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

	United States		Canada	
	2014	2013	2014	2013
Discount rate	3 75%	4 50%	3 75%	4 50%
Rate of compensation increase	3 50%	3 50%	na	na

na not applicable

Allocation of pension plan assets

	December 31, 2014 (a)	December 31, 2013 (a)
Equity securities	3%	4%
Debt securities	45%	48%
Diversified funds	36%	31%
Insurance contracts	4%	5%
Real estate	1%	1%
Cash and other	11%	11%
Total	100%	100%

a Pension plan assets are mainly financial assets actively traded in organized financial markets

Pension plan assets which were not transferred have a limited exposure to stock market fluctuations These assets do not include occupied buildings or assets used by 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 6 7% for the under 65 years of age and 65 years of age and older categories in 2014, to 4 5% in 2022 for these categories In 2014, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €11 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 €9 million and the pre-tax expense by €1 million

19 2 2 Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2014	2013	2014	2013	2014	2013
Current service cost	14	12	-	-	14	12
Past service cost (a)	(25)	(5)	-		(25)	(5)
(Gains)/losses on settlements	-	(7)	-	-	-	(7)
Other	1	1	-		1	1
Impact on selling, administrative and general expenses	**(10)**	**1**	**-**	**-**	**(10)**	**1**
Interest cost	25	25	6	6	31	31
Expected return on plan assets	(12)	(13)			(12)	(13)
Impact on other financial charges and income	**13**	**12**	**6**	**6**	**19**	**18**
Net benefit cost recognized in profit and loss	**3**	**13**	**6**	**6**	**9**	**19**

a The recorded past service cost relates to the change of part of the group's management team since June 2012

In 2014, benefits paid amounted to (i) €45 million (compared to €35 million in 2013) with respect to pensions, of which €18 million (compared to €9 million in 2013) was paid by pension funds, and (ii) €9 million (compared to €10 million in 2013) was paid with respect to post-retirement benefits

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

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

		Employee defined benefit plans		
		Year ended December 31, 2014		
		Benefit obligation	Fair value of plan assets	Net (provision)/asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**966**	**356**	**(610)**
Current service cost		20		(20)
Past service cost		(26)		26
(Gains)/losses on settlements			(1)	(1)
Other				-
Impact on selling, administrative and general expenses				***5***
Interest cost		33		(33)
Expected return on plan assets			12	12
Impact on other financial charges and income				***(21)***
Net benefit cost recognized in profit and loss				**(16)**
Experience gains/(losses) (a)		-	24	24
Actuarial gains/(losses) related to changes in demographic assumptions		(7)		7
Actuarial gains/(losses) related to changes in financial assumptions		122		(122)
Adjustment related to asset ceiling				
Actuarial gains/(losses) recognized in other comprehensive income				**(91)**
Contributions by plan participants		1	1	-
Contributions by employers			43	43
Benefits paid by the fund		(18)	(18)	-
Benefits paid by the employer		(36)	(36)	-
Business combinations		1	-	(1)
Divestitures of businesses (b)		(102)		102
Transfers			-	
Other (of which foreign currency translation adjustments)		51	23	(28)
Reclassification to assets held for sale			-	-
Closing balance		**1,005**	**404**	**(601)**
of which wholly or partly funded benefits		*558*		
wholly unfunded benefits (c)		*447*		
of which assets related to employee benefit plans				*7*
provisions for employee benefit plans (d)	18			*(608)*

(in millions of euros)	Note	Employee defined benefit plans Year ended December 31, 2013 Benefit obligation (A)	Fair value of plan assets (B)	Net (provision)/asset recorded in the statement of financial position (B)-(A)
Opening balance		**1,020**	**367**	**(653)**
Current service cost		21		(21)
Past service cost (e)		(18)		18
(Gains)/losses on settlements		(29)	(22)	7
Other		1		(1)
Impact on selling, administrative and general expenses				***3***
Interest cost		35		(35)
Expected return on plan assets			13	13
Impact on other financial charges and income				***(22)***
Net benefit cost recognized in profit and loss				**(19)**
Experience gains/(losses) (a)		12	(1)	(13)
Actuarial gains/(losses) related to changes in demographic assumptions		2		(2)
Actuarial gains/(losses) related to changes in financial assumptions		5		(5)
Adjustment related to asset ceiling				-
Actuarial gains/(losses) recognized in other comprehensive income				**(20)**
Contributions by plan participants		1	1	-
Contributions by employers			46	46
Benefits paid by the fund		(9)	(9)	-
Benefits paid by the employer		(36)	(36)	-
Business combinations (f)		12	9	(3)
Divestitures of businesses				
Transfers				
Other (of which foreign currency translation adjustments)		(20)	(12)	8
Reclassification to assets held for sale (g)		(31)		31
Closing balance		**966**	**356**	**(610)**
of which wholly or partly funded benefits		*487*		
wholly unfunded benefits (c)		*479*		
of which assets related to employee benefit plans				*9*
provisions for employee benefit plans (d)	18			*(619)*

a Includes the impact on the benefit obligation resulting from the difference between actuarial assumptions at the previous year-end and effective benefits during the year, and the difference between the expected return on plan assets at the previous year-end and the actual return on plan assets during the year

b Relates to the impact of the sale of SFR on November 27, 2014

c In accordance with local laws and practices, certain plans are not covered by plan assets As of December 31, 2014 and December 31, 2013, such plans 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 €48 million as of December 31, 2014 (compared to €55 million as of December 31, 2013)

e In 2013, past service costs mainly related to the effect of decreases related to restructuring at SFR, as well as the renewal of some members of the group's management team since the end of June 2012

f Relates to the adjustment in 2013 to account for the impact of the acquisition on September 28, 2012 of EMI Recorded Music on the value of the obligations, plan assets, and underfunded obligation

g Relates to the impact of the reclassification of Maroc Telecom group as a discontinued operation, in accordance with IFRS 5

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

(in millions of euros)	Pension benefits (a)		Post retirement benefits (b)		Total	
	December 31		December 31		December 31	
	2014	2013	2014	2013	2014	2013
Benefit obligation						
US companies	125	107	136	120	261	227
UK companies	296	233	1	1	297	234
German companies	209	190	-	-	209	190
French companies	157	233	-	-	157	233
Other	65	67	16	15	81	82
	852	**830**	**153**	**136**	**1,005**	**966**
Fair value of plan assets						
US companies	57	48			57	48
UK companies	252	201			252	201
German companies	3	3			3	3
French companies	54	65			54	65
Other	38	39			38	39
	404	**356**	**-**	**-**	**404**	**356**
Underfunded obligation						
US companies	(68)	(59)	(136)	(120)	(204)	(179)
UK companies	(44)	(32)	(1)	(1)	(45)	(33)
German companies	(206)	(187)			(206)	(187)
French companies	(103)	(168)	-	-	(103)	(168)
Other	(27)	(28)	(16)	(15)	(43)	(43)
	(448)	**(474)**	**(153)**	**(136)**	**(601)**	**(610)**

a No employee defined benefit plan individually exceeded 10% of the aggregate value of the obligations and of the underfunded obligation of these plans

b Primarily relates to medical coverage (hospitalization, surgery, doctor visits and drug prescriptions), post-retirement and life insurance benefits for certain employees and retirees in the United States In accordance with the current regulation in relation to the funding policy of this type of plan, the plan is not funded The main risks for the group relate to changes in discount rates as well as the increase in the cost of benefits (please refer to the sensitivity analysis described in Note 19 2 1)

19 2 4 Benefits estimation and future payments

For 2015, hedge fund contributions and benefit payments by Vivendi to retirees are estimated to be €40 million in respect of pensions, of which €22 million relates to pension funds and €8 million relates to post-retirement benefits

Estimates of future benefit payments to beneficiaries by the relevant pension funds or by Vivendi (in nominal value for the following 10 years) are as follows

(in millions of euros)	Pension benefits	Post retirement benefits
2015	43	9
2016	32	9
2017	32	9
2018	29	9
2019	29	9
2020-2024	162	44

Note 20 Share-based compensation plans

20 1 Impact on the Consolidated Statement of Earnings

(in millions of euros) Charge/(Income)	Note	Year ended December 31, 2014	2013
Stock options, performance shares and bonus shares		*9*	*15*
Employee stock purchase plans		*-*	*8*
Stock Appreciation Rights (SAR)		*-*	*1*
Vivendi stock instruments	20 2	9	24
UMG equity unit plan	20 3	(17)	5
Charge/(Income) related to share-based compensation plans		**(8)**	**29**
Equity-settled instruments		*9*	*23*
Cash settled instruments		*(17)*	*6*

20.2 Plans granted by Vivendi

Vivendi grants several share-based compensation plans each year based on Vivendi shares to officers and employees of the group stock option plans (without discount), performance share plans, as well as a capital increase reserved for employees and retirees (classic and leveraged plans)

In 2013, the Supervisory Board decided, upon the recommendation of the Management Board and after the advice of the Human Resources Committee, to stop granting stock option plans In addition, in 2013, Vivendi put into place a capital increase reserved for employees and retirees (employee stock purchase and leveraged plans)

In 2014, due to the changes in the scope already completed or in progress, Vivendi did not grant any annual plan to its employees and only granted 380,000 performance shares to a member of the Management Board and certain executive officers of its subsidiaries

The accounting methods applied to value and recognize these granted plans are described in Note 1 3 10 More specifically, the risk-free interest rate applied is the rate of French fungible treasury bonds or "Obligations Assimilables du Trésor" (OAT) with a maturity corresponding to the expected term of the instrument at the valuation date, and the expected dividend yield at grant date is based on Vivendi's dividend distribution policy

20 2 1 Equity-settled instruments

Transactions on outstanding instruments, which have occurred since January 1, 2013

	Stock options			Performance shares	
	Number of outstanding stock options (in thousands)		Weighted average strike price of outstanding stock options (in euros)	Number of outstanding performance shares (in thousands)	
Balance as of December 31, 2012	**53,406**		**20.5**	**3,884**	
Granted			na	2 782	
Exercised	(3 362)	(a)	13 3	(1 409)	
Forfeited	(354)		12 9	na	
Cancelled	(194)		15 9	(199)	
Adjusted (b)	3 339		19 4	286	
Balance as of December 31, 2013	**52,835**		**19 7**	**5,344**	
Granted			na	380	
Exercised	(11 264)	(a)	17 5	(1 600)	
Forfeited	(717)		17 5	na	
Cancelled (c)	(571)		13 7	(440)	
Adjusted (b)	2 439		19 1	183	
Balance as of December 31, 2014	**42,722**	(d)	**19.3**	**3,867**	(e)
Exercisable as of December 31, 2014	**40,268**		**19.8**	**-**	
Acquired as of December 31, 2014	**40,413**		**19.8**	**845**	

na not applicable

a As of the dates of exercise of the stock options, the weighted average share price for Vivendi shares was €19 68 (compared to €16 21 for stock options exercised in 2013) b In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares were adjusted to take into account the impact for the beneficiaries of the following distributions (please refer to Note 17)

