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Financial Report and Audited Consolidated Financial Statements for the Year Ended December 31, 2013

February 25, 2014

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VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,367,854,620 50

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Selected key consolidated financial data

	Year ended December 31				
	2013	2012 (a)	2011	2010	2009
Consolidated data					
Revenues (b)	22 135	22 577	28 813	28 878	27 132
EBITA (b) (c)	2 433	3 163	5 860	5 726	5 390
Earnings attributable to Vivendi SA shareowners	1 967	179	2 681	2 198	830
Adjusted net income (c)	1 540	1,705	2,952	2 698	2 585
Financial Net Debt (c)	11 097	13 419	12 027	8,073	9 566
Total equity	19 030	21,291	22 070	28 173	25 988
of which Vivendi SA shareowners' equity	17 457	18 325	19,447	24 058	22 017
Cash flow from operations before capital expenditures, net (CFFO before capex net)	4 077	5 189	8 034	8 569	7 799
Capital expenditures net (capex net) (d)	(2 624)	(3 976)	(3 340)	(3,357)	(2 562)
Cash flow from operations (CFFO) (c)	1 453	1 213	4 694	5 212	5 237
Financial investments	(151)	(1 731)	(636)	(1 397)	(3 050)
Financial divestments	3 483	204	4 701	1,982	97
Dividends paid with respect to previous fiscal year	1 325	1 245	1 731	1 721	1,639 (e)
Per share data					
Weighted average number of shares outstanding (f)	1 330 6	1 298 9	1 281 4	1 273 8	1 244 7
Adjusted net income per share (f)	**1 16**	**1.31**	**2.30**	**2 12**	**2.08**
Number of shares outstanding at the end of the period (excluding treasury shares) (f)	1 339 6	1 322 5	1 287 4	1 278 7	1 270 3
Equity per share attributable to Vivendi SA shareowners (f)	13 03	13 86	15 11	18 81	17 33
Dividends per share paid with respect to previous fiscal year	**1 00**	**1 00**	**1 40**	**1 40**	**1 40**

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

a As from the second quarter of 2013, in compliance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), as a result of the plans to sell Activision Blizzard and Maroc Telecom group (please refer to Section 1 1), Activision Blizzard and Maroc Telecom group have been reported in the 2013 and 2012 Consolidated Statement of Earnings and Statement of Cash Flows as discontinued operations (please refer to Section 1 1 3 3 of this Financial Report and to Note 7 to the Consolidated Financial Statements for the year ended December 31, 2013) On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest In addition, the contribution of Maroc Telecom group to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2013 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses"
Moreover, data published with respect to fiscal year 2012 has been adjusted following the application of amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013, with retrospective effect from January 1, 2012 (please refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013)
These adjustments are presented in Appendix 1 to the Financial Report and in Note 33 to the Consolidated Financial Statements for the year ended December 31, 2013
Data presented with respect to fiscal years from 2009 to 2011 corresponds to historical data and has not been adjusted

b An analysis of revenues and EBITA by operating segment in 2013 and 2012 is presented in Section 4 1 of this Financial Report and in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2013

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

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

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

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

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

- 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 on March 18, 2013 with the French Autorité des Marchés Financiers (AMF), and in pages 168 to 319 of the English translation of this "Document de Référence", and
- 2011 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2011, prepared under IFRS and the related Statutory Auditors' Report presented in pages 130 to 266 of the "Document de Référence" No D 12-0175, filed on March 19, 2012 with the French Autorité des Marchés Financiers (AMF), and in pages 128 to 264 of the English translation of this "Document de Référence"

I – 2013 Financial Report

Preliminary comments:

On February 19, 2014, during a meeting held at the headquarters of the company, the Management Board approved the Annual Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013 Having considered the Audit Committee's recommendation given at its meeting held on February 18, 2014, the Supervisory Board, at its meeting held on February 21, 2014, reviewed the Annual Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013, as approved by the Management Board on February 19, 2014

The Consolidated Financial Statements for the year ended December 31, 2013 have been audited and certified by the Statutory Auditors with no qualified opinion The Statutory Auditors' Report on the Consolidated Financial Statements is included in the preamble to the Financial Statements

1 Significant events

1.1 Significant events in 2013

1.1.1 Ongoing strategic review

As publicly announced to shareholders on several occasions in 2012 and 2013, Vivendi's Management Board and Supervisory Board are carrying out a review of the group's strategic development In 2013, Vivendi sold most of its interest in Activision Blizzard and entered into a definitive agreement with Etisalat to sell its interest in Maroc Telecom The group has decided to focus on its media and content activities, which hold leading positions and are taking advantage of the growing digital market It has strengthened its presence in Canal+ France, now fully owned Vivendi is also reshaping SFR The operator has begun to benefit from its transformation plan, by re-taking the commercial lead and by reducing costs SFR has also entered into an agreement to share part of its mobile network with Bouygues Telecom, allowing it to offer better coverage and strengthened service quality to its customers Based on this, the group aims to position the future Vivendi as a dynamic player in media and content With SFR, it intends to participate in the reorganization of the telecommunication sector in France, exploring actively all potential opportunities

During the second half of 2013, the group reached important strategic milestones

- on October 11, 2013, Vivendi completed the sale of 88% of its interest in Activision Blizzard for $8 2 billion (or €6 billion), in cash In addition, Vivendi retained 83 million Activision Blizzard shares, representing 11 9% of Activision Blizzard's outstanding share capital, which are subject to a staggered 15-month lock-up period,
- on November 4, 2013, Vivendi entered into a definitive agreement with Etisalat for the sale of Vivendi's 53% interest in Maroc Telecom group for €4 2 billion in cash, including a €310 million dividend distribution with respect to fiscal year 2012, according to the financial terms known to date Completion of this transaction is contingent upon the satisfaction of certain closing conditions, including receipt of required regulatory approvals in Morocco and the countries in which Maroc Telecom group operates, as well as finalization of the shareholders' agreement between Etisalat and the Kingdom of Morocco This transaction is expected to be completed during the first months of 2014, and
- on November 5, 2013, Vivendi acquired Lagardère Group's 20% interest in Canal+ France for €1,020 million in cash

As a result of the sale of Activision Blizzard, Vivendi has begun to significantly reduce its debt during the fourth quarter of 2013 by implementing a US dollar and euro bond repurchase program in an aggregate amount of €3 billion, thus gaining greater financial flexibility (please refer to Section 5)

1.1.2 Planned demerger of the group

On November 26, 2013, Vivendi's Supervisory Board approved the group's planned demerger to form two separate companies (i) a new international media group based in France, with very strong positions in music (as the worldwide leader), in European cinema, in pay-TV in France, Africa, Vietnam, and Poland, and in the Internet and associated services in Brazil, and (ii) SFR The decision to implement this project could be taken in the near future and, if appropriate, submitted to the General Shareholders' Meeting for approval on June 24, 2014

Vivendi considers that the conditions for the application of IFRS 5 to the proposed demerger in the 2013 Financial Statements are not met

1.1.3 Sales of Activision Blizzard and Maroc Telecom group

1.1.3.1 Activision Blizzard

On October 11, 2013, Vivendi completed the sale of 88% of its interest in Activision Blizzard, or 600 64 million shares priced at $13 60 per share, for $8,169 million (€6,044 million) in cash

The key terms of this sale are as follows

- through the acquisition of a Vivendi subsidiary, Activision Blizzard repurchased 428 68 million shares at $13 60 per share for a cash consideration of $5,830 million,
- concomitantly, Vivendi sold 171 97 million Activision Blizzard shares at $13 60 per share for a cash consideration of $2,339 million to an investor group (ASAC II LP) led by Mr Robert Kotick, Activision Blizzard's Chief Executive Officer, and Mr Brian Kelly, the Chairman of the Board of Directors ASAC II LP owns approximately 24 7% of the outstanding share capital (following the repurchase of 428 68 million shares by Activision Blizzard),
- pursuant to the simultaneous closings of both sales on October 11, 2013, Vivendi retained 83 million Activision Blizzard shares, representing 11 9% of Activision Blizzard's outstanding share capital (following the repurchase of 428 68 million shares by Activision Blizzard) Vivendi's remaining ownership interest is subject to a staggered 15-month lock-up period as described in Note 7 to the Consolidated Financial Statements for the year ended December 31, 2013 The sale proceeds from the remaining ownership interest are estimated at a total of $1,129 million (€832 million), assuming the hypothesis of $13 60 per share and at $1,480 million (€1,078 million), assuming the hypothesis of Activision Blizzard's share price on December 31, 2013 of $17 83 per share, and
- the agreement governing the transaction includes certain continuing commitments given by the parties (please refer to Note 7 to the Consolidated Financial Statements for the year ended December 31, 2013)

Deconsolidation of Activision Blizzard as from October 11, 2013

As from October 11, 2013, as a result of the sale of 600 64 million shares of, or a 53 46% interest in Activision Blizzard, Vivendi lost control of and deconsolidated Activision Blizzard In the Consolidated Financial Statements for the year ended December 31, 2013, the remaining 83 million Activision Blizzard shares have been recorded as assets held for sale, subject to the staggered lock-up period

Capital gain on divestiture

From an accounting perspective and in accordance with IFRS, Vivendi is considered to have sold 100% of its interest in Activision Blizzard following the loss of control of this subsidiary The gain on sale has been determined as the difference between the value of 100% of the Activision Blizzard shares owned by Vivendi at a price of $13 60 per share (less costs to sell) (€6,851 million) and the value of Activision Blizzard's net assets attributable to Vivendi SA shareowners, as recorded in Vivendi's Consolidated Financial Statements at the date of the loss of control (€4,491 million) Moreover, in accordance with IFRS, foreign currency translation adjustments attributable to Vivendi SA shareowners in relation to Activision Blizzard have been reclassified to profit or loss, i e , a gain of €555 million Thus the total capital gain on the divestiture which amounted to €2,915 million with no tax impact, has been recognized in the Consolidated Statements under the line "Earnings from discontinued operations"

1 1 3 2 Maroc Telecom group

On November 4, 2013, Vivendi entered into a definitive agreement with Etisalat, with whom exclusive negotiations had begun on July 22, 2013, regarding the sale of Vivendi's 53% interest in Maroc Telecom group The key terms of this agreement known to date are as follows

- the agreement values the interest in Maroc Telecom group at MAD 92 6 per share or sale proceeds to Vivendi of approximately €4 2 billion in cash, including a €310 million dividend distribution with respect to fiscal year 2012, according to the financial terms known to date Taking into account Maroc Telecom group's net debt, the transaction reflects a proportional enterprise value of €4 5 billion for Vivendi's interest, equal to an EBITDA multiple of 6 2x, and
- the completion of this transaction is contingent upon the satisfaction of certain closing conditions, including receipt of required regulatory approvals in Morocco and the countries in which Maroc Telecom group operates, as well as finalization of the shareholders' agreement between Etisalat and the Kingdom of Morocco This transaction is expected to be completed during the first months of 2014

1 1 3 3 Accounting implications in the Consolidated Financial Statements

As from the second quarter of 2013, and in compliance with IFRS 5 taking into account the anticipated closing dates of the effective sales, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings, Statement of Cash Flows, and Statement of Financial Position as discontinued operations

In practice, Activision Blizzard and Maroc Telecom group have been reported as follows

- their contribution, until the effective sale, 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
- 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" Their cash flow from operations (CFFO), cash flow from operations before capital expenditures, net (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 accordance with IFRS 5, these adjustments have been applied to all periods presented in the Consolidated Financial Statements (2013 and 2012) to ensure consistency of information

Moreover, the contribution of Maroc Telecom group to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2013 has been grouped under the lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses" Its Financial Net Debt was excluded from Vivendi's Financial Net Debt as of December 31, 2013

Please refer to Note 7 to the Consolidated Financial Statements for the year ended December 31, 2013

1.1.4 Acquisition of Lagardère group's non-controlling interest in Canal+ France

On November 5, 2013, Vivendi acquired Lagardère Group's 20% interest in Canal+ France, for €1,020 million in cash In accordance with IFRS 10, Vivendi recorded this transaction as an acquisition of a non-controlling interest. 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 (-€636 million) In addition, Vivendi and Lagardère Group have settled all disputes between them (please refer to Note 28 to the Consolidated Financial Statements for the year ended December 31, 2013) Thereafter, Canal+ France S A was merged with and into Canal+ Group S A , pursuant to a simplified merger, with retroactive effect to January 1, 2013

1.1.5 Completion of the acquisition of EMI Recorded Music by Vivendi and Universal Music Group (UMG)

As a reminder, on September 28, 2012 Vivendi and UMG completed the acquisition of 100% of the recorded music business of EMI Group Global Limited (EMI Recorded Music) EMI Recorded Music has been fully consolidated since that date The purchase price, in enterprise value, amounted to £1,130 million (€1,404 million) The authorization by the European Commission was notably conditional upon the divestment of the Parlophone, Now, and Mute labels In accordance with IFRS 5, Vivendi reported these assets as assets held for sale at market value (less costs to sell), in the Statements of Financial Position, until completion of the sale

On February 7, 2013, Vivendi and UMG announced that they had entered into an agreement for the sale of Parlophone Label Group to Warner Music Group for an enterprise value of £487 million to be paid in cash Following the approval by the European Commission on May 15, 2013, the sale of Parlophone Label Group was completed on July 1, 2013 and Vivendi received consideration of £501 million (€591 million), including the provisional estimated contractual price adjustments (£14 million)

Moreover, the divestments of Sanctuary, Now, and Mute were completed

The aggregate amount of divestments made in compliance with the conditions imposed by the regulatory authorities in connection with the acquisition of EMI Recorded Music was £543 million, less costs to sell (approximately €679 million, including €39 million in gains on foreign exchange hedging and a consideration of €19 million remaining payable as of December 31, 2013)

1.1.6 Agreement to share a part of SFR's mobile access networks

On January 31, 2014, SFR and Bouygues Telecom entered into a strategic agreement to share a part of their mobile access networks, following a period of negotiations announced in July 2013 They will roll out a new shared network in an area covering 57% of the French population This agreement will enable both operators to improve their mobile coverage and generate significant savings over time

The agreement is based on two principles

- the creation of a joint company, to manage the shared base station assets, and
- entry by the operators into a RAN-sharing service agreement covering 2G, 3G, and 4G services in the shared area

This network-sharing agreement is similar to numerous arrangements already existing in other European countries Each operator will retain its own innovation capacity as well as complete commercial and pricing independence

The network-sharing agreement took effect upon the signing of the agreement and the shared network is expected to be completed by the end of 2017

From an accounting perspective, this agreement had no impact on the accounts for fiscal year 2013

1.1.7 Acquisitions by Canal+ Group

Acquisition of a 51% interest in Mediaserv

On July 12, 2013, Canal+ Overseas entered into an agreement with Loret Group to acquire a 51% majority interest in Mediaserv, an overseas telecom operator On February 10, 2014, the French Competition Authority approved this acquisition, which was completed on February 13, 2014

Acquisition of a 60% interest in Red Production Company

On December 5, 2013, Studiocanal acquired a 60% majority interest in Red Production Company, a British company which produces television series

Acquisition of an additional interest in N-Vision

On November 30, 2012, Canal+ Group acquired a 40% interest in N-Vision, which indirectly holds a 52% interest in TVN On December 18, 2013, in accordance with the shareholders' agreement, ITI exercised its put option to sell to Canal+ Group a 9% interest in N-Vision's share capital and voting rights for €62 million, paid in cash in February 2014 Canal+ Group's ownership interest in N-Vision thus increased to 49%

1.1 8 Financial Net Debt change

For a detailed description of the new financings set up in 2013 as well as the redemptions following the closing of the Activision Blizzard sale, please refer to Section 5 For a detailed description of the maturities of the bonds and bank credit facilities as of December 31, 2013, please refer to Note 23 to the Consolidated Financial Statements for the year ended December 31, 2013

1.2 Significant events since December 31, 2013

The significant events that have occurred since December 31, 2013 were as follows

- on January 14, 2014, Canal+ Group won the exclusive broadcasting rights to the national French Rugby Championship "TOP 14" for five seasons (2014-2015 to 2018-2019) These rights relate to all of the TOP 14 matches, across all media and all territories,
- on January 31, 2014, SFR and Bouygues Telecom entered into a strategic agreement to share a part of their mobile access networks, and
- on February 13, 2014, Vivendi entered into exclusive negotiations with Belgacom to acquire 100% of its subsidiary Telindus France Group, a leader on the French markets of telecommunication integration and networks Once signed, the transaction will be submitted to the French competition authority approval

2 Earnings analysis

Preliminary comments:

As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings as discontinued operations In practice, income and charges from these two 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",*
- *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*

On October 11 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest

Moreover, data published with respect to fiscal year 2012 has been adjusted following the application of amended IAS 19, whose application is mandatory in the European Union beginning on or after January 1 2013, with retrospective effect from January 1, 2012 (please refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013)

These adjustments are presented in Appendix 1 to this Financial Report and in Note 33 to the Consolidated Financial Statements for the year ended December 31, 2013

2 1 Consolidated Statement of Earnings and Adjusted Statement of Earnings

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Year ended December 31		Year ended December 31		
	2013	2012 (a)	2013	2012 (a)	
Revenues	**22,135**	**22,577**	**22,135**	**22,577**	**Revenues**
Cost of revenues	(12 988)	(12 672)	(12 988)	(12 672)	Cost of revenues
Margin from operations	**9,147**	**9,905**	**9,147**	**9,905**	**Margin from operations**
Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(6 443)	(6 469)	(6 443)	(6 469)	Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(271)	(273)	(271)	(273)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(462)	(436)			
Impairment losses on intangible assets acquired through business combinations	(2 437)	(760)			
Reserve accrual related to the Liberty Media Corporation litigation in the United States	-	(945)			
Other income	88	19			
Other charges	(57)	(236)			
EBIT	**(435)**	**805**	**2,433**	**3,163**	**EBITA**
Income from equity affiliates	(33)	(38)	(33)	(38)	Income from equity affiliates
Interest	(528)	(544)	(528)	(544)	Interest
Income from investments	67	7	67	7	Income from investments
Other financial income	51	37			
Other financial charges	(561)	(204)			
Earnings from continuing operations before provision for income taxes	**(1,439)**	**63**	**1,939**	**2,588**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(417)	(604)	(282)	(766)	Provision for income taxes
Earnings from continuing operations	**(1,856)**	**(541)**			
Earnings from discontinued operations	4 635	1 505			
Earnings	**2,779**	**964**	**1,657**	**1,822**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,967**	**179**	**1,540**	**1,705**	**Adjusted net income**
Non-controlling interests	812	785	117	117	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1 48**	**0 14**	**1 16**	**1.31**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1 47**	**0 14**	**1 15**	**1.31**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts

a Data published with respect to fiscal year 2012 has been adjusted following the application of IFRS 5 and amended IAS 19 (please refer to the preliminary comments above)

2.2 Earnings review

Adjusted net income analysis

Adjusted net income was €1,540 million (or €1 16 per share[2]), compared to €1,705 million (or €1 31 per share) in 2012 This €165 million decrease (-9 7%) resulted primarily from

- a €730 million decrease in EBITA to a total of €2,433 million (compared to €3,163 million in 2012) This change mainly reflected the decline in the performances of SFR (-€527 million), GVT (-€83 million, primarily due to the decline in value of the Brazilian Real), Canal+ Group (-€52 million, including the increase in transition costs related to D8/D17 and "n" for -€39 million), and Universal Music Group (-€15 million, including the increase in restructuring charges for -€35 million and integration costs related to EMI Recorded Music for -€8 million) Moreover, this change included the costs related to the launch of Watchever in Germany (-€66 million),
- a €5 million increase attributable to the change in income from equity affiliates,
- a €16 million decrease in interest,
- a €60 million increase in income from investments, and
- a €484 million decrease in income tax expense, mainly reflecting the impact of the decline in the group's business segments' taxable income (+€199 million), primarily due to SFR, the favorable impact of certain non-recurring items (+€149 million), and the increase in the current tax savings related to Vivendi SA's tax group System (+€50 million), primarily due to Canal+ Group

Breakdown of the main items from the Statement of Earnings

Revenues were €22,135 million, compared to €22,577 million in 2012 (-2 0%, or +0 2% at constant currency) For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report

Costs of revenues amounted to €12,988 million, compared to €12,672 million in 2012, a €316 million increase (+2 5%)

Margin from operations decreased by €758 million, to €9,147 million, compared to €9,905 million in 2012 (-7 7%)

Selling, general and administrative expenses, excluding the amortization of intangible assets acquired through business combinations, amounted to €6,443 million, compared to €6,469 million in 2012, a €26 million decrease (-0 4%)

Depreciation and amortization of tangible and intangible assets are included either in the cost of revenues or in selling, general and administrative expenses Depreciation and amortization, excluding amortization of intangible assets acquired through business combinations, amounted to €2,207 million (compared to €2,079 million in 2012), an additional €128 million charge (+6 2%) This change mainly resulted from the increase in the depreciation of telecommunication network assets of SFR and GVT

Restructuring charges and other operating charges and income amounted to a net charge of €271 million, compared to a net charge of €273 million in 2012 In 2013, restructuring charges were €208 million (compared to €273 million in 2012) and included €114 million incurred by UMG (compared to €79 million in 2012) and €93 million incurred by SFR (compared to €187 million in 2012) In 2013, transition costs incurred by Canal+ Group and UMG amounted to €50 million (of which €43 million related to 'n" and €7 million related to D8/D17, compared to €11 million in 2012) and €27 million (compared to €19 million in 2012), respectively Moreover, in 2012, other operating charges included the €66 million fine ordered against SFR by the French Competition Authority in December 2012

EBITA was €2,433 million, compared to €3,163 million in 2012, a €730 million decrease (-23 1%, or -20 6% at constant currency) For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report

Amortization of intangible assets acquired through business combinations was €462 million, compared to €436 million in 2012, a €26 million increase (+6 0%), mainly related to the amortization of music rights and catalogs acquired by Universal Music Group from EMI Recorded Music on September 28, 2012

Impairment losses on intangible assets acquired through business combinations amounted to €2,437 million, compared to €760 million in 2012 In 2013, they reflected the impairment of SFR's goodwill (€2,431 million) In 2012, they related to the impairment of Canal+ France's goodwill (€665 million) and certain goodwill and music catalogs of Universal Music Group (€94 million)

As of December 31, 2012 based on the verdict rendered on June 25, 2012 in relation to **the Liberty Media Corporation litigation in the United States**, which was confirmed by the court in New York on January 9, 2013 and entered into the record by the judge on January 17 2013, Vivendi accrued a reserve for the full amount of the judgment (€945 million), representing €765 million in damages and €180 million in pre-judgment interest covering the period from December 16, 2001 to January 17, 2013, at the rate of one-year U S Treasury notes As of December 31, 2013, this €945 million reserve as well as the €100 million reserve recognized at year-end 2010 in relation to the Securities

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

Class Action in the United States were unchanged Please refer to Note 28 to the Consolidated Financial Statements for the year ended December 31, 2013

Other income amounted to €88 million, compared to €19 million in 2012 In 2013, it notably included the gain related to Universal Music Group's 2 8% interest dilution in Vevo (€18 million)

Other charges amounted to €57 million, compared to €236 million in 2012 In 2012, they mainly included the €119 million impairment loss on Canal+ Group's interest in N-Vision in Poland and €63 million in acquisition costs (EMI Recorded Music, and the strategic partnership in Poland)

EBIT was a €435 million loss, compared to a €805 million gain in 2012, an unfavorable change of €1,240 million, mainly reflecting the decrease in 2013 EBITA (-€730 million), as well as the impairment of SFR's goodwill (€2,431 million) as of December 31, 2013, partially offset by the reserve accrual in relation to the Liberty Media Corporation litigation in the United States (€945 million) and the impairment of Canal+ France's goodwill (€665 million) as of December 31, 2012

Income from equity affiliates was a €33 million charge, compared to a €38 million charge in 2012

Interest was an expense of €528 million, compared to €544 million in 2012, a €16 million decrease (-2 9%)
In 2013, interest expense on borrowings amounted to €553 million, compared to €572 million in 2012 This change was mainly attributable to the decrease in the average interest rate on borrowings to 3 38% (compared to 3 46% in 2012) and to the stability in the average outstanding borrowings of €16 3 billion in 2013 (compared to €16 5 billion in 2012) Indeed, the impact on the average outstanding borrowings of the sales of Activision Blizzard on October 11, 2013 (€6 billion) and of Parlophone Label Group on July 1, 2013 (€0 7 billion), was offset by the impact of the acquisitions of EMI Recorded Music on September 28, 2012 (€1 4 billion) and of Lagardère's interest in Canal+ France on November 5, 2013 (€1 billion)
Interest income earned on cash and cash equivalents amounted to €25 million, compared to €28 million in 2012, a €3 million decrease

Income from investments amounted to €67 million, compared to €7 million in 2012 It included interest and dividends received from unconsolidated companies, notably including a €54 million dividend received by UMG from Beats in 2013

Other financial charges and income amounted to a net charge of €510 million, compared to a net charge of €167 million in 2012 They mainly included premiums and costs related to the early bond redemptions made during the fourth quarter of 2013 following the sale of the majority of Vivendi's interest in Activision Blizzard (-€207 million) as well as the -€186 million foreign exchange loss (compared to a €76 million foreign exchange loss in 2012) on GVT's intercompany euro loan from Vivendi, due to the decline in value of the Brazilian Real Please refer to Note 5 to the Consolidated Financial Statements for the year ended December 31, 2013

Income taxes reported to adjusted net income was a net charge of €282 million, compared to a net charge of €766 million in 2012, a €484 million decrease This change mainly reflected the impact of the decline in the group's business segments' taxable income (+€199 million), primarily due to SFR, the favorable impact of certain non-recurring items (+€149 million), which reflected the change, during the period, in the assessment of risks related to previous years' income taxes, and the increase in current tax savings related to Vivendi SA's tax group System (+€50 million), primarily related to Canal+ Group The effective tax rate reported to adjusted net income was 14 3%, compared to 29 2% in 2012 Excluding the favorable impact of certain non-recurring items, the effective tax rate on adjusted net income was 20 8% in 2013 (compared to 28 3% in 2012)
In addition, **provision for income taxes** was a net charge of €417 million, compared to a net charge of €604 million in 2012, a €187 million decrease In addition to the factors explaining the decrease in income taxes reported to adjusted net income, this change reflected the additional contribution of 3% on Vivendi SA's dividend for fiscal year 2012 (€40 million) as well as the change in deferred tax savings related to Vivendi SA's tax group System, which was a €161 million charge in 2013 (compared to a €48 million charge in 2012)

Earnings from discontinued operations (before non-controlling interests) amounted to €4,635 million, compared to €1,505 million in 2012 In 2013, it included the capital gain on the divestiture of Activision Blizzard on October 11, 2013 (€2,915 million) and the change in value, since that date, of the 83 million Activision Blizzard shares still owned by Vivendi as of December 31, 2013 (gain of €245 million) Moreover, earnings from discontinued operations included Activision Blizzard's earnings until the effective date of divestiture (€692 million, compared to €873 million in 2012), as well as Maroc Telecom group's earnings (€783 million in 2013, compared to €632 million in 2012) In 2013, these earnings also took into account the discontinuation of the amortization of tangible and intangible assets of these two businesses since July 1, 2013, in accordance with accounting standards (+€270 million impact in 2013)
Please refer to Note 7 to the Consolidated Financial Statements for the year ended December 31, 2013

Earnings attributable to non-controlling interests amounted to €812 million, compared to €785 million in 2012, a €27 million increase (+3 4%) It primarily included Maroc Telecom group's non-controlling interests (€435 million in 2013, compared to €335 million in 2012) and Activision Blizzard's non-controlling interests (€269 million from January 1, 2013 to October 11, 2013, compared to €337 million in 2012)

Adjusted net income attributable to non-controlling interests amounted to €117 million, unchanged compared to December 31, 2012, and primarily included Lagardère's non-controlling interest in Canal+ Group until November 5, 2013

In 2013, **earnings attributable to Vivendi SA shareowners** amounted to €1,967 million (or €1 48 per share), compared to €179 million (or €0 14 per share) in 2012, a €1,788 million increase This change mainly reflected in 2013, the capital gain on the divestiture of Activision Blizzard (€2,915 million), partially offset by the impairment of SFR's goodwill (-€2,431 million), and in 2012, the reserve accrual in relation to the Liberty Media Corporation litigation in the United States (-€945 million) and the impairment of Canal+ France's goodwill (-€665 million)

The reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income is further described in Appendix 1 to this Financial Report In 2013, this reconciliation primarily included the capital gain on the divestiture of Activision Blizzard (+€2,915 million), the change in value of the 83 million shares in Activision Blizzard still owned by Vivendi as of December 31, 2013 (gain of €245 million), Activision Blizzard's earnings until October 11, 2013 (+€423 million, after non-controlling interests) and Maroc Telecom group's earnings in 2013 (+€348 million, after non-controlling interests), offset by the impairment of SFR's goodwill (-€2,431 million), the amortization and impairment of intangible assets acquired through business combinations (-€320 million, after taxes), as well as other financial charges, net (-€510 million) In 2012, this reconciliation primarily included earnings from Activision Blizzard and Maroc Telecom group (+€833 million, after non-controlling interests), the reserve accrual in relation to the Liberty Media Corporation litigation in the United States (-€945 million), the impairment of Canal+ France's goodwill (-€665 million), and amortization and impairment losses on intangible assets acquired through business combinations (-€388 million, after taxes)

3 Cash flow from operations analysis

Preliminary comments.