- on May 17, 2013 a dividend distribution of €1 per share from reserves with respect to fiscal year 2012, and
- on June 30, 2014 an ordinary distribution of €1 per share from additional paid-in capital

These adjustments have no impact on share-based compensation expenses related to the relevant stock option and performance share plans

c At its meeting on February 21, 2014, after review by the Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives for the cumulative fiscal years 2012 and 2013 for the performance share plans and the last stock option plan granted in 2012 It confirmed that not all the criteria that had been set were satisfied for fiscal year 2013 The final grant of the 2012 performance share and stock option plans represents 88% of the original grant Consequently, among the instruments cancelled in 2014 were 335,784 stock options and 239,207 performance shares granted in 2012

d The total intrinsic value of outstanding stock options was €98 million

e The weighted-average remaining period before delivering performance shares was 0 8 year

Please refer to Note 17 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, 2014

	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 €15	2,454	11 9	7 3	145	11 8
€15-€17	10,980	15 9	4 8	10,980	15 9
€17-€19	9,286	18 5	2 0	9,286	18 5
€19-€21	7 012	20 2	3 3	7 012	20 2
€21-€23	6 413	22 9	1 3	6 413	22 9
€23-€25	6,577	24 7	2 3	6,577	24 7
€25 and more	-	-	-	-	
	42,722	**19 3**	**3 2**	**40,413**	**19 8**

Performance share plans

In 2014, due to the changes in the scope already completed or in progress, Vivendi did not grant any annual plan to its employees and only granted 380,000 performance shares to a member of the Management Board and certain executive officers of its subsidiaries

On February 22, 2013, 2,573 thousand performance shares were granted The share price was €14 91
After taking into account a discount for non-transferability of 8 3% of the share price on February 22, 2013 and an expected dividend yield of 6 71%, the fair value of each granted performance share was €11 79, corresponding to an aggregate fair value of €30 million This value is estimated and is set at grant date

These rights vest at the end of a two-year period, the compensation cost is therefore recognized on a straight-line basis over the vesting period Granted performance shares are then available at the end of a 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 are entitled to the dividends and voting rights attached to these shares from the end of the two-year vesting period The recognized compensation cost corresponds to the value of the equity instruments received by the beneficiary, and is equal to the difference between the fair value of the shares to be received and the discounted value of dividends that were not received over the vesting period

The definitive grant of performance shares is subject to the satisfaction of performance conditions Such performance conditions include an external indicator, therefore following the recommendations of the AFEP–MEDEF Code The objectives relating to the performance conditions are determined by the Supervisory Board upon proposal by the Governance, Nominating and Human Resources Committee

The objectives relating to the performance conditions are assessed on a two-year period (three-year period for plans granted since June 24, 2014) The definitive grant is effective upon the satisfaction of the following performance conditions

- internal indicators (with a weighting of 70%) for corporate head office, the group's EBITA margin and for each subsidiary, its EBITA margin, as a function of the cumulative income from fiscal years 2013 and 2014, and
- external indicators (with a weighting of 30%) performance of Vivendi's share price over two consecutive trading years, compared to a basket of indices, the STOXX® Europe 600 Media and the STOXX® Europe 600 Telecommunications

At the meeting held on February 27, 2015, after review by the Governance, Nominating and Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives for the cumulative fiscal years 2013 and 2014 for the performance share plans granted in 2013 It confirmed that not all the criteria that had been set were satisfied for fiscal year 2014 The final grant of the 2013 performance share plans represents, depending on the subsidiaries of the group, between 62% and 80% of the original grant Consequently, a portion of performance shares granted in 2013 will be cancelled

50 bonus share plan

On July 16, 2012, Vivendi granted a 50 bonus share per employee plan for all the group's French subsidiaries 727 thousand shares were issued on July 17, 2014 at the end of a two-year vesting period The compensation cost is therefore recognized on a straight-line basis over the vesting period These shares will only be available at the end of 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 have been entitled to the dividend and voting rights relating to these shares since July, 17, 2014

20 2 2 Employee stock purchase and leveraged plans

In 2014, no capital increase, reserved for employees of participating group companies that have joined an employee stock purchase and leveraged plans, was put into place by Vivendi

In 2013, Vivendi made a capital increase reserved for employees (stock purchase and leveraged plans) that allowed substantially all of its employees and retirees to subscribe for Vivendi shares These shares, which are subject to certain sale or transfer restrictions, may be subscribed by employees for a maximum discount of 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 and the subscription price of new shares to issue The difference between the subscription price of the shares and the share price on that date represents the benefit granted to the beneficiaries Furthermore, Vivendi applied a discount for non-transferability in respect of the restrictions on the sale or transfer of the shares during a five-year period, which is deducted from the benefit granted to the employees The value of the subscribed shares is estimated and fixed at the date of the subscription price for new shares to issue

For the employee stock purchase and leveraged plans subscribed in 2013, the applied valuation assumptions were as follows

	2013
Grant date	June 28
Subscription price (in euros)	12 10
Data at grant date	
Share price (in euros)	14 55
Discount to face value	16 82%
Expected dividend yield	6 87%
Risk-free interest rate	1 19%
5 year interest rate in fine	6 08%
Repo rate	0 36%

Under the **employee stock purchase plans**, 2,055 thousand shares were subscribed in 2013 at €12 10 per share After taking into account a 15 2% discount to the share price on the grant date for non-transferability, the fair value per subscribed share was €0 24 on June 28, 2013

Under the **leveraged plans**, 9,758 thousand shares were subscribed in 2013 After taking into account a discount for non-transferability measured after the leveraged impact, the fair value per subscribed share on June 28, 2013 was €2 23
The leveraged plans entitles virtually all employees and retirees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share A financial institution mandated by Vivendi hedges this transaction

In 2013, the charge recognized with respect to employee stock purchase and leveraged plans amounted to €8 million

Stock purchase and leveraged plans resulted in a capital increase (including issue premium) with an aggregate value of €149 million on July 25, 2013

20 2 3 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 of 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 the Vivendi share price, 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

As of December 31, 2014, the outstanding SAR was 4,427 thousand (compared to 2,980 thousand as of December 31, 2013) All rights related to SAR were vested and their aggregate intrinsic value amounted to $6 million As of December 31, 2014 and 2013, the amount accrued for these instruments was non-significant

20 3 UMG long-term incentive plan

Effective from 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 account units 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

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

During the third quarter of 2014, one executive, who benefited from the plan, ended his employment contract The phantom equity units and phantom stock appreciation rights that were awarded to him were therefore cancelled Consequently, the amount previously accrued for these rights was reversed (€19 million)

As of December 31, 2014, the remaining amount accrued under these arrangements was €12 million (€26 million as of December 31, 2013) No payments have been made to date

Note 21 Borrowings and other financial liabilities

(in millions of euros)	Note	December 31, 2014 Total	Long-term	Short-term	December 31, 2013 Total	Long-term	Short term
Bonds	21 1	1,950	1,950		7,827	6,633	1,194
Bank credit facilities (drawn confirmed)	21 2	-	-		2 075	2 014	61
Commercial paper issued		-	-		1 906		1 906
Bank overdrafts		168	-	168	143		143
Accrued interest to be paid		27	-	27	186		186
Other		54	5	49	73	53	20
Nominal value of borrowings		**2,199**	1 955	244	**12,210**	8 700	3,510
Cumulative effect of amortized cost and reevaluation due to hedge accounting		28	28		8	8	-
Commitments to purchase non-controlling interests		87	79	8	22	22	-
Derivative financial instruments	22	33	12	21	26	7	19
Borrowings and other financial liabilities		**2,347**	**2,074**	**273**	**12,266**	**8,737**	**3,529**

21.1 Bonds

(in millions of euros)	Interest rate (%) nominal	effective	Maturity	December 31 2014	Maturing during the following periods 2015	2016	2017	2018	2019	After 2019	December 31 2013
€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
€1 120 million (January 2009)	7 750%	7 69%	Jan-14	(a)	-	-			-	-	894
Bonds without make-whole option				**1,950**	-	**500**	**750**	-	**700**	-	**3,144**
€750 million (July 2013)	2 375%	2 51%	Jan 19	-	-	-			-	-	750
€700 million (December 2012)	2 500%	2 65%	Jan 20		-	-			-	-	700
$650 million (April 2012)	3 450%	3 56%	Jan 18			-	-		-	-	69
$800 million (April 2012)	4 750%	4 91%	Apr 22	-		-			-	-	189
€1 250 million (January 2012)	4 125%	4 31%	Jul 17			-			-		1 250
€500 million (November 2011)	4 875%	5 00%	Nov 18			-			-	-	500
€1 050 million (July 2011)	4 750%	4 67%	Jul 21		-	-			-	-	1,050
$700 million (April 2008)	6 625%	6 85%	Apr 18		-	-			-	-	175
Bonds with make-whole option (b)				-	-	-	-	-	-	-	**4,683**
Nominal value of bonds				**1,950**		500	750		700	-	**7,827**

a Redemption at maturity in January 2014 of the 7 75% bond issued in January 2009 for €894 million

b Vivendi allocated a portion of the SFR sale proceeds to the early redemption of all eight tranches of its euro and U S dollar denominated bonds with a make-whole option, representing an aggregate principal amount of €4,250 million and $595 million (€420 million) This transaction, completed in December 2014, resulted in a premium payment of €642 million (net of gains on interest rate risk hedging) in addition to the principal amount of €4,670 million

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

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)

21 2 Bank credit facilities

On November 27, 2014, following the receipt of cash proceeds from the sale of SFR, Vivendi cancelled all of its existing bank credit facilities for €7 1 billion and set up a new €2 billion bank credit facility, maturing in five years (2019) and with two one-year renewal options As of December 31, 2014, this credit facility was undrawn

The €2 billion bank credit facility contains customary provisions relating to events of default and covenants relating to negative pledge, divestiture and merger transactions In addition, at the end of each half year, Vivendi SA is required to comply with a Proportionate Financial

Net Debt[3] to EBITDA[4] financial covenant over a 12 month rolling period not exceeding 3 for the duration of the loan Non-compliance with this covenant could result in the early redemption of the facility if it were drawn, or its cancellation As of December 31, 2014, Vivendi SA was in compliance with its financial covenant

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

In addition, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Note 26) This letter of credit is guaranteed by a syndicate of 15 international banks with which Vivendi signed a Reimbursement Agreement that includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit This deposit, which significantly reduced the letter of credit's financing cost, resulted in a €975 million decrease in the group's Net Cash Position Prior to this deposit being placed, the letter of credit was recorded as an off-balance sheet financial commitment, with no impact on Vivendi's Financial Net Debt

21.3 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 2014		December 31 2013	
Maturity				
< 1 year (a)	244	*11%*	3 510	*29%*
Between 1 and 2 years	505	*23%*	588	*5%*
Between 2 and 3 years	750	*34%*	1 562	*13%*
Between 3 and 4 years	-	-	2 065	*17%*
Between 4 and 5 years	700	*32%*	1 005	*8%*
> 5 years	-	-	3,480	*28%*
Nominal value of borrowings	**2,199**	***100%***	**12,210**	***100%***

a As of December 31, 2014, short-term borrowings (with a maturity of less than one year) primarily included bank overdrafts for €168 million As of December 31, 2013, they mainly included commercial paper issued for €1,906 million (with a 17-day average remaining period), Vivendi SA's €894 million bond, maturing in January 2014, SFR's €300 million bond, maturing in July 2014, and bank overdrafts for €143 million

As of December 31, 2014, the average "economic" term of the group's financial debt, pursuant to which all undrawn amounts on available medium term credit lines may be used to redeem group borrowings with the shortest term was 4 9 years (compared to 4 2 years at year-end 2013)

Breakdown by nature of interest rate

(in millions of euros)	Note	December 31, 2014		December 31 2013	
Fixed interest rate		1 995	*91%*	7,830	*64%*
Floating interest rate		204	*9%*	4 380	*36%*
Nominal value of borrowings before hedging		**2,199**	***100%***	**12,210**	***100%***
Pay-fixed interest rate swaps		*450*		*450*	
Pay-floating interest rate swaps		*(1,450)*		*(2,600)*	
Net position at fixed interest rate	22 2	***(1,000)***		***(2,150)***	
Fixed interest rate		995	*45%*	5 680	*47%*
Floating interest rate		1 204	*55%*	6 530	*53%*
Nominal value of borrowings after hedging		**2,199**	***100%***	**12,210**	***100%***

[3] *Relates to Financial Net Debt as defined by Vivendi*
[4] *Relates to EBITDA as defined by Vivendi plus dividends received from unconsolidated companies*

Breakdown by currency

(in millions of euros)	Note	December 31, 2014		December 31 2013	
Euro - EUR		2 162	*98%*	11,396	*93%*
US dollar USD			-	433	*4%*
Other (of which BRL and PLN)		37	*2%*	381	*3%*
Nominal value of borrowings before hedging		**2,199**	***100%***	**12,210**	***100%***
Currency swaps USD		*748*		*1 468*	
Other currency swaps		*(52)*		*(199)*	
Net total of hedging instruments	22 2	***696***		***1,269***	
Euro - EUR		2 858	*130%*	12,665	*104%*
US dollar - USD		(748)	*-34%*	(1,035)	*-9%*
Other (of which BRL and PLN)		89	*4%*	580	*5%*
Nominal value of borrowings after hedging		**2,199**	***100%***	**12,210**	***100%***

21 4 Credit ratings

As of February 11, 2015, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2014, Vivendi's credit ratings were as follows

Rating agency	Type of debt	Ratings	Outlook
Standard & Poor's	Long term *corporate* debt	BBB	Positive
	Short-term *corporate* debt	A-2	
	Senior unsecured debt	BBB	
Moody's	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	Long-term senior unsecured debt	BBB	Stable

Note 22 Financial instruments and management of financial risks

22.1 Fair value of financial instruments

Financial instruments, as assets under Vivendi's Statement of Financial Position, include financial assets measured at fair value and at historical cost, trade accounts receivable and other, as well as cash and cash equivalents As liabilities, they 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 In addition, financial instruments include derivative instruments (assets or liabilities)

Accounting category and fair value of financial instruments

(in millions of euros)	Note	December 31, 2014 Carrying value	December 31, 2014 Fair value	December 31 2013 Carrying value	December 31 2013 Fair value
Assets					
Available-for-sale securities		*4 881*	*4 881*	*360*	*360*
Derivative financial instruments		*139*	*139*	*126*	*126*
Other financial assets at fair value through profit or loss		*13*	*13*	*5*	*5*
Financial assets at amortized cost		*1 160*	*1,160*	*208*	*208*
Financial assets	14	6 193	6 193	699	699
Trade accounts receivable and other, at amortized cost	15	1,983	1 983	4 898	4 898
Cash		*240*	*na*	*525*	*na*
Term deposits and interest-bearing current accounts		*1,851*	*na*	*470*	*na*
UCITS		*4,754*	*4,754*	*46*	*46*
Cash and cash equivalents	16	6 845	4,754	1 041	46
Liabilities					
Borrowings at amortized cost		*2 227*	*2 483*	*12,218*	*12,721*
Derivative financial instruments		*33*	*33*	*26*	*26*
Commitments to purchase non-controlling interests		*87*	*87*	*22*	*22*
Borrowings and other financial liabilities	21	2 347	2 603	12 266	12,769
Other non-current liabilities, at amortized cost		121	121	757	757
Trade accounts payable and other, at amortized cost	15	5,306	5 306	10 416	10 416

na not applicable

Valuation method for financial instruments at fair value

The following tables show 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, 2014 Total	Level 1	Level 2	Level 3
Assets					
Available-for-sale securities (a)	14	4,881	4 676	162	43
Derivative financial instruments	22 2	139	-	139	-
Other financial assets at fair value through profit or loss		13	5	-	8
UCITS	16	4,754	4,754	-	-
Liabilities					
Commitments to purchase non-controlling interests		87	-	-	87
Derivative financial instruments	22 2	33	-	33	-

(in millions of euros)	Note	December 31 2013 Total	Level 1	Level 2	Level 3
Assets					
Available-for-sale securities	14	360	-	304	56
Derivative financial instruments	22 2	126	-	126	
Other financial assets at fair value through profit or loss		5	5	-	-
UCITS	16	46	46	-	-
Liabilities					
Commitments to purchase non-controlling interests		22	-	-	22
Derivative financial instruments	22 2	26	-	26	-

a As of December 31, 2014, available-for-sale securities primarily included securities held by Vivendi, valued on stock market price at that date an interest in SFR - Numericable for €3,987 million and an interest in Activision Blizzard for €689 million

In 2014 and 2013, there was no transfer of financial instruments measured at fair value between level 1 and level 2 In addition, as of December 31, 2014 and December 31, 2013, financial instruments measured at level 3 fair value did not include any significant amount

22.2 Management of financial risks

As part of its business, Vivendi is exposed to several types of financial risks market risks, credit risks, counterparty risks, as well as liquidity risks Market risks notably include interest rate risks, foreign currency risks and equity market value risks Vivendi's Financing and Treasury Department centrally manages financial risks for the group and its subsidiaries, reporting directly to Vivendi's Chief Financial Officer The Department has the necessary expertise, resources (notably technical resources), and information systems for this purpose The Treasury Committee monitors, on a bi-monthly basis, the liquidity positions in all business units and the exposure to main financial risks, in particular counterparty risk, equity market value risks as well as foreign currency risks and interest rate risks Finally, short- and long-term financing activities are performed at the group's headquarters and are subject to the prior approval of the Management Board and Supervisory Board, in accordance with the provisions of their Internal Regulations

As of December 31, 2014, the financial position of Vivendi may be summed up as follows

- due to the sale of 88% of Vivendi's interest in Activision Blizzard in October 2013, the sale of Maroc Telecom in May 2014 and mainly the sale of SFR in November 2014, Vivendi has a Net Cash Position of €4 6 billion, of which €6 8 billion in cash and cash equivalents and €2 2 billion in gross financial debt, primarily in bonds for €2 0 billion Vivendi has a bank credit facility available for €2 0 billion, undrawn as of December 31, 2014,
- Vivendi held a portfolio of quoted and unquoted minority interests, notably Numericable – SFR, Activision Blizzard and TVN in Poland, as well as at UMG (Spotify, Vevo, Deezer), which represented an aggregate market value of approximately €5 1 billion (before taxes) as of December 31, 2014, and
- as part of the current appeals in connection with Liberty Media Corporation and securities class action litigations in the United States, Vivendi put into place cash guarantee deposits for an aggregate amount of approximately €1 billion

In addition and as a reminder, once the sale of GVT has been completed (expected during the second quarter of 2015), Vivendi's portfolio of securities will increase with the minority interests it will receive in Telefonica Brasil (VIVO/GVT) and Telecom Italia, which represented an aggregate market value of approximately €2 8 billion (before taxes) as of August 28, 2014 (starting date of the exclusive negotiations with Telefonica)

Derivative financial instrument values on the Statement of Financial Position

(in millions of euros)	Note	December 31, 2014 Assets	December 31, 2014 Liabilities	December 31 2013 Assets	December 31 2013 Liabilities
Interest rate risk management	22 2 3	75	(12)	88	(7)
Pay-fixed interest rate swaps			*(12)*	-	*(7)*
Pay-floating interest rate swaps		*75*		*88*	-
Foreign currency risk management	22 2 4	43	(21)	17	(19)
Other		21	-	21	
Derivative financial instruments		**139**	**(33)**	**126**	**(26)**
Deduction of current derivative financial instruments		(40)	21	(17)	19
Non-current derivative financial instruments		**99**	**(12)**	**109**	**(7)**

22.2.1 Investment risk and counterparty risk management

Vivendi's policy for investments mainly aims to minimize its exposure to counterparty risk. Consequently, Vivendi is mainly committed within highly rated mutual funds and commercial banks, and allocates investments among selected banks and limits the amount of each such investment.

As of December 31, 2014, outstanding cash and cash equivalents of Vivendi amounted to €6,845 million, of which €6,524 million is held by Vivendi SA and invested in the following financial institutions with at least an A2/A rating:

- €4,754 million in ten UCTIS monetary funds, managed by five management companies, and
- €1,770 million in term deposits and interest-bearing current accounts within eight banks. Term deposits with initial maturities greater than three months contain an option to terminate at any time and present an insignificant risk of changing in value.

As of December 31, 2014, the average interest rate on Vivendi's investments was 0.49%.

In addition, Vivendi does not consider there to be a significant risk of non-recovery of trade accounts receivable for its business operations: the large individual customer base, the broad variety of customers and markets, as well as the geographic diversity of its business operations (mainly Canal+ Group and Universal Music Group) enable to minimize the risk of credit concentration related to trade accounts receivable.

22.2.2 Equity market value risk management

Vivendi's cash investment policy prohibits equity investments. However, following divestiture or acquisition, Vivendi may hold non-consolidated interests as part of an opportunist strategy in more or less long term. As of December 31, 2014, Vivendi held shares in the following listed companies, recognized as "Available-for-sale securities" in the Consolidated Statement of Financial Position, for an aggregate amount of €4,676 million:

- 97.4 million Numericable - SFR shares, i.e., a 20% interest held following the sale of SFR to Numericable Group on November 27, 2014, valued at €3,987 million as of December 31, 2014. These shares are notably subject to a lock-up provision: please refer to Note 3.1, and
- 41.5 million Activision Blizzard shares valued at €689 million as of December 31, 2014. These shares were subject to a lock-up provision, which matured on January 7, 2015: please refer to Note 3.4.