- *Vivendi considers that the non-GAAP measures cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and taxes (CFAIT) are relevant indicators of the group's operating and financial performance These indicators should be considered in addition to, and not as substitutes for, other GAAP measures as reported in Vivendi's Cash Flow Statement, contained in the group's Consolidated Financial Statements*
- *As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Cash Flows as discontinued operations In practice, cash flows from these two 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, net (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 2013, cash flow from operations (CFFO) generated by business segments was €1,453 million (compared to €1,213 million in 2012), an improvement of €240 million (+19 8%) In 2012, capital expenditures notably included the acquisition by SFR of 4G mobile spectrum for €1,065 million Excluding this impact, CFFO decreased by €825 million (-36 2%)

In 2013, cash flow from operations before capital expenditures (CFFO before capex, net) generated by business segments amounted to €4,077 million (compared to €5,189 million in 2012), a €1,112 million decrease This change reflected a decrease in EBITDA after changes in net working capital (-€999 million), primarily related to SFR's decrease It also reflected the increase in restructuring charges paid by SFR (+€150 million) and UMG (+€25 million), partially offset by the dividends paid by Beats to UMG (€54 million)

In 2013, capital expenditures, net amounted to €2,624 million (compared to €3,976 million in 2012), a €1,352 million decrease, notably attributable to the acquisition by SFR in January 2012 of 4G mobile spectrum for €1,065 million Excluding this impact, capital expenditures, net decreased by €287 million

Cash payments for financial activities amounted to €877 million (compared to €640 million in 2012), a €237 million increase This change was primarily due to the premiums paid (€182 million) and foreign exchange losses incurred (€34 million) in relation to the early redemption of bonds (euro-denominated and US dollar-denominated bonds) for an aggregate amount of €3 billion, following the sale of 88% of its interest in Activision Blizzard on October 11, 2013 In 2012, cash payments for financial activities notably included a €78 million foreign exchange loss attributable to the redemption in April 2012 of a $700 million bond Moreover, cash payments for financial activities included interest paid, net of €528 million (compared to €544 million in 2012), a €16 million decrease

Income taxes paid amounted to €197 million (compared to €353 million in 2012), a €156 million decrease, reflecting the decrease in the amount of income tax installments paid by the group's entities (-€491 million), partially offset by lower refunds received as part of Vivendi's SA's tax group System (€201 million received in 2013, compared to €530 million received in 2012) In 2013, the amount of taxes paid included the new additional contribution of 3% on the dividend paid by Vivendi SA (€40 million)

Therefore, in 2013, cash flow from operations after interest and income taxes paid (CFAIT) amounted to €379 million (compared to €220 million in 2012), a €159 million increase

(in millions of euros)		Year ended December 31			
		2013	2012 (a)	€ Change	% Change
Revenues		22 135	22 577	442	-2 0%
Operating expenses excluding depreciation and amortization		(17 207)	(17 027)	180	-1 1%
EBITDA	(b)	*4 928*	*5,550*	*-622*	*-11 2%*
Restructuring charges paid		(282)	(114)	-168	x 2 5
Content investments net		(148)	(145)	-3	2 1%
of which film and television rights net at Canal+ Group					
Acquisition of film and television rights		*(869)*	*(760)*	*-109*	*-14 3%*
Consumption of film and television rights		*743*	*703*	*+40*	*+5 7%*
		(126)	*(57)*	*-69*	*x 2 2*
of which sports rights net at Canal+ Group					
Acquisition of sports rights		*(714)*	*(654)*	*-60*	*9 2%*
Consumption of sports rights		*759*	*672*	*+87*	*+12 9%*
		45	*18*	*+27*	*x 2 5*
of which payments to artists and repertoire owners net at UMG					
Payments to artists and repertoire owners		*(599)*	*(647)*	*+48*	*+7 4%*
Recoupment of advances and other movements		*561*	*603*	*-42*	*7 0%*
		(38)	*(44)*	*+6*	*+13 6%*
Neutralization of change in provisions included in EBITDA		(90)	(144)	+54	+37 5%
Other cash operating items excluded from EBITDA		(80)	(31)	49	x 2 6
Other changes in net working capital		(308)	69	377	na
Net cash provided by operating activities before income tax paid	(c)	***4,020***	***5,185***	***-1,165***	***-22 5%***
Dividends received from equity affiliates	(d)	3	3		
Dividends received from unconsolidated companies	(d)	54	1	+53	x 54 0
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**4,077**	**5,189**	**-1,112**	**-21 4%**
Capital expenditures net (capex net)	(e)	(2 624)	(3 976)	+1 352	+34 0%
of which GVT		*(769)*	*(947)*	*+178*	*+18 8%*
SFR (g)		*(1 610)*	*(2 736)*	*+1 126*	*+41 2%*
Cash flow from operations (CFFO)		**1,453**	**1,213**	**+240**	**+19.8%**
Interest paid net	(f)	(528)	(544)	+16	+2 9%
Other cash items related to financial activities	(f)	(349)	(96)	-253	x 3 6
of which gains/(losses) on currency transactions		*(143)*	*(50)*	*93*	*x 2 9*
fees and premium on borrowings issued/redeemed and early unwinding of hedging derivative instruments		*(194)*	*(9)*	*185*	*x 21 6*
Financial activities cash payments		***(877)***	***(640)***	***-237***	***-37 0%***
Payment received from the French State Treasury as part of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems		201	536	335	62 5%
Other taxes paid		(398)	(889)	+491	+55 2%
Income tax (paid)/received, net	(c)	***(197)***	***(353)***	***+156***	***+44.2%***
Cash flow from operations after interest and income tax paid (CFAIT)		**379**	**220**	**+159**	**+72.3%**

na not applicable

a Data published with respect to fiscal year 2012 has been adjusted following the application of IFRS 5 (please refer to the preliminary comments above) and amended IAS 19

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 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) financing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5 3)

g In 2012, SFR's capital expenditures notably included the acquisition of 4G spectrum for €1,065 million in January 2012

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 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)*
  - *the difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations, and EBIT's "other charges" and "other income" as defined in Note 1 2 3 to the Consolidated Financial Statements for the year ended December 31, 2013, and*
  - *as defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets, and other non-recurring items (as presented in the Consolidated Statement of Earnings by operating segment - Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2013)*

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

- *As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings as discontinued operations In practice, income and charges from these two businesses have been reported as follows*
  - *their contribution until the effective sale, 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",*
  - *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*

- *Data presented below also takes into account the consolidation of the following entities as from the indicated dates*
  - *at Canal+ Group D8 and D17 (September 27, 2012) and "n" (November 30, 2012), and*
  - *at Universal Music Group EMI Recorded Music (September 28, 2012)*

- *Moreover, as of January 1, 2013, Vivendi applied, with retrospective effect from January 1, 2012, amended IAS 19, whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013) As a result, the 2012 Financial Statements, notably EBITA, were adjusted in accordance with the new standard*

Please refer to Appendix 1 of this Financial Report for a presentation of the adjustments made to previously published data

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

(in millions of euros)	Year ended December 31, 2013	2012	% Change	% Change at constant rate
Revenues				
Canal+ Group	5,311	5,013	+5 9%	+6 2%
Universal Music Group	4,886	4,544	+7 5%	+12 8%
GVT	1,709	1,716	-0 4%	+13 1%
Other	72	66	+9 1%	+13 7%
Elimination of intersegment transactions	(17)	(26)	na	na
Media & Content	11,961	11,313	+5 7%	+10 1%
SFR	10,199	11,288	-9 6%	-9 6%
Elimination of intersegment transactions related to SFR	(25)	(24)	na	na
Total Vivendi	**22,135**	**22,577**	**-2.0%**	**+0.2%**
EBITA				
Canal+ Group	611	663	-7 8%	-7 9%
Universal Music Group	511	526	-2 9%	+1 4%
GVT	405	488	-17 0%	-5 7%
Other	(80)	(14)	x 5 7	x 5 6
Holding & Corporate	(87)	(100)	+13 0%	+12 7%
Media & Content	1,360	1,563	-13 0%	-8 0%
SFR	1 073	1,600	-32 9%	-32 9%
Total Vivendi	**2,433**	**3,163**	**-23 1%**	**-20.6%**

(in millions of euros)	Year ended December 31, 2013	2012	% Change
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)			
Canal+ Group	689	706	-2 4%
Universal Music Group	611	528	+15 7%
GVT	678	621	+9 2%
Other	(72)	(2)	x 36 0
Holding & Corporate	(89)	(93)	+4 3%
Media & Content	1,817	1,760	+3 2%
SFR	2,260	3,429	-34 1%
Total Vivendi	**4,077**	**5,189**	**-21 4%**
Cash flow from operations (CFFO)			
Canal+ Group	478	476	+0 4%
Universal Music Group	585	472	+23 9%
GVT	(91)	(326)	+72 1%
Other	(80)	(8)	x 10 0
Holding & Corporate	(89)	(94)	+5 3%
Media & Content	803	520	+54 4%
SFR	650	693	-6 2%
Total Vivendi	**1,453**	**1,213**	**+19 8%**

na not applicable

4.2 Comments on the operating performance of business segments

4.2.1 Canal+ Group

(in millions of euros except for margins)	Year ended December 31			
	2013	2012	% Change	% Change at constant rate
Pay-TV in Mainland France	3,544	3 593	1 4%	1 4%
International Pay TV (a)	1 122	890	+26 1%	+27 1%
Free-to-air TV in France (b)	172	64	x 2 7	x 2 7
Studiocanal	473	466	+1 5%	+2 9%
Total Revenues	**5,311**	**5,013**	**+5 9%**	**+6 2%**
EBITDA	**905**	**940**	**-3 7%**	**-3 6%**
EBITA	**611**	**663**	**-7 8%**	**-7 9%**
Transition costs	(50)	(11)		
EBITA excluding transition costs	**661**	**674**	**-1.9%**	**-2 0%**
Cash flow from operations (CFFO)	478	476	+0 4%	
Cash flow from operations (CFFO) excluding transition costs	528	499	+5 8%	
Subscriptions (in thousands)				
Pay-TV in Mainland France (c)	9 534	9,719	-185	
International Pay TV	5 137	4 735	+402	
Total Canal+ Group	**14,671**	**14,454**	**+217**	
Individual subscribers (in thousands)				
Pay-TV in Mainland France	6 091	6 117	-26	
International Pay-TV	4,352	4,077	+275	
Total Canal+ Group	**10,443**	**10,194**	**+249**	
Churn per individual subscriber with commitment (Mainland France)	14 9%	13 8%	+1 1 pt	
Net ARPU, in euros per individual subscriber with commitment (Mainland France)	44 2	43 2	+2 3%	

a Relates to pay-TV operations in French overseas territories, Africa, Vietnam, and Poland (whose "n" platform has been consolidated since November 30, 2012)

b Includes the free-to-air channels D8 and D17, consolidated since September 27, 2012, as well as i>Télé and advertising activities outside of the group's scope

c Includes individual and collective subscriptions with commitment and without commitment (Canal, CanalSat and CanalPlay)

Revenues and EBITA

Canal+ Group's revenues were €5,311 million, a 5 9% increase (-0 5% at constant perimeter and currency) year-on-year This growth was primarily driven by the development of pay-TV operations outside of France, notably in Africa and Poland, and by the acquisition and successful re-launch of the free-to-air channels D8 and D17

At the end of December 2013, Canal+ Group reached 10 4 million individual subscribers (+249,000 year-on-year) for a total of 14 7 million subscriptions This growth was due to strong performance in overseas countries, where total individual subscribers reached 4 4 million (+275,000 compared to year-end 2012) In mainland France, total individual subscribers remained almost stable at 6 1 million despite a challenging economic and competitive environment Net average revenue per individual subscriber in mainland France continued to grow, reaching €44 2, compared to €43 2 in 2012

Free-to-air TV operations strongly contributed to revenue growth, thanks to the integration of D8 and D17 In December 2013, these channels had aggregated an audience share of 4 7%, including 3 4% for D8, which only a year after its re-launch, regularly ranks as the fifth national channel in France

Studiocanal's revenues increased due to the development of TV sales and international rights (in particular "Non-Stop" by Jaume Collet-Serra and "Hunger Games 2" in Germany) In 2013, Studiocanal supported major productions including the Coen brothers' film "Inside Llewyn Davis", winner of the Grand Prix du Jury at Cannes in 2013, and the series "Crossing Lines", which is notably broadcast in the United States, Canada, France, and Italy In order to strengthen its position in TV series production, Studiocanal acquired 60% of the British company Red in 2013

Excluding transition costs related to D8, D17 and the new operations in Poland, Canal+ Group's EBITA was €661 million, down 1 9% compared to 2012 This change was due to lower advertising revenues on pay-TV channels and higher programming costs due to an increase in exclusive content Including costs related to the integration of D8, D17 and the new operations in Poland, EBITA was €611 million D8 and D17 achieved breakeven in the fourth quarter of 2013

On January 14, 2014, the French rugby league (LNR) awarded Canal+ Group exclusive broadcasting rights for the TOP 14 French rugby championship for five new seasons (2014/2015 to 2018/2019) These rights cover all TOP 14 games, across all platforms and in all territories They complete the portfolio of major sports rights already owned by Canal+ Group, in particular the best French and European football (two live games on every Ligue 1, match day and the top pick on every Champions League day, and the full English Premier League) and the Formula 1 world championship

Moreover, the quality of Original Creations, in the heart of Canal+ programming, has been recognized again In 2013, the series "Les Revenants" was given the best drama series award at the International Emmy Awards and "Maison Close" received the award for best French series at the Television Festival of Monte-Carlo

Cash flow from operations (CFFO)

Canal+ Group's cash flow from operations amounted to €478 million, compared to €476 million in 2012 The unfavorable change in EBITDA after changes in net working capital and the transition costs paid were offset by the decrease in content investments, net (notably at Studiocanal) and capital expenditures, net

4.2.2 Universal Music Group (UMG)

(in millions of euros, except for margins)	Year ended December 31, 2013	2012		% Change	% Change at constant rate
Physical sales	*1 665*	*1 756*		*-5 2%*	*+1 1%*
Digital sales	*1,705*	*1,365*		*+24 9%*	*+30 1%*
License and other	*622*	*561*		*+10 9%*	*+15 5%*
Recorded music	3,992	3,682	(a)	+8 4%	+14 1%
Music publishing	655	661		-0 9%	+3 0%
Merchandising and other	273	235		+16 2%	+20 3%
Elimination of intersegment transactions	(34)	(33)		na	na
Total Revenues	**4,886**	**4,544**		**+7 5%**	**+12 8%**
EBITDA	**714**	**675**		**+5 8%**	**+10 9%**
EBITA	**511**	**526**	(a)	**-2.9%**	**+1 4%**
Restructuring and integration costs	(141)	(98)		-43 9%	
EBITA excluding restructuring and integration costs	**652**	**624**		**+4 5%**	**+9 5%**
Cash flow from operations (CFFO)	**585**	**472**		**+23 9%**	

Recorded music revenues by geographical area

Europe	40%	40%
North America	40%	37%
Asia	12%	15%
Rest of the world	8%	8%
	100%	100%

Recorded music. sales of physical and digital albums and DVDs, in millions of units

Artist - Title	2013	Artist - Title	2012
Eminem - The Marshall Mathers LP 2	3 8	Taylor Swift - Red	5 1
Katy Perry - Prism	2 9	Justin Bieber - Believe	2 9
Imagine Dragons - Night Visions	2 4	Lana Del Rey - Born To Die	2 7
Lady GaGa - Artpop	2 3	Rod Stewart - Merry Christmas, Baby	2 6
Drake - Nothing Was The Same	2 1	Rihanna - Unapologetic	2 3
Luke Bryan - Crash My Party	1 8	Maroon 5 - Overexposed	2 2
Stromae - Racine Carrée	1 8	Emeli Sande - Our Version of Events	2 0
Robbie Williams - Swing Both Ways	1 6	Madonna - MDNA	1 7
Justin Bieber - Believe	1 6	Gotye - Making Mirrors	1 7
Lorde - Pure Heroine	1 5	Lionel Richie - Tuskegee	1 5
Total	21 8	Total	24 7

na not applicable

a Includes revenues and EBITA of EMI Recorded Music (retained businesses) consolidated since September 28, 2012

Revenues and EBITA

Universal Music Group (UMG) revenues were €4,886 million, up 12 8% at constant currency compared to 2012 (+7 5% at actual currency) At constant currency, excluding EMI recorded music, revenues were in line with the prior year, as the decline in physical sales was offset by the growth in digital and other revenues, with subscription and streaming revenue increasing by approximately 75% over the prior year For the first time in 2013, yearly digital sales exceeded physical sales

Recorded music best sellers for 2013 included Eminem, Katy Perry, Imagine Dragons, Lady Gaga, Drake, Robin Thicke as well as French-language artist, Stromae The company's commercial and creative success set many records over the course of the year, including UMG becoming the first company to achieve all ten of the Top 10 songs on the U S charts and nine of the Top 10 albums in the U S In addition, UMG signed new agreements with leading labels including Disney Music Group, Glassnote Entertainment and Roc Nation, as well legendary artists including Neil Diamond, Queen, The Rolling Stones and Frank Sinatra

UMG's EBITA of €511 million was up 1 4% at constant currency (-2 9% at actual currency) compared to 2012 Excluding restructuring and integration costs, and at constant currency, EBITA was up 9 5% compared to 2012, due to revenue growth and cost management efforts

UMG achieved this performance despite a very difficult industry environment in Japan, the world's second largest music market

The company's integration of EMI remains on track to deliver the previously disclosed synergies of more than £100 million by the end of 2014

Cash flow from operations (CFFO)

UMG's cash flow from operations amounted to €585 million (compared to €472 million in 2012), a €113 million increase compared to 2012 This included UMG's operating performances (EBITDA after changes in net working capital increased by €117 million), the exceptional dividends received by UMG from Beats (€54 million) and property disposals (€27 million)

4.2.3 GVT

(in millions of euros, except for margins)	Year ended December 31, 2013	2012 (a)	% Change	% Change at constant rate
Telecoms	*1,382*	*1,434*	*-3 6%*	*+9 4%*
Pay-TV	*174*	*83*	*x 2 1*	*x 2,4*
Retail and SME	1,556	1,517	+2 6%	+16 4%
Corporate and wholesale	153	199	-23 1%	-12 3%
Total Revenues	**1,709**	**1,716**	**-0 4%**	**+13 1%**
EBITDA	**707**	**740**	**-4 5%**	**+8 7%**
EBITDA margin rate (%)	*41 4%*	*43 1%*	*-1 7 pt*	
EBITA	**405**	**488**	**-17 0%**	**-5 7%**
Capital expenditures, net (capex net)	**769**	**947**	**-18 8%**	
Cash flow from operations (CFFO)	**(91)**	**(326)**	**+72 1%**	

	Year ended December 31, 2013	2012 (a)	% Change
Revenues (IFRS, in millions of BRL)			
Retail and SME	4,427	3,804	+16 4%
Corporate and wholesale	435	496	-12 3%
Total	**4,862**	**4,300**	**+13 1%**
Number of covered cities	**150**	**139**	**+11**
Retail and SME			
Revenue Generating Units (in thousands)			
Voice	3,934	3,489	+12 8%
Broadband Internet	2,621	2,239	+17 1%
Proportion of offers ≥ 10 Mbps	*86%*	*80%*	*+6 pts*
Total Telecoms	6,555	5,728	+14 4%
Pay-TV	643	406	+58 4%
Total	**7,198**	**6,134**	**+17 3%**
Net New Additions (in thousands)			
Voice	445	660	-32 6%
Broadband Internet	382	515	-25 8%
Total Telecoms	827	1,175	-29 6%
Pay-TV	237	374	-36 6%
Total	**1,064**	**1,549**	**-31 3%**
ARPU (BRL/month)			
Voice	58 6	63 5	-7 7%
Broadband Internet	49 2	51 5	-4 5%
Pay-TV	78 7	77 2	+1 9%

a In 2013, GVT changed the presentation of revenues due to a new segmentation, some Corporate clients were re-classified as SME during the third quarter of 2013 2012 amounts were amended to ensure consistency of information presented

Revenues and EBITA

GVT's revenues increased by 13 1% at constant currency (-0 4% at actual currency) compared to 2012, reaching €1,709 million This performance was achieved in a highly competitive environment and a strong slowdown in the Brazilian economy At year-end 2013, GVT services covered 150 cities, compared to 139 cities one year earlier

GVT's pay-TV service performed well and generated revenues of €174 million, around 10% of GVT's revenues The number of subscribers reached about 643,000 at the end of 2013 (+58 4% year-on-year), representing a 24 6% penetration rate among GVT's broadband customer base In addition to hybrid technology (satellite and IPTV), GVT launched an offer providing pay-TV service via satellite only

The quality of the GVT offers continued to receive several accolades The company was ranked by Info Exame magazine as the operator delivering the best broadband service in Brazil for the fifth consecutive year It also offers the highest average broadband speed to its customers (13 4 Mbps, compared to the Brazilian average of 2 7 Mbps), according the Akamai Institute

GVT's EBITDA reached €707 million, an 8 7% increase at constant currency (-4 5% at actual currency) compared to 2012 EBITDA margin reached 41 4%, which is the highest margin in the Brazilian telecom operators market

GVT's EBITA was €405 million, a 5 7% decrease at constant currency (-17 0% at actual currency) compared to 2012 This change was due to increased depreciation expenses attributed to the development of pay-TV and continued high capital expenditure to support its growth

In 2013, EBITDA-Capex was close to breakeven for the full year, and became positive in the second half of the year thanks to a strong performance in the telecom activities

Cash flow from operations (CFFO)

GVT's cash flow from operations amounted to -€91 million (compared to -€326 million in 2012), a €235 million increase This change reflected the growth in EBITDA after changes in net working capital (+€52 million) as well as a decrease in capital expenditures (€769 million, compared to €947 million in 2012) Cash flow from operations before capital expenditures (CFFO before capex, net) increased by 9 2% in 2013, to €678 million

4.2.4 SFR

(in millions of euros, except for margins)	Year ended December 31,		
	2013	2012	% Change
Retail	6,873	7,974	-13 8%
B2B	1,789	1,871	-4 4%
Wholesale and other (a)	1,537	1,443	+6 5%
Total Revenues	**10,199**	**11,288**	**-9 6%**
EBITDA	**2,766**	**3,299**	**-16.2%**
EBITA	**1,073**	**1,600**	**-32.9%**
Restructuring costs	(93)	(187)	+50 3%
EBITA excluding restructuring costs	**1,166**	**1,787**	**-34 8%**
Capital expenditures, net (capex net) (b)	**1,610**	**2,736**	**-41.2%**
of which acquisitions of mobile spectrum	-	*1,065*	*-100 0%*
capital expenditures, net excluding acquisitions of mobile spectrum	*1,610*	*1,671*	*-3 7%*
Cash flow from operations (CFFO)	**650**	**693**	**-6.2%**
of which acquisitions of mobile spectrum	-	*(1,065)*	*+100 0%*
cash flow from operations excluding acquisitions of mobile spectrum	*650*	*1,758*	*-63 0%*
SFR Group			
Number of Mobile customers (in thousands) (c)	21,354	20,690	+3 2%
Acquisition cost (in millions of euros)	430	497	-67
Retention cost (in millions of euros)	541	634	-93
Number of Internet customers (in thousands)	5,257	5 075	+3 6%
Retail market (d)			
Number of Mobile customers (in thousands) (c)	14,555	15,057	-3 3%
Number of Mobile postpaid customers (in thousands) (c)	11,381	11,194	+1 7%
Smartphone penetration (in % of customers)	64%	51%	+13 pts
12-month rolling Mobile ARPU (in euros/month)	24 1	28 3	-15 0%
Number of Broadband Internet customers (in thousands) (d)	5,209	5,039	+3 4%
12-month rolling Broadband Internet ARPU (in euros/month)	32 5	33 3	-2 6%

a Relates to wholesale operators, SRR (a SFR subsidiary in Reunion Island) as well as the elimination of inter-company flows

b Relates to net cash outflows in relation to acquisitions and disposals of tangible and intangible assets

c The customer base as of December 31, 2013 includes the Retail billing system migration in the fourth quarter of 2013 of 92,000 inactive customers pursuant to a technical purge (no impact on revenues) The customer base as of December 31, 2012 relates to published data (before the technical purge)

d Relates to the Metropolitan market, excluding SRR

Revenues and EBITA

SFR's revenues were €10,199 million, a 9 6% decrease compared to 2012, due to the impact of price cuts in response to the competitive environment and to tariff cuts imposed by the regulators[3] Excluding the impact of the tariff cuts imposed by the regulators, revenues decreased by 7 2%

In 2013, SFR's total mobile customer base increased by 756,000[4] net additions since December 31, 2012 and reached 21 354 million[4] At the end of December 2013, the broadband Internet residential customer base increased by 182,000 net additions to 5 257 million

Retail[5] revenues amounted to €6,873 million, down 13 8% compared to 2012

Within the Mobile Retail market[5], SFR's postpaid customer base increased by 279,000[4] net additions in 2013 At the end of December, SFR's postpaid mobile customer base reached 11 381 million, a 2 5%[4] increase compared to end December 2012 In the Retail Postpaid customer market, in the fourth quarter, SFR recorded its best net sales performance since the fourth quarter of 2011, and its best December in three years SFR's total (postpaid and prepaid) Mobile Retail customer base reached 14 555 million[4] Mobile Internet usage continued to improve, with 64% of SFR Retail customers equipped with a smartphone (51% at end December 2012)

One year after having launched 4G, SFR covers more than 40% of the population representing 1,200 cities, with more than 1 million customers at year-end SFR also covers over 70% of the population in Dual Carrier

Within the Fixed Retail market[5], the broadband Internet residential customer base in mainland France reached 5 209 million at the end of December 2013, with 170,000 net additions since December 31, 2012, and an acceleration of fiber recruitments The "Multi-Pack de SFR" offer attracted 2 355 million subscribers at the end of December 2013, representing 45% of the broadband Internet customer base

In a challenging macroeconomic environment, B2B[6] revenues amounted to €1,789 million, down 4 4%

On February 13, 2014, Vivendi announced it had entered into exclusive negotiations with Belgacom Group to acquire 100% of the shares of Telindus France Group Telindus Group is a leader on the French market of telecommunication integration and operations of ICT (Information and Communication Technologies) infrastructures, and the first Cisco distributor in France Telindus France would further strengthen Vivendi's Telecoms division, sitting alongside the SFR group SFR will thus substantially expand its presence on the related market of telecommunication integration and will provide new services to its corporate customers in addition to those offered by the SFR Business Team

Wholesale and other[7] revenues amounted to €1,537 million, a 6 5% increase year-on-year, mainly due to growth on Wholesale activity

SFR's EBITDA amounted to €2,766 million, a 16 2% decrease compared to 2012 (excluding non-recurring items[8], EBITDA decreased by 16 5%)

SFR continues to implement its transformation plan Since the end of 2011, operating expenditures, both fixed and variable, have decreased by more than €1 billion (excluding non-recurring items[8])

Cash flow from operations (CFFO)

SFR's cash flow from operations amounted to €650 million, a 6 2% decrease compared to 2012 In 2012, it notably included the impact of the acquisition of mobile spectrum for €1,065 million Excluding this impact, cash flow from operations amounted to €1,108 million (-63 0%), primarily due to the decrease in EBITDA after changes in net working capital (-€992 million) and the increase in restructuring charges paid (-€150 million)

[3] *Tariff cuts imposed by regulatory decision*
i) 33% decrease in mobile voice termination regulated price on July 1 2012 and a further 20% decrease on January 1 2013
ii) 33% decrease in SMS termination regulated price on July 1 2012
iii) Roaming tariff cuts on July 1 2012 and on July 1 2013 and
iv) 50% decrease in fixed voice termination regulated price on July 1 2012 and a further 47% decrease on January 1 2013
[4] *Following a Retail billing system migration, 92 000 inactive customers were excluded from the final customer base (no impact on revenues)*
[5] *Metropolitan market, all brands combined*
[6] *Metropolitan market, SFR Business Team brand*
[7] *Mainly Wholesale revenues SRR (SFR s subsidiary in La Réunion) revenues, and elimination of intersegment operations*
[8] *+€51 million in the third quarter of 2012 and -€66 million in the fourth quarter of 2012*

4.2.5 Other operations of the group

(in millions of euros)	Year ended December 31, 2013	2012
Other operations	72	66
Elimination of intersegment transactions	(42)	(50)
Total Revenues	30	16
EBITA	(80)	(14)
Cash flow from operations (CFFO)	(80)	(8)

Revenues and EBITA

Revenues from other operations of the group amounted to €72 million, a €6 million increase It included revenues from Digitick (€13 million compared to €11 million in 2012), See Tickets (€31 million compared to €33 million in 2012), Watchever (€12 million, compared to €8 million in 2012), and Wengo (€16 million compared to €13 million in 2012)

EBITA from other operations of the group amounted to -€80 million, compared to -€14 million in 2012

Cash flow from operations (CFFO)

Cash flow from operations from other operations of the group amounted to -€80 million, compared to -€8 million in 2012 This change was mainly related to the change in EBITA

4.2.6 Holding & Corporate

(in millions of euros)	Year ended December 31, 2013	2012
EBITA	(87)	(100)
Cash flow from operations (CFFO)	(89)	(94)

EBITA

Holding & Corporate's EBITA was -€87 million (compared to -€100 million in 2012), a €13 million increase, primarily related to the decrease in charges related to litigation in 2013

Cash flow from operations (CFFO)

Holding & Corporate's cash flow from operations amounted to -€89 million, compared to -€94 million in 2012 The change was mainly attributable to the change in EBITA

5 Treasury and capital resources

Preliminary comments.

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

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

As part of the strategic review undertaken by the Supervisory Board and Management Board, Vivendi announced in July 2013 its plans to sell its interests in Activision Blizzard and Maroc Telecom, and in November 2013, the group's planned demerger to form two separate companies (i) a media group and (ii) SFR, subject to information and consultation procedures with the relevant French employee representative bodies and approval by the relevant regulatory authorities, as well as, if appropriate, its approval by the General Shareholders' Meeting In the meantime, Vivendi has pursued its financing policy in relation to expiring bank credit facilities or bonds Thus, Vivendi early refinanced a €1 5 billion bank credit facility, maturing in May 2014 with a new bank credit facility for the same amount, maturing in March 2018, and issued a new €750 million bond, with a coupon of 2 375%, which early refinances the €894 million residual amount bond issued in January 2009 with a coupon of 7 75%, maturing in January 2014

On October 11, 2013, Vivendi completed the sale of 88% of its interest in Activision Blizzard for $8 2 billion (€6 billion) in cash Vivendi used cash on hand to early redeem most of its US dollar-denominated bonds, as well as a portion of its euro-denominated bonds, having the shortest maturity, for an aggregate amount of €3 billion (including $2 1 billion and €1 5 billion), either through a tender offer in October 2013 and a make-whole redemption in November 2013 In addition, Vivendi used the available balance to redeem drawn bank credit facilities These transactions were as follows

- 72% redemption of three US dollar-denominated bonds, following a tender offer
  - $459 million redeemed on the $700 million bond, maturing in April 2018,
  - $541 million redeemed on the $800 million bond, maturing in April 2022, and
  - $555 million redeemed on the $650 million bond, maturing in January 2018
- early full redemption of one US dollar-denominated bond and two euro-denominated bonds
  - $550 million, maturing in April 2015,
  - €500 million, maturing in November 2015, and
  - €1,000 million, maturing in July 2015

In October 2013, Vivendi also redeemed, upon its contractual maturity date, a €700 million bond, refinanced in December 2012, by a bond for the same amount, maturing in January 2020, and cancelled SFR's €1 2 billion bank credit facility

Moreover, on November 5, 2013, Vivendi acquired the 20% non-controlling interest in Canal+ France held by Lagardère for €1,020 million, in cash

Finally, on November 26, 2013, the Supervisory Board approved the group's planned demerger to form two separate entities (i) a media group and (ii) SFR Subject to information and consultation procedures with the relevant French employee representative bodies and approval by the relevant regulatory authorities, it could be submitted, if appropriate, to the General Shareholders' Meeting for approval on June 24, 2014 The potential impacts of this demerger on the group's financing structure will become effective if and when a final decision to implement such a transaction is taken

As of February 19, 2014, the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2013

- Vivendi SA had available confirmed credit facilities in the aggregate amount of €7,140 million, of which €600 million was drawn Given the amount of commercial paper issued at that date, and backed to bank credit facilities for €4,143 million, these facilities were available for an aggregate amount of €2,397 million, and
- bonds amounted to €6 9 billion, following the redemption in January 2014 upon its contractual maturity, of the bond issued in January 2009, with a 7 75% coupon, for €894 million

Moreover, on March 4, 2013, a letter of credit for €975 million was issued in connection with Vivendi's appeal against the Liberty Media judgment This off-balance sheet financial commitment has no impact on Vivendi's net debt

Contractual agreements in relation to credit facilities and letters of credit granted to Vivendi SA (notably the letter of credit issued in connection with the appeal against the Liberty Media judgment) do not include provisions that tie the conditions of the loan to its financial strength ratings from rating agencies They contain customary provisions related to events of default and, at the end of each half-year, Vivendi SA is notably required to comply with a financial covenant (please refer to Note 23 to the Consolidated Financial Statements for the year ended December 31, 2013) The credit facilities granted to group companies other than Vivendi SA are intended to finance either the general needs of the borrowing subsidiary or a specific project

After taking into account the proceeds from the sale of the 53% interest in Maroc Telecom group (€4 2 billion) expected during the first months of 2014, Vivendi's adjusted Financial Net Debt would be approximately €6 9 billion (compared to €11 1 billion as of December 31, 2013 and €13 4 billion as of December 31, 2012)

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2012	**(3,894)**	**17,313**	**13,419**
Outflows/(inflows) related to continuing operations			
Operating activities	(3 823)		(3 823)
Investing activities	(765)	76	(689)
Financing activities	7 702	(4 598)	3 104
Foreign currency translation adjustments of continuing operations	48	(167)	(119)
Outflows/(inflows) related to continuing operations	**3,162**	**(4,689)**	**(1,527)**
Outflows/(inflows) related to discontinued operations	(705)	224	(481)
Reclassification of Financial Net Debt from discontinued operations as of December 31 2013	396	(710)	(314)
Change related to discontinued operations	**(309)**	**(486)**	**(795)**
Financial Net Debt as of December 31, 2013	**(1,041)**	**12,138**	**11,097**
Expected proceeds from the sale of the 53% interest in Maroc Telecom group (b)			(4 187)
Financial Net Debt as of December 31, 2013 adjusted for the sale of Maroc Telecom Group			**6,910**
Expected proceeds from the sale of the remaining ownership interest in Activision Blizzard (c)			(1 078)
Financial Net Debt as of December 31, 2013 adjusted for transactions in progress			**5,832**

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

b Assuming the hypothesis that the sale of the 53% interest in Maroc Telecom group is completed during the first months of 2014 according to the financial terms known to date

c Following the sale of 88% of its interest in Activision Blizzard on October 11, 2013, Vivendi retained 83 million Activision Blizzard shares This remaining ownership interest is subject to a staggered 15-month lock-up period, which is described in Note 7 to the Consolidated Financial Statements for the year ended December 31, 2013 Proceeds from the sale of these remaining shares are estimated at an aggregate amount of $1,480 million (€1,078 million), on the basis of $17 83 per share, Activision Blizzard's share price on December 31, 2013

Financial Net Debt as of December 31, 2013

As from June 30, 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported until their effective sale, in Vivendi's Consolidated Statement of Financial Position as discontinued businesses

In practice, as of December 31, 2013, Maroc Telecom group's assets and liabilities have been grouped under the specific lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses" As of December 31, 2013, this accounting reclassification resulted in a €314 million decrease in Vivendi's Financial Net Debt, which related to Maroc Telecom group's Financial Net Debt as of that date

As of December 31, 2013

- Vivendi's Financial Net Debt, in IFRS, amounted to €11,097 million Borrowings and other financial liabilities amounted to €12,138 million (compared to €17,313 million as of December 31, 2012), a €5,175 million decrease This change was due to the impact of the sale of Activision Blizzard (€6,044 million), net of divested cash (€3,349 million), and of Parlophone (€699 million), offset by the acquisition of Lagardère's non-controlling interest in Canal+ France (€1,020 million),
- the group's bond debt amounted to €7,827 million (compared to €10,888 million as of December 31, 2012) This €3,061 million decrease was related to the early redemption of bonds ($2 1 billion and €1 5 billion) in the fourth quarter of 2013 following the sale of Activision Blizzard The bond debt represented 64 1% of the borrowings in the group's Statement of Financial Position (compared to 61 5% as of December 31, 2012),
- the total amount of the group's confirmed credit facilities amounted to €7,629 million (compared to €9,039 million as of December 31, 2012) The group's aggregate amount of credit facilities neither drawn nor backed by commercial paper amounted to €3,648 million (compared to €3,361 million as of December 31, 2012),
- Vivendi SA's total confirmed credit facilities amounted to €7,140 million (unchanged compared to December 31, 2012) and included €2,600 million in available swinglines All these credit facilities have a maturity greater than one year These credit facilities were drawn for €1,655 million as of December 31, 2013 Considering the €1,906 million commercial paper issued as of that date and backed to bank credit facilities, these facilities were available up to a maximum amount of €3,579 million, and
- the "economic" average term of the group's debt was 4 2 years as of December 31, 2013 (compared to 4 4 years as of December 31, 2012)

5.2 Financial Net Debt changes

As of December 31, 2013, Vivendi's Financial Net Debt amounted to €11,097 million (compared to €13,419 million as of December 31, 2012), a €2,322 million decrease

This change notably reflected

- proceeds received on October 11, 2013 with respect to the sale of Vivendi's interest in Activision Blizzard (€6,044 million), net of divested cash (€3,349 million),
- the cash provided by operating activities of continuing operations[9] (€3,823 million),
- the proceeds from the sale by UMG of Parlophone and other labels (€699 million),
- the capital increase subscribed for by employees in connection with Vivendi SA's employee stock purchase plan in July 2013 (€149 million), and
- the accounting reclassification of Maroc Telecom group's Financial Net Debt as of December 31, 2013 (€314 million),

partially offset by

- cash payments related to capital expenditures of continuing operations[9] (€2,624 million, of which €1,610 million for SFR and €769 million for GVT),
- cash payments related to dividends paid to Vivendi SA shareowners (€1,325 million),
- the acquisition of Lagardère's non-controlling interest in Canal+ France (€1,020 million), and
- cash payments related to financial activities (€877 million, of which €528 million of interest paid and €182 million of premium paid as part of the early redemption of bonds, denominated in US dollars and in euros)

[9] *Continuing operations relate to Canal+ Group, Universal Music Group GVT SFR other operations of the group as well as Holding & Corporate*

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31 2013 (a)	December 31 2012
Borrowings and other financial liabilities	23	12 266	17,757
of which long-term (b)		*8 737*	*12 667*
short-term (b)		*3,529*	*5,090*
Derivative financial instruments in assets (c)	24	(126)	(137)
Cash deposits backing borrowings (c)		(2)	(6)
Cash management financial assets (c) (d)		na	(301)
		12,138	**17,313**
Cash and cash equivalents (b)	18	(1,041)	(3 894)
of which Activision Blizzard		*na*	*(2,989)*
Financial Net Debt		**11,097**	**13,419**

na not applicable

a In compliance with IFRS 5, Vivendi's Financial Net Debt as of December 31, 2013 no longer includes the Financial Net Debt of Maroc Telecom group, recognized as a discontinued operation

b As presented in the Consolidated Statement of Financial Position

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

d As of December 31, 2012, included Activision Blizzard's US treasuries and government agency securities, with a maturity exceeding three months

5.3 Analysis of Financial Net Debt changes

(in millions of euros)	Refer to section	Year ended December 31 2013		
		Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT	2	**435**	-	**435**
Adjustments		(4 911)		(4 911)
Content investments net		148		148
Gross cash provided by operating activities before income tax paid		***(4,328)***	-	***(4,328)***
Other changes in net working capital		308		308
Net cash provided by operating activities before income tax paid	3	***(4 020)***	-	***(4 020)***
Income tax paid net	3	197		197
Net cash provided by operating activities of continuing operations		**(3,823)**	-	**(3,823)**
Net cash provided by operating activities of discontinued operations		**(1,417)**	-	**(1,417)**
Operating activities		**(5,240)**	-	**(5,240)**
Financial investments				
Purchases of consolidated companies after acquired cash		43	15	58
Investments in equity affiliates		2		2
Increase in financial assets		106	(2)	104
Total financial investments		***151***	***13***	***164***
Financial divestments				
Proceeds from sales of consolidated companies after divested cash		(2 748)	63	(2 685)
of which proceeds from the sale of the 88% ownership interest in Activision Blizzard	1	*(6 044)*		*(6 044)*
divested cash of Activision Blizzard		*3 286*	*63*	*3 349*
		(2 758)	*63*	*(2 695)*
Disposal of equity affiliates		(8)		(8)
Decrease in financial assets		(727)	-	(727)
of which proceeds from the sales of Parlophone and other labels by UMG	1	*(699)*		*(699)*
Total financial divestments		***(3,483)***	***63***	***(3,420)***
Financial investment activities		**(3,332)**	**76**	**(3,256)**
Dividends received from equity affiliates		(3)		(3)
Dividends received from unconsolidated companies		(54)		(54)
Net investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets		**(3,389)**	**76**	**(3,313)**
Capital expenditures		2 674		2 674
Proceeds from sales of property plant equipment and intangible assets		(50)		(50)
Capital expenditures, net	3	***2,624***	-	***2,624***
Net cash provided by/(used for) investing activities of continuing operations		**(765)**	**76**	**(689)**
Net cash provided by/(used for) investing activities of discontinued operations		**1,952**	**(1 467)**	**485**
Investing activities		**1 187**	**(1,391)**	**(204)**

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

Continued from previous page

(in millions of euros)	Refer to section	Year ended December 31 2013		
		Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		(195)		(195)
of which capital increase subscribed by employees in connection with the stock purchase plan		*(149)*		*(149)*
exercise of stock options by executive management and employees		*(46)*	-	*(46)*
(Sales)/purchases of Vivendi SA s treasury shares				
Dividends paid by Vivendi SA (€1 per share)	1	1,325		1 325
Other transactions with shareowners		1 046		1 046
of which acquisition of Lagadère Group s non-controlling interest in Canal+ France		*1 020*		*1 020*
Dividends paid by consolidated companies to their non-controlling interests		37		37
Total transactions with shareowners		**2,213**	**-**	**2,213**
Transactions on borrowings and other financial liabilities				
Setting up of long term borrowings and increase in other long term financial liabilities	5 4	(2 491)	2 491	-
of which bank credit facilities		*(1 655)*	*1 655*	
bonds		*(750)*	*750*	
Principal payments on long term borrowings and decrease in other long term financial liabilities	5 4	1 923	(1 923)	
of which bank credit facilities		*1 894*	*(1 894)*	
Principal payments on short term borrowings		5 211	(5 211)	
of which bonds		*3 736*	*(3 736)*	
commercial paper		*1 349*	*(1 349)*	
Other changes in short term borrowings and other financial liabilities		(31)	31	
Non-cash transactions			14	14
Interest paid net	3	528		528
Other cash items related to financial activities	3	349		349
Total transactions on borrowings and other financial liabilities		**5,489**	**(4,598)**	**891**
Net cash provided by/(used for) financing activities of continuing operations		**7 702**	**(4,598)**	**3 104**
Net cash provided by/(used for) financing activities of discontinued operations		**(1,284)**	**1,696**	**412**
Financing activities		**6 418**	**(2,902)**	**3,516**
Foreign currency translation adjustments of continuing operations		48	(167)	(119)
Foreign currency translation adjustments of discontinued operations		44	(5)	39
Reclassification of Financial Net Debt from discontinued operations		396	(710)	(314)
Change in Financial Net Debt		**2,853**	**(5,175)**	**(2,322)**

5.4 Changes in financings

Financings put into place

- On March 28, 2013, Vivendi completed the early refinancing of a €1 5 billion bank credit facility maturing in May 2014 by entering into a new bank credit facility for the same amount with a five-year maturity
- On July 9, 2013, Vivendi issued a €750 million bond, maturing in January 2019, with a 2 375% coupon, and an effective rate of 2 51% This transaction enabled the refinancing of the bond issued in January 2009, with a 7 75% coupon redeemed in January 2014

Redemptions

- 72% redemption of three US dollar-denominated bonds, following a tender offer, in October 2013
  - $459 million redeemed on the $700 million bond, maturing in April 2018,
  - $541 million redeemed on the $800 million bond, maturing in April 2022, and
  - $555 million redeemed on the $650 million bond, maturing in January 2018
- early full redemption of one US dollar-denominated bond and two euro-denominated bonds, in November 2013
  - $550 million, maturing in April 2015,
  - €500 million, maturing in November 2015, and
  - €1,000 million, maturing in July 2015
- redemption in October 2013, upon its contractual maturity, of a €700 million bond, refinanced in December 2012, by a bond for the same amount, maturing in January 2020, and
- cancellation of SFR's €1 2 billion bank credit facility in October 2013

For a detailed analysis of the bonds and bank credit facilities as of December 31, 2013 (please refer to Note 23 to the Consolidated Financial Statements for the year ended December 31, 2013)

6 Forward looking statements

Cautionary note

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

7 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. EBITA (Adjusted Earnings Before Interest and Income Taxes) and adjusted net income

Vivendi considers EBITA (Adjusted Earnings Before Interest and Income Taxes) and adjusted net income, non-GAAP measures, to be relevant indicators of the group's operating and financial performance Vivendi Management uses EBITA and adjusted net income because they illustrate the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items EBITA and adjusted net income are defined in Note 1 2 3 to the Consolidated Financial Statements for the year ended December 31, 2013

Adjustment of comparative information

As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings as discontinued operations In practice, income and charges from these two businesses have been reported as follows

- their contribution until the effective sale, 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", and
- their share of net income has been excluded from Vivendi's adjusted net income

Moreover, as of January 1, 2013, Vivendi applied, with retrospective effect from January 1, 2012, amended IAS 19, whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013)

As a result, the 2012 Financial Statements and the first quarter of 2013 Financial Statements were adjusted, as the case may be, as presented below

(in millions of euros except per share amounts)	2012			
	Three months ended March 31	Three months ended June 30	Six months ended June 30	Three months ended September 30
Adjusted earnings before interest and income taxes (EBITA) (as previously published)	**1,621**	**1,316**	**2,937**	**1,394**
Reclassifications related to the application of IFRS 5 for Activision Blizzard	- 395	- 177	572	182
Reclassifications related to the application of IFRS 5 for Maroc Telecom Group	273	- 190	- 463	266
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 2*	*+ 2*	*+ 4*	*+ 2*
Adjusted earnings before interest and income taxes (EBITA) (restated)	**955**	**951**	**1,906**	**948**
Adjusted net income (as previously published)	**823**	**706**	**1,529**	**665**
Reclassifications related to the application of IFRS 5	- 272	134	406	194
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 2*	*+ 2*	*+ 4*	*+ 2*
Provision for income taxes				-
Adjusted net income (restated)	**553**	**574**	**1,127**	**473**
Adjusted net income per share (as previously published)	**0.64**	**0 55**	**1 19**	**0 51**
Adjusted net income per share (restated)	**0 43**	**0 45**	**0.88**	**0.36**

(in millions of euros except per share amounts)	2012			2013
	Nine months ended September 30,	Three months ended December 31,	Year ended December 31	Three months ended March 31
Adjusted earnings before interest and income taxes (EBITA) (as previously published)	**4,331**	**952**	**5,283**	**1,344**
Reclassifications related to the application of IFRS 5 for Activision Blizzard	- 754	395	1 149	442
Reclassifications related to the application of IFRS 5 for Maroc Telecom Group	- 729	259	- 988	273
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 6*	*+ 11*	*+ 17*	*na*
Adjusted earnings before interest and income taxes (EBITA) (restated)	**2,854**	**309**	**3,163**	**629**
Adjusted net income (as previously published)	**2,194**	**356**	**2,550**	**672**
Reclassifications related to the application of IFRS 5	- 600	- 259	859	- 306
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 6*	*+ 11*	*+ 17*	*na*
Provision for income taxes		*3*	*- 3*	*na*
Adjusted net income (restated)	**1,600**	**105**	**1,705**	**366**
Adjusted net income per share (as previously published)	**1 70**	**0.27**	**1 96**	**0.51**
Adjusted net income per share (restated)	**1.24**	**0 08**	**1.31**	**0.28**

na not applicable

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

(in millions of euros)	Year ended December 31	
	2013	2012
Earnings attributable to Vivendi SA shareowners (a)	**1,967**	**179**
Adjustments		
Amortization of intangible assets acquired through business combinations	462	436
Impairment losses on intangible assets acquired through business combinations (a)	2 437	760
Reserve accrual related to the Liberty Media Corporation litigation in the United States (a)		945
Other income (a)	(88)	(19)
Other charges (a)	57	236
Other financial income (a)	(51)	(37)
Other financial charges (a)	561	204
Earnings from discontinued operations (a)	(4 635)	(1 505)
of which capital gain on the divestiture of Activision Blizzard	*(2 915)*	-
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	161	48
Non-recurring items related to provision for income taxes	194	(25)
Provision for income taxes on adjustments	(220)	(185)
Non controlling interests on adjustments	695	668
Adjusted net income	**1,540**	**1,705**

a As reported in the Consolidated Statement of Earnings

Adjusted net income per share

	Year ended December 31,			
	2013		2012	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	1 540	1 540	1 705	1,705
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1 330 6	1,330 6	1 298 9	1,298 9
Potential dilutive effects related to share based compensation (b)	-	4 7		3 5
Adjusted weighted average number of shares	**1,330 6**	**1,335.3**	**1,298 9**	**1,302 4**
Adjusted net income per share (in euros)	1 16	1 15	1 31	1 31

a Net of treasury shares (please refer to Note 19 to the Consolidated Financial Statements for the year ended December 31, 2013)

b Does not include accretive instruments as of December 31, 2013 and December 31, 2012 which could potentially become dilutive The balance of common shares in connection with Vivendi SA's share based compensation plan is presented in Note 22 2 2 to the Consolidated Financial Statements for the year ended December 31, 2013

2 Revenues and EBITA by business segment - 2013 and 2012 quarterly data

Preliminary comments.

- *As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings as discontinued operations In practice, income and charges from these two businesses have been reported as follows*
  - *their contribution until their effective sale, 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",*
  - *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*
- *Data presented below also takes into account the consolidation of the following entities as from the indicated dates*
  - *at Canal+ Group D8 and D17 (September 27, 2012) and "n" (November 30, 2012), and*
  - *at Universal Music Group EMI Recorded Music (September 28, 2012)*
- *Moreover, as of January 1, 2013, Vivendi applied, with retrospective effect from January 1, 2012, amended IAS 19, whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013) As a result, the 2012 Financial Statements, notably EBITA, were adjusted in accordance with the new standard*

Please refer to Appendix 1 of this Financial Report for a presentation of the adjustments made on the data previously published

(in millions of euros)	2013 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
GVT	438	446	413	412
Other	16	17	18	21
Elimination of intersegment transactions	(5)	(3)	(5)	(4)
Media & Content	2,826	2,919	2,845	3,371
SFR	2,594	2,514	2,508	2,583
Elimination of intersegment transactions related to SFR	(5)	(6)	(5)	(9)
Total Vivendi	**5,415**	**5,427**	**5,348**	**5,945**
EBITA				
Canal+ Group	183	247	217	(36)
Universal Music Group	55	88	112	256
GVT	99	97	102	107
Other	(14)	(23)	(21)	(22)
Holding & Corporate	(22)	(25)	(14)	(26)
Media & Content	301	384	396	279
SFR	328	378	334	33
Total Vivendi	**629**	**762**	**730**	**312**

(in millions of euros)	2012 1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept 30	4th Quarter ended Dec 31
Revenues				
Canal+ Group	1,232	1,238	1,177	1,366
Universal Music Group	961	961	981	1,641
GVT	432	421	429	434
Other	15	15	17	19
Elimination of intersegment transactions	(6)	(9)	(5)	(6)
Media & Content	2,634	2,626	2,599	3,454
SFR	2,927	2,834	2,747	2,780
Elimination of intersegment transactions related to SFR	(5)	(8)	(7)	(4)
Total Vivendi	**5,556**	**5,452**	**5,339**	**6,230**
EBITA				
Canal+ Group	236	247	239	(59)
Universal Music Group	68	88	82	288
GVT	116	107	118	147
Other	(3)	(2)	(3)	(6)
Holding & Corporate	(23)	(41)	(25)	(11)
Media & Content	394	399	411	359
SFR	561	552	537	(50)
Total Vivendi	**955**	**951**	**948**	**309**

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III - Consolidated Financial Statements for the year ended December 31, 2013

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, 2013 on

- the audit of the accompanying Consolidated Financial Statements of Vivendi hereinafter referred to as "the Company",
- the justification of our assessments, and
- the specific verifications required by law

These Consolidated Financial Statements have been approved by your Management Board Our role is to express an opinion on the 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

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

- Note 1 3 6 to theConsolidated 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 Notes 2 1 and 7 to the Consolidated Financial Statements provide appropriate disclosures with respect to management's position as of December 31, 2013
- At each financial year end, your Company systematically performs impairment tests of goodwill and assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in Note 1 3 5 7 to the Consolidated Financial Statements We examined the methods used to perform these impairment tests, as well as the main assumptions and estimates, and ensured that Notes 1 3 5 7 and 10 to the Consolidated Financial Statements provide appropriate disclosures thereon
- Note 1 3 9 to the Consolidated Financial Statements describes the accounting principles applicable to deferred tax and note 1 3 8 describes the methods used to assess and recognize provisions We verified the correct application of these accounting principles and also examined the assumptions underlying the positions as of December 31, 2013 We ensured Note 6 to the Consolidated Financial Statements gives appropriate information on tax assets and liabilities and on your company's tax positions
- Notes 1 3 8 and 28 to the Consolidated Financial Statements describe the methods used to assess and recognize provisions for litigation We examined the methods used within your group to identify, calculate, and determine the accounting for such 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

Tuesday, February 25, 2014

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 conformity with the Consolidated Financial Statements

Paris-La Défense, February 25, 2014

The Statutory Auditors

KPMG Audit
Département de KPMG S A

ERNST & YOUNG ET AUTRES

Frédéric Quélin

Jean-Yves Jégourel

Consolidated Statement of Earnings

	Note	Year ended December 31, 2013	2012 (a)
Revenues	4	**22,135**	**22,577**
Cost of revenues	4	(12,988)	(12,672)
Selling, general and administrative expenses		(6,905)	(6,905)
Restructuring charges and other operating charges and income		(271)	(273)
Impairment losses on intangible assets acquired through business combinations	4	(2,437)	(760)
Reserve accrual related to the Liberty Media Corporation litigation in the United States	28	-	(945)
Other income	4	88	19
Other charges	4	(57)	(236)
Earnings before interest and income taxes (EBIT)	3	**(435)**	**805**
Income from equity affiliates	15	(33)	(38)
Interest	5	(528)	(544)
Income from investments		67	7
Other financial income	5	51	37
Other financial charges	5	(561)	(204)
Earnings from continuing operations before provision for income taxes		**(1,439)**	**63**
Provision for income taxes	6 2	(417)	(604)
Earnings from continuing operations		**(1,856)**	**(541)**
Earnings from discontinued operations	7	4,635	1,505
Earnings		**2,779**	**964**
Of which			
Earnings attributable to Vivendi SA shareowners		**1,967**	**179**
of which earnings from continuing operations attributable to Vivendi SA shareowners		(1,964)	(654)
earnings from discontinued operations attributable to Vivendi SA shareowners		3,931	833
Non-controlling interests		812	785
of which earnings from continuing operations		108	113
earnings from discontinued operations		704	672
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	8	(1 47)	(0 50)
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	8	(1 47)	(0 50)
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	8	2 95	0 64
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	8	2 94	0 64
Earnings attributable to Vivendi SA shareowners per share - basic	8	**1 48**	**0 14**
Earnings attributable to Vivendi SA shareowners per share - diluted	8	1 47	0 14

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

a As from the second quarter of 2013, in compliance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), Activision Blizzard and Maroc Telecom group have been reported in the Consolidated Statement of Earnings with respect to fiscal years 2013 and 2012 as discontinued operations (please refer to Note 7) On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest
In addition, data published with respect to fiscal year 2012 was adjusted following the impacts related to the application of amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union as of January 1, 2013 (please refer to Note 1) These adjustments are presented in Note 33

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, 2013	2012 (a)
Earnings		**2,779**	**964**
Actuarial gains/(losses) related to employee defined benefit plans, net		(23)	(61)
Items not reclassified to profit or loss		**(23)**	**(61)**
Foreign currency translation adjustments		(1,429)	(605)
Unrealized gains/(losses), net		58	103
Other impacts, net		15	-
Items to be subsequently reclassified to profit or loss		**(1,356)**	**(502)**
Charges and income directly recognized in equity	9	**(1,379)**	**(563)**
Total comprehensive income		**1,400**	**401**
of which			
Total comprehensive income attributable to Vivendi SA shareowners		**789**	**(362)**
Total comprehensive income attributable to non controlling interests		611	763

a As of January 1, 2013, Vivendi applied, with retrospective effect as from January 1, 2012, amended IAS 19 (Employee Benefits) and IAS 1 (Presentation of Financial Statements Presentation of Items of Other Comprehensive Income), each of whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standards (please refer to Note 33)