Vivendi is thus exposed to the risk of fluctuation in the value of these shares. As of December 31, 2014, the unrealized gain with respect to these shares amounted to €1,015 million, directly recognized in equity. An unfavorable and uniform change of 10% in all of these shares would have a negative impact of €468 million on Vivendi's equity.

In addition, Canal+ Group holds 95 million shares in TVN (free-to-air TV in Poland) indirectly held by N-Vision and consolidated under the equity method by Canal+ Group. On October 16, 2014, Canal+ Group and ITI Group announced they were jointly considering strategic options in respect of their interest in TVN (please refer to Note 13).

Finally, as part of the plan to sell GVT, which is expected to be completed during the second quarter of 2015 (please refer to Note 3.2), Vivendi should receive Telefonica Brasil (VIVO/GVT) and Telecom Italia shares, valued at €1,830 million and €960 million, respectively, based on the stock market price and currency exchange rate on August 28, 2014 (starting date of the exclusive negotiations with Telefonica), representing an aggregate amount of €2.8 billion.

22.2.3 Interest rate risk management

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases. Therefore, Vivendi uses pay-floating and pay-fixed interest rate swaps. These instruments enable thus the group to manage and reduce volatility for future cash flows related to interest payments on borrowings.

In December 2014, concomitantly with the redemption of the bonds with make-whole option, Vivendi early settled pay-floating interest rate swaps with a notional amount of €750 million and €400 million. As of December 31, 2014, the portfolio of Vivendi's interest rate hedging instruments included the following swaps:

- pay-fixed interest rate swaps with a notional amount of €450 million, maturing in 2017, set up in 2012,
- pay-floating interest rate swaps with a notional amount of €450 million, maturing in 2017, set up in 2010, and
- pay-floating interest rate swaps with a notional amount of €1,000 million, maturing in 2016, set up in 2011.

(in millions of euros)	December 31 2014 Notional amounts Total	2015	2016	2017	2018	2019	After 2019	Fair value Assets	Liabilities
Pay fixed interest rate swaps	450			450				-	(12)
Pay floating interest rate swaps	(1 450)		(1 000)	(450)				75	
Net position at fixed interest rate	**(1,000)**		**(1,000)**	- (a)				**75**	**(12)**
Breakdown by accounting category of rate hedging instruments									
Cash Flow Hedge	-							-	
Fair Value Hedge	(1,000)		(1 000)					35	
Economic Hedging (b)	-			- (a)				40	(12)

(in millions of euros)	December 31, 2013 Notional amounts Total	2014	2015	2016	2017	2018	After 2018	Fair value Assets	Liabilities
Pay-fixed interest rate swaps	450				450				(7)
Pay-floating interest rate swaps	(2 600)			(1,400)	(450)		(750)	88	
Net position at fixed interest rate	**(2,150)**			**(1,400)**	- (a)		**(750)**	**88**	**(7)**
Breakdown by accounting category of rate hedging instruments									
Cash Flow Hedge	-								
Fair Value Hedge	(2 150)			(1,400)			(750)	46	
Economic Hedging (b)	-				(a)			42	(7)

a Includes pay-floating interest rate swaps for a notional amount of €450 million as well as pay-fixed interest rate swaps for a notional amount of €450 million, maturing in 2017, qualified as economic hedges

b The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39

22 2 4 Foreign currency risk management

Excluding GVT, the group's foreign currency risk management is centralized by Vivendi SA's Financing and Treasury Department and primarily seeks to hedge budget exposures (at an 80% level) resulting from monetary flows generated by activities performed in currencies other than the euro as well as from external firm commitments (at a 100% level), primarily relating to the acquisition of editorial content (including sports, audiovisual and film rights) and certain capital expenditures (e g , set-top boxes), realized in currencies other than the euro Most of the hedging instruments are foreign currency swaps or forward contracts that have a maturity of less than one year Considering the foreign currency hedging instruments established, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2014, would have a non-significant cumulative impact on net earnings (below €1 million) In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities Moreover, due to their non-significant nature, net exposures related to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged The relevant risks are settled at the end of each month by translating the amounts into the functional currency of the relevant operating entities

The principal currencies hedged by the group are US dollars (USD) and British pounds (GBP) In 2014 and 2013, to hedge against a possible depreciation of its net investment in certain subsidiaries in the United Kingdom due to an unfavorable change in GBP, Vivendi set up a hedge using forward contracts for a notional amount of £832 million, or €1,046 million From an accounting perspective, these hedge instruments were considered as net investment hedges

The following tables present the foreign currency risk management instruments used by the group, the positive amounts relate to currencies to be received, the negative amounts relate to currencies to be delivered

	December 31 2014						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1 233)	(52)	(56)	(1 062)	(63)	2	(19)
Purchases against the euro	1 908	717	51	1 020	120	40	(2)
Other	-	59		1	(60)	1	-
	675	**724**	**(5)**	**(41)**	**(3)**	**43**	**(21)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(67)	(9)	(45)	(2)	(11)	2	(1)
Purchases against the euro	33	33	-	-		2	
Other			-	-		-	
	(34)	**24**	**(45)**	**(2)**	**(11)**	**4**	**(1)**
Fair Value Hedge							
Sales against the euro	(68)	(43)	(11)	(14)		-	(1)
Purchases against the euro	275	275	-	-		14	
Other	-	3	-	1	(4)	-	
	207	**235**	**(11)**	**(13)**	**(4)**	**14**	**(1)**
Net Investment Hedge							
Sales against the euro	(1,046)	-		(1,046) (a)		-	(17)
Purchases against the euro	-	-				-	
Other	-					-	-
	(1,046)	**-**	**-**	**(1,046)**	**-**	**-**	**(17)**
Economic Hedging (b)							
Sales against the euro	(52)				(52)	-	-
Purchases against the euro	1 600	409	51	1 020	120	24	(2)
Other	-	56			(56)	1	-
	1,548	**465**	**51**	**1,020**	**12**	**25**	**(2)**

	December 31 2013						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1 060)	(49)	(105)	(834)	(72)	2	(10)
Purchases against the euro	2 329	1,330	21	888	90	11	(7)
Other		187	(81)	(4)	(102)	4	(2)
	1,269	**1,468**	**(165)**	**50**	**(84)**	**17**	**(19)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(73)	(11)	(42)	(7)	(13)	-	
Purchases against the euro	85	85	-	-		1	(1)
Other		168	(75)	-	(93)	4	(2)
	12	**242**	**(117)**	**(7)**	**(106)**	**5**	**(3)**
Fair Value Hedge							
Sales against the euro	(93)	(38)	(51)	(4)		1	(2)
Purchases against the euro	450	432	-	18		-	(6)
Other		8	(6)	(4)	2	-	-
	357	**402**	**(57)**	**10**	**2**	**1**	**(8)**
Net Investment Hedge							
Sales against the euro	(823)			(823) (a)		-	(8)
Purchases against the euro	-			-		-	-
Other	-			-		-	-
	(823)	**-**	**-**	**(823)**	**-**	**-**	**(8)**
Economic Hedging (b)							
Sales against the euro	(71)		(12)	-	(59)	1	-
Purchases against the euro	1 794	813	21	870	90	10	-
Other	-	11		-	(11)	-	-
	1,723	**824**	**9**	**870**	**20**	**11**	**-**

a Relates to the hedge of the net investment in certain subsidiaries in the United Kingdom for a notional amount of £832 million as of December 31, 2014 (£692 million as of December 31, 2013)

b The economic hedging instruments relate to derivative financial instruments which are not eligible for hedge accounting pursuant to IAS 39

22.2.5 Liquidity risk management

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

As of December 31 2014, the future undiscontinued cash flows related to borrowings and other financial liabilities amounted to €2,623 million (compared to a carrying value of €2,347 million) and are presented in Note 25.1 within the group's contractual minimum future payments

As of February 11, 2015, 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 facility will be sufficient to cover its operating expenses and capital expenditures, service its debt, pay its income taxes, dividends and share repurchases, if any, as well as to fund its investment projects, if any, for the next 12 months

Note 23 Consolidated Cash Flow Statement

23.1 Adjustments

(in millions of euros)	Note	Year ended December 31, 2014	2013
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	4	743	666
Change in provision, net		(125)	(72)
Other non-cash items from EBIT		(1)	(2)
Other			
Other income from EBIT	4	(203)	(88)
Other charges from EBIT	4	30	50
Proceeds from sales of property, plant, equipment and intangible assets	2	3	3
Adjustments		**447**	**557**

23.2 Investing and financing activities with no cash impact

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13.166 billion in cash as well as 97,387,845 shares in the new combined entity Numericable - SFR, which represents a 20% interest and voting rights This 20% interest in Numericable - SFR was valued at the stock market's price on November 27, 2014 (€33.315 per share), or €3,244 million As of December 31, 2014, the value of this interest in Vivendi's Consolidated Statement of Financial Position amounted to €3,987 million (please refer to Note 3.1)

In 2014, there was no significant financing activity with no cash impact

In 2013, there was no significant investing or financing activity with no cash impact

Note 24 Transactions with related parties

24.1 Corporate officers

Situation of corporate officers

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members Ms Katie Jacobs Stanton, Ms Virginie Morgon and Mr Philippe Bénacin

Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr Vincent Bolloré as Chairman The Board also appointed Mr Pierre Rodocanachi as Vice-Chairman and Mr Jean-René Fourtou, who had chaired the group since 2002, as Honorary Chairman The Board appointed Mr Daniel Camus as Chairman of the Audit Committee, and Mr Philippe Bénacin as Chairman of the Corporate Governance, Nominations, and Remuneration Committee

On June 24, 2014, the Supervisory Board also appointed the members to the Management Board, which is comprised of Messrs Arnaud de Puyfontaine, who serves as Chairman, Hervé Philippe, and Stéphane Roussel

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative

Compensation of corporate officers

- The current members of the Management Board received, in respect of their position as Corporate officers in 2014, a fixed compensation of €1 6 million and, except for its Chairman, extraordinary compensation of €0 6 million linked to the proper implementation of the divestiture of SFR, previously granted in respect of their position as Corporate officers and paid in respect of their current position The variable compensation with respect to 2014 will be paid in 2015 for an aggregate amount of €2 2 million, as approved by the Supervisory Board on February 27, 2015

  The Chairman of the Management Board, Mr Arnaud de Puyfontaine, renounced his employment contract At the General Shareholders' Meeting to be held on April 17, 2015, a proposal will be made to grant him a contractual severance package in the event of forced departure and subject to the satisfaction of performance conditions

  In addition, with respect to 2014, the members of the Management Board in office until June 24, 2014 received a fixed and variable compensation in 2014 for an aggregate amount of €2 1 million, and the variable compensation of €1 0 million with respect to 2013, as approved by the Supervisory Board on February 21, 2014