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

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31, 2013	December 31, 2012 (a)	January 1st, 2012 (a)
ASSETS				
Goodwill	10	17,147	24,656	25 029
Non-current content assets	11	2,623	3 327	2,485
Other intangible assets	12	4 306	5,190	4 329
Property, plant and equipment	13	7,541	9 926	9,001
Investments in equity affiliates	15	446	388	135
Non-current financial assets	16	654	488	379
Deferred tax assets	6	733	1 445	1,447
Non-current assets		**33,450**	**45,420**	**42,805**
Inventories	17	330	738	805
Current tax receivables	6	627	819	542
Current content assets	11	1 149	1,044	1,066
Trade accounts receivable and other	17	4,898	6,587	6 730
Current financial assets	16	45	364	478
Cash and cash equivalents	18	1,041	3 894	3,304
		8,090	**13,446**	**12,925**
Assets held for sale	2 7	1 078	667	-
Assets of discontinued businesses	7	6,562	-	-
Current assets		**15,730**	**14,113**	**12,925**
TOTAL ASSETS		**49,180**	**59,533**	**55,730**
EQUITY AND LIABILITIES				
Share capital		7 368	7,282	6,860
Additional paid-in capital		8,381	8,271	8 225
Treasury shares		(1)	(25)	(28)
Retained earnings and other		1,709	2,797	4 295
Vivendi SA shareowners' equity		**17,457**	**18,325**	**19,352**
Non-controlling interests		1,573	2 966	2,619
Total equity	19	**19,030**	**21,291**	**21,971**
Non-current provisions	20	2 904	3,258	1,679
Long-term borrowings and other financial liabilities	23	8 737	12,667	12,409
Deferred tax liabilities	6	680	991	728
Other non-current liabilities	17	757	1,002	864
Non-current liabilities		**13,078**	**17,918**	**15,680**
Current provisions	20	619	711	586
Short-term borrowings and other financial liabilities	23	3,529	5 090	3,301
Trade accounts payable and other	17	10,416	14,196	13,987
Current tax payables	6	79	321	205
		14,643	**20,318**	**18,079**
Liabilities associated with assets held for sale		-	6	-
Liabilities associated with assets of discontinued businesses	7	2 429	-	-
Current liabilities		**17,072**	**20,324**	**18,079**
Total liabilities		**30,150**	**38,242**	**33,759**
TOTAL EQUITY AND LIABILITIES		**49,180**	**59,533**	**55,730**

a As of January 1, 2013, Vivendi applied, with retrospective effect as from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standard (please refer to Note 33)

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 2013	2012 (a)
Operating activities			
EBIT	3	(435)	805
Adjustments	25	4,911	4 456
Content investments net		(148)	(145)
Gross cash provided by operating activities before income tax paid		***4,328***	***5 116***
Other changes in net working capital	17	(308)	69
Net cash provided by operating activities before income tax paid		***4,020***	***5,185***
Income tax paid net	6 3	(197)	(353)
Net cash provided by operating activities of continuing operations		***3,823***	***4,832***
Net cash provided by operating activities of discontinued operations	7	***1,417***	***2,274***
Net cash provided by operating activities		**5,240**	**7,106**
Investing activities			
Capital expenditures	3	(2 674)	(3 999)
Purchases of consolidated companies, after acquired cash	2	(43)	(1 374)
Investments in equity affiliates	15	(2)	(322)
Increase in financial assets	16	(106)	(35)
Investments		***(2,825)***	***(5,730)***
Proceeds from sales of property, plant, equipment and intangible assets	3	50	23
Proceeds from sales of consolidated companies after divested cash	7	2 748	13
Disposal of equity affiliates	15	8	11
Decrease in financial assets	16	727	180
Divestitures		***3,533***	***227***
Dividends received from equity affiliates		3	3
Dividends received from unconsolidated companies		54	1
Net cash provided by/(used for) investing activities of continuing operations		***765***	***(5,499)***
Net cash provided by/(used for) investing activities of discontinued operations	7	***(1,952)***	***(543)***
Net cash provided by/(used for) investing activities		**(1,187)**	**(6,042)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA s share based compensation plans	22	195	131
Sales/(purchases) of Vivendi SA's treasury shares		-	(18)
Dividends paid by Vivendi SA to its shareowners	19	(1 325)	(1,245)
Other transactions with shareowners	2	(1 046)	(1)
Dividends paid by consolidated companies to their non-controlling interests		(37)	(33)
Transactions with shareowners		***(2,213)***	***(1,166)***
Setting up of long term borrowings and increase in other long term financial liabilities	23	2,491	5,833
Principal payment on long term borrowings and decrease in other long-term financial liabilities	23	(1,923)	(4,211)
Principal payment on short-term borrowings	23	(5 211)	(2 494)
Other changes in short-term borrowings and other financial liabilities	23	31	2,808
Interest paid net	5	(528)	(544)
Other cash items related to financial activities		(349)	(96)
Transactions on borrowings and other financial liabilities		***(5,489)***	***1,296***
Net cash provided by/(used for) financing activities of continuing operations		***(7,702)***	***130***
Net cash provided by/(used for) financing activities of discontinued operations	7	***1,284***	***(557)***
Net cash provided by/(used for) financing activities		**(6,418)**	**(427)**
Foreign currency translation adjustments of continuing operations		(48)	(29)
Foreign currency translation adjustments of discontinued operations	7	(44)	(18)
Change in cash and cash equivalents		**(2,457)**	**590**
Reclassification of discontinued operations' cash and cash equivalents	7	**(396)**	**-**
Cash and cash equivalents			
At beginning of the period	18	**3,894**	**3,304**
At end of the period	18	**1,041**	**3,894**

a As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in the Consolidated Statement of Cash Flows with respect to fiscal years 2013 and 2012 as discontinued operations (please refer to Note 7) On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest In addition, data published with respect to fiscal year 2012 has been adjusted following the impacts related to the application of amended IAS 19, whose application is mandatory in the European Union as of January 1, 2013 (please refer to Note 1) These adjustments are presented in Note 33

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

Consolidated Statements of Changes in Equity

Year ended December 31, 2013

(in millions of euros except number of shares)	Note	Capital: Common shares: Number of shares (in thousands)	Capital: Common shares: Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings (a)	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, 2012 AS PUBLISHED		1,323,962	7,282	8,271	(25)	15,528	6,491	126	(709)	5,908	21 436
Attributable to Vivendi SA shareowners		1,323,962	7,282	8,271	(25)	15,528	3,669	129	(861)	2,937	18,465
Attributable to non-controlling interests					-		2,822	(3)	152	2,971	2,971
Adjustments related to the application of amended IAS 19 with retrospective effect, net of income taxes							145			145	145
Attributable to Vivendi SA shareowners							140			140	140
Attributable to non-controlling interests							5			5	5
BALANCE AS OF JANUARY 01 2013 RESTATED (a)		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)			(1,076)	(1,076)
Dividends paid by Vivendi SA (€1 per share)	19				-		(1,325)			(1,325)	(1,325)
Capital increase related to Vivendi SA s share-based compensation plans	22	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	2						(636)			(636)	(636)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		15,648	86	110	24	220	(1,877)			(1,657)	(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 the 88% ownership interest in Activision Blizzard	7						(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	2						(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

a As of January 1 2013 Vivendi applied with retrospective effect as from January 1 2012 amended IAS 19 (Employee Benefits) whose application is mandatory in the European Union beginning on or after January 1 2013 (please refer to Note 1) As a result the 2012 Financial Statements were adjusted in accordance with the new standard

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

Year ended December 31, 2012

(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 (a)	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
	Number of shares (in thousands)	Share capital								
BALANCE AS OF DECEMBER 31 2011 AS PUBLISHED	*1,247,263*	*6,860*	*8,225*	*(28)*	*15,057*	*7,094*	*23*	*(104)*	*7,013*	*22,070*
Attributable to Vivendi SA shareowners	*1,247,263*	*6,860*	*8,225*	*(28)*	*15,057*	*4,641*	*23*	*(274)*	*4,390*	*19,447*
Attributable to non-controlling interests						*2,453*		*170*	*2,623*	*2,623*
Adjustments related to the application of amended IAS 19 with retrospective effect net of income taxes						99			99	99
Attributable to Vivendi SA shareowners						*95*			*95*	*95*
Attributable to non-controlling interests						*4*			*4*	*4*
BALANCE AS OF JANUARY 01 2012 RESTATED (a)	*1,247,263*	*6,860*	*8,225*	*(28)*	*15,057*	*6,995*	*23*	*(104)*	*6,914*	*21,971*
Attributable to Vivendi SA shareowners	*1,247,263*	*6,860*	*8,225*	*(28)*	*15,057*	*4,546*	*23*	*(274)*	*4,295*	*19,352*
Attributable to non-controlling interests						*2,449*		*170*	*2,619*	*2,619*
Contributions by/distributions to Vivendi SA shareowners	*76,699*	*422*	*46*	*3*	*471*	*(1,201)*			*(1,201)*	*(730)*
Capital increase related to Direct 8 and Direct Star acquisition (September 27 2012)	*22,356*	123	213		336					336
Vivendi SA s stock repurchase program				(18)	(18)					(18)
Dividends paid by Vivendi SA (€1 per share)						(1,245)			(1,245)	(1,245)
Grant of one bonus share for each 30 shares held (May 9 2012)	*41,575*	229	(229)							
Capital increase related to Vivendi SA s share-based compensation plans	*12 768*	70	62	21	153	44			44	197
of which Vivendi Employee Stock Purchase Plans (July 19, 2012)	12,289	67	60		127					127
Changes in Vivendi SA s ownership interest in its subsidiaries that do not result in a loss of control						65			65	65
of which Activision Blizzard s stock repurchase program						(110)			(110)	(110)
Gain on the dilution of Canal+ Group s interest by 24% in Cyfra+ following the creation of nc+						114			114	114
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	*76,699*	*422*	*46*	*3*	*471*	*(1 136)*			*(1 136)*	*(665)*
Contributions by/distributions to non-controlling interests						*(481)*			*(481)*	*(481)*
of which dividends paid by subsidiaries to non-controlling interests						(481)			(481)	(481)
Changes in non-controlling interests that result in a gain/(loss) of control						*133*			*133*	*133*
of which ITI Neovision non-controlling interests						131			131	131
Changes in non-controlling interests that do not result in a gain/(loss) of control						*(68)*			*(68)*	*(68)*
of which Activision Blizzard s stock repurchase program						(131)			(131)	(131)
CHANGES IN EQUITY ATTRIBUTABLE TO NON CONTROLLING INTERESTS (B)						(416)			(416)	(416)
Earnings						*964*			*964*	*964*
Charges and income directly recognized in equity						*(61)*	*103*	*(605)*	*(563)*	*(563)*
TOTAL COMPREHENSIVE INCOME (C)						903	103	(605)	401	401
TOTAL CHANGES OVER THE PERIOD (A+B+C)	*76,699*	*422*	*46*	*3*	*471*	*(649)*	*103*	*(605)*	*(1 151)*	*(680)*
Attributable to Vivendi SA shareowners	*76 699*	*422*	*46*	*3*	*471*	*(1 017)*	*106*	*(587)*	*(1 498)*	*(1 027)*
Attributable to non-controlling interests						*368*	*(3)*	*(18)*	*347*	*347*
BALANCE AS OF DECEMBER 31 2012 RESTATED (a)	*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*

a As of January 1 2013 Vivendi applied with retrospective effect as from January 1 2012 amended IAS 19 (Employee Benefits) whose application is mandatory in the European Union beginning on or after January 1 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standard

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

Notes to the Consolidated Financial Statements

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

Vivendi operates a number of companies that are leaders in content, media, and telecommunication Canal+ Group is the French leader in pay-TV and is also present in francophone African countries, Poland, and Vietnam, its subsidiary Studiocanal, is a leading European player in the production, acquisition, distribution and, sale of films Universal Music Group, the world's leader in music, recently strengthened and diversified itself through the acquisition of EMI Recorded Music GVT is the leading Brazilian alternative operator In addition, Vivendi controls SFR, the leading alternative telecommunications operator in France
On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest Moreover, as a result of the plans to sell Maroc Telecom group, it 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 19, 2014, during a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013 Having considered the Audit Committee's recommendation given at its meeting held on February 18, 2014, the Supervisory Board, at its meeting held on February 21, 2014, reviewed the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013, as approved by the Management Board on February 19, 2014

On June 24, 2014, the Consolidated Financial Statements for the year ended December 31, 2013 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 2013 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, 2013

Vivendi applied new standards and amendments to its Consolidated Financial Statement for the year ended December 31, 2013, the most significant of which concern

- presentation of other items in the consolidated statement of comprehensive income,
- employee benefit plans, and
- principles of consolidation

1 1 1 Presentation of Financial Statements

Amendments to IAS 1 - *Presentation of Financial Statements Presentation of Items of Other Comprehensive Income*, as published by the IASB on June 16, 2011, were endorsed by the EU on June 5, 2012 and published in the EU Official Journal on June 6, 2012 These amendments mandatorily apply to periods beginning on or after January 1, 2013, with retrospective effect as from January 1, 2012 They relate to the presentation of items of other comprehensive income (denominated "Charges and income directly recognized in equity" in the Consolidated Statement of Comprehensive Income), which are henceforth grouped according to whether or not they are recycled in the Statement of Earnings

1.1.2 Employee benefit plans

Amendments to IAS 19 (Employee Benefits) as published by the IASB on June 16, 2011, were endorsed by the EU on June 5, 2012, and published in the EU Official Journal on June 6, 2012 These amendments mandatorily apply to periods beginning on or after January 1, 2013, with retrospective effect as from January 1, 2012

The main impacts of these amendments for Vivendi are

- elimination of the "corridor method" relating to the recognition through profit and loss for the year of actuarial gains and losses on defined employee benefit plans thus, actuarial gains and losses not yet recognized as of December 31, 2011 were recorded against consolidated equity as of January 1, 2012,
- as from January 1, 2012, actuarial gains and losses are immediately recognized in other comprehensive income in the Statement of Comprehensive Income, and will no longer be recycled in profit and loss As a consequence, the Consolidated Financial Statements for the year ended December 31, 2012 were adjusted to reflect the cancellation of the recognition of actuarial gains and losses in selling, administrative and general expenses, and the recording of actuarial gains and losses generated in 2012 in items of other comprehensive income not reclassified to profit and loss,
- as from January 1, 2012, past service costs resulting from plan amendments or curtailments are immediately recognized in profit and loss, as selling, administrative and general expenses, unvested rights being no longer spread over the vesting period As a consequence, past service costs not yet recognized as of December 31 2011 were recorded against consolidated equity as of January 1, 2012, and the Consolidated Financial Statements for the year ended December 31, 2012 were adjusted to reflect the cancellation of the recognition of past service costs in selling, administrative and general expenses, and
- expected return on plan assets is calculated using the discount rate retained for the valuation of the benefit obligation

Due to the retrospective application of the amendments to IAS 19 (Employee Benefits), the Consolidated Financial Statements for the year ended December 31, 2012 were adjusted for comparison purposes A detailed description of these adjustments is presented in Note 33

Please note that accounting policies and valuation methods related to employee benefit plans are presented in their entirety in Note 1 3 8

1 1 3 Principles of consolidation

New standards relating to the principles of consolidation IFRS 10 - *Consolidated Financial Statements*, IFRS 11 - *Joint Arrangements*, IFRS 12 - *Disclosure of Interests in Other Entities*, IAS 27 - *Separate Financial Statements*, and IAS 28 - *Investments in Associates and Joint Ventures*, as published by the IASB on May 12, 2011, were endorsed by the EU on December 11, 2012 and published in the EU Official Journal on December 29, 2012 These standards mandatorily apply to periods beginning on or after January 1, 2014 However, Vivendi elected to early apply them to the interim Financial Statements for the year 2013 and, retrospectively, as of January 1, 2012 The application of these standards had no material impact on Vivendi's financial statements

New principles of consolidation introduced by these new standards are presented in Note 1 3 2

1.1 4 Other

New standard IFRS 13 - *Fair Value Measurement*, relating to the definition of the concept of fair value in terms of measurement and disclosures, as issued by the IASB on May 12, 2011, was endorsed by the EU on December 11, 2012 and published in the EU Official Journal on December 29, 2012 IFRS 13 applies prospectively and mandatorily to periods beginning on or after January 1, 2013 There has been no significant impact on Vivendi's valuation methods, or on the information disclosed in the notes to the financial statements, pursuant to its application

Amendments to various IFRS included in the Annual Improvements to IFRSs 2009-2011 Cycle as published by the IASB on May 2012, were endorsed by the EU on March 27, 2013 and published in the EU Official Journal on March 28, 2013 These amendments mandatorily apply to periods beginning on or after January 1, 2013, retrospectively from January 1, 2012 Their application has had no significant 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 from operating activities

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

Net cash used for investing activities

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

Net cash used for financing activities

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

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

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

EBITA

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

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

Adjusted net income

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

- EBITA (**),
- income from equity affiliates (*) (**),
- interest (*) (**), corresponding to interest expense on borrowings net of interest income earned on cash and cash equivalents,
- income from investments (*) (**), including dividends and interest received from unconsolidated companies, and
- taxes and non-controlling interests related to these items

It does not include the following items

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

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

Cash Flow From Operations (CFFO)

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

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

1.2.4 Consolidated Statement of Financial Position

Assets and liabilities that are expected to be realized, or intended for sale or consumption, within the entity's normal operating cycle (generally 12 months), are recorded as current assets or liabilities If their maturity exceeds this period, they are recorded as non-current assets or liabilities Moreover, certain reclassifications have been made to the 2012 and 2011 Consolidated Financial Statements to conform to the presentation of the 2013 and 2012 Consolidated Financial Statements

1.3 Principles governing the preparation of the Consolidated Financial Statements

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

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

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

1 3 1 Use of estimates

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

The main estimates and assumptions relate to the measurement of

- revenue estimates of provisions for returns and price guarantees, and rewards as part of loyalty programs deducted from certain revenue items (please refer to Note 1 3 4),
- 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 20),
- 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 21),
- 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 22),
- certain financial instruments fair value estimates (please refer to Notes 1 3 5 8, 1 3 7 and 24),
- deferred taxes estimates concerning the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1 3 9 and 6),
- goodwill and other intangible assets valuation methods adopted for the identification of intangible assets acquired through business combinations (please refer to Notes 1 3 5 2 and 2),
- goodwill, intangible assets with indefinite useful lives and assets in progress assumptions are updated annually relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates (please refer to Notes 1 3 5 7, 10, 12, and 13), 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 11)

1 3 2 Principles of consolidation

A list of Vivendi's major subsidiaries, joint ventures and associated entities is presented in Note 29

Consolidation

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

The new model of control, introduced by IFRS 10 superseding IAS 27 revised - *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 others, dividends and other distributions of economic benefits, 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 Power without 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 the owners of the parent company on the one hand (Vivendi SA shareowners) and the owners of non-controlling interests on the other 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 under the equity method companies that were jointly controlled by Vivendi, directly or indirectly, 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 voting rights in an entity unless it can be clearly demonstrated that Vivendi does not exercise significant influence Significant influence can be evidenced through other criteria, such as representation on the board of directors or the entity's equivalent governing body, participation in policy-making processes, material transactions with the entity or the interchange of managerial personnel

1 3 3 Foreign currency translation

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

Foreign currency transactions

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

Financial statements denominated in a foreign currency

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

1 3 4 Revenues from operations and associated costs

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

1 3 4.1 Canal+ Group

Pay and free-to-air television

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

Equipment rentals

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

Film and television programming

Theatrical revenues are recognized as the films are screened Revenues from film distribution and from video and television or pay television licensing agreements are recognized when the films and television programs are available for telecast and all other conditions of sale have been met Home video product revenues, less a provision for estimated returns (please refer to Note 1 3 4 4) 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 5) and rebates, are recognized upon shipment to third parties, at the shipping point for products sold free on board (FOB) and on delivery for products sold free on destination

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

Music publishing

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

Costs of revenues

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

1.3.4 3 GVT, SFR, and Maroc Telecom group

Separable components of bundled offers

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

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

Equipment rentals

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

Content sales

Sales of services provided to customers managed 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

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

Costs of revenues

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

1.3.4 4 Other

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

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

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

Advertising costs are expensed as incurred

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

1.3 5 Assets

1 3 5 1 Capitalized financial interest

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

1 3 5 2 Goodwill and business combinations

Business combinations from January 1, 2009

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

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

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

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

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

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

In addition, the following principles are applied to business combinations

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

Business combinations prior to January 1, 2009

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

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

1 3 5 3 Content assets

Canal+ Group

Film, television or sports broadcasting rights

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

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

Theatrical film and television rights produced or acquired to be sold

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

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

Film and television rights catalogs

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

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, mainly recognized at SFR, are amortized over 4 years Maintenance and minor upgrade and enhancement costs are expensed as incurred

1.3.5 5 Other intangible assets

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

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

GVT, SFR, and Maroc Telecom group

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

1.3 5 6 Property, plant and equipment

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

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

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

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

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

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

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

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

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

1 3 5 7 Asset impairment

Each time events or changes in the economic environment indicate a current risk of impairment of goodwill, other intangible assets, property, plant and equipment, and assets in progress, Vivendi re-examines the value of these assets In addition, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year, with some exceptions This test is performed to compare the recoverable amount of each Cash Generating Unit (CGU) or, if necessary, groups of CGU to the carrying value of the corresponding assets (including goodwill) A Cash Generating Unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets The Vivendi group operates through different communication businesses Each business offers different products and services that are marketed through different channels CGUs are independently defined at each business level, corresponding to the group operating segments Vivendi CGUs and groups of CGUs are presented in Note 10

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

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

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

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

The fair value (less costs to sell) is the 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 recorded first against goodwill

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

1 3 5.8 Financial assets

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

Financial assets at fair value

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

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

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

Financial assets at amortized cost

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

1.3.5.9 Inventories

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

1 3.5.10 Trade account receivables

Trade accounts receivable are initially recognized at fair value, which generally equals the nominal value Provisions for impairment of receivables are specifically evaluated in each business unit, generally using a default percentage based on the unpaid amounts during one reference period related to revenues for this same period Thus, for the group's businesses which are based partly or fully on subscription (Canal+ Group, GVT, and SFR), 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 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 in respect of commitments to purchase non-controlling interests,
- bank overdrafts, and
- the negative value of other derivative financial instruments Derivatives with positive values are recorded as financial assets in the Statement of Financial Position

Borrowings

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

Commitments to purchase non-controlling interests

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

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

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

Derivative financial instruments

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

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

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

1 3.8 Other liabilities

Provisions

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

Employee benefit plans

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

Defined contribution plans

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

Defined benefit plans

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

Pension expenses 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 2012 and 2013, and the means of determining these assumptions, are presented in Note 21 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 3 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 computation 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, nor tax income or loss

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

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

1.3.10 Share-based compensation

With the aim of aligning the 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 fixed 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 22 for details of the features of these plans

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

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

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

Equity-settled instruments

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

Cash-settled instruments

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

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

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

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

1.4 Related parties

Group-related parties are those companies over which the group exercises 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 a control are eliminated in the intersegment operations (a list of the principal consolidated subsidiaries is presented in Note 29) Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments are conducted on an arm's length basis under terms and conditions similar to those which would be offered by third parties The operating costs of Vivendi SA's headquarters in Paris and of its New York City office, after the allocation of a portion of these costs to each of the group's businesses, are included in the Holding and Corporate operating segment (Please refer to Note 3 for a detailed description of the transactions between the parent company and the subsidiaries of the group, aggregated by operating segments)

1.5 Contractual obligations and contingent assets and liabilities

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

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

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

The IFRS standards that have been published by the IASB, which are not yet effective but which have been applied in anticipation are detailed in Note 1 1

Among other IFRS accounting standards and IFRIC interpretations issued by the IASB/IFRIC at the date of approval of these Consolidated Financial Statements, but which are not yet effective, and for which Vivendi has not elected for an earlier application and which may have an impact on Vivendi include mainly IFRIC 21 interpretation *Levies*, issued by IFRIC on May 20, 2013, which applies mandatorily from January 1, 2014 IFRIC 21 addresses the accounting for a liability to pay a levy that is imposed by governments on entities in accordance with legislation (i e , laws and/or regulations) except for income tax and value-added taxes Applying this interpretation would lead to modifying where necessary, the determination of the obligating event that triggers the recognition of the liability

Vivendi is currently assessing the potential impact on the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements in applying this interpretation

Note 2 Major changes in the scope of consolidation

Ongoing strategic review

As publicly announced to shareholders on several occasions in 2012 and 2013, Vivendi's Management Board and Supervisory Board are carrying out a review of the group's strategic development In 2013, Vivendi sold most of its interest in Activision Blizzard and entered into a definitive agreement with Etisalat to sell its interest in Maroc Telecom The group has decided to focus on its media and content activities, which hold leading positions and are taking advantage of the growing digital market It has strengthened its presence in Canal+ France, now fully owned Vivendi is also reshaping SFR The operator has begun to benefit from its transformation plan, by re-taking the commercial lead and by reducing costs SFR has also entered into an agreement to share part of its mobile network with Bouygues Telecom, allowing it to offer better coverage and strengthened service quality to its customers Based on this, the group aims to position the future Vivendi as a dynamic player in media and content With SFR, it intends to participate in the reorganization of the telecommunication sector in France, exploring actively all potential opportunities

During the second half of 2013, the group reached important strategic milestones

- on October 11, 2013, Vivendi completed the sale of 88% of its interest in Activision Blizzard for $8 2 billion (or €6 billion), in cash In addition, Vivendi retained 83 million Activision Blizzard shares, representing 11 9% of Activision Blizzard's outstanding share capital, which are subject to a staggered 15-month lock-up period,
- on November 4, 2013, Vivendi entered into a definitive agreement with Etisalat for the sale of Vivendi's 53% interest in Maroc Telecom group for €4 2 billion in cash, including a €310 million dividend distribution with respect to fiscal year 2012, according to the financial terms known to date Completion of this transaction is contingent upon the satisfaction of certain closing conditions, including receipt of required regulatory approvals in Morocco and the countries in which Maroc Telecom group operates, as well as finalization of the shareholders' agreement between Etisalat and the Kingdom of Morocco This transaction is expected to be completed during the first months of 2014 (please refer to Note 7), and
- on November 5, 2013, Vivendi acquired Lagardère Group's 20% interest in Canal+ France for €1,020 million in cash

As a result of the sale of Activision Blizzard, Vivendi has begun to significantly reduce its debt during the fourth quarter of 2013 by implementing a US dollar and euro bond repurchase program in an aggregate amount of €3 billion, thus gaining greater financial flexibility (please refer to Note 24)

2.1 Planned demerger of the group

On November 26, 2013, Vivendi's Supervisory Board approved the group's planned demerger to form two separate companies (i) a new international media group based in France, with very strong positions in music (as the worldwide leader), in European cinema, in pay-TV in France, Africa, Vietnam, and Poland, and in the Internet and associated services in Brazil, and (ii) SFR The decision to implement this project could be taken in the near future and, if appropriate, submitted to the General Shareholders' Meeting for approval on June 24, 2014

Vivendi considers that the conditions for the application of IFRS 5 to the proposed demerger in the 2013 Financial Statements are not met

2.2 Acquisition of Lagardère group's non-controlling interest in Canal+ France

On November 5, 2013, Vivendi acquired Lagardere Group's 20% interest in Canal+ France, for €1,020 million in cash In accordance with IFRS 10, Vivendi recorded this transaction as an acquisition of a non-controlling interest The difference between the consideration paid and the carrying value of acquired non-controlling interest was recorded as a deduction from equity attributable to Vivendi SA shareowners (-€636 million) In addition, Vivendi and Lagardère Group have settled all disputes between them (please refer to Note 28) Thereafter, Canal+ France S A was merged with and into Canal+ Group S A , pursuant to a simplified merger, with retroactive effect to January 1, 2013

2.3 Completion of the acquisition of EMI Recorded Music by Vivendi and Universal Music Group (UMG)

As a reminder, on September 28, 2012 Vivendi and UMG completed the acquisition of 100% of the recorded music business of EMI Group Global Limited (EMI Recorded Music) EMI Recorded Music has been fully consolidated since that date The purchase price, in enterprise value, amounted to £1,130 million (€1,404 million) The authorization by the European Commission was notably conditional upon the divestment of the Parlophone, Now, and Mute labels In accordance with IFRS 5, Vivendi reported these assets as assets held for sale at market value (less costs to sell), in the Statements of Financial Position, until completion of the sale

On February 7, 2013, Vivendi and UMG announced that they had entered into an agreement for the sale of Parlophone Label Group to Warner Music Group for an enterprise value of £487 million to be paid in cash Following the approval by the European Commission on May 15, 2013, the sale of Parlophone Label Group was completed on July 1, 2013 and Vivendi received a consideration of £501 million (€591 million), including the provisional estimated contractual price adjustments (£14 million)