  In 2013, the members of the Management Board in office received a fixed and variable compensation with respect to 2012 for an aggregate amount of €2 3 million In addition, the members of the Management Board in office until June 28, 2012 received in 2013 the prorated variable compensation component with respect to 2012, as approved by the Supervisory Board on February 22, 2013, for an aggregate amount of €4 6 million (excluding any severance payments)

- The aggregate charge recorded by the group with respect to equity-settled share-based compensation plans (performance shares, stock options, and employee stock purchase plan) granted to the members of the Management Board, in office on the grant date, amounted to €2 million in 2014 (compared to €2 million in 2013)

- The amount of net pension obligations toward the current members of the Management Board amounted to €5 2 million as of December 31, 2014 On June 24, 2014, the former Chairman of the Management Board exercised right pension benefits after 23 years of service within the group and a debit on plan assets was recorded for €9 4 million

- The amount of the current Chairman of the Supervisory Board's compensation is €400,000 per year, subject to the same performance conditions as the members of the Management Board On February 27, 2015, the Supervisory Board approved the level of satisfaction of objectives and decided to set the compensation of the current Chairman of the Supervisory Board at €207,778 for the period from June 24 to December 31, 2014

- The fixed compensation paid to the Chairman of the Supervisory Board in office until June 24, 2014 amounted to €338,333 in *pro-rata temporis* (compared to €700,000 paid in 2013)

- The aggregate amount of directors' fees paid to the members of the Supervisory Board with respect to 2014 was €1 1 million (€1 2 million with respect to 2013) In addition, at its meeting held on April 4 and 5, 2014, the Supervisory Board decided to award additional compensation of €130,000 to members of the *ad hoc* Committee, owing to the workload due to its mandate and the high quality of the work they had contributed

Chapter 3 of the Annual Report contains a detailed description of the compensation policy and the compensation and benefits of corporate officers of Vivendi SA, in accordance with the recommendations of the AFEP-MEDEF Code, as amended in June 2013

24.2 Other related parties

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 27 for a list of its main subsidiaries, fully consolidated or accounted for under the equity method), and non-controlling interests that exercise significant influence as of December 31, 2014 on group affiliates i e , TVN, which owns 32% of nc+ (a subsidiary of Canal+ Group) as well as corporate officers of the group and its related subsidiaries, in particular Havas Group and Bollore Group

Excluding the following transactions with related parties, there are no transactions between Vivendi, Havas Group and Bolloré Group and their corporate officers

(in millions of euros)	2014	2013
Assets		
Trade accounts receivable and other	32	35
Of which Havas	*11*	*15*
Liabilities		
Trade accounts payable and other	12	2
Of which Havas	*5*	*1*
Statement of earnings		
Operating income	100	88
Of which Havas	*2*	*1*
Operating expenses	(72)	(70)
Of which Havas	*(24)*	*(24)*
Bolloré	*(9)*	*(7)*
Contractual obligations, net off balance sheet	66	63
Advertising transactions		
Of which Advertising sales realized via Havas' agencies	89	88
Media costs realized via Havas' agencies	(62)	(62)

Some subsidiaries of Havas Group render operating services to Vivendi and its subsidiaries under arm's length terms
Regarding Canal+ Group

- as part of advertising campaigns, customers of Havas Group entered into transactions through media space with Canal+ Group for an aggregate amount of €89 million in 2014 (€88 million in 2013),
- as part of advertising campaigns developed for Canal+, Canalsat, and Canalplay, Canal+ Group entered into transactions with main media companies through Havas Group and its media spaces for €62 million in 2014 (€62 million in 2013),
- transactions excluding media, production, broadcast rights and fees were completed by Havas Group and its subsidiaries for €9 million in 2014, and
- Havas Group and its subsidiaries developed and designed advertising campaigns in favor of Canal+ Group for €13 million in 2014

In addition, Havas and Universal Music Group (UMG) announced the following agreements

- on September 29 2014 digital brand integrations in select UMG music videos by using Mirriad's Academy Award-winning video technology, and
- on January 5, 2015 formation of Global Music Data Alliance (GMDA) related to consumer's data

Note 25 Contractual obligations and other commitments

Vivendi's material contractual obligations and contingent assets and liabilities include

- contracts entered into, which relate to the group's business operations, such as content commitments (please refer to Note 10 2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including finance leases, off-balance sheet operating leases and subleases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments,
- commitments related to the group's consolidation scope contracted through acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments resulting from shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets,
- commitments related to the group's financing undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Notes 21 and 22), and
- contingent assets and liabilities related to litigation in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 26)

25.1 Contractual obligations and commercial commitments

		Minimum future payments as of December 31 2014				Total minimum future payments as of December 31, 2013
		Total	Payments due in			
(in millions of euros)	Note		2015	2016 2019	After 2019	
Borrowings and other financial liabilities		2 623	363	2 229	31	13 967
Content liabilities	10 2	2 433	2 334	97	2	2 335
Consolidated statement of financial position items		**5,056**	**2,697**	**2,326**	**33**	**16,302**
Contractual content commitments	10 2	6 135	1 896	4 180	59	4 298
Commercial commitments	25 1 1	1 160	325	588	247	2 209
Operating leases and subleases	25 1 2	640	81	289	270	2 700
Items not recorded in the consolidated statement of financial position		**7,935**	**2,302**	**5,057**	**576**	**9 207**
Contractual obligations and commercial commitments		**12,991**	**4 999**	**7,383**	**609**	**25,509**

25 1 1 Off balance sheet commercial commitments

	Minimum future payments as of December 31 2014				Total minimum future payments as of December 31, 2013
	Total	Due in			
(in millions of euros)		2015	2016 - 2019	After 2019	
Satellite transponders	752	118	399	235	686
Investment commitments	85	55	30	-	1,078
Other	510	235	259	16	732
Given commitments	**1,347**	**408**	**688**	**251**	**2,496**
Satellite transponders	(187)	(83)	(100)	(4)	(159)
Other	-	-	-	-	(128)
Received commitments	**(187)**	**(83)**	**(100)**	**(4)**	**(287)**
Net total (a)	**1,160**	**325**	**588**	**247**	**2,209**

a The decrease in off balance sheet commercial commitments was mainly related to SFR sold on November 27, 2014, and GVT, whose sale by Vivendi is underway (€939 million and €127 million, respectively, as of December 31, 2013)

25.1.2 Off balance sheet operating leases and subleases

(in millions of euros)	Minimum future leases as of December 31 2014				Total - minimum future leases as of December 31, 2013
	Total	Due in			
		2015	2016 - 2019	After 2019	
Buildings	652	84	298	270	2 695
Other	6	3	3	-	221
Leases	**658**	**87**	**301**	**270**	**2,916**
Buildings	(18)	(6)	(12)	-	(216)
Subleases	**(18)**	**(6)**	**(12)**	**-**	**(216)**
Net total (a)	**640**	**81**	**289**	**270**	**2,700**

a The decrease in the amount of off balance sheet operating leases and subleases was mainly related to SFR sold on November 27, 2014, and GVT, whose sale by Vivendi is underway (€1,790 million and €451 million, respectively, as of December 31, 2013)

25.2 Other commitments given or received relating to operations

Ref	Context	Characteristics (nature and amount)	Expiry
	Given commitments		
	Individual rights to training for French employees	Approximately 0 4 million hours (1 6 million hours as of December 31 2013)	-
	Obligations in connection with pension plans and post retirement benefits	Please refer to Note 19	
(a)	Other guarantees given	Cumulated amount of €93 million (compared to €156 million as of December 31 2013)	-
	Received commitments		
(b)	Agreements on the digital distribution of music rights	Minimum guarantees	-
	Other guarantees received	No impact as of December 31, 2014 (compared to €1 million as of December 31 2013)	-

a Vivendi grants guarantees in various forms to financial institutions on behalf of its subsidiaries in the course of their operations

b 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

25.3 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

- On September 18, 2014, pursuant to an agreement entered into with Telefonica, Vivendi committed to sell GVT (please refer to Note 3 2),
- the liquidity rights related to Vivendi's interest in Numericable - SFR are described in Note 3 1, and
- the liquidity rights in respect of the strategic partnership between Canal+ Group, ITI, and TVN are detailed in Note 25 5 below

Vivendi and its subsidiaries have granted or received purchase or sale options related to shares in equity affiliates and unconsolidated investments

25.4 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)	Acquisition of Bolloré Group s channels (September 2012)	Commitments undertaken in connection with the authorization of the acquisition, with - the French Competition Authority and - the French Broadcasting Authority	 2017 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
(b)	Canal+ Group s pay-TV activities in France (January 2007-July 2017)	New approval of the acquisition of TPS and CanalSatellite subject to compliance with injunctions ordered by the French Competiton Authority	2017
(c)	Divestiture of Canal+ Nordic (October 2003)	Distribution guarantees expired as of December 31 2014 given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary	2014
(d)	Divestiture of NC Numericable (March 2005)	Specific guarantees capped at €241 million (including tax and social risks) expired as of December 31 2014	2014
	Divestiture of PSG (June 2006)	Unlimited specific guarantees	2018
	Divestiture of UMG manufacturing and distribution operations (May 2005)	Various commitments for manufacturing and distribution services	2018
(e)	NBC Universal transaction (May 2004) and subsequent amendments (2005 2010)	Breaches of tax representations Obligation to cover the Most Favored Nation provisions and Claims related to remedial actions on May 11 2014 at the latest	 2014
(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)	Divestiture of PTC shares (December 2010)	Commitments undertaken in order to end litigation over the share ownership of PTC in Poland	
(i)	Sale of Activision Blizzard (October 2013)	- unlimited general guarantees and - tax guarantees capped at $200 million under certain circumstances	
	Sale of Maroc Telecom group (May 2014)	Commitments undertaken in connection with the sale (please refer to Note 3 3)	
	Sale of SFR (November 2014)	Commitments undertaken in connection with the sale (please refer to Note 3 1)	
	Other contingent liabilities	Cumulated amount of €7 million (unchanged compared to December 31 2013)	
	Contingent assets		
(a)	Acquisition of Bolloré Group s channels (September 2012)	Guarantees capped at €120 million	2017
	Acquisition of 40% of N Vision (November 2012)	Guarantees made by ITI capped at approximately €28 million for general guarantees expired on May 30 2014 and €277 million for specific guarantees (including tax matters free and full ownership of shares sold authorizations / approvals for the exercise of the activity)	 2014
	Merger of Cyfra+ and 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)	Specific guarantees notably on film rights were granted by the sellers	-
(d)	Divestiture of NC Numericable (March 2005)	€151 million counter-guaranteed by Orange expired as of December 31 2014	2014
	Acquisition of EMI Recorded Music (September 2012)	Commitments relating to full pension obligations in the United Kingdom assumed by Citi and Guarantees relating to losses stemming from taxes and litigation claims in particular those related to pension obligations in the United Kingdom	
(j)	Divestiture of Xfera (2003)	Guarantees amount to €71 million	
	Other contingent assets	Cumulated amount of €86 million (compared to €70 million as of December 31 2013)	