Moreover, the divestments of Sanctuary, Now, and Mute were completed

The aggregate amount of divestments made in compliance with the conditions imposed by the regulatory authorities in connection with the acquisition of EMI Recorded Music was £543 million, less costs to sell (approximately €679 million, including €39 million in gains on foreign exchange hedging and a consideration in the amount of €19 million remaining payable as of December 31, 2013)

Finalization of the purchase price allocation

UMG finalized the purchase price allocation of EMI Recorded Music within a 12-month period as required by accounting standards the purchase price, using the fair value of assets acquired and liabilities incurred or assumed, was based on analyses and appraisals prepared by UMG with the assistance of third-party appraisers, when appropriate The major acquired assets were the music catalogs, amortized over a period of 15 years and artist contracts, amortized over a period of 10 years

In 2013, goodwill was adjusted by €57 million and the final goodwill amount of EMI Recorded Music amounted to €358 million, following the finalization of the purchase price allocation as presented below

(in millions of euros)		September 28, 2012
Carrying value of EMI Recorded Music's assets and liabilities acquired by Vivendi	**(A)**	**(333)**
Fair value adjustments of EMI Recorded Music's acquired assets and liabilities incurred or assumed		
Music rights and catalog		1,046
Deferred income tax, net		(321)
Other		(18)
Total	**(B)**	**707**
Fair value of EMI Recorded Music's acquired assets and liabilities incurred or assumed	**(C=A+B)**	**374**
Fair value of EMI Recorded Music's assets and liabilities sold		672
Goodwill		**358**
Purchase price of 100% of EMI Recorded Music		**1,404**

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

On November 30, 2012, Canal+ Group, ITI, and TVN finalized the combination of their Polish Pay-TV platforms

Acquisition of ITI Neovision "n"

Following the merger of Canal+ Cyfrowy (Canal+ Group's Cyfra+ platform) with ITI Neovision (TVN's "n" platform), Canal+ Group holds a 51% interest in the new structure "nc+" (compared to a previous 75% interest in Canal+ Cyfrowy) As Canal+ Group has the majority on the Supervisory Board and the power to govern the financial and operating policies of "n", the latter has been fully consolidated by Canal+ Group since November 30, 2012

The purchase price for the 100% interest in "n" amounted to €268 million The goodwill of "n" was valued according to the full goodwill method Canal+ Group finalized the purchase price allocation within a 12-month period as required by accounting standards the purchase price consists of the fair value of the assets acquired and the liabilities incurred or assumed on the basis of analysis and estimates undertaken by Canal+ Group, with the assistance of third-party appraisers, when appropriate The main assets acquired were a subscriber base valued at €33 million, amortized over a period of 8 years, the brand, valued at €18 million, and tax losses carried forward of €69 million In 2013, goodwill was adjusted by -€75 million and the final goodwill of "n" amounted to €138 million

Acquisition of an interest in N-Vision

On November 30, 2012, Canal+ Group acquired a 40% interest in N-Vision, which indirectly holds a 52% interest in TVN On December 18, 2013, in accordance with the shareholders' agreement, ITI exercised its put option to sell to Canal+ Group a 9% interest in N-Vision's share capital and voting rights for €62 million, paid in cash in February 2014 Canal+ Group's ownership interest in N-Vision thus increased to 49% (please refer to Note 27)

2.5 Other changes in the scope of consolidation

Acquisition of a 60% interest in Red Production Company

On December 5, 2013, Studiocanal acquired a 60% majority interest in Red Production Company, a British company which produces television series

2.6 Transactions underway as of December 31, 2013

Agreement to share a part of SFR's mobile access networks

On January 31, 2014, SFR and Bouygues Telecom entered into a strategic agreement to share a part of their mobile access networks, following a period of negotiations announced in July 2013 They will roll out a new shared network in an area covering 57% of the French population This agreement will enable both operators to improve their mobile coverage and generate significant savings over time

The agreement is based on two principles

- the creation of a joint company, to manage the shared base station assets, and
- entry by the operators into a RAN-sharing service agreement covering 2G, 3G, and 4G services in the shared area

This network-sharing agreement is similar to numerous arrangements already existing in other European countries Each operator will retain its own innovation capacity as well as complete commercial and pricing independence

The network-sharing agreement took effect upon the signing of the agreement and the shared network is expected to be completed by the end of 2017

From an accounting perspective, this agreement had no impact on the accounts for fiscal year 2013

Acquisition of a 51% interest in Mediaserv by Canal+ Group

On July 12, 2013, Canal+ Overseas entered into an agreement with Loret Group to acquire a 51% majority interest in Mediaserv, an overseas telecom operator On February 10, 2014, the French Competition Authority approved this acquisition, which was completed on February 13, 2014

Note 3 Segment data

3.1 Operating segment data

The Vivendi group comprises several businesses that are leaders in the worlds of content, media, and telecommunications Each business offers different products and services that are marketed through different channels Given the unique customer base, technology, marketing and distribution requirements of each of these businesses, they are managed separately and represent the base of the internal reporting of the group The Vivendi group has the following four main businesses

- **Canal+ Group** publishing and distribution of premium and thematic pay-TV channels as well as free-to-air channels in metropolitan France, Poland, francophone Africa, French overseas territories and Vietnam as well as cinema film production and distribution in Europe,
- **Universal Music Group** sale of recorded music, including that of EMI Recorded Music since September 28, 2012, (physical and digital media), exploitation of music publishing rights as well as artist services and merchandising,
- **GVT** a Brazilian fixed telecommunication and broadband Internet operator as well as a Brazilian pay-TV provider, and
- **SFR**· a telecommunication operator (mobile, broadband Internet, and fixed telecommunications) in France

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

Additionally, segment data is prepared according to the following principles

- the operating segment "**Other operations**" includes operations peripheral to the group, notably, See Tickets (a British ticketing company), Digitick (the French leader in web ticketing), Wengo (the French leader in expert advisory services by phone), and Watchever (sale of digital content on the Internet, mainly in Germany),
- the operating segment "**Holding & Corporate**" includes the cost of Vivendi SA's headquarters in Paris and of its New York City office, after the allocation of a portion of these costs to each of the businesses,
- 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 Activision Blizzard and Maroc Telecom group, discontinued businesses as of December 31, 2013 (please refer to Note 7), 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 2012 Consolidated Statement of Earnings and 2012 Consolidated Statement of Cash Flows were adjusted to ensure consistency of information, and
- Maroc Telecom group's assets and liabilities were reclassified as unallocated assets as of December 31, 2013

Moreover, as of January 1, 2013, Vivendi applied, with retrospective effect as from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1)

For a detailed description of the adjustments made to the previously published Financial Statements, please refer to Note 33

As of December 31, 2013, Vivendi also presented data categorized according to five geographic regions, consisting of its four main geographic markets (France, Rest of Europe, United States, and Brazil), as well as the rest of the world

Consolidated Statements of Earnings

Year ended December 31 2013

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	SFR	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	5 300	4 882	1 709	10 174	70			22 135
Intersegment revenues	11	4		25	2		(42)	
Revenues	**5,311**	**4,886**	**1 709**	**10,199**	**72**	**-**	**(42)**	**22,135**
Operating expenses excluding amortization and depreciation as well as charges related to share based compensation plans	(4 394)	(4 161)	(1 000)	(7 406)	(145)	(85)	42	(17 149)
Charges related to share based compensation plans	(12)	(11)	(2)	(27)	(1)	(5)		(58)
EBITDA	**905**	**714**	**707**	**2,766**	**(74)**	**(90)**	**-**	**4 928**
Restructuring charges		(114)		(93)		(1)		(208)
Gains/(losses) on sales of tangible and intangible assets	(8)	6		(3)	(1)			(6)
Other non-recurring items	(50)	(26)		(2)	(1)	5		(74)
Depreciation of tangible assets	(156)	(69)	(281)	(932)	(2)	(1)		(1 441)
Amortization of intangible assets excluding those acquired through business combinations	(80)	-	(21)	(663)	(2)			(766)
Adjusted earnings before interest and income taxes (EBITA)	**611**	**511**	**405**	**1,073**	**(80)**	**(87)**	**-**	**2,433**
Amortization of intangible assets acquired through business combinations	(7)	(341)	(46)	(66)	(2)		-	(462)
Impairment losses on intangible assets acquired through business combinations		(5)		(2 431)	(1)			(2 437)
Other income								88
Other charges								(57)
Earnings before interest and income taxes (EBIT)								**(435)**
Income from equity affiliates								(33)
Interest								(528)
Income from investments								67
Other financial income								51
Other financial charges								(561)
Provision for income taxes								(417)
Earnings from discontinued operations								4 635
Earnings								**2,779**
Of which								
Earnings attributable to Vivendi SA shareowners								**1 967**
Non-controlling interests								812

Year ended December 31, 2012

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	SFR	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	4 997	4 538	1 716	11 264	62			22 577
Intersegment revenues	16	6		24	4		(50)	
Revenues	**5,013**	**4,544**	**1 716**	**11 288**	**66**	**-**	**(50)**	**22,577**
Operating expenses excluding amortization and depreciation as well as charges related to share based compensation plans	(4 061)	(3 854)	(974)	(7 957)	(73)	(87)	50	(16 956)
Charges related to share based compensation plans	(12)	(15)	(2)	(32)	(1)	(9)		(71)
EBITDA	**940**	**675**	**740**	**3 299**	**(8)**	**(96)**	**-**	**5 550**
Restructuring charges		(79)	-	(187)		(7)		(273)
Gains/(losses) on sales of tangible and intangible assets	(7)		(1)	(1)				(9)
Other non recurring items	(12)	(18)	-			4		(26)
Depreciation of tangible assets	(175)	(52)	(229)	(868)	(2)	(1)		(1 327)
Amortization of intangible assets excluding those acquired through business combinations	(83)		(22)	(643)	(4)			(752)
Adjusted earnings before interest and income taxes (EBITA)	**663**	**526**	**488**	**1,600**	**(14)**	**(100)**	**-**	**3 163**
Amortization of intangible assets acquired through business combinations	(8)	(306)	(54)	(66)	(2)			(436)
Impairment losses on intangible assets acquired through business combinations	(665)	(94)			(1)			(760)
Reserve accrual related to the Liberty Media Corporation litigation in the United States								(945)
Other income								19
Other charges								(236)
Earnings before interest and income taxes (EBIT)								**805**
Income from equity affiliates								(38)
Interest								(544)
Income from investments								7
Other financial income								37
Other financial charges								(204)
Provision for income taxes								(604)
Earnings from discontinued operations								1 505
Earnings								**964**
Of which								
Earnings attributable to Vivendi SA shareowners								**179**
Non controlling interests								785

Consolidated Statements of Financial Position

(in millions of euros)	Canal+ Group	Universal Music Group	Activision Blizzard	GVT	SFR	Maroc Telecom Group	Other operations	Holding & Corporate	**Total Vivendi**
December 31, 2013									
Segment assets (a)	7 500	8 256		4 674	18 304		251	154	39 139
incl investments in equity affiliates	*220*	*74*			*152*				*446*
Unallocated assets (b)									10 041
Total Assets									**49,180**
Segment liabilities (c)	2 631	2 600		548	3 698		78	5 141	14 696
Unallocated liabilities (d)									15 454
Total Liabilities									**30,150**
Increase in tangible and intangible assets	213	54		776	1 665		8	1	2 717
Capital expenditures net (capex net) (e)	211	26		769	1 610		8		2 624
December 31, 2012									
Segment assets (a)	7 371	8 849	4 199	5 085	20 776	6 008	235	185	52 708
incl investments in equity affiliates	*166*	*84*			*138*				*388*
Unallocated assets (b)									6 825
Total Assets									**59,533**
Segment liabilities (c)	2 930	3 582	1 991	680	4 085	1 686	61	4 152	19 167
Unallocated liabilities (d)									19 075
Total Liabilities									**38,242**
Increase in tangible and intangible assets	233	63		996	2 765		6	1	4 064
Capital expenditures net (capex net) (e)	230	56		947	2 736		6	1	3 976

Additional operating segment data is presented in Note 10 Goodwill" Note 11 "Content assets and commitments" and Note 14 "Intangible and tangible assets of telecom operations"

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

b Unallocated assets include deferred tax assets current tax receivables cash and cash equivalents as well as assets held for sale 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 7)

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

d Unallocated liabilities include borrowings and other financial liabilities deferred tax liabilities current tax payables as well as liabilities related to assets held for sale 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 7)

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

3.2 Geographic information

Revenues are broken down by the customers' location

(in millions of euros)	Year ended December 31, 2013		Year ended December 31, 2012	
Revenues				
France	14,662	*66%*	15,664	*69%*
Rest of Europe	2,465	*11%*	2,204	*10%*
United States	1,883	*9%*	1,594	*7%*
Brazil	1,776	*8%*	1,776	*8%*
Rest of the World	1,349	*6%*	1,339	*6%*
	22,135	***100%***	**22,577**	***100%***

(in millions of euros)	December 31, 2013		December 31, 2012	
Segment assets				
France	24,950	*64%*	27,539	*52%*
Rest of Europe	2,483	*6%*	2,666	*5%*
United States	6,549	*17%*	10,815	*21%*
Morocco	-	-	4,347	*8%*
Brazil	4,725	*12%*	5,127	*10%*
Rest of the World	432	*1%*	2,214	*4%*
	39,139	***100%***	**52,708**	***100%***

In 2013 and 2012, acquisitions of tangible and intangible assets were mainly realized in France by Canal+ Group and SFR and in Brazil by GVT

Note 4 EBIT

Breakdown of revenues and cost of revenues

(in millions of euros)	Year ended December 31, 2013	Year ended December 31, 2012
Product sales, net	5,543	5,228
Services revenues	16,564	17,295
Other	28	54
Revenues	**22,135**	**22,577**
Cost of products sold, net	(3,629)	(3,592)
Cost of service revenues	(9,367)	(9,092)
Other	8	12
Cost of revenues	**(12,988)**	**(12,672)**

Personnel costs and average employee numbers

(in millions of euros except number of employees)	Note	Year ended December 31 2013	Year ended December 31 2012
Annual average number of full-time equivalent employees (in thousands)		**46 1**	**43 1**
Salaries		1,978	1,748
Social security and other employment charges		624	585
Capitalized personnel costs		(176)	(169)
Wages and expenses		**2,426**	**2,164**
Share-based compensation plans	22 1	58	71
Employee benefit plans	21 1	46	45
Other		156	199
Personnel costs		**2,686**	**2,479**

Additional information on operating expenses

Advertising costs amounted to €611 million in 2013 (compared to €587 million in 2012)

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €113 million in 2013 (compared to €101 million in 2012)

Net expense recorded in the Statement of Earnings, with respect to operating leases amounted to €504 million in 2013 (compared to €492 million in 2012)

Amortization and depreciation of intangible and tangible assets

(in millions of euros)	Note	Year ended December 31 2013	2012
Amortization (excluding intangible assets acquired through business combinations)		2,207	2 079
of which property plant and equipment	13	*1 441*	*1,327*
content assets	11	*22*	*27*
other intangible assets	12	*744*	*725*
Amortization of intangible assets acquired through business combinations		462	436
of which content assets	11	*339*	*301*
other intangible assets	12	*123*	*135*
Impairment losses on intangible assets acquired through business combinations (a)	10-11	2,437	760
Amortization and depreciation of intangible and tangible assets		**5,106**	**3,275**

a Mainly relates to the impairment of SFR's goodwill (€2,431 million) in 2013 and the impairment of Canal+ France's goodwill (€665 million) and certain goodwill and music catalogs of Universal Music Group (€94 million) in 2012

Other income and other charges

(in millions of euros)	Year ended December 31, 2013	2012
Capital gain on the divestiture of businesses	3	5
Capital gain on financial investments	37	7
Other	48	7
Other income	**88**	**19**
Downside adjustment on the divestiture of businesses	-	(3)
Downside adjustment on financial investments	(31)	(153)
of which impairment of Canal+ Group's N-Vision equity affiliate	-	*(119)*
Other	(26)	(80)
of which acquisition costs	*(8)*	*(63)*
Other charges	**(57)**	**(236)**
Net total	**31**	**(217)**

Note 5 Financial charges and income

Interest

(in millions of euros)	Year ended December 31, 2013	2012
(Charge)/Income		
Interest expense on borrowings	(553)	(572)
Interest income from cash and cash equivalents	25	28
Interest	**(528)**	**(544)**
Fees and premiums on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments	*(207)*	*(15)*
	(735)	***(559)***

Other financial income and charges

(in millions of euros)	Note	Year ended December 31, 2013	2012
Expected return on plan assets related to employee benefit plans	21 2	13	13
Foreign exchange gain		38	-
of which GVT's euro borrowing to Vivendi SA	24	*38*	-
Change in value of derivative instruments		-	23
Other		-	1
Other financial income		**51**	**37**
Effect of undiscounting liabilities (a)		(28)	(31)
Interest cost related to employee benefit plans	21 2	(33)	(36)
Fees and premiums on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments		(207)	(15)
Foreign exchange loss		(270)	(103)
of which GVT's euro borrowing to Vivendi SA	24	*(224)*	*(76)*
Change in value of derivative instruments		(1)	-
Other		(22)	(19)
Other financial charges		**(561)**	**(204)**
Net total		**(510)**	**(167)**

a In accordance with accounting standards, when the effect of the time value of money is material, assets and liabilities are initially recorded on the Statement of Financial Position in an amount corresponding to the present value of the expected revenues and expenses At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time As of December 31, 2013 and 2012, 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 Therefore, 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, and that are located in France for 2013, this applied to Universal Music in France, SFR, and Canal+ Group
- Until December 31, 2011, the Consolidated Global Profit Tax System entitled Vivendi to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 50% owned directly or indirectly, and that are located in France or abroad, i e , besides the French companies that are 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, as of May 19, 2008, Vivendi applied to the French Ministry of Finance for the renewal of its authorization to use the Consolidated Global Profit Tax System and an authorization was granted by an order dated March 13, 2009, for a three-year period beginning with the taxable year 2009 and ending with the taxable year 2011
- In addition, as a reminder, on July 6, 2011, Vivendi lodged an appeal with the Ministry of Finance in relation to the renewal of its authorization to use the Consolidated Global Profit Tax System for a 3-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 However, this fiscal position is being challenged and 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 (please refer to Note 6 6),
- moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the maturity of the authorization on December 31 2011, Vivendi requested a refund of the taxes due, under the French Tax Group System for the year ended December 31, 2012, excluding social contributions and exceptional contributions, or €208 million, brought to €220 million, when filing the tax return with respect to fiscal year ended December 31, 2012 This fiscal position may be challenged and in its Financial Statements for the year ended December 31, 2012, Vivendi accrued a €208 million provision for the associated risk, brought to €220 million as of December 31, 2013 (please refer to Note 6 6, below),
- given the foregoing, as of December 31, 2012, Vivendi recorded tax attributes representing potential tax savings in the aggregate amount of €1,553 million (compared to €2,013 million as of December 31, 2011) On February 19, 2014, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2013, the 2013 tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were determined by estimating, and as a result, the amount of tax attributes as of December 31, 2013 could not be determined with certainty,
- taking into account the impact of the estimated 2013 tax results and before the impact of the consequences of the ongoing tax audits (please refer to Note 6 6) on the amount of tax attributes, Vivendi SA expects to achieve €1,527 million in tax savings from tax attributes (undiscounted value based on the current income tax rate of 38 00%), and
- as of December 31, 2013, Vivendi SA valued its tax attributes under the French Tax Group System on the basis of one year's forecast 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 €163 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, 2013	2012
(Charge)/Income			
Current			
Use of tax losses and tax credits			
Tax savings related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	6.1	415	381
Tax savings related to the US tax group		25	20
Adjustments to prior year's tax expense		(22)	(10)
Consideration of risks related to previous years' income taxes		127	(22)
Other income taxes items		(715)	(991)
		(170)	**(622)**
Deferred			
Impact of Vivendi SA's French Tax Group System and of the Consolidated Global Profit Tax System	6.1	(161)	(48)
Impact of the US tax group		-	-
Other changes in deferred tax assets		(9)	7
Impact of the change(s) in tax rates		41	1
Reversal of tax liabilities relating to risks extinguished over the period		12	-
Other deferred tax income/(expenses)		(130)	58
		(247)	**18**
Provision for income taxes		**(417)**	**(604)**

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

(in millions of euros)	Year ended December 31, 2013	2012
(Charge)/Income		
Current		
France	(83)	(510)
United States	8	(12)
Brazil	(65)	(88)
Other jurisdictions	(30)	(12)
	(170)	**(622)**
Deferred		
France	(282)	(38)
United States	(46)	20
Brazil	31	(12)
Other jurisdictions	50	48
	(247)	**18**
Provision for income taxes	**(417)**	**(604)**
Income tax (paid)/collected		
France	(22)	(187)
United States	(8)	(10)
Brazil	(104)	(74)
Other jurisdictions	(63)	(82)
Income tax paid	**(197)**	**(353)**

6.4 Effective tax rate

(in millions of euros, except %)	Year ended December 31, 2013	Year ended December 31, 2012
Earnings (before non-controlling interests)	**2,779**	**964**
Elimination		
Income from equity affiliates	33	38
Earnings from discontinued operations	(4,635)	(1,505)
Provision for income taxes	417	604
Earnings from continuing operations before provision for income taxes	**(1,406)**	**101**
French statutory tax rate	**38 00%**	**36 10%**
Theoretical provision for income taxes based on French statutory tax rate	**534**	**(36)**
Reconciliation of the theoretical and effective provision for income taxes		
Permanent differences	**(117)**	**(152)**
of which other differences from tax rates	*9*	*(3)*
impacts of the changes in tax rates	*41*	*1*
Changes in deferred tax assets related to Vivendi SA's French Tax Group System and to the Consolidated Global Profit Tax System	**(161)**	**(48)**
Other tax losses and tax credits	**(211)**	**228**
of which use of current losses of the period	*-*	*4*
use of unrecognized losses and tax credits	*-*	*262*
unrecognized losses	*(211)*	*(38)*
Other temporary differences	**317**	**(341)**
of which reserve accrual regarding the Liberty Media Corporation litigation in the United States	*341*	*(341)*
Adjustments to prior year's tax expense	**124**	**(9)**
of which consideration of risks related to previous years' income taxes	*139*	*(22)*
Capital gain or loss on the divestiture of or downside adjustments on financial investments or businesses	**(926)**	**(313)**
of which impairment of SFR goodwill	*(924)*	*-*
impairment of Canal+ France goodwill	*-*	*(240)*
impairment of Canal+ Group's N-Vision equity affiliate	*-*	*(43)*
Other	**23**	**67**
Effective provision for income taxes	**(417)**	**(604)**
Effective tax rate	**-29 7%**	**598 0%**

6.5 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2013	Year ended December 31, 2012 (a)
Opening balance of deferred tax assets/(liabilities)	**454**	**719**
Provision for income taxes (b)	(437)	(8)
Charges and income directly recorded in equity (c)	-	18
Business combinations	163	(278)
Divestitures in progress or completed	(206)	-
Changes in foreign currency translation adjustments and other	79	3
Closing balance of deferred tax assets/(liabilities)	**53**	**454**

a Vivendi applied from January 1, 2013, with retrospective effect from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standard (please refer to Note 33)

b Includes income/(charge) related to Activision Blizzard and Maroc Telecom group taxes in accordance with IFRS 5, these amounts were reclassified to the line "Earnings from discontinued operations" in the 2013 and 2012 Consolidated Statement of Earnings

c Includes -€43 million recognized in other items of charges and income directly recognized in equity for the year ended December 31, 2013, compared to +€22 million in 2012 (please refer to Note 9)

Components of deferred tax assets and liabilities

(in millions of euros)	December 31, 2013	December 31, 2012 (a)
Deferred tax assets		
Deferred taxes, gross		
Tax attributes (b)	2,623	2,639
of which Vivendi SA (c)	*1,527*	*1,567*
US tax group (d)	*364*	*623*
Temporary differences (e)	1,073	1,795
Netting	(501)	(366)
Deferred taxes, gross	**3,195**	**4,068**
Deferred taxes, unrecognized		
Tax attributes (b)	(2,271)	(2,138)
of which Vivendi SA (c)	*(1,364)*	*(1,243)*
US tax group (d)	*(364)*	*(623)*
Temporary differences (e)	(191)	(485)
Deferred taxes, unrecognized	**(2,462)**	**(2,623)**
Recorded deferred tax assets	**733**	**1,445**
Deferred tax liabilities		
Purchase accounting asset revaluations (f)	591	901
Other	590	456
Netting	(501)	(366)
Recorded deferred tax liabilities	**680**	**991**
Deferred tax assets/(liabilities), net	**53**	**454**

a Vivendi applied from January 1, 2013, with retrospective effect from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standard (please refer to Note 33)

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

c Relates to deferred tax assets recognizable in respect of tax attributes by Vivendi SA as head of the French Tax Group, representing €1,553 million as of December 31, 2012 (please refer to Note 6 1), of which €815 million related to tax losses and €738 million related to tax credits, after taking into account the estimated impact (-€26 million) of 2013 transactions (taxable income and use or expiration of tax credits), but prior to taking into account the consequences of ongoing tax audits (please refer to Note 6 6 below)

In France, tax losses can be carried forward indefinitely and tax credits can be carried forward for a period of up to 5-years In 2013, €188 million tax credits matured as of December 31, 2013

d 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 $892 million as of December 31, 2012, after taking into account the estimated impact (-$393 million) of 2013 transactions (taxable income, capital losses, and tax credits that expired, capital losses and tax credits generated, as well as the divestiture of Activision Blizzard), but prior to taking into account the consequences of ongoing tax audits (please refer to Note 6 6)

As a reminder, with respect to the divestiture of Activision Blizzard and in accordance with U S tax rules, Vivendi allocated to the acquirer a fraction of the tax attributes that it previously deferred tax losses were estimated at more than $700 million In addition, the Universal Music Group Inc replaced the 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, 2022 and no tax credit matured as of December 31, 2013

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

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

6.6 Tax audits

The fiscal year ended December 31, 2013 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 certain of these audits Vivendi Management believes that these tax audits will not have a material and 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 started 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 began a tax audit on the consolidated income reported for fiscal year 2010 Finally, Vivendi SA's tax group System for the years 2011 and 2012 group is under audit since July 2013 Vivendi Management believes that it has serious legal means to defend the positions it has chosen for the determination of the taxable income of 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 (€366 million), as well as a provision for the impact in relation to the use of tax credits in 2012 (€220 million) Moreover, the tax attributes recognized by Vivendi SA with respect to the fiscal years under audit, representing tax savings of €1,527 million as of December 31, 2013, were recognized in the Consolidated Statement of Financial Position for €163 million only (please refer to Notes 6 1 and 6 5)

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

Finally, regarding Maroc Telecom, the fiscal years ending December 31, 2005, 2006, 2007, and 2008 were under a tax audit This tax audit is now closed following the execution of a Memorandum Agreement on December 19, 2013, effective as of December 31, 2013

Note 7 Discontinued operations

As from the second quarter of 2013, and in compliance with IFRS 5 taking into account the anticipated closing dates of the current sales, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings and Statement of Cash Flows, as discontinued operations

In practice, Activision Blizzard and Maroc Telecom group have been reported as follows

- their contribution, until their effective sale, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests has been grouped under the line "Earnings from discontinued operations", and
- their contribution, until their effective sale, 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 reported in the Consolidated Financial Statements (2013 and 2012) to ensure consistency of information

On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest

Moreover, the contribution of Maroc Telecom group to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2013 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses"

7.1 Sale of Activision Blizzard

On October 11, 2013, Vivendi completed the sale of 88% of its interest in Activision Blizzard, or 600 64 million shares priced at $13 60 per share, for $8,169 million (€6,044 million) in cash

The key terms of this sale are as follows

- through the acquisition of a Vivendi subsidiary, Activision Blizzard repurchased 428 68 million shares at $13 60 per share for a cash consideration of $5,830 million,
- concomitantly, Vivendi sold 171 97 million Activision Blizzard shares at $13 60 per share for a cash consideration of $2,339 million to an investor group (ASAC II LP) led by Mr Robert Kotick, Activision Blizzard's Chief Executive Officer, and Mr Brian Kelly, the Chairman of the Board of Directors ASAC II LP owns approximately 24 7% of the outstanding share capital (following the repurchase of 428 68 million shares by Activision Blizzard),
- pursuant to the simultaneous closings of both sales on October 11, 2013, Vivendi retained 83 million Activision Blizzard shares, representing 11 9% of Activision Blizzard's outstanding share capital (following the repurchase of 428 68 million shares by Activision Blizzard) Vivendi's remaining ownership is subject to a staggered 15-month lock-up period as described below The sale proceeds from the remaining ownership are estimated at a total of $1,129 million (€832 million), assuming the hypothesis of $13 60 per share and at $1,480 million (€1,078 million), assuming the hypothesis of Activision Blizzard's share price on December 31, 2013 of $17 83 per share, and
- the agreements governing the transaction include certain continuing commitments given by the parties