The accompanying notes are an integral part of the contingent assets and liabilities described above

a As part of the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively) on July 23, 2012, Vivendi and Canal+ Group gave certain commitments These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from Studiocanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process These commitments are made for a five-year period and are renewable once if the French Competition Authority, after having performed a competition analysis, deems it necessary In addition, on September 18, 2012, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the D8 shares for a minimum period of two and a half years

On December 23, 2013, the French Council of State annulled, with a delayed effect as from July 1, 2014, the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), which had been approved on July 23, 2012 On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority On April 2, 2014, the French Competition Authority reapproved the transaction, subject to compliance with commitments given by Vivendi and Canal+ Group These commitments are similar to the ones contained in the previous 2012 authorization except for an additional commitment relating to the acquisition of broadcasting rights covering second and third exhibition windows for French films All commitments are binding for a period of five years starting July 23, 2012 In 2017, the French Competition Authority will have the opportunity to request a renewal of these commitments for the same duration, if deemed necessary, after a new competitive analysis

b On August 30, 2006, the merger between TPS and the Canal+ Group was authorized, in accordance with the merger control regulations, pursuant to a decision of the French Minister of Economy, Finance and Industry, subject to Vivendi and Canal+ Group complying with certain undertakings for a maximum period of six-years, with the exception of those commitments concerning the availability of channels and VOD, which could not exceed five-years

On October 28, 2009, the French Competition Authority opened an enquiry in respect of the implementation of certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS
On December 21, 2012, the French Council of State rejected Vivendi and Canal + Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012 Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million Under the second motion, the transaction was once again cleared, subject to compliance with 33 injunctions
Canal+ Group has implemented a number of these injunctions, some since July 23, 2012 and others since October 23, 2012 The injunctions mainly focus on

- Acquisition of movie rights
  - by limiting the duration of output deals to three years, requiring separate agreements for different types of rights (first pay-TV window, second pay-TV window, series, etc) and prohibiting output deals for French films, and
  - by the Canal+ Group divesting its interest in Orange Cinema Series – OCS SNC or by adopting measures limiting its influence over Orange Cinema Series – OCS SNC On February 4, 2013, at the request of Multithématiques and to comply with 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 to the Board of Directors of 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 (Ciné+ channels) available to third-party distributors (unbundling)
- Video-on-demand (VOD) and subscription video-on-demand (SVOD)
  - by separating contracts entered into for the purchase of VOD and SVOD rights on a non-exclusive basis, and not combining them with rights purchased for linear distribution on pay-TV,
  - by offering Studiocanal's VOD and SVOD rights to any interested operator, and
  - by forbidding exclusive distribution deals for the benefit of Canal+ Group's VOD and SVOD offers on Internet Service Providers platforms

These injunctions are imposed for a period of five-years and are renewable once At the end of the five-year period, the French Competition Authority will review the competition situation to determine whether the injunctions should be kept in place If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be lifted or partially or totally revised An independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012 will be responsible for monitoring the implementation of the injunctions

c In connection with the divestiture of Canal+ Nordic in October 2003, Canal+ Group had retained distribution guarantees given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary These guarantees, which were covered by a counter-guarantee given by the buyers, expired on December 31, 2014

d As part of the divestiture of NC Numericable 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 Numericable were included in this maximum amount and were counter-guaranteed by Orange for up to €151 million As of December 31, 2014, all of these guarantees were expired

e 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 in respect of authorization, capitalization and tax representations terminated on August 11, 2005 Notices of environmental claims related to remediation had to 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

f In connection with the sale of its 49 9% interest in Sithe to Exelon in December 2000, Vivendi granted customary representations and warranties 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 warranties 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 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 was capped at €600 million, which expired in August 2013,
- Vivendi committed to compensate the 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

i As part of the sale of 88% of Vivendi's interest in Activision Blizzard, which was completed on October 11, 2013 (the "Closing Date"), Vivendi, ASAC II LP, and Activision Blizzard gave certain reciprocal commitments customary for this type of transaction (representations, warranties and covenants) Vivendi, ASAC II LP, and Activision Blizzard undertook to indemnify each other against any losses stemming from any breach of their respective commitments Such indemnification is unlimited as to time and amount

In addition, Vivendi has agreed to indemnify Activision Blizzard with respect to any tax or other liabilities of Amber Holding Subsidiary Co ("Amber"), the Vivendi subsidiary acquired by Activision Blizzard, relating to periods preceding the Closing Date Such indemnification is unlimited as to time and amount Tax attributes (mainly net operating loss) held by Amber and assumed by Activision Blizzard were estimated at more than $700 million, which represent a potential future tax benefit of approximately $245 million Vivendi agreed to indemnify Activision Blizzard, under certain circumstances, with respect to these tax attributes, subject to a cap of $200 million limited to taxable years ending on or prior to December 31, 2016

On May 22, 2014, in accordance with the agreements entered into on July 25, 2013, Vivendi sold a first tranche of 41 5 million Activision Blizzard shares, representing 5 8% interest in this company Following this sale, Vivendi owns a residual interest of 41 5 million Activision Blizzard shares, which is subject to a lock-up restriction that expired on January 7, 2015 Since this date, Vivendi is free to sell its remaining Activision Blizzard shares without restriction

Activision Blizzard agreed to file a registration statement prior to each sale window to enable Vivendi to sell the Activision Blizzard shares in a public offering

Prior to any sale of Activision Blizzard shares by Vivendi in a market offering that occurs prior to the second anniversary of the Closing Date (October 11, 2015), Vivendi must notify Activision Blizzard of its intention to sell the shares and Activision Blizzard may, at its election, offer to purchase some or all of the shares that Vivendi intends to sell in such market offering Vivendi may accept or decline such offer at its sole discretion

ASAC II LP was also subject to a lock-up provision which expired on April 9, 2014

j 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 2014 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

25 5 Shareholders' agreements

Under existing shareholders' or investors' agreements (primarily those relating to nc+), Vivendi holds certain rights (such as pre-emptive rights and priority rights) that give it control over the capital structure of consolidated companies that are partially owned by minority shareholders Conversely, Vivendi has granted similar rights to these other shareholders in the event that it sells its interests to third parties

In addition, pursuant to other shareholders' agreements or the bylaws of 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 rights as shareholder

20% interest in Numericable - SFR

The main terms of the shareholders' agreement between Altice and Vivendi resulting from Vivendi's interest in Numericable - SFR are described in Note 3 1

Strategic partnership among Canal+ Group, ITI, and TVN

The key liquidity rights provided under the strategic partnership formed in November 2012 in relation to television services in Poland are as follows

- At the level of N-Vision
  - Canal+ Group has a call option to acquire ITI's remaining N-Vision shares, exercisable at any time during the two three-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 three-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 two three-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+

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 (nc+) may be amended or terminated in the event of a change in control of Vivendi or a tender offer for Vivendi being made These shareholders' agreements are subject to confidentiality provisions

25 6 Collaterals and pledges

As of December 31, 2014, no asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties

In addition, the amount of assets of GVT, a discontinued operation, which were pledged or mortgaged for the benefit of third parties, amounted to €183 million as of December 31, 2014 (compared to €128 million as of December 31, 2013) This amount related to assets pledged with respect to judicial guarantees for various litigations
As of December 31, 2013, the amount of assets of SFR, sold on November 27, 2014, which were pledged or mortgaged for the benefit of third parties amounted to €84 million

Note 26 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, 2014, provisions recorded by Vivendi for all claims and litigations amounted to €1,206 million, compared to €1,379 million as of December 31, 2013 (please refer to Note 18)

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 11, 2015, the date of the Management Board meeting held to approve Vivendi's Financial Statements for the year ended December 31, 2014

Vivendi litigation

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 had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim These claims are currently being processed and verified by an independent claims administrator and by the parties Vivendi will then have the right to challenge the merits of these claims On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims On December 23, 2014, the Court entered the partial judgment

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals This appeal will be heard together with Vivendi's appeal in the Liberty Media case

Vivendi believes that it has solid grounds for an appeal Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial Several aspects of the verdict will also be challenged

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1 3 1 (Use of Estimates) and 1 3 8 (Provisions) Vivendi made a provision on December 31, 2009 in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi

Complaint of Liberty Media Corporation

On March 28, 2003 Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and 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 The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel")

The Liberty Media jury returned its verdict on June 25, 2012 It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial

On January 9, 2013, the Court confirmed the jury's verdict It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015, these two cases will be heard together by the Court of Appeals

On the basis of the verdict rendered on June 25, 2012, and the entry of the final judgment by the Court, Vivendi maintained as of December 31, 2014, the provision in the amount of €945 million recorded as of December 31, 2012

Trial of Vivendi's Former Officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001 Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001 Vivendi joined the proceedings as a civil party

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris), following which the Public Prosecutor asked the Court to drop the charges against the defendants On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party Messrs Jean-Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr and Eric Licoys received suspended sentences and fines Messrs Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties The former Vivendi Officers as well as some civil parties appealed the decision The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr Edgar Bronfman Jr for insider trading On May 19, 2014, the Paris Court of Appeal rendered its judgment Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine The Court also upheld the convictions against Messrs Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2 5 million is suspended), respectively Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action") With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders An appeal has been filed with the French Supreme Court (Cour de Cassation) by certain of the defendants and some civil parties

LBBW and al against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002 Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities

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

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former CEO, between 2000 and 2002 On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities

Actions against Activision Blizzard, Inc , its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders On September 18, 2013, the Delaware

Court of Chancery granted the motion enjoining the closing of the transaction However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction The case will proceed on the merits

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled *In Re Activision Blizzard Inc Securities Litigation*

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston This action was consolidated into the *In Re Activision Blizzard Inc Securities Litigation* proceeding currently underway

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced The Court is expected to approve the settlement agreement at an upcoming hearing

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999 On July 3, 2007, the High Court of Nanterre ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first ruling On November 27, 2008, Unibail appealed against this decision On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal The hearing will take place on April 2, 2015

Vivendi Deutschland against FIG

Further to a claim filed by CGIS BIM (a former subsidiary of Vivendi) against FIG to obtain the release of part of a payment remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the annulment of the sale following a judgment of the Berlin Court of Appeal, which overruled a judgment rendered by the Berlin High Court CGIS BIM was ordered to repurchase the buildings and to pay damages Vivendi delivered a guarantee so as to pursue settlement negotiations As no settlement was reached, on September 3, 2008, CGIS BIM challenged the validity of the reasoning of the judgment On April 23, 2009, the Regional Berlin Court issued a decision setting aside the judgment of the Berlin Court of Appeal dated May 29, 2008 On June 12, 2009, FIG appealed that decision On December 16, 2010, the Berlin Court of Appeal rejected FIG's appeal and confirmed the decision of the Regional Berlin Court in April 2009, which decided in CGISBIM's favor and confirmed the invalidity of the reasoning of the judgment and therefore overruled the order for CGIS BIM to repurchase the building and pay damages and interest This decision is now final In parallel, FIG filed a second claim for additional damages in the Berlin Regional Court which was served on CGIS BIM on March 3, 2009 On June 19, 2013, the Berlin Regional Court ordered CGIS BIM to pay FIG the sum of €3 9 million together with interest from February 27, 2009 CGIS BIM has appealed this decision