Deconsolidation of Activision Blizzard as from October 11, 2013

As from October 11, 2013, as a result of the sale of 600 64 million shares of, or a 53 46% interest in Activision Blizzard, Vivendi lost control of and deconsolidated Activision Blizzard In the Consolidated Financial Statements for the year ended December 31, 2013, the remaining 83 million Activision Blizzard shares have been recorded as assets held for sale, subject to the staggered lock-up period This interest is revalued at the basis of stock market price and the current EUR/USD exchange rate at each reporting date (or €1,078 million as of December 31, 2013) and the unrealized gains or losses on such investments has been recognized in "Earnings from discontinued operations" (or €245 million as of December 31, 2013)

Capital gain on divestiture

From an accounting perspective and in accordance with IFRS, Vivendi is considered to have sold 100% of its interest in Activision Blizzard following the loss of control of this subsidiary The gain on sale was determined as the difference between the value of 100% of Activision Blizzard shares owned by Vivendi at a price of $13 60 per share (net of costs to sell) (€6,851 million) and the value of Activision Blizzard's net assets attributable to Vivendi SA shareowners, as recorded in Vivendi's Consolidated Statements at the date of the loss of control (€4,491 million) Moreover, in accordance with IFRS, foreign currency translation adjustments attributable to Vivendi SA shareowners in relation to Activision Blizzard were reclassified to profit or loss, i e , a gain of €555 million Therefore, the total capital gain on divestiture, which amounted to €2,915 million, with no tax impact, has been recognized in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations"

Commitments given in connection with the sale of Activision Blizzard

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

Finally, the 83 million Activision Blizzard shares Vivendi retained are subject to a two tiered lock-up provision

- during the 180 day period following the Closing Date (i e , until April 9, 2014), Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly,
- during the 90 day period following the expiry of this first lock-up period (i e , from April 10 through July 9, 2014), Vivendi can sell Activision Blizzard shares provided they constitute no more than the lesser of 50% of Vivendi's 83 million remaining shares and 9% of the outstanding shares of Activision Blizzard, and
- following this 90 day sale window, Vivendi is subject to another 180 day lock-up provision (i e , from July 10, 2014 through January 7, 2015)

Thereafter, Vivendi may sell its remaining Activision Blizzard shares without restriction

Activision Blizzard has 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 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 is also subject to a lock-up provision of 180 days following the Closing Date (i e , until April 9, 2014), provided that it may sell its Activision Blizzard shares so long as the net proceeds from such sales are used to pay amounts under its loans

7 1 1 Statement of Earnings

Given the deconsolidation of Activision Blizzard on October 11, 2013, the line "Earnings from discontinued operations" takes into account Activision Blizzard until that date The capital gain on divestiture from the sale of Activision Blizzard as well as the change in the value of the remaining 83 million Activision Blizzard shares were recorded under the line "Earnings from discontinued operations" for €2,915 million and €245 million, respectively

Activision Blizzard (in millions of euros)	Year ended December 31, 2013	2012
Revenues	2,328	3 768
EBITDA	989	1 315
Adjusted earnings before interest and income taxes (EBITA)	895	1,149
Earnings before interest and income taxes (EBIT)	891	1 128
Earnings before provision for income taxes	846	1 131
Provision for income taxes	(154)	(258)
Activision Blizzard's earnings	**692**	**873**
Capital gain on the divestiture of Activision Blizzard	**2,915**	-
Change in value of the remaining interest in Activision Blizzard	245	
Earnings from discontinued operations	**3,852**	**873**
Of which attributable to Vivendi SA shareowners	3,583	536
non-controlling interests	269	337

7 1 2 Statement of Cash Flows

Given the deconsolidation of Activision Blizzard on October 11, 2013, the 2013 Statement of Cash Flows included Activision Blizzard until that date

Activision Blizzard (in millions of euros)	Year ended December 31 2013	2012
Operating activities		
Gross cash provided by operating activities before income tax paid	907	1 220
Net cash provided by Activision Blizzard's operating activities	**307**	**1,037**
Investing activities		
Capital expenditures net	(44)	(57)
Change in financial assets, net	(1 479)	(35)
Net cash provided by/(used for) Activision Blizzard's investing activities	**(1,523)**	**(92)**
Financing activities		
Dividends paid to non-controlling interests	(66)	(62)
Stock repurchase program	-	(241)
Other	1 720	15
Net cash provided by/(used for) Activision Blizzard's financing activities excluding dividends paid to Vivendi	**1,654**	**(288)**
Dividends paid to Vivendi	(98)	(94)
Net cash provided by/(used for) Activision Blizzard's financing activities	**1,556**	**(382)**
Foreign currency translation adjustments	(43)	(22)
Change in Activision Blizzard's cash and cash equivalents	**297**	**541**
Activision Blizzard's cash and cash equivalents		
At beginning of the period	**2,989**	**2,448**
At end of the period	**3,286** (a)	**2,989**

a Relates to the balance of net divested cash on October 11, 2013 it was recognized as a deduction from the amount received in cash with respect to the sale as an investing activity in Vivendi's Consolidated Statement of Cash Flows

7.2 Plan to sell Maroc Telecom group

On November 4, 2013, Vivendi entered into a definitive agreement with Etisalat, with whom exclusive negotiations had begun on July 22, 2013, regarding the sale of Vivendi's 53% interest in Maroc Telecom group The key terms of this agreement known to date are as follows

- the agreement values the interest in Maroc Telecom group at MAD 92 6 per share or sale proceeds to Vivendi of approximately €4 2 billion in cash, including a €310 million dividend distribution with respect to fiscal year 2012, according to the financial terms known to date Taking into account Maroc Telecom group's net debt, the transaction reflects a proportional enterprise value of €4 5 billion for Vivendi's interest, equal to an EBITDA multiple of 6 2x, and
- the completion of this transaction is contingent upon the satisfaction of certain closing conditions, including receipt of required regulatory approvals in Morocco and the countries in which Maroc Telecom group operates, as well as finalization of the shareholders' agreement between Etisalat and the Kingdom of Morocco This transaction is expected to be completed during the first months of 2014

7.2.1 Statement of Earnings

Maroc Telecom Group (in millions of euros)	Year ended December 31,	
	2013	2012
Revenues	2,559	2,689
EBITDA	1,453	1,506
Adjusted earnings before interest and income taxes (EBITA)	1,215	988
Earnings before interest and income taxes (EBIT)	1 202	962
Earnings before provision for income taxes	1,169	933
Provision for income taxes	(386)	(301)
Earnings from discontinued operations	**783**	**632**
Of which attributable to Vivendi SA shareowners	348	297
non-controlling interests	435	335

7 2 2 Statement of Financial Position

Maroc Telecom Group (in millions of euros)	December 31, 2013
Goodwill	2,392
Property, plant and equipment	2,466
Trade accounts receivable and other	845
Cash and cash equivalents	396
Other	463
Assets of discontinued businesses	**6,562**
Borrowings and other financial liabilities	710
Trade accounts payable and other	1,541
Other	178
Liabilities associated with assets of discontinued businesses	**2,429**
	4,133

Equity

As of December 31, 2013

- equity attributable to Maroc Telecom group's non-controlling interests was €1,176 million, and
- other comprehensive income related to Maroc Telecom group included foreign currency translation adjustments attributable to Vivendi SA shareowners of €50 million, related to an unrealized foreign exchange loss attributable to the decline in value of the Moroccan dirham since 2001, which will be recycled to earnings from the sale of Maroc Telecom group upon completion of the sale

Off-balance sheet commitments

As of December 31, 2013, Maroc Telecom group's commitments were €635 million (compared to €316 million as of December 31, 2012) On January 16, 2013, Maroc Telecom and the Moroccan State entered into a fourth capital expenditure agreement for the period between 2013 and 2015 As of December 31, 2013, the amount of the remaining capital expenditure obligation was €591 million

Moreover, commitments from Maroc Telecom and its subsidiaries include other commercial commitments and contracts entered into relating to operations such as lease contracts for satellite transponders and bank guarantees, which are for individually non-significant amounts

7.2 3 Statement of Cash Flows

Maroc Telecom Group (in millions of euros)	Year ended December 31	
	2013	2012
Operating activities		
Gross cash provided by operating activities before income tax paid	1 448	1 442
Net cash provided by Maroc Telecom group's operating activities	**1,110**	**1,237**
Investing activities		
Capital expenditures net	(434)	(457)
Other	5	6
Net cash provided by/(used for) Maroc Telecom group's investing activities	**(429)**	**(451)**
Financing activities		
Dividends paid to non-controlling interests	(328)	(388)
Transactions on borrowings and other financial liabilities	(42)	119
Net cash provided by/(used for) Maroc Telecom group's financing activities excluding dividends paid to Vivendi	**(370)**	**(269)**
Dividends paid to Vivendi	-	(490)
Net cash provided by/(used for) Maroc Telecom group's financing activities	**(370)**	**(759)**
Foreign currency translation adjustments	(1)	3
Change in Maroc Telecom group's cash and cash equivalents	**310**	**30**
Maroc Telecom group's cash and cash equivalents		
At beginning of the period	**86**	**56**
At end of the period	**396** (a)	**86**

a Includes a €310 million dividend distribution with respect to 2012 fiscal year

Note 8 Earnings per share

	Year ended December 31,			
	2013		2012	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners	(1,964)	(1,964)	(654)	(654)
Earnings from discontinued operations attributable to Vivendi SA shareowners	3 931	3 928 (a)	833	830 (a)
Earnings attributable to Vivendi SA shareowners	1 967	1 964 (a)	179	176 (a)
Number of shares (in millions)				
Weighted average number of shares outstanding (b)	1 330 6	1 330 6	1,298 9	1,298 9
Potential dilutive effects related to share-based compensation (c)	-	4 7		3 5
Adjusted weighted average number of shares	**1,330 6**	**1,335 3**	**1,298 9**	**1,302 4**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners per share	(1 47)	(1 47)	(0 50)	(0 50)
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	2 95	2 94	0 64	0 64
Earnings attributable to Vivendi SA shareowners per share	1 48	1 47	0 14	0 14

a Only includes the potential dilutive effect related to stock option plans and restricted stock rights of Activision Blizzard for a non-material amount

b Net of treasury shares (please refer to Note 19)

c Does not include accretive instruments as of December 31, 2013 and December 31, 2012 which could potentially become dilutive The balance of common shares in connection with Vivendi SA's share-based compensation plans is presented in Note 22 2 2

Note 9 Charges and income directly recognized in equity

(in millions of euros)	Note	Year ended December 31 2013 Gross	Tax	Net
Actuarial gains/(losses) related to employee defined benefit plans	21	(22)	(1)	(23)
Items not reclassified to profit or loss		**(22)**	**(1)**	**(23)**
Foreign currency translation adjustments		(1,429)	-	(1 429)
of which changes in foreign currency translation adjustments relating to discontinued operations		*(117)*	-	*(117)*
transferred to profit or loss as part of the sale of Activision Blizzard	7	*(555)*	-	*(555)*
Unrealized gains/(losses)		99	(41)	58
of which Cash flow hedge instruments	24	2	1	3
Valuation gains/(losses) taken to equity		*16*	-	*16*
Transferred to profit or loss of the period		*(14)*	*1*	*(13)*
Net investment hedge instruments	24	(24)	-	(24)
Valuation gains/(losses) taken to equity		*15*	-	*15*
Transferred to profit or loss of the period		*(39)*	-	*(39)*
Hedging instruments		(22)	1	(21)
Valuation gains/(losses) taken to equity		*120*	*(42)*	*78*
Transferred to profit or loss of the period		*1*	-	*1*
Assets available for sale	16	121	(42)	79
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)**

(in millions of euros)	Note	Year ended December 31, 2012 (a) Gross	Tax	Net
Actuarial gains/(losses) related to employee defined benefit plans	21	(82)	21	(61)
Items not reclassified to profit or loss		**(82)**	**21**	**(61)**
Foreign currency translation adjustments		(605)	-	(605)
of which changes in foreign currency translation adjustments relating to discontinued operations		*(113)*	-	*(113)*
Unrealized gains/(losses)		102	1	103
of which Cash flow hedge instruments	24	22	1	23
Valuation gains/(losses) taken to equity		*41*	*1*	*42*
Transferred to profit or loss of the period		*(19)*	-	*(19)*
Net investment hedge instruments	24	17	-	17
Valuation gains/(losses) taken to equity		*17*	-	*17*
Transferred to profit or loss of the period		-	-	-
Hedging instruments		39	1	40
Valuation gains/(losses) taken to equity		*55*	-	*55*
Transferred to profit or loss of the period		*8*		*8*
Assets available for sale	16	63	-	63
Items to be subsequently reclassified to profit or loss		**(503)**	**1**	**(502)**
Charges and income directly recognized in equity		**(585)**	**22**	**(563)**

a As of January 1, 2013, Vivendi applied, with retrospective effect as from January 1, 2012, amended IAS 19 (Employee Benefits) and IAS 1 (Presentation of Financial Statements Presentation of Items of Other Comprehensive Income), each of whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standards (please refer to Note 33)

Note 10 Goodwill

(in millions of euros)	December 31, 2013	December 31, 2012
Goodwill, gross	31,539	37,940
Impairment losses	(14,392)	(13,284)
Goodwill	**17,147**	**24,656**

Changes in goodwill

(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
of which Canal+ France	*3 635*		-			*3 635*
Studiocanal	*207*		*30*		*(1)*	*236*
D8/D17	*310*		*(1)*			*309*
nc+	*230*		*(75)* (a)		*(2)*	*153*
Universal Music Group	4 138	(5)	64 (b)	5	(102)	4 100
GVT	2 006		-		(330)	1 676
SFR	9 153	(2 431)	-			6 722
Other operations	184		2		(1)	185
Activision Blizzard	2 255		-	(2 208)	(47)	-
Maroc Telecom Group	2 407			(2 392)	(15)	-
Total	**24,656**	**(2,436)**	**20**	**(4,595)**	**(498)**	**17,147**

(in millions of euros)	December 31 2011	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	December 31 2012
Canal+ Group	4 648	(665)	537		(7)	4 513
of which Canal+ France	*4 309*	*(665)*	-	-	*(9)*	*3 635*
Studiocanal	*192*	-	*14*		*1*	*207*
D8/D17	-		*310* (c)		-	*310*
nc+	*25*		*213* (a)		*(8)*	*230*
Universal Music Group	4 114	(85) (d)	304 (b)	(32)	(163)	4 138
GVT	2 222	-			(216)	2 006
SFR	9 152		1		-	9 153
Other operations	171	(1)	7		7	184
Activision Blizzard	2 309	-			(54)	2 255
Maroc Telecom Group	2 413	-			(6)	2 407
Total	**25,029**	**(751)**	**849**	**(32)**	**(439)**	**24,656**

a Relates to goodwill attributable to the acquisition of "n" on November 30, 2012 As of December 31, 2012, the provisional goodwill was estimated at €213 million In 2013, goodwill was adjusted by -€75 million and the final goodwill of "n" was €138 million (please refer to Note 2)

b Mainly relates to goodwill attributable to the acquisition of EMI Recorded Music on September 28, 2012 As of December 31, 2012, the provisional goodwill was estimated at €301 million In 2013, goodwill was adjusted by €57 million and the final goodwill of EMI Recorded Music amounted to €358 million (please refer to Note 2)

c Relates to goodwill attributable to the acquisition of D8 and D17 on September 27, 2012

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

Goodwill impairment test

In 2013, 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 Metropolitan France	Canal+ France
	Canal+ Overseas	
	Free-to-air TV (a)	Free-to-air TV (a)
	Studiocanal	Studiocanal
	Other entities	Other entities
Universal Music Group	Recorded music (including EMI (b))	Universal Music Group
	Artist services and merchandising	
	Music publishing	
GVT	GVT	GVT
SFR	SFR	SFR

a As of December 31, 2012, no goodwill impairment test regarding Canal+ Group's Free-to-air TV was undertaken given that the date of acquisition of D8/D17 was close to the closing date, and considering that no triggering event had occurred between those dates

b As of December 31, 2012, no goodwill impairment test regarding EMI Recorded Music was undertaken given that the date of acquisition of EMI Recorded Music by UMG (please refer to Note 2 3) was close to the closing date, and considering that no triggering event had occurred between those dates In 2013, EMI Recorded Music's operations were integrated with UMG's recorded music operations Consequently, as of December 31, 2013, Vivendi undertook a goodwill impairment test regarding UMG, including henceforth EMI Recorded Music's goodwill

During the fourth quarter of 2013, Vivendi performed such 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 SFR, Canal+ France, and Universal Music Group, and internal valuations notably for GVT, Studiocanal, and Free-to-air TV As a result, Vivendi Management concluded that, except in the case of SFR, the recoverable amount of each CGU or groups of CGU tested exceeded their carrying value as of December 31, 2013

- **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 tariff 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 (please refer to tables below)

  As a reminder, as of December 31, 2012, Vivendi examined the value of SFR's goodwill, upon the basis of the usual valuation methods, and concluded that SFR's recoverable amount, based upon the DCF method, despite its decline, exceeded its carrying value at that date

- **Canal+ France** as of December 31, 2013, Vivendi examined the value of Canal+ France's goodwill, using the usual valuation methods and concluded that Canal+ France's 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 As a reminder, since November 5, 2013, Vivendi holds a 100% interest in Canal+ France pursuant to the acquisition of Lagardere 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 (please refer to Note 2 2)

  As a reminder, as of December 31, 2012, Canal+ France's recoverable amount was determined upon the basis of the value in use based on the DCF method, using the most recent cash flow forecasts approved by the Management of the group, as well as financial assumptions consistent with previous years (please refer to the table below) As a result, considering primarily the

expected impact on revenues in Metropolitan France of the increase in the VAT rate from 7% to 10% as of January 1, 2014 and, to a lesser extent, the adverse changes in the macro-economic and competitive environment since the second half of 2012, Vivendi Management concluded that Canal+ France's recoverable amount was below its carrying value as of December 31, 2012, and consequently recorded an impairment loss of €665 million

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 2014 budget and the most recent forecasts prepared by the operating segments These forecasts are prepared for each operating segment on the basis of the financial targets as well as the following main key assumptions discount rate, perpetual growth rate, and EBITA as defined in Note 1 2 3, capital expenditures, competitive environment, regulatory environment, technological development and level of commercial expenses The recoverable amount for each CGU or groups of CGU was determined based on its value in use in accordance with the main key assumptions presented below

Operating segments	CGU or groups of CGU tested	Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
		2013	2012	2013	2012	2013	2012
Canal+ Group	Canal+ France	DCF & comparables model	DCF	8 30%	9 00%	1 50%	1 50%
	Free to air TV	DCF	na	9 50%	na	2 00%	na
	Studiocanal	DCF	DCF	9 00%	9 00%	0 00%	0 00%
Universal Music Group	Universal Music Group	DCF & comparables model	DCF & comparables model	9 15%	9 25%	1 00%	1 00%
GVT (b)	GVT	DCF	DCF	11 24%	10 91%	4 00%	4 00%
SFR	SFR	DCF & comparables model	DCF & comparables model	7 30%	7 30%	0 50%	0 50%
Activision Blizzard	Activision	(c)	DCF stock market price & comparables model	(c)	10 50%	(c)	4 00%
	Blizzard		DCF stock market price & comparables model		10 50%		4 00%
	Distribution		DCF & comparables model		13 50%		4 00%
Maroc Telecom Group	Maroc Telecom	(d)	Stock market price	(d)	na	(d)	na
	Onatel		DCF		14 40%		3 00%
	Gabon Telecom		DCF		12 70%		3 00%
	Mauritel		DCF		17 40%		3 00%
	Sotelma		DCF		14 60%		3 00%

na not applicable

DCF Discounted Cash Flows

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

b In 2012, the annual goodwill impairment test on GVT was performed during the second quarter

c Interest in Activision Blizzard was sold on October 11, 2013 (please refer to Note 7)

d Considering the current plan to sell Maroc Telecom group, and in accordance with IFRS 5, Maroc Telecom group has been considered as an asset held for sale since the second quarter of 2013

Sensitivity of recoverable amounts

	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					
Canal+ France	8 30%	+0 23 pt	1 50%	-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 (a)	11 24%	+1 26 pt	4 00%	2 57 pts	20%
SFR (b)	7 30%	(b)	0 50%	(b)	(b)

	December 31 2012				
	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					
Canal+ France (c)	9 00%	(c)	1 50%	(c)	(c)
Studiocanal	9 00%	+3 23 pts	0 00%	5 55 pts	-28%
Universal Music Group	9 25%	+2 98 pts	1 00%	-4 91 pts	-25%
SFR	7 30%	+0 68 pt	0 50%	-1 21 pt	-10%
GVT (a)	10 91%	+2 51 pts	4 00%	6 25 pts	-36%
Maroc Telecom Group	(d)	(d)	(d)	(d)	(d)
Activision Blizzard					
Activision	10 50%	+9 78 pts	4 00%	24 15 pts	58%
Blizzard	10 50%	+10 19 pts	4 00%	25 20 pts	68%

a In 2012, the annual goodwill impairment test on GVT was performed in the second quarter

b In relation to the recognition of a goodwill impairment loss on SFR as of December 31, 2013, please refer below for a sensitivity analysis, which presents the (increase)/decrease in impairment generated by a 25 point change in the discount rate and in the perpetual growth rate assumptions, and a 2% change in the cash flow assumptions with each of these assumptions being taken separately for the goodwill impairment test

	Discount rate		Perpetual growth rate		Cash flows	
(in millions of euros)	Increase by 25 pts	Decrease by 25 pts	Increase by 25 pts	Decrease by 25 pts	Increase by 2%	Decrease by 2%
December 31 2013	(509)	549	286	(266)	243	(243)

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

	Discount rate		Perpetual growth rate		Cash flows	
(in millions of euros)	Increase by 25 pts	Decrease by 25 pts	Increase by 25 pts	Decrease by 25 pts	Increase by 2%	Decrease by 2%
December 31 2012	(133)	142	105	(98)	77	(77)

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

Note 11 Content assets and commitments

11.1 Content assets

(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
Internally developed franchises and other games content assets	-	-	-
Games advances	-	-	-
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**

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

Changes in main content assets

(in millions of euros)	Year ended December 31,	
	2013	2012
Opening balance	**4,371**	**3,551**
Amortization of content assets excluding those acquired through business combinations	(81)	(122) (a)
Amortization of content assets acquired through business combinations	(344)	(324) (a)
Impairment losses on content assets acquired through business combinations	-	(9) (b)
Increase	2,495	2,585
Decrease	(2 332)	(2,252)
Business combinations	3	1,077 (c)
Divestitures in progress or completed	(347)	(21)
Changes in foreign currency translation adjustments and other	7	(114)
Closing balance	**3,772**	**4,371**

a Relates to the amortization of content assets as reported in the 2012 Financial Report These amounts have not been adjusted for the impact of the application of IFRS 5 on the consolidated income statement -€95 million and -€23 million, respectively, were reclassified to the line "Earnings from discontinued operations" for 2012

b Relates to the impairment of certain UMG music catalogs

c Primarily relates to the music catalogs acquired from EMI Recorded Music on September 28, 2012 (please refer to Note 2 3)

11.2 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 17)

(in millions of euros)	Minimum future payments as of December 31 2013				Total minimum future payments as of December 31 2012
	Total	Due in			
		2014	2015-2018	After 2018	
Film and television rights (a)	208	208		-	189
Sports rights	402	402	-	-	374
Music royalties to artists and repertoire owners	1,614	1 598	16	-	1 579
Creative talent, employment agreements and others	111	37	72	2	119
Games royalties	-	-	-	-	22
Content liabilities	**2,335**	**2,245**	**88**	**2**	**2,283**

Off balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of December 31 2013				Total minimum future payments as of December 31, 2012
	Total	Due in			
		2014	2015 2018	After 2018	
Film and television rights (a)	2 383	1 219	1 151	13	2 590
Sports rights (b)	1 350	668	682		1 715
Creative talent employment agreements and others (c)	754	356	355	43	959
Given commitments	**4,487**	**2,243**	**2,188**	**56**	**5,264**
Film and television rights (a)	(179)	(118)	(61)	-	(114)
Sports rights	(10)	(7)	(3)	-	(12)
Creative talent employment agreements and others (c)			not available		
Other	-	-	-	-	(199)
Received commitments	**(189)**	**(125)**	**(64)**	**-**	**(325)**
Total net	**4,298**	**2,118**	**2,124**	**56**	**4,939**

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 regarding the entire HBO new series, for 5 years, as of May 2013) and pre-purchase contracts in the French movie industry, Studiocanal film production and co-production commitments (given and received) and broadcasting rights of CanalSat and "nc+" multichannel digital TV packages They are recorded as content assets when the broadcast is available for initial release As of December 31, 2013, provisions recorded relating to these commitments amounted to €71 million, compared to €86 million as of December 31, 2012

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 neither Canal+ Group nor GVT granted 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 €354 million as of December 31, 2013, compared to €288 million as of December 31, 2012

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

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

b Notably includes broadcasting rights for the French professional Soccer League 1 awarded to Canal+ Group for the 2014-2015 and 2015-2016 seasons The price paid by Canal+ Group represents €427 million per season, or a remaining total of €854 million as of December 31, 2013, compared to €1 281 million as of December 31, 2012 Moreover, the broadcasting rights also includes the English Premier League for the 2014-2015 and 2015-2016 seasons, renewed in January 2013 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 initial significant payment

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

Note 12 Other intangible assets

(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**

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

Software includes acquired software, net for €404 million as of December 31, 2013 (€592 million as of December 31, 2012), amortized over 4-years as well as SFR's internally developed software

Other intangible assets notably include indefeasible rights of use (IRU) and other long-term occupational rights, net for €297 million as of December 31, 2013 (€296 million as of December 31, 2012)

Changes in other intangible assets

(in millions of euros)	Year ended December 31,		
	2013	2012	
Opening balance	**5,190**	**4,329**	
Depreciation	(924)	(979)	(a)
Acquisitions	477	1,545	(b)
Increase related to internal developments	264	294	
Divestitures/Decrease	(4)	(4)	
Business combinations	33	38	
Divestitures in progress or completed	(678)	-	
Changes in foreign currency translation adjustments	(37)	(52)	
Other	(15)	19	
Closing balance	**4,306**	**5,190**	

a Relates to the depreciation of other intangible assets as published in the 2012 Financial Report This amount was not adjusted for the impact of the application of IFRS 5 on the Consolidated Income Statement (please refer below)

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

Depreciation of other intangible assets from continuing operations (primarily Canal+ Group, GVT, and SFR) was recognized as cost of revenues and in selling, general and administrative expenses (-€744 million in 2013 and -€725 million in 2012) It mainly consists of SFR's telecom licenses (-€117 million in 2013, compared to -€73 million in 2012), internally developed software (-€232 million in 2013, compared to -€218 million in 2012), and acquired software (-€181 million in 2013, compared to -€192 million in 2012)

Depreciation of other intangible assets of discontinued businesses was recognized as earnings from discontinued operations for -€57 million in 2013 (compared to -€119 million in 2012)

Note 13 Property, plant and equipment

(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
Construction-in-progress	353	-	353
Other	4,306	(2 596)	1 710
	16,561	**(9,020)**	**7,541**

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

As of December 31, 2013, other property, plant and equipment, net, notably included set-top boxes, for €973 million, compared to €974 million as of December 31, 2012 In addition, property, plant and equipment financed pursuant to finance leases amounted to €44 million, compared to €58 million as of December 31, 2012

Changes in property, plant and equipment

(in millions of euros)	Year ended December 31,	
	2013	2012
Opening balance	**9,926**	**9,001**
Depreciation	(1 851)	(1,743) (a)
Acquisitions/Increase	2 448	2,769
Divestitures/Decrease	(115)	(39)
Business combinations	(40)	170
Divestitures in progress or completed	(2 381)	-
Changes in foreign currency translation adjustments	(444)	(232)
Other	(2)	-
Closing balance	**7,541**	**9,926**

a Relates to the depreciation of property, plant and equipment as published in the 2012 Financial Report This amount was not adjusted for the impact of the application of IFRS 5 on the Consolidated Income Statement (see below)

Depreciation of property, plant and equipment (primarily Canal+ Group, UMG, GVT, and SFR) was recognized as cost of revenues and in selling, general and administrative expenses for -€1,441 million in 2013 and -€1,327 million in 2012 It mainly consists of buildings (-€126 million in 2013, compared to -€124 million in 2012) and equipment and machinery (-€852 million in 2013, compared to -€752 million in 2012)

Depreciation of property, plant and equipment of discontinued businesses was recognized as earnings from discontinued operations It mainly consists of Activision Blizzard and Maroc Telecom group for -€45 million and -€365 million, respectively in 2013 (compared to -€70 million and -€346 million, respectively in 2012)