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*) The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4 9 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal

On April 30, 2013, the Court dismissed Telefonica's claim for lack of sufficient and concrete evidence of Vivendi's responsibility for Telefonica's failing to acquire GVT The Court notably highlighted the inherently risky nature of operations in the financial markets, of which Telefonica must have been aware Moreover, the Court dismissed Vivendi's counterclaim for compensation for the damage it suffered as a result of the defamatory campaign carried out against it by Telefonica On May 28, 2013, Telefonica appealed the Court's decision to the 5th Chamber of Private Law of the Court of Justice of the State of São Paulo

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side Pending the conclusion of this settlement transaction (which is to be signed on the day of the closing of the sale of GVT), the case has been suspended

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 The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration

Chamber should be scheduled shortly In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi This was rejected on November 7, 2013 as the Court found that only the arbitral tribunal could make such an application On December 17, 2014, the Rio de Janeiro Court of Appeal overturned the lower court's decision and authorized the provision of the above-mentioned information solely to the arbitral tribunal, denying Dynamo access to the information

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds 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 On December 16, 2013, the arbitral tribunal was constituted and the plaintiffs submitted their initial briefs The Hedging-Griffo funds demanded compensation for the difference between the price at which they sold their GVT shares on the market and 125% of the price paid by Vivendi in connection with the tender offer for the GVT shares, pursuant to the "poison pill" provision in GVT's bylaws Vivendi believes that the decision taken by the Hedging-Griffo funds to sell their GVT shares before the end of the stock market battle that opposed Vivendi against Telefonica was their own decision made in the context of their management of these funds and can in no way be attributable to Vivendi It also denies any application of the bylaw provision mentioned above, as it was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica

Litigation involving Vivendi subsidiaries

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, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels 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 Reunion was unsuccessful in its claims concerning the content of the channels in question On September 19, 2008, Parabole Réunion appealed to the French Supreme Court On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion In the context of this dispute, various jurisdictions have taken the opportunity to apply the fact 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 Noncompliance 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 On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion Parabole Réunion filed an appeal against this judgment On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages

On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy

These two actions have been consolidated into a single action On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance

beIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015 On October 30, 2014, Canal+ Group appealed against this decision

Action brought by the French Competition Authority regarding Practices in the Pay-TV Sector

On January 9, 2009, further to its voluntary investigation and a complaint by Orange, the French Competition Authority sent Vivendi and Canal+ Group a notification of allegations It alleges that Canal+ Group has abused its dominant position in certain Pay-TV markets and that Vivendi and Canal+ Group colluded with TF1 and M6, on the one hand, and with Lagardère, on the other Vivendi and Canal+ Group have each denied these allegations

On November 16, 2010, the French Competition Authority rendered a decision in which it dismissed the allegations of collusion, in respect of all parties, and certain other allegations, in respect of Canal+ Group The French Competition Authority requested further investigation regarding fiber optic TV and catch-up TV, Canal+ Group's exclusive distribution rights on channels broadcast by the Group and independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case

Canal+ Group against TF1, M6, and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market Canal+ Group accused them of inserting pre-emption rights into co-production contracts, in such a way as to discourage competition The French Competition Authority is examining the case

Canal+ Group against TF1, and TMC Regie

On June 12, 2013, Group Canal+ SA and Canal+ Régie filed a complaint with the French Competition Authority against the practices of TF1 and TMC Régie in the television advertising market Group Canal+ SA and Canal+ Régie accused them of cross-promotion, having a single advertising division and refusing to promote the D8 channel during its launch The French Competition Authority is examining the case

Private Copying Levy Case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre (Tribunal de grande instance de Nanterre) by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top boxes and therefore it should be treated as an integrated hard drive Copie France believes that the applicable amount of the compensation is €45 per hard drive as opposed to €8 7

Aston France against Canal+ Group

On September 25, 2014, Aston notified the French Competition Authority about Canal+ Group's decision to stop selling its satellite subscription called "cards only" (enabling the reception of Canal+/Canalsat programs on Canal Ready-labeled satellite decoders, manufactured and distributed by third parties, including Aston) In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ Group before the Commercial Court of Paris, seeking a stay of the decision of the Canal+ Group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called "cards only" On October 17, 2014, the Paris Commercial Court issued an order denying Aston's requests On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruling in chambers, granted its request and suspended the decision of Canal + Group to stop selling its "cards only" subscriptions until the French Competition Authority renders its decision on the merits of the case

Complaints against Music Industry Majors in the United States

Several complaints have been filed before the Federal Courts in New York and California against Universal Music Group and the other music industry majors for alleged anti-competitive practices in the context of sales of CDs and Internet music downloads These complaints have been consolidated before the Federal Court in New York The motion to dismiss filed by the defendants was granted by the Federal Court on October 9, 2008, but this decision was reversed by the Second Circuit Court of Appeals on January 13, 2010 The defendants filed a motion for rehearing which was denied They filed a petition with the US Supreme Court which was rejected on January 10, 2011 The discovery process is underway

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones UMG contests the merits of these actions

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Records and EMI Music Publishing filed a joint complaint against MP3Tunes and its founder, Michael Robertson, for copyright infringement on the sideload com and mp3tunes com websites The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records It found the defendants liable for knowingly allowing the unauthorized content on the websites On March 26, 2014, the jury awarded damages in the amount of $41 million On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of $12 2 million The defendants have appealed against the judgment

Mireille Porte against Interscope Records, Inc , Stefani Germanotta and Universal Music France

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Inc , Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris) for the alleged copyright infringement of several of Orlan's artistic works

James Clar against Rihanna Fenty, UMG Recordings, Inc and Universal Music France

On June 13, 2014, the artist James Clair filed a complaint against Rihanna Fenty, UMG Recordings, Inc and Universal Music France before the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris) for the alleged infringement of his work

Litigation involving GVT (discontinued operation)

Actions Related to the ICMS Tax

GVT, like all other telecommunications operators, is party in several Brazilian States to various proceedings concerning the application of the "ICMS" tax (*Imposto Sober Circulação de Mercadorias e Prestação de Serviços*), which is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services

GVT is notably 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 21 proceedings initiated by GVT, all have resulted in decisions favorable to GVT and 12 are no longer subject to appeal

Actions 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 Universalização dos Serviços de Telecomunicações*), 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 Integração 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 as GVT operates pursuant to a more flexible license that allows it to set its own tariffs

Note 27 Major consolidated entities or entities accounted under equity method

As of December 31, 2014, approximately 540 entities were consolidated or accounted for using the equity method (compared to approximately 630 entities as of December 31, 2013)

	Note	Country	December 31 2014 Accounting Method	December 31 2014 Voting Interest	December 31 2014 Ownership Interest	December 31 2013 Accounting Method	December 31 2013 Voting Interest	December 31 2013 Ownership Interest
Vivendi S.A		**France**		**Parent company**			**Parent company**	
Groupe Canal+ S.A		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société d Edition de Canal Plus (a)		France	C	49%	*49%*	C	49%	*49%*
Multithématiques S A S		France	C	100%	*100%*	C	100%	*100%*
Canal+ Overseas S A S		France	C	100%	*100%*	C	100%	*100%*
D8		France	C	100%	*100%*	C	100%	*100%*
Studiocanal S A		France	C	100%	*100%*	C	100%	*100%*
ITI Neovision		Poland	C	51%	*51%*	C	51%	*51%*
TVN	13	Poland	E	49%	*26%*	E	49%	*26%*
VSTV (b)		Vietnam	C	49%	*49%*	C	49%	*49%*
Universal Music Group Inc		**United States**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Universal Music Group Holdings Inc		United States	C	100%	*100%*	C	100%	*100%*
UMG Recordings Inc		United States	C	100%	*100%*	C	100%	*100%*
Vevo	13	United States	E	48%	*48%*	E	47%	*47%*
SIG 104		France	C	100%	*100%*	C	100%	*100%*
Universal International Music B V		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal Music Entertainment GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Universal Music LLC		Japan	C	100%	*100%*	C	100%	*100%*
Universal Music France S A S		France	C	100%	*100%*	C	100%	*100%*
Universal Music Holdings Limited		United Kingdom	C	100%	*100%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd		United Kingdom	C	100%	*100%*	C	100%	*100%*
Vivendi Village								
See Tickets		United Kingdom	C	100%	*100%*	C	100%	*100%*
Digitick		France	C	100%	*100%*	C	100%	*100%*
Wengo		France	C	100%	*90%*	C	100%	*95%*
Watchever Group S A		France	C	100%	*100%*	C	100%	*100%*
Watchever GmbH		Germany	C	100%	*100%*		100%	*100%*
Elektrim Telekomunikacja		Poland	C	100%	*100%*	C	100%	*100%*
Discontinued businesses	3							
Global Village Telecom S A (c)	3	Brazil	C	100%	*100%*	C	100%	*100%*
SFR (d)	3	France	na			C	100%	*100%*
Maroc Telecom S A (e)	3	Morocco	na			C	53%	*53%*

C Consolidated, E Equity, na, not applicable

a Vivendi consolidated Société d'Edition de Canal Plus since (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 through Canal+ Distribution S A S Canal+ Distribution S A S, wholly-owned by Vivendi, guarantees this company's results in return for exclusive commercial rights to its subscriber base

b VSTV (Vietnam Satellite Digital Television Company Limited) is held 49% by Canal+ Group and 51% by VCTV, a subsidiary of VTV (the Vietnamese public television company) This company has been consolidated by Vivendi given that Canal+ Group has both operational and financial control over it pursuant to a general delegation that was granted by the majority shareholder and pursuant to the company's bylaws

c On September 18, 2014, Vivendi entered into a definitive agreement with Telefonica for the sale of GVT

d On November 27, 2014, Vivendi completed the sale of SFR to Numericable Group

e On May 14, 2014, Vivendi completed the sale of its 53% interest in Maroc Telecom group

Note 28 Statutory auditors fees

Fees paid by Vivendi SA in 2014 and 2013 to its statutory auditors and members of the statutory auditor firms (including fees related to discontinued operations in 2014 and 2013 at prorate temporis, if any) were as follows