Note 14 Intangible and tangible assets of telecom operations

(in millions of euros)	December 31, 2013			
	SFR	GVT	Maroc Telecom Group	Total
Other intangible assets, net				
Software	1,153	55	-	1 208
Telecom licenses	1 885 (a)	-	-	1 885
Customer bases	86	21	-	107
Trade names	-	97	-	97
Other	807	11	-	818
	3,931	**184**	**-**	**4,115**
Property, plant and equipment, net				
Land	76		-	76
Buildings	1 286	15	-	1 301
Equipment and machinery	2 078	1 904	-	3,982
Construction-in-progress	304	-	-	304
Other	788	358	-	1 146
	4,532	**2,277**	**-**	**6,809**
Intangible and tangible assets of telecom operations, net	**8,463**	**2,461**	**-**	**10,924**

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

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

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

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

SFR's network coverage commitments related to telecommunication licenses

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

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

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

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

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

Note 15 Investments in equity affiliates

		Voting interest		Value of equity affiliates	
(in millions of euros)	Note	December 31, 2013	December 31, 2012	December 31 2013	December 31, 2012
N-Vision	2	49% (a)	40%	215	162
Numergy		47%	47%	95	104
VEVO		47%	50%	58	59
La Poste Telecom		49%	49%	-	-
Other		na	na	78	63
				446	**388**

na not applicable

a On December 18, 2013, ITI exercised its put option to sell a 9% interest in N-Vision to Canal+ Group Canal+ Group's ownership interest thus increased to 49% (please refer to Note 27)

Note 16 Financial assets

(in millions of euros)	December 31, 2013	December 31, 2012 (a)
Cash management financial assets (b)	-	301
Other loans and receivables	206	196
Derivative financial instruments	126	137
Available-for-sale securities (c)	360	197
Cash deposits backing borrowings	2	6
Other financial assets	5	15
Financial assets	**699**	**852**
Deduction of current financial assets	(45)	(364)
Non-current financial assets	**654**	**488**

a As of January 1, 2013, Vivendi applied, with retrospective effect as from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standards (please refer to Note 33)

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

c Available-for-sale securities notably included securities held by UMG in Beats and Spotify for €161 million and €143 million, respectively (€70 million and €84 million as of December 31, 2012) In 2013, the fair values of these securities were reassessed with the entry of new investors to their capital
They did not include publicly quoted securities as of December 31, 2013 and December 31, 2012 and were not the subject of any significant impairment with respect to fiscal years 2013 and 2012

Note 17 Net working capital

Changes in net working capital

(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	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)**

(in millions of euros)	December 31 2011	Changes in operating working capital (a)	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments	Other (b)	December 31 2012
Inventories	805	(80)	29	-	(12)	(4)	738
Trade accounts receivable and other	6 730	(291)	284	(26)	(84)	(26)	6 587
Working capital assets	**7,535**	**(371)**	**313**	**(26)**	**(96)**	**(30)**	**7,325**
Trade accounts payable and other	13 987	(307)	579	(16)	(125)	78	14 196
Other non current liabilities	864	26	56		(19)	75	1 002
Working capital liabilities	**14,851**	**(281)**	**635**	**(16)**	**(144)**	**153**	**15,198**
Net working capital	**(7,316)**	**(90)**	**(322)**	**(10)**	**48**	**(183)**	**(7,873)**

a Excludes content investments made by UMG, Canal+ Group, and Activision Blizzard In 2012, related to amounts as published in the 2012 Annual Report, does not include the adjustments from the impact of the application of IFRS 5 on the Consolidated Cash Flow Statement

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

Trade accounts receivable and other

(in millions of euros)	December 31, 2013	December 31, 2012
Trade accounts receivable	3,625	5 458
Trade accounts receivable write-offs	(755)	(1,315)
Trade accounts receivable, net	**2,870**	**4,143**
Other	2,028	2,444
Trade accounts receivable and other	**4,898**	**6,587**

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

Trade accounts payable and other

(in millions of euros)	Note	December 31 2013	December 31, 2012
Trade accounts payable		5,454	6 578
Music royalties to artists and repertoire owners	11 2	1 598	1 477
Game deferred revenues		-	1,251
Prepaid telecommunication revenues		524	817
Other		2,840	4 073
Trade accounts payable and other		**10,416**	**14,196**

Other non-current liabilities

(in millions of euros)	Note	December 31, 2013	December 31, 2012
Liabilities related to SFR GSM license (a)	14	136	154
Prepaid revenues from indefeasible rights of use (IRU) and other long-term occupational rights (b)		309	340
Non-current content liabilities	11 2	90	180
Other (c)		222	328
Other non-current liabilities		**757**	**1,002**

a Relates to the discounted value of the liability The nominal value amounted to €181 million as of December 31, 2013, compared to €206 million as of December 31, 2012

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

c Notably includes the long-term portion (€63 million) of capital subscribed by Numergy, not yet released

Note 18 Cash and cash equivalents

(in millions of euros)	December 31, 2013	December 31, 2012
Cash	525	920
Cash equivalents	516	2,974
of which UCITS	*46*	*2,699*
certificates of deposit and term deposits	*470*	*275*
Cash and cash equivalents	**1,041**	**3,894**

As of December 31, 2012, cash and cash equivalents notably included Activision Blizzard's cash (€2,989 million) invested, if any, in money market funds with initial maturity dates not exceeding 90 days

Note 19 Equity

Share capital of Vivendi SA

(in thousands)	December 31, 2013	December 31, 2012
Common shares outstanding (nominal value €5 5 per share)	**1,339,610**	**1,323,962**
Treasury shares	(51)	(1,461)
Voting rights	**1,339,559**	**1,322,501**

As of December 31, 2013, Vivendi held 51 thousand treasury shares, representing a non significant part of its share capital These shares are backed to the hedging of performance share plans The market value of the portfolio amounted to less than €1 million as of December 31, 2013

In addition, as of December 31, 2013, approximately 52 8 million stock options were outstanding, representing a maximum nominal share capital increase of €291 million (i e , 3 94%)

Non-controlling interests

(in millions of euros)	December 31, 2013	December 31, 2012
Canal+ Group (a)	368	692
Activision Blizzard (b)	-	1,183
Maroc Telecom Group (c)	1,176	1,067
Other	29	24
Total	**1,573**	**2,966**

a As of December 31, 2012, included Lagardère Group's 20% interest in Canal+ France for €308 million Vivendi acquired this ownership interest on November 5, 2013 for €1,020 million, in cash (please refer to Note 2)

b On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest As of December 31, 2013, Vivendi's remaining 83 million Activision Blizzard shares were recorded as "Assets available for sale' (please refer to Note 7)

c On November 4, 2013, Vivendi and Etisalat entered into a definitive agreement for the sale of Vivendi's 53% interest in Maroc Telecom group (please refer to Note 7)

Distributions to shareowners of Vivendi SA

Dividend paid by Vivendi SA with respect to fiscal year 2012

At the Annual General Shareholders' Meeting of April 30, 2013, Vivendi's shareholders approved the distribution of a dividend of €1 per share, representing a total distribution of €1,325 million, paid in cash on May 17, 2013 by withdrawal from reserves, following the coupon detachment on May 14, 2013 The additional contribution of 3% on dividends was recorded as a tax charge (€40 million) in the consolidated earnings at the time of the payment of the dividend by Vivendi on May 17, 2013

Bonus shares granted to Vivendi SA shareowners

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

Note 20 Provisions

(in millions of euros)	Note	December 31 2012 (a)	Addition	Utilization	Reversal	Business combinations	Divestitures changes in foreign currency translation adjustments and other	December 31 2013
Employee benefits (b)		715	23	(56)	(16)	10	(2)	674
Restructuring costs (c)		258	199	(256)	(1)	(5)	(39)	156
Litigations (d)	28	1 357	143	(58)	(41)	13	(35)	1 379
Losses on onerous contracts		143	13	(62)	(1)	35		128
Contingent liabilities due to disposal (e)	27 4	24	3		(3)			24
Cost of dismantling and restoring sites (f)		83		(4)			(4)	75
Other (g)		1 389	99	(111)	(245)	34	(79)	1 087 (h)
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**

(in millions of euros)	Note	January 01 2012 (a)	Addition	Utilization	Reversal	Business combinations	Divestitures changes in foreign currency translation adjustments and other	December 31 2012 (a)
Employee benefits (b)		617	43	(78)	(34)	60	107	715
Restructuring costs (c)		48	322	(154)		52	(10)	258
Litigations (d)	28	479	1 015	(54)	(82)	4	(5)	1 357
Losses on onerous contracts		237	19	(104)	(10)	-	1	143
Contingent liabilities due to disposal (e)	27 4	41					(17)	24
Cost of dismantling and restoring sites (f)		70	1	(3)			15	83
Other (g)		773	748	(107)	(63)	29	9	1 389
Provisions		**2,265**	**2,148**	**(500)**	**(189)**	**145**	**100**	**3 969**
Deduction of current provisions		(586)	(316)	91	139	(12)	(27)	(711)
Non-current provisions		**1,679**	**1,832**	**(409)**	**(50)**	**133**	**73**	**3 258**

a As of January 1, 2013, Vivendi applied, with retrospective effect as from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standards (please refer to Note 33)

b Includes employee deferred compensation as well as provisions for defined employee benefit plans (€619 million as of December 31, 2013 and €662 million as of December 31, 2012, please refer to Note 21 2), but excludes employee termination reserves recorded under restructuring costs

c Mainly relates to provisions for restructuring at UMG (€67 million as of December 31, 2013 and €78 million as of December 31, 2012) and SFR (€85 million as of December 31, 2013 and €170 million as of December 31, 2012)

d As of December 31, 2013 and 2012, notably includes the reserve accrual in relation to the Liberty Media Corporation litigation and the securities class action in the United States for €945 million and €100 million, respectively (please refer to Note 28)

e 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

f GVT and SFR are required to dismantle and restore each telephony antenna site following termination of a site lease, without renewal

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

h Notably includes the reserve accruals related to the impacts of the Consolidated Global Profit Tax System in 2011 (€366 million), as well as the impact related to the use of tax credits in 2012 (€220 million) please refer to Note 6

Note 21 Employee benefits

21.1 Analysis of expenses related to employee benefit plans

The following table provides information about the cost of employee benefit plans excluding its financial component The total cost of defined benefit plans is set forth in Note 21 2 2 below

(in millions of euros)	Note	Year ended December 31, 2013	2012
Employee defined contribution plans		50	46
Employee defined benefit plans	21 2 2	(4)	(1)
Employee benefit plans		**46**	**45**

21.2 Employee defined benefit plans

21.2.1 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 thus 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 thus used, at year-end, to determine the 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	
	2013	2012	2013	2012
Discount rate (a)	3 6%	3 6%	4 5%	3 6%
Rate of compensation increase	2 0%	2 0%	2 9%	3 1%
Duration of the benefit obligation (in years)	14 2	14 2	10 0	10 5

a A 50 basis point increase (or a 50 basis point decrease, respectively) in the 2013 discount rate would have led to a decrease of €2 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 €60 million (or an increase of €64 million respectively)

Assumptions used in accounting for the pension benefits, by country

	United States		United Kingdom		Germany		France	
	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	4 50%	3 50%	4 50%	4 25%	3 00%	3 25%	3 00%	3 25%
Rate of compensation increase (weighted average)	na	na	5 00%	4 50%	2 00%	2 00%	3 36%	3 41%

na not applicable

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

	United States		Canada	
	2013	2012	2013	2012
Discount rate	4 50%	3 50%	4 50%	4 00%
Rate of compensation increase	3 50%	3 50%	na	na

na not applicable

Allocation of pension plan assets

	December 31 2013 (a)	December 31, 2012 (a)
Equity securities	4%	6%
Debt securities	48%	57%
Diversified funds	28%	16%
Insurance contracts	5%	5%
Real estate	1%	1%
Cash and other	14%	15%
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 7 3% for categories under 65 years old and 65 years old and over in 2013 to 4 5% in 2022 for these categories In 2013, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €10 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 €8 million and the pre-tax expense by €1 million

21 2 2 Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2013	2012	2013	2012	2013	2012
Current service cost	19	18		-	19	18
Past service cost (a)	(17)	(20)		-	(17)	(20)
(Gains) / losses on settlements	(7)	-		-	(7)	
Other	1	1			1	1
Impact on selling, administrative and general expenses	**(4)**	**(1)**	**-**	**-**	**(4)**	**(1)**
Interest cost	27	29	6	7	33	36
Expected return on plan assets	(13)	(13)	-		(13)	(13)
Impact on other financial charges and income	**14**	**16**	**6**	**7**	**20**	**23**
Net benefit cost recognized in profit and loss	**10**	**15**	**6**	**7**	**16**	**22**

a The recorded past service cost mainly relates to the effect of decreases in relation to the restructuring at SFR (impact in 2013), as well as the change of part of the group's management team since the end of June 2012

In 2013, benefits paid amounted to (i) €35 million (compared to €29 million in 2012) with respect to pensions, of which €9 million (compared to €7 million in 2012) was paid by pension funds, and (ii) €10 million (compared to €12 million in 2012) was paid with respect to post-retirement benefits

21.2.3 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 2013		
		Benefit obligation	Fair value of plan assets	Net (provisions)/assets recorded in the Statement of Financial Position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**1,020**	**367**	**(653)**
Current service cost		21		(21)
Past service cost		(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 from the fund		(9)	(9)	-
Benefits paid by the employer		(36)	(36)	-
Business combinations (b)		12	9	(3)
Divestitures of businesses				-
Transfers				-
Other (of which foreign currency translation adjustments)		(20)	(12)	8
Reclassification to assets held for sale		(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)	20			*(619)*

		Employee defined benefit plans		
		Year ended December 31 2012		
(in millions of euros)	Note	Benefit obligation (A)	Fair value of plan assets (B)	Net (provisions)/assets recorded in the Statement of Financial Position (B)-(A)
Balance as of December 31, 2011 - as published				**(428)**
Unrecognized actuarial losses/(gains) reported in consolidated retained earnings				(126)
Balance as of January 1, 2012		**826**	**272**	**(554)**
Current service cost		19		(19)
Past service cost		(21)		21
(Gains)/losses on settlements				-
Other		1		(1)
Impact on selling, administrative and general expenses				***1***
Interest cost		38		(38)
Expected return on plan assets			13	13
Impact on other financial charges and income				***(25)***
Net benefit cost recognized in profit and loss				**(24)**
Experience gains/(losses) (a)		(15)	13	28
Actuarial gains/(losses) related to changes in demographic assumptions		(1)		1
Actuarial gains/(losses) related to changes in financial assumptions		111		(111)
Adjustment related to asset ceiling				-
Actuarial gains/(losses) recognized in other comprehensive income				**(82)**
Contributions by plan participants		1	1	-
Contributions by employers		(2)	61	63
Benefits paid from the fund		(7)	(7)	-
Benefits paid by the employer		(34)	(34)	-
Business combinations (b)		111	51	(60)
Divestitures of businesses				-
Transfers				-
Other (of which foreign currency translation adjustments)		(7)	(3)	4
Reclassification to assets held for sale				-
Closing balance		**1,020**	**367**	**(653)**
of which wholly or partly funded benefits		*533*		
wholly unfunded benefits (c)		*487*		
of which assets related to employee benefit plans				*9*
provisions for employee benefit plans (d)	20			*(662)*

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

b Relates to the impact of the acquisition on September 28, 2012 of EMI Recorded Music on the value of the obligations, plan assets, and underfunded obligation

c In accordance with local laws and practices, certain plans are not covered by pension funds As of December 31, 2013 and December 31, 2012, they principally comprise supplementary pension plans in the United States, pension plans in Germany and post-retirement benefit plans in the United States

d Includes a current liability of €55 million as of December 31, 2013 (compared to €46 million as of December 31, 2012)

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

(in millions of euros)	Pension benefits (a) December 31		Post retirement benefits (b) December 31		Total December 31	
	2013	2012	2013	2012	2013	2012
Benefit obligation						
US companies	107	118	120	144	227	262
UK companies	233	225	1	-	234	225
German companies	190	183			190	183
French companies	233	216			233	216
Other	67	115	15	19	82	134
	830	**857**	**136**	**163**	**966**	**1,020**
Fair value of plan assets						
US companies	48	53			48	53
UK companies	201	188		-	201	188
German companies	3	3		-	3	3
French companies	65	67			65	67
Other	39	56			39	56
	356	**367**	-	-	**356**	**367**
Underfunded obligation						
US companies	(59)	(65)	(120)	(144)	(179)	(209)
UK companies	(32)	(37)	(1)		(33)	(37)
German companies	(187)	(180)			(187)	(180)
French companies	(168)	(149)			(168)	(149)
Other	(28)	(59)	(15)	(19)	(43)	(78)
	(474)	**(490)**	**(136)**	**(163)**	**(610)**	**(653)**

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

b Mainly relates to medical coverage (hospitalization, surgery, doctor visits, 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 costs of benefits (please refer to the sensitivity analysis described in Note 21 2 1)

21 2 4 Benefits estimation and future payments

For 2014, hedge fund contributions and benefit payments to retirees by Vivendi are estimated at €44 million in respect of pensions, of which €24 million to pension funds and €11 million to post-retirement benefits

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

(in millions of euros)	Pension benefits	Post-retirement benefits
2014	51	11
2015	25	10
2016	33	11
2017	33	10
2018	30	10
2019-2023	177	49

Note 22 Share-based compensation plans

22.1 Impact on the Consolidated Statement of Earnings

(in millions of euros)		Year ended December 31,	
Charge/(Income)	Note	2013	2012
Stock options, performance shares and bonus shares		*29*	*29*
Employee stock purchase plans		*23*	*33*
Stock Appreciation Rights (SAR)		*1*	*-*
Vivendi stock instruments	22 2	53	62
UMG equity unit plan	22 3	5	9
Charge/(Income) related to share-based compensation plans	3	**58**	**71**
Equity-settled instruments		*52*	*62*
Cash-settled instruments		*6*	*9*

22.2 Plans granted by Vivendi

22 2.1 Information on plans granted by Vivendi

Vivendi has granted several share-based compensation plans to employees of the group
During 2012, Vivendi granted stock option and performance share plans, wherever the fiscal residence of the beneficiaries and bonus share plan for employees of all the group's French subsidiaries
In 2013, the Supervisory Board decided, upon the recommendation of the Management Board and General Management and the advice of the Human Resources Committee, that all grants would be made in the form of performance shares, wherever the fiscal residence of the beneficiaries
In addition, in 2013 and 2012, Vivendi granted stock purchase plans to its employees and retirees (employee stock purchase and leveraged plans)

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 "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

As a reminder, the volatility applied in valuing the stock option plans granted by Vivendi in 2012 was calculated as the weighted average of (a) 75% of the historical volatility of Vivendi shares computed on a 6 5-year period and (b) 25% of the implied volatility based on Vivendi put and call options traded on a liquid market with a maturity of 6 months or more

Equity-settled instruments

The definitive grant of equity-settled instruments, excluding the 2012 bonus share plan, is subject to the satisfaction of performance conditions Such performance conditions include an external indicator, thus following AFEP and MEDEF recommendations The objectives underlying the performance conditions are determined by the Supervisory Board upon proposal by the Human Resources Committee

The value of the equity-settled instruments is estimated and set at grant date For the main 2013 and 2012 performance share, stock option and bonus share plans, the applied assumptions were as follows

	2013	2012	
Grant date	February 22,	July 16 (a)	April 17,
Data at grant date			
Option strike price (in euros) (b)	na	na	13 63
Share price (in euros)	14,91	15 75	12,53
Expected volatility	na	na	27%
Expected dividend yield	6,71%	6 35%	7,98%
Performance conditions achievement rate (c)	100%	na	100%

na not applicable

a Vivendi granted 50 bonus shares to the employees of all the group's French subsidiaries (see below)

b In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares in connection with outstanding plans, were adjusted to take into account the impact, for the beneficiaries of the following distributions (please refer to Note 19) by a withdrawal from reserves
   - on May 9, 2012 grant to each shareowner of one bonus share per 30 shares held, and
   - on May 17, 2013 dividend distribution with respect to fiscal year 2012

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

c The objectives underlying the performance conditions are assessed on a two-year period The definitive grant is effective upon the satisfaction of the following performance conditions
   - internal indicators (70%) for corporate head office, group EBITA margin and for each subsidiary, its EBITA margin, as a function of the cumulative income from fiscal years 2013 and 2014 (compared to the EBITA margin in 2012 and 2013 for the whole group, including corporate head office and its subsidiaries related to plans granted in 2012), and
   - external indicators (30%) performance of Vivendi's share price over two years, according to the Dow Jones Stoxx Telecom index (70%) and according to the Media index comprised of a pre-established panel (30%)

   The definitive grant of stock options and performance shares of April 17, 2012 became effective as of December 31, 2013 The acquisition of these instruments is conditional upon active employment at the vesting date

Performance share plans

Performance shares granted in 2013 and 2012 will vest at the end of a two-year period The compensation cost is therefore recognized on a straight-line basis over the vesting period Performance shares are available at the end of a four-year period from the date of grant However, as the shares granted are ordinary shares of the same class as existing shares 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

On February 22, 2013, 2,573 thousand performance shares were granted, compared to 1,818 thousand granted on April 17, 2012 After taking into account a discount for non-transferability of 8 3% of the share price on February 22, 2013 (7 1% on April 17, 2012), the fair value of each granted performance share was €11 79, compared to €9 80 per share on April 17, 2012 corresponding to a global fair value of €30 million (compared to €18 million in 2012)

Stock option plans

Stock options granted in 2012 will vest at the end of a three-year period and expire at the end of a ten-year period (with a 6 5 year expected term) and the compensation cost determined at grant date is recognized on a straight-line basis over the vesting period In 2013, Vivendi did not grant any stock options On April 17, 2012, 2,514 thousand stock options were granted After taking into account a 2 35% risk-free interest rate, the fair value of each option granted was €0 96, corresponding to a global fair value of €2 million

50 bonus share plan

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

On July 16, 2012, 729 thousand bonus shares were granted After taking into account a discount for non-transferability of 9 3% of the share price on July 16, 2012, the fair value of each granted bonus share was €12 40, a total of €9 million

Employee stock purchase and leveraged plans

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

the restrictions on the sale or transfer of the shares during a five-year period, which is deducted from the benefit granted to the employees The value of the stock purchase plans granted is estimated and fixed at the grant date

For the employee stock purchase and leveraged plans subscribed in 2013 and 2012, the applied valuation assumptions were as follows

	2013	2012
Grant date	June 28	June 25
Subscription price (in euros)	12 10	10 31
Data at grant date		
Share price (in euros)	14 55	13 57
Discount to face value	16 82%	24 02%
Expected dividend yield	6 87%	7 37%
Risk-free interest rate	1 19%	1 37%
5-year interest rate in fine	6 08%	6 51%
Repo rate	0 36%	0 36%

Under the **employee stock purchase plans**, 2,055 thousand shares were subscribed in 2013 (2,108 thousand shares subscribed in 2012) After taking into account a 15 2% discount for non-transferability to the share price on the grant date (15 3% in 2012), the fair value per subscribed share was €0 24 on June 28, 2013, compared to €1 18 per subscribed share on June 25, 2012

Under the **leveraged plans**, virtually all employees and retirees of Vivendi and its French and foreign subsidiaries were entitled to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share A financial institution mandated by Vivendi hedges this transaction
In 2013, 9,758 thousand shares were subscribed under the leveraged plan (compared to 9,845 subscribed shares in 2012) After taking into account a 1 5% discount for non-transferability measured after the leveraged impact (unchanged compared to 2012), the fair value per subscribed share on June 28, 2013 was €2 23, compared to €3 05 per subscribed share on June 25, 2012

In 2013, the charge recognized with respect to employee stock purchase and leveraged plans amounted to €23 million (compared to €33 million in 2012)

Stock purchase and leveraged plans resulted in a capital increase (including issue premium) totaling €149 million on July 25, 2013, and €127 million on July 19, 2012

Cash-settled instruments

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

Stock appreciation right plans

When the instruments entitle the beneficiaries thereof to receive the appreciation in the value of 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 The following table presents the value of outstanding SAR plans measured as of December 31, 2013

	2007	2006
Grant date	April 23,	April 13,
Data at grant date		
Strike price (in US dollars)	41 34	34 58
Number of instruments granted (in thousands)	1,281	1,250
Data at the valuation date (December 31, 2013)		
Expected term (in years)	1 6	1 1
Share price (in US dollars)	26 29	26 29
Expected volatility	29%	29%
Risk-free interest rate	0 26%	0 23%
Expected dividend yield	5 25%	5 25%
Fair value of the granted option as of December 31, 2013 (in US dollars)	**0 38**	**0 64**

22.2.2 Information on outstanding Vivendi plans since January 1, 2012

Equity-settled instruments

	Stock options		Performance shares
	Number of outstanding stock options	Weighted average strike price of outstanding stock options	Number of outstanding performance shares
	(in thousands)	(in euros)	(in thousands)
Balance as of December 31, 2011	**49,907**	**21.5**	**2,961**
Granted	2,650	13.7	1,918
Exercised	(479)	13.0	(981)
Cancelled	(411)	18.4	(138)
Adjusted	1,739	20.4	124
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	-
Cancelled	(194)	15.9	(199)
Adjusted	3,339	19.4	286
Balance as of December 31, 2013	**52,835** (b)	**19.7**	**5,344** (c)
Exercisable as of December 31, 2013	**47,393**	**20.2**	**-**
Acquired as of December 31, 2013	**47,411**	**20.2**	**518**

na not applicable

a The weighted average share price for Vivendi shares at the dates of exercise for the options was €16.21 (compared to €16.70 for stock options exercised in 2012)

b The total intrinsic value of outstanding stock options was €64 million

c The weighted-average remaining period before issuing shares was 1.2 years

Regarding the grant of 50 bonus shares in 2012, the remaining number of bonus shares was 663 thousand as of December 31, 2013 (697 thousand as of December 31, 2012). During 2013, 34 thousand shares were cancelled (32 thousand shares in 2012).

Please refer to Note 19 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, 2013 is as follows:

	Outstanding stock options			Vested stock options	
Range of strike prices	Number	Weighted average strike price	Weighted average remaining contractual life	Number	Weighted average strike price
	(in thousands)	(in euros)	(in years)	(in thousands)	(in euros)
Under €15	2,792	12.5	8.3	8	12.4
€15-€17	12,363	16.8	5.7	12,363	16.8
€17-€19	10,787	17.6	2.1	8,147	17.5
€19-€21	7,868	20.0	1.3	7,868	20.0
€21-€23	6,699	21.3	4.3	6,699	21.3
€23-€25	6,099	24.1	2.3	6,099	24.1
€25-€27	6,227	26.1	3.3	6,227	26.1
€27 and more	-	-	-		
	52,835	**19.7**	**3.6**	**47,411**	**20.2**

Cash-settled instruments

As of December 31, 2013, the remaining outstanding SAR amounted to 2,980 thousand (compared to 5,064 thousand as of December 31, 2012). Following the sale of Activision Blizzard on October 11, 2013, the payment obligations, incurred by Vivendi, with respect to the 1,925 thousand SAR have been transferred to Activision Blizzard. All rights related to SAR were vested and their total intrinsic value amounted to $2 million. As of December 31, 2013, the amount accrued for these instruments was €1 million (compared to €2 million as of December 31, 2012).