	KPMG S A				Ernst & Young et Autres				Total	
	Amount		Percentage		Amount		Percentage			
(in millions of euros)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Statutory audit certification, consolidated and individual financial statements audit										
Issuer	0 6	0 7	10%	10%	0 7	0 9	10%	13%	1 3	1 6
Fully consolidated subsidiaries	4 1	4 2	73%	60%	5 5	5 6	75%	80%	9 6	9 8
Other work and services directly related to the statutory audit										
Issuer	0 5	0 4	9%	6%	0 3	-	4%	-	0 8	0 4
Fully consolidated subsidiaries	0 1	0 7	2%	10%	0 5	0 1	7%	1%	0 6	0 8
Subtotal	**5.3**	**6 0**	**94%**	**86%**	**7 0**	**6.6**	**96%**	**94%**	**12.3**	**12 6**
Other services provided by the network to fully consolidated subsidiaries										
Legal, tax and social matters	0 2	0 7	3%	10%	0 2	0 3	3%	5%	0 4	1 0
Other	0 2	0 3	3%	4%	0 1	0 1	1%	1%	0 3	0 4
Subtotal	**0.4**	**1 0**	**6%**	**14%**	**0 3**	**0 4**	**4%**	**6%**	**0 7**	**1 4**
Total	**5.7**	**7 0**	**100%**	**100%**	**7 3**	**7.0**	**100%**	**100%**	**13.0**	**14 0**

Note 29 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 exemptions from audit, with respect to fiscal year 2014, under section 479A of the UK Companies Act 2006

Name	Company Number
BACKCITE LIMITED	2358972
CENTENARY UK LIMITED	03478918
DALMATIAN SONGS LIMITED	03506757
DECCA MUSIC GROUP LIMITED	718329
DUB DUB PRODUCTIONS LIMITED	3034298
EGW USD	8107589
EMI OVERSEAS HOLDINGS LIMITED	403200
EMI (IP) LIMITED	3984464
EMI CATALOGUE INVESTMENTS HOLLAND LIMITED	3038313
EMI GROUP AMERICA FINANCE LIMITED	2415597
EMI GROUP DANISH INVESTMENTS LIMITED	2421891
EMI GROUP ELECTRONICS LIMITED	461611
EMI GROUP FINANCE DENMARK LIMITED	2422007
EMI GROUP HOLDINGS (UK)	3158108
EMI GROUP INTERNATIONAL HOLDINGS LIMITED	1407770
EMI GROUP WORLDWIDE	3158106
EMI INVESTMENTS HOLLAND LIMITED	3038307
EMI LIMITED	53317
EMI RECORDED MUSIC (CHILE) LIMITED	07934340
EMI RECORDED MUSIC HOLDINGS (ITALY) LIMITED	6420969
EMI RECORDED MUSIC HOLDINGS (UK) LIMITED	6407212
EMI RECORDS GERMANY HOLDCO LIMITED	6420927
EMI RECORDS ITALY HOLDCO LIMITED	6420934
EMI RECORDS UK HOLDCO LIMITED	6388809
EMIG 4 LIMITED	3038275
F L U M MANAGEMENT LIMITED	07908238
G RICORDI & CO (LONDON) LIMITED	228233
GLOBE PRODUCTIONS LIMITED	05489649
JAYDONE LIMITED	4631083
LOUDCLOTHING COM LIMITED	06854812
MAWLAW 388 LIMITED	3590255
RELENTLESS 2006 LIMITED	3967906
UMGI (ATW) LIMITED	05103127
UNIVERSAL MUSIC (UK) HOLDINGS LIMITED	3383881
UNIVERSAL MUSIC ARTS & ENTERTAINMENT LIMITED	859087
UNIVERSAL MUSIC HOLDINGS (UK) LIMITED	337803
UNIVERSAL MUSIC LEISURE LIMITED	3384487
UNIVERSAL MUSIC PUBLISHING BL LIMITED	02037678
UNIVERSAL MUSIC PUBLISHING INTERNATIONAL MGB LIMITED	02200287
UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED	05092413
UNIVERSAL MUSIC PUBLISHING PGM LIMITED	3771282
UNIVERSAL SRG (UB40) LIMITED	05158521
UNIVERSAL SRG (W A R) LIMITED	05221402
UNIVERSAL SRG ARTIST SERVICES LIMITED	01890289
UNIVERSAL SRG GROUP LIMITED	00284340
UNIVERSAL SRG MUSIC PUBLISHING COPYRIGHTS LIMITED	2873472
UNIVERSAL SRG MUSIC PUBLISHING LIMITED	02898402
UNIVERSAL SRG STUDIOS LIMITED	03050388
UNIVERSAL/ANXIOUS MUSIC LIMITED	01862328
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
V2 MUSIC GROUP LIMITED	03205625
VIRGIN MUSIC GROUP	2259349
VIRGIN RECORDS OVERSEAS LIMITED	335444
VRL 1 LIMITED	3967882

Note 30 Subsequent events

The significant events that occurred between December 31, 2014 and February 11, 2015 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2014) were as follows

- On January 19, 2015, following a call for tenders process carried out by the National Rugby League, Canal+ Group secured exclusive rights related to all of the National French Rugby Championship's "TOP 14" matches These rights, which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, cover the seasons 2015-2016 to 2018-2019, and
- In February 2015, Vivendi announced the creation of Vivendi Contents, managed by Mr Rodolphe Belmer, Chief Executive Officer of Canal+ Group Vivendi Contents will be in charge of the design, leadership and development of new content support for music and visual image, and will manage related investments

Note 31 Adjustment of comparative information

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT, SFR, Maroc Telecom, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations in accordance with the following terms

- **Ongoing sales as of December 31, 2014**· On September 18, 2014, Vivendi and Telefonica entered into an agreement for the sale of GVT As a result, GVT has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation, as from the third quarter of 2014 Its contribution to each line of Vivendi's Consolidated Statement of Financial Position, as of December 31, 2014, has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses"
- **Completed sales as of December 31, 2014** Vivendi deconsolidated SFR, Maroc Telecom group and Activision Blizzard as from November 27, 2014, May 14, 2014, and October 11, 2013, respectively All three businesses have been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations

As a result, the previously published Financial Statements were adjusted

31 1 Adjustments made to the main aggregates of the Consolidated Statement of Earnings

The adjustments to data published for the first quarter and the first half of 2014 are reported below and only relate to GVT

	2014		
(in millions of euros)	Three months ended March 31,	Three months ended June 30	Six months ended June 30
Earnings before interest and income taxes (EBIT) (as previously published)	**176**	**260**	**436**
Reclassifications related to the application of IFRS 5 for GVT	- 76	- 81	- 157
Earnings before interest and income taxes (EBIT) (restated)	**100**	**179**	**279**

The adjustments to data published in the 2013 Annual Report are reported below and only relate to GVT and SFR

	2013		
(in millions of euros)	Three months ended March 31	Three months ended June 30	Six months ended June 30
Earnings before interest and income taxes (EBIT) (as published (a))	**472**	**668**	**1,140**
Reclassifications related to the application of IFRS 5 for GVT	- 85	- 84	- 169
Reclassifications related to the application of IFRS 5 for SFR	311	- 360	- 671
Earnings before interest and income taxes (EBIT) (restated)	**76**	**224**	**300**

	2013			
(in millions of euros)	Three months ended September 30,	Nine months ended September 30,	Three months ended December 31	Year ended December 31
Earnings before interest and income taxes (EBIT) (as published (a))	**610**	**1,750**	**(2,185)**	**(435)**
Reclassifications related to the application of IFRS 5 for GVT	- 90	- 259	- 96	- 355
Reclassifications related to the application of IFRS 5 for SFR	317	- 988	+ 2,415	+ 1,427
Earnings before interest and income taxes (EBIT) (restated)	**203**	**503**	**134**	**637**

a As published in the 2013 Financial Report

31.2 Adjustments made for the Statements of Cash Flows

	Year ended December 31, 2013		
(in millions of euros)	Published	Reclassifications related to IFRS 5 (a)	Restated
Operating activities			
EBIT	(435)	+ 1 072	637
Adjustments	4 911	- 4 354	557
Content investments, net	(148)	-	(148)
Gross cash provided by operating activities before income tax paid	***4,328***	***- 3,282***	***1,046***
Other changes in net working capital	(308)	+ 344	36
Net cash provided by operating activities before income tax paid	***4,020***	***- 2,938***	***1,082***
Income tax paid net	(197)	+ 402	205
Net cash provided by operating activities of continuing operations	***3,823***	***- 2,536***	***1,287***
Net cash provided by operating activities of discontinued operations	1 417	+ 2 536	3,953
Net cash provided by operating activities	**5,240**	**-**	**5,240**
Investing activities			
Capital expenditures	(2 674)	+ 2,396	(278)
Purchases of consolidated companies after acquired cash	(43)	+ 1	(42)
Investments in equity affiliates	(2)	+ 2	
Increase in financial assets	(106)	+ 41	(65)
Investments	***(2,825)***	***+ 2,440***	***(385)***
Proceeds from sales of property plant equipment and intangible assets	50	- 17	33
Proceeds from sales of consolidated companies, after divested cash	2,748	- 9	2,739
Disposal of equity affiliates	8		8
Decrease in financial assets	727	- 3	724
Divestitures	***3,533***	***- 29***	***3,504***
Dividends received from equity affiliates	3	-	3
Dividends received from unconsolidated companies	54	-	54
Net cash provided by/(used for) investing activities of continuing operations	***765***	***+ 2,411***	***3,176***
Net cash provided by/(used for) investing activities of discontinued operations	(1,952)	- 2 411	(4,363)
Net cash provided by/(used for) investing activities	**(1,187)**	**-**	**(1,187)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	195		195
Sales/(purchases) of Vivendi SA's treasury shares	-		
Dividends paid by Vivendi SA to its shareowners	(1 325)		(1,325)
Other transactions with shareowners	(1 046)		(1,046)
Dividends paid by consolidated companies to their non-controlling interests	(37)	+ 4	(33)
Transactions with shareowners	***(2,213)***	***+ 4***	***(2,209)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	2,491	- 86	2,405
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1,923)	+ 13	(1,910)
Principal payment on short-term borrowings	(5 211)	+ 50	(5,161)
Other changes in short term borrowings and other financial liabilities	31	+ 5	36
Interest paid net	(528)	+ 262	(266)
Other cash items related to financial activities	(349)	+ 19	(330)
Transactions on borrowings and other financial liabilities	***(5,489)***	***+ 263***	***(5,226)***
Net cash provided by/(used for) financing activities of continuing operations	***(7,702)***	***+ 267***	***(7,435)***
Net cash provided by/(used for) financing activities of discontinued operations	1,284	- 267	1 017
Net cash provided by/(used for) financing activities	**(6,418)**	**-**	**(6,418)**
Foreign currency translation adjustments of continuing operations	(48)	+ 28	(20)
Foreign currency translation adjustments of discontinued operations	(44)	- 28	(72)
Change in cash and cash equivalents	**(2,457)**	**-**	**(2,457)**
Reclassification of cash and cash equivalents from discontinued operations	(396)	-	(396)
Cash and cash equivalents			
At beginning of the period	3,894	-	3,894
At end of the period	1,041	-	1,041

a Relates to GVT and SFR (please refer to Note 3)