22.3 UMG long-term incentive plan

Effective January 1, 2010, UMG implemented long-term incentive arrangements under which certain key executives of UMG are awarded phantom equity units and phantom stock appreciation rights whose value is intended to reflect the value of UMG These units are simply units of account and do not represent an actual ownership interest in either UMG or Vivendi The equity units are notional grants of equity that will be payable in cash upon settlement no later than 2015 or earlier under certain circumstances The stock appreciation rights are essentially options on those notional shares that provide additional compensation tied to any increase in value of UMG over the term The SAR's are also settled in cash only no later than 2014 or earlier under certain circumstances There is a guaranteed minimum payout of $25 million

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

As of December 31, 2013, the amount accrued under these arrangements was €26 million (€22 million as of December 31, 2012) There have been no payments made to date

Note 23 Borrowings and other financial liabilities

(in millions of euros)	Note	December 31 2013			December 31 2012		
		Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	23 1	7 827	6,633	1 194	10,888	10 188	700
Bank credit facilities (drawn confirmed)	23 2	2 075	2 014	61	2,423	2,326	97
Commercial paper issued	23 2	1 906		1 906	3,255	-	3,255
Bank overdrafts		143	-	143	192	-	192
Other bank borrowings		-	-	-	625	34	591
Accrued interest to be paid		186	-	186	205	-	205
Other		73	53	20	126	86	40
Nominal value of borrowings		**12,210**	8 700	3,510	**17,714**	12 634	5,080
Cumulative effect of amortized cost and reevaluation due to hedge accounting		8	8	-	(1)	4	(5)
Commitments to purchase non-controlling interests		22	22	-	8	8	-
Derivative financial instruments	24	26	7	19	36	21	15
Borrowings and other financial liabilities		**12,266**	**8,737**	**3,529**	**17,757**	**12,667**	**5,090**

23.1 Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	December 31, 2013		Maturing during the following periods 2014	2015	2016	2017	2018	After 2018	December 31 2012
€750 million (July 2013)	2 375%	2 51%	Jan 19	750	(a)		-	-	-		750	-
€700 million (December 2012)	2 500%	2 65%	Jan 20	700			-	-	-	-	700	700
$550 million (April 2012)	2 400%	2 50%	Apr-15		(b)		-			-	-	420
$650 million (April 2012)	3 450%	3 56%	Jan 18	69	(c)	-	-			69		491
$800 million (April 2012)	4 750%	4 91%	Apr-22	189	(c)	-	-		-	-	189	604
€1 250 million (January 2012)	4 125%	4 31%	Jul-17	1 250		-			1,250	-	-	1 250
€500 million (November 2011)	3 875%	4 04%	Nov-15	-	(d)	-		-	-	-	-	500
€500 million (November 2011)	4 875%	5 00%	Nov-18	500		-		-	-	500	-	500
€1 000 million (July 2011)	3 500%	3 68%	Jul-15	-	(d)	-		-	-		-	1 000
€1,050 million (July 2011)	4 750%	4 67%	Jul 21	1,050		-	-	-	-		1 050	1,050
€750 million (March 2010)	4 000%	4 15%	Mar 17	750		-	-	-	750	-	-	750
€700 million (December 2009)	4 875%	4 95%	Dec 19	700		-	-	-		-	700	700
€500 million (December 2009)	4 250%	4 39%	Dec-16	500		-	-	500	-	-	-	500
€300 million - SFR (July 2009)	5 000%	5 05%	Jul-14	300		300	-		-	-		300
€1,120 million (January 2009)	7 750%	7 69%	Jan-14	894	(a)	894	-		-	-		894
$700 million (April 2008)	6 625%	6 85%	Apr-18	175	(c)	-	-	-	-	175	-	529
€700 million (October 2006)	4 500%	5 47%	Oct-13	-	(e)	-	-	-	-	-	-	700
Nominal value of bonds				**7,827**		1 194	-	500	2,000	744	3 389	**10,888**

a On July 9, 2013, Vivendi issued a €750 million bond, maturing in January 2019 This transaction enabled the refinancing of the bond issued in January 2009, maturing in January 2014

b A USD/EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche denominated in US dollar with a 1 3082 EUR/USD rate, or a €420 million counter value at maturity On November 15, 2013, Vivendi exercised the full make-whole call and early redeemed this bond

c On October 25, 2013, Vivendi early redeemed $1,555 million (€1,150 million) in bonds, through tender offers
- $555 million (€411 million) on the $650 million bond issued in April 2012, initially maturing in January 2018,
- $541 million (€400 million) on the $800 million bond issued in April 2012, initially maturing in April 2022, and
- $459 million (€339 million) on the $700 million bond issued in April 2008, initially maturing in April 2018

d On November 11, 2013, Vivendi early redeemed (make-whole) the full amount of these two bonds

e This bond was redeemed in October 2013 upon its contractual maturity date

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

The bonds denominated in US dollar were converted into euro based on the closing rate, i e , 1 3730 EUR/USD as of December 31, 2013 (compared to 1 3244 EUR/USD as of December 31, 2012)

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-)

23.2 Bank credit facilities

(in million of euros)	Maturity	Maximum amount	December 31 2013	Maturing during the following periods 2014	2015	2016	2017	2018	After 2018	December 31 2012
€1 5 billion revolving facility (March 2013)	Mar 18	1 500 (a)	205		-			205		
€1 5 billion revolving facility (May 2012)	May 17	1 500			-					
€1 1 billion revolving facility (January 2012)	Jan 17	1 100			-					
€40 million revolving facility (January 2012)	Jan 15	40								
€5 0 billion revolving facility (May 2011)										
tranche B €1 5 billion		- (a)								725
tranche C €2 0 billion	May-16	2 000	975			975				819
€1 0 billion revolving facility (September 2010)	Sep 15	1 000	475		475					350
€1 2 billion revolving facility SFR (June 2010)		- (b)		-						
GVT BNDES	-	452	391	43	77	77	60	51	83	406
Maroc Telecom MAD 3 billion loan	Jul 14									94
Canal+ Group VSTV		37	29	18	11					29
Drawn confirmed bank credit facilities			**2,075**	**61**	**563**	**1,052**	**60**	**256**	**83**	**2,423**
Undrawn confirmed bank credit facilities			5 554	11	575	1 035	2 611	1 306	16	6 616
Total of group's bank credit facilities			**7,629**	**72**	**1,138**	**2,087**	**2,671**	**1,562**	**99**	**9,039**
Commercial paper issued (c)			1 906	1 906						3 255

a On March 28, 2013, Vivendi completed the early refinancing of a €1 5 billion bank credit facility maturing in May 2014 by entering into a new bank credit facility for the same amount with a five-year maturity

b The €1 2 billion revolving facility of SFR was cancelled in October 2013

c The commercial paper is backed to confirmed bank credit facilities It is recorded as short-term borrowing on the Consolidated Statement of Financial Position On February 20, 2013, Vivendi increased the maximum amount authorized by the Banque de France regarding Vivendi SA's commercial paper program from €4 to €5 billion

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

Vivendi SA's syndicated bank credit facilities (€7 1 billion as of December 31, 2013) contain customary provisions related to events of default and covenants relating to negative pledge, divestiture and merger transactions In addition, at the end of each half year, Vivendi SA is required to comply with a financial covenant of Proportionate Financial Net Debt[1] to Proportionate EBITDA[2] over a twelve-month rolling period not exceeding 3 for the duration of the loans Non-compliance with this covenant could result in the early redemption of the facilities if they were drawn, or their cancellation As of December 31, 2013, Vivendi SA was in compliance with these financial covenants

[1] *As of December 31, 2013, defined as Vivendi s Financial Net Debt adjusted for expected proceeds (according to the financial terms known to date) from the sale of Maroc Telecom group*

[2] *As of December 31, 2013 defined as Vivendi s modified EBITDA as published at that date (please refer to Note 3), plus dividends received from unconsolidated companies*

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

The credit facilities granted to GVT by the BNDES (€452 million as of December 31, 2013) contain a change in control trigger and are subject to certain financial covenants pursuant to which GVT is required to comply at the end of each half year with at least three of the following financial covenants (i) a ratio of equity to total assets equal to or higher than 0 40 (0 35 for the credit facilities granted in November 2011), (ii) a ratio of Financial Net Debt to EBITDA not exceeding 2 50, (iii) a ratio of current financial liabilities to EBITDA not exceeding 0 45, and (iv) a ratio of EBITDA to net financial expenses of at least 4 00 (3 50 for the credit facilities granted in November 2011) As of December 31, 2013, GVT was in compliance with its covenants

Moreover, 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 28) This off-balance sheet financial commitment has no impact on Vivendi's net debt This letter of credit is guaranteed by a syndicate of fifteen international banks with which Vivendi has signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit The Reimbursement Agreement notably contains events of default and acceleration clauses similar to those contained in Vivendi's credit facilities In certain circumstances, these provisions could cause Vivendi to have to post cash collateral for the benefit of the banks In the same way, if one of the fifteen banks defaults in respect of its obligations and is not able to issue a guarantee sufficient enough to provide comfort to Bank of America, Vivendi could be caused to substitute such bank with another bank or, as a last resort, be obligated to post cash collateral in the amount of such bank's participation in the letter of credit As of December 31, 2013, Vivendi SA was in compliance with the terms of the letter of credit

23.3 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, 2013		December 31 2012	
Maturity				
< 1 year (a)	3 510	*29%*	5 080	*29%*
Between 1 and 2 years	588	*5%*	2 057	*12%*
Between 2 and 3 years	1,562	*13%*	2,380	*13%*
Between 3 and 4 years	2,065	*17%*	1 406	*8%*
Between 4 and 5 years	1,005	*8%*	2 073	*12%*
> 5 years	3 480	*28%*	4,718	*26%*
Nominal value of borrowings	**12,210**	***100%***	**17,714**	***100%***

a As of December 31, 2013, short-term borrowings (with a maturity of less than one year) notably included commercial paper for €1,906 million (compared to €3,255 million as of December 31, 2012), with a 17-day weighted-average remaining period as of December 31, 2013 as well as Vivendi SA's €894 million bond, maturing in January 2014, and SFR's €300 million bond, maturing in July 2014

As of December 31, 2013, the average "economic" term of the group's financial debt, pursuant to which all undrawn amounts on available medium-term credit lines may be used to redeem group borrowings with the shortest term was of 4 2 years (compared to 4 4 years at year-end 2012)

Breakdown by nature of interest rate

(in millions of euros)	Note	December 31, 2013		December 31 2012	
Fixed interest rate		7 830	*64%*	11,666	*66%*
Floating interest rate		4 380	*36%*	6 048	*34%*
Nominal value of borrowings before hedging		**12,210**	***100%***	**17,714**	***100%***
Pay-fixed interest rate swaps		*450*		*450*	
Pay-floating interest rate swaps		*(2,600)*		*(1 450)*	
Net position at fixed interest rate	24 2	***(2,150)***		***(1,000)***	
Fixed interest rate		5 680	*47%*	10 666	*60%*
Floating interest rate		6,530	*53%*	7 048	*40%*
Nominal value of borrowings after hedging		**12,210**	***100%***	**17,714**	***100%***

Please refer to Note 24 2 1 for a description of the group's interest rate risk management instruments

Breakdown by currency

(in millions of euros)	Note	December 31 2013		December 31 2012	
Euro - EUR		11,396	*93%*	14,420	*81%*
US dollar - USD		433	*4%*	2 046	*12%*
Other (of which BRL and PLN)		381	*3%*	1 248	*7%*
Nominal value of borrowings before hedging		**12,210**	***100%***	**17,714**	***100%***
Currency swaps USD		*1 468*		*1,303*	
Other currency swaps		*(199)*		*(813)* (a)	
Net total of hedging instruments	24 2	***1,269***		***490***	
Euro EUR		12 665	*104%*	14 910	*84%*
US dollar - USD		(1 035)	*-9%*	743	*4%*
Other (of which BRL and PLN)		580	*5%*	2,061	*12%*
Nominal value of borrowings after hedging		**12,210**	***100%***	**17,714**	***100%***

a Notably included a forward GBP/EUR contract for a nominal amount of £430 million, put into place in order to cover the proceeds from the sale of certain assets of EMI Recorded Music Please refer to Note 24 2 2 for a description of the group's foreign currency risk management

23.4 Credit ratings

As of February 19, 2014, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2013, the credit ratings of Vivendi were as follows

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

a On August 5, 2013, Standard & Poor's rating agency maintained Vivendi's rating and negative long-term corporate debt outlook

b On March 4, 2013, Moody's rating agency confirmed Vivendi's long-term senior unsecured debt at Baa2 and revised its outlook to negative

Note 24 Financial instruments and management of financial risks

24.1 Fair value of financial instruments

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

Accounting category and fair value of financial instruments

(in millions of euros)	Note	December 31, 2013		December 31, 2012 (a)	
		Carrying value	Fair value	Carrying value	Fair value
Assets					
Cash management financial assets		-	-	*301*	*301*
Available-for-sale securities		*360*	*360*	*197*	*197*
Derivative financial instruments		*126*	*126*	*137*	*137*
Other financial assets at fair value through profit or loss		*5*	*5*	*15*	*15*
Financial assets at amortized cost		*208*	*208*	*202*	*202*
Financial assets	16	699	699	852	852
Trade accounts receivable and other, at amortized cost	17	4,898	4,898	6,587	6,587
Cash and cash equivalents	18	1,041	1,041	3,894	3 894
Liabilities					
Borrowings, at amortized cost		*12,218*	*12,721*	*17,713*	*18,637*
Derivative financial instruments		*26*	*26*	*36*	*36*
Commitments to purchase non-controlling interests		*22*	*22*	*8*	*8*
Borrowings and other financial liabilities	23	12,266	12,769	17,757	18,681
Other non-current liabilities, at amortized cost	17	757	757	1,002	1,002
Trade accounts payable and other, at amortized cost	17	10 416	10,416	14,196	14,196

a Vivendi applied from January 1, 2013, with retrospective effect from January 1, 2012, amended IAS 19 (Employee Benefits), whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1) As a result, the 2012 Financial Statements were adjusted in accordance with the new standard (please refer to Note 33)

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

Valuation method for financial instruments at fair value

The following tables 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 2013 Total	Level 1	Level 2	Level 3
Assets					
Available-for-sale securities	16	360	-	304	56
Derivative financial instruments	24 2	126	-	126	-
Other financial assets at fair value through profit or loss		5	5	-	-
Cash and cash equivalents	18	1,041	1 041	-	-
Liabilities					
Commitments to purchase non-controlling interests		22	-	-	22
Derivative financial instruments	24 2	26	-	26	-

(in millions of euros)	Note	December 31, 2012 Total	Level 1	Level 2	Level 3
Assets					
Cash management financial assets	16	301	301	-	-
Available-for-sale securities	16	197	-	154	43
Derivative financial instruments	24 2	137	-	137	-
Other financial assets at fair value through profit or loss		15	9	-	6
Cash and cash equivalents	18	3,894	3 894	-	-
Liabilities					
Commitments to purchase non-controlling interests		8	-	-	8
Derivative financial instruments	24 2	36		36	-

Available-for-sale securities valued at their level 2 fair value included securities held by UMG in Beats and Spotify for €161 million and €143 million, respectively (€70 million and €84 million as of December 31, 2012) In 2013, the fair value of these securities was reassessed following the entry of new investors to their capital

In 2013 and 2012, there was no transfer of financial instruments measured at fair value between level 1 and level 2 In addition, as of December 31, 2013 and December 31, 2012, financial instruments measured at level 3 fair value did not include any significant amount

24.2 Management of financial risks and derivative financial instruments

As part of its business, Vivendi is exposed to several types of financial risks market risk, credit (or counterparty) risk, as well as liquidity risk Market risks are defined as the risks of fluctuation in future cash flows of financial instruments (receivables and payables, as described in Note 24 1 above) that depend on the changes in financial markets For Vivendi, market risks may therefore primarily impact interest rates and foreign currency exchange positions, in the absence of significant investments in the markets for stocks and bonds Vivendi's Financing and Treasury Department centrally manages significant market risks, as well as its liquidity risk within the group, reporting directly to Vivendi's Chief Financial Officer The Department has the necessary expertise, resources (notably technical resources), and information systems for this purpose However, the Maroc Telecom group's cash and exposure to financial risks was managed independently The Treasury Committee monitors the liquidity positions in all business units and the exposure to interest rate risk and foreign currency exchange rate risk on a bi-monthly basis Short- and long-term financing activities are mainly performed at the group's headquarters and are subject to the prior approval of the Management Board and Supervisory Board, in accordance with the Vivendi Internal Regulations However, in terms of optimizing financing operations within the group's debt management framework within the limits already approved by the Supervisory Board, a simple notification is required

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

Derivative financial instrument values on the Statement of Financial Position

(in millions of euros)	Note	December 31 2013 Assets	December 31 2013 Liabilities	December 31 2012 Assets	December 31 2012 Liabilities
Interest rate risk management	24 2 1	88	(7)	104	(10)
Pay-fixed interest rate swaps		-	*(7)*	-	*(10)*
Pay-floating interest rate swaps		*88*	-	*104*	-
Foreign currency risk management	24 2 2	17	(19)	13	(26)
Other	24 4	21	-	20	
Derivative financial instruments		**126**	**(26)**	**137**	**(36)**
Deduction of current derivative financial instruments		(17)	19	(12)	15
Non-current derivative financial instruments		**109**	**7**	**125**	**(21)**

24 2 1 Interest rate risk management

Note *As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statements as discontinued operations Their Financial Net Debt or net cash have been excluded form Vivendi's Financial Net Debt This adjustment has been applied (i) to all periods (2013 and 2012) and (ii) to all data presented in this section to ensure consistency of information*

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

Average gross borrowings and average cost of borrowings

In 2013, average gross borrowings amounted to €16 3 billion (compared to €16 5 billion in 2012), of which €9 2 billion was at fixed-rates and €7 1 billion at floating rates (compared to €9 7 and €6 8 billion, respectively, in 2012) After management, the average cost of borrowings was 3 38%, with a fixed rate ratio of 57% (compared to 3 46%, with a fixed-rate ratio of 59% in 2012)

Interest rate hedges

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

As of December 31, 2013, the portfolio of Vivendi's interest rate hedging instruments included the following swaps

- a pay-floating interest rate swap with a notional amount of €450 million, maturing in 2017, set up in 2012,
- a pay-fixed interest rate swap with a notional amount of €450 million, maturing in 2017, set up in 2010 for €750 million (€300 million was terminated early in 2012),
- a pay-fixed interest rate swap with a notional amount of €1,000 million, maturing in 2016, set up in 2011,
- a pay-fixed interest rate swap with a notional amount of €750 million, maturing in 2019, set up in 2013 and backed by the bond with the same notional amount and maturity, issued in July 2013, and
- a pay-fixed interest rate swap with a notional amount of €400 million, maturing in 2016, set up in 2013

The tables below show the notional amounts of interest rate risk management instruments used by Vivendi

	December 31 2013								
	Notional amounts							Fair value	
(in millions of euros)	Total	2014	2015	2016	2017	2018	After 2018	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)

	December 31 2012								
	Notional amounts							Fair value	
(in millions of euros)	Total	2013	2014	2015	2016	2017	After 2017	Assets	Liabilities
Pay-fixed interest rate swaps	450					450		-	(10)
Pay-floating interest rate swaps	(1 450)				(1 000)	(450)		104	-
Net position at fixed interest rate	**(1,000)**				**(1,000)**	- (a)		**104**	**(10)**
Breakdown by accounting category of rate hedging instruments									
Cash Flow Hedge	-								-
Fair Value Hedge	(1 000)				(1 000)			49	-
Economic Hedging (b)	-					- (a)		55	(10)

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

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

Outstanding and average income from investments

In 2013, average cash and cash equivalents amounted to €0 9 billion (compared to €0 6 billion in 2012), bearing interest at floating rates The average interest income rate amounted to 2 69% in 2013 (compared to 4 62 % in 2012)

Sensitivity to changes in interest rates

As of December 31, 2013, given the relative weighting of the group's fixed-rate and floating-rate positions, an increase of 100 basis points in short-term interest rates (or a 100 basis points decrease) would have resulted in a €56 million increase in interest expense (or a €56 million decrease), compared to a €63 million increase/(decrease) as of December 31, 2012

24.2 2 Foreign currency risk management

Excluding Maroc Telecom group and GVT, the group's foreign currency risk management is centralized by Vivendi SA's Financing and Treasury Departments and primarily seeks to hedge budget exposures (80%) resulting from monetary flows generated by activities performed in currencies other than the euro as well as from external firm commitments (100%), primarily relating to the acquisition of editorial content (including sports, audiovisual and film rights) and certain capital expenditures (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 hedge put into place, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2013, would have a non-significant cumulative impact on net earnings (below €1 million as of December 31, 2013 and December 31, 2012) In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities Nevertheless, due to their non-significant nature, net exposures to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged The relevant risks are realized at the end of each month by translating the sum into the functional currency of the relevant operating entities

The principal currencies hedged by the group are the US dollar (USD) and the British pound (GBP)

- In particular, in 2012 and 2013, Vivendi converted into euros following US dollar transactions
  - the $550 million bond issued in April 2012, by setting up a USD-EUR foreign currency hedge (cross-currency swap) with a 1 3082 EUR/USD rate, or a €420 million counter value From an accounting perspective, these USD purchases were considered as cash flow hedges This hedge was unwound on November 15, 2013 with the early redemption of this bond,
  - partial hedge of the income from the sale of 88% of Vivendi's interest in Activision Blizzard through the purchase of a contingent forward contract, conditional on the effective sale for a notional amount of $2 billion, with a 1 3368 EUR/USD rate, or a counter value of €1,496 million This hedge, considered as a cash flow hedge from an accounting perspective, was unwound on October 11, 2013 at the finalization of the sale, generating a realized foreign exchange gain of €23 million
- In 2012 and 2013, as part of the acquisition of EMI Recorded Music (please refer to Note 2 3), Vivendi hedged the GBP foreign exchange risk as follows
  - partial hedge of the acquisition price through forward purchase contracts denominated in GBP for a notional amount of £600 million, with a 0 8144 EUR/GBP rate From an accounting perspective, these GBP purchases were considered as cash flow hedges On October 1, 2012, this hedge was unwound for €737 million at the completion of the acquisition, generating a realized foreign exchange gain of €19 million,
  - partial hedge of the income from the sale of certain EMI Recorded Music assets, in accordance with commitments made by Vivendi to the European Commission, through forward sale contracts denominated in GBP for a notional amount of £530 million, with an average rate of 0 8060 EUR/GBP From an accounting perspective, these GBP sales were considered as net investment hedges This hedge was unwound for a counter value of €658 million, at the completion of the sale of Parlophone Label Group and other labels, generating a realized foreign exchange gain of €39 million
- Moreover, in 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 put option instruments for a notional amount £692 million, or €823 million From an accounting perspective, these hedge instruments were considered as net investment hedges

Finally, the intercompany loan granted by Vivendi to GVT under market terms for a total amount of €1,000 million as of December 31, 2013 (fully drawn as of that date) was not subject to any foreign currency hedging in GVT's Statement of Financial Position foreign exchange losses incurred amounted to €186 million in 2013 and to €76 million in 2012 In January 2014, the amount of this loan was increased to €1,126 million This intercompany loan is mainly aimed at financing the increase in GVT's capital expenditures program related to the geographic expansion of its telecommunication network

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

	December 31 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**	**-**

	December 31 2012						
	Notional amounts					Fair value	
(in millions of euros)	Total	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(931)	(59)	(162)	(586)	(124)	12	(3)
Purchases against the euro	1 421	1,257	37	15	112	1	(20)
Other	-	105	(97)	(8)	-	-	(3)
	490	**1,303**	**(222)**	**(579)**	**(12)**	**13**	**(26)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(87)	(6)	(58)	(8)	(15)	1	(1)
Purchases against the euro	446	446 (c)		-	-	1	(11)
Other	-	92	(92)	-	-		(3)
	359	**532**	**(150)**	**(8)**	**(15)**	**2**	**(15)**
Fair Value Hedge							
Sales against the euro	(154)	(53)	(98)	(3)		1	(2)
Purchases against the euro	456	441		15			(6)
Other	-	20	(12)	(8)			-
	302	**408**	**(110)**	**4**	**-**	**1**	**(8)**
Net Investment Hedge							
Sales against the euro	(575)	-		(575) (d)	-	10	-
Purchases against the euro	-	-		-	-		-
Other	-	-	-	-	-	-	-
	(575)	**-**	**-**	**(575)**	**-**	**10**	**-**
Economic Hedging (b)							
Sales against the euro	(115)	-	(6)		(109)		
Purchases against the euro	519	370	37		112		(3)
Other	-	(7)	7	-	-		-
	404	**363**	**38**	**-**	**3**	**-**	**(3)**

a Relates to the hedge of the net investment in certain subsidiaries in the United Kingdom for a notional amount of GBP 692 million

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

c Notably includes the hedge associated with the $550 million bond issued in April 2012, with a 1 3082 EUR/USD rate, unwound on November 15, 2013 for a counter-value of €420 million

d Mainly includes the hedge associated with the sale of EMI Recorded Music

24.2 3 Liquidity risk management

Contractual maturity of the group's Financial Net Debt future cash flows

The table below shows the carrying value and the future undiscounted cash flows, as defined in the contractual maturity schedules, of assets and liabilities that constitute Vivendi's Financial Net Debt

	December 31 2013							
	Carrying	Contractual maturity of cash outflows / (inflows)						
(in millions of euros)	value	Total	2014	2015	2016	2017	2018	After 2018
Nominal value of borrowings (a)	*12 210*	*12 210*	*3,510*	*588*	*1,562*	*2,065*	*1 005*	*3 480*
Cumulative effect of amortized cost and reevaluation due to hedge accounting	*8*	*-*						
Interest to be paid (b)	*-*	*1,703*	*394*	*307*	*294*	*264*	*169*	*275*
Borrowings	12 218	13 913	3,904	895	1 856	2,329	1 174	3 755
Commitments to purchase non controlling interests	22	22			4	6		12
Derivative financial instruments	26	32	21	4	3	4		
Borrowings and other financial liabilities	**12,266**	**13,967**	**3,925**	**899**	**1,863**	**2,339**	**1,174**	**3,767**
Derivative financial instruments	(126)	(178)	(42)	(34)	(38)	(22)	(6)	(36)
Cash deposits backing borrowings	(2)	(2)	(2)					
Cash and cash equivalents	(1 041)	(1,041)	(1 041)					
Financial Net Debt	**11,097**	**12,746**	**2,840**	**865**	**1,825**	**2,317**	**1,168**	**3,731**

	December 31 2012							
	Carrying	Contractual maturity of cash outflows / (inflows)						
(in millions of euros)	value	Total	2013	2014	2015	2016	2017	After 2017
Nominal value of borrowings (a)	*17 714*	*17 714*	*5 080*	*2,057*	*2 380*	*1,406*	*2 073*	*4,718*
Cumulative effect of amortized cost and reevaluation due to hedge accounting	*(1)*							
Interest to be paid (b)		*2 586*	*534*	*502*	*402*	*331*	*302*	*515*
Borrowings	17 713	20 300	5,614	2 559	2 782	1,737	2 375	5 233
Commitments to purchase non controlling interests	8	8					4	4
Derivative financial instruments	36	30	18	3	3	3	3	
Borrowings and other financial liabilities	**17,757**	**20,338**	**5,632**	**2,562**	**2,785**	**1,740**	**2,382**	**5,237**
Cash management financial assets	(301)	(301)	(301)					
Derivative financial instruments	(137)	(156)	(40)	(29)	(28)	(28)	(11)	(20)
Cash deposits backing borrowings	(6)	(6)	(6)					
Cash and cash equivalents	(3,894)	(3 894)	(3 894)					
Financial Net Debt	**13,419**	**15,981**	**1,391**	**2,533**	**2,757**	**1,712**	**2,371**	**5,217**

a Future contractual undiscounted cash flows related to the nominal value of currency borrowings are estimated based on the applicable exchange rates as of December 31, 2013 and December 31, 2012, respectively

b Interest to be paid on floating rate borrowings is estimated based on floating rates as of December 31, 2013 and December 31, 2012, respectively

Moreover, 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 28) This off-balance sheet financial commitment has no impact on Vivendi's net debt

Group financing policy

As part of the strategic review undertaken by the Supervisory Board and Management Board, Vivendi announced in July 2013 its plans to sell its interests in Activision Blizzard and Maroc Telecom, and in November 2013, the group's planned demerger to form two separate companies (i) a media group and (ii) SFR, subject to information and consultation procedures with the relevant French employee representative bodies and approval by the relevant regulatory authorities, as well as, if appropriate, its approval by the General Shareholders' Meeting In the meantime, Vivendi has pursued its financing policy in relation to expiring bank credit facilities or bonds Thus, Vivendi early refinanced a €1 5 billion bank credit facility, maturing in May 2014 with a new bank credit facility for the same amount, maturing in March 2018, and issued a new €750 million bond, with a coupon of 2 375%, which early refinances the €894 million residual amount bond issued in January 2009 with a coupon of 7 75%, maturing in January 2014

On October 11, 2013, Vivendi completed the sale of 88% of its interest in Activision Blizzard for $8 2 billion (€6 billion) in cash Vivendi used cash on hand to early redeem most of its US dollar-denominated bonds, as well as a portion of its euro-denominated bonds, having the shortest maturity, for an aggregate amount of €3 billion (including $2 1 billion and €1 5 billion), either through a tender offer in October 2013 and a make-whole redemption in November 2013 In addition, Vivendi used the available balance to redeem drawn bank credit facilities These transactions were as follows

- 72% redemption of three US dollar-denominated bonds, following a tender offer
  - $459 million redeemed on the $700 million bond, maturing in April 2018,
  - $541 million redeemed on the $800 million bond, maturing in April 2022, and
  - $555 million redeemed on the $650 million bond, maturing in January 2018,
- early full redemption of one US dollar-denominated bond and two euro-denominated bonds
  - $550 million, maturing in April 2015,
  - €500 million, maturing in November 2015, and
  - €1,000 million, maturing in July 2015

In October 2013, Vivendi also redeemed, upon its contractual maturity date, a €700 million bond, refinanced in December 2012, by a bond for the same amount, maturing in January 2020, and cancelled SFR's €1 2 billion bank credit facility

Moreover, on November 5, 2013, Vivendi acquired the 20% non-controlling interest in Canal+ France held by Lagardère for €1,020 million, in cash

Finally, on November 26 2013, the Supervisory Board approved the group's planned demerger to form two separate entities (i) a media group and (ii) SFR Subject to information and consultation procedures with the relevant French employee representative bodies and approvals by the relevant regulatory authorities, it could be submitted, if appropriate to the General Shareholders' Meeting for approval on June 24, 2014 The potential impacts of this demerger on the group's financing structure will become effective if and when a final decision to implement such a transaction is taken

As of February 19, 2014, the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31 2013

- Vivendi SA had available confirmed credit facilities in the aggregate amount of €7,140 million, of which €600 million was drawn Given the amount of commercial paper issued at that date, and backed to bank credit facilities for €4,143 million, these facilities were available for an aggregate amount of €2,397 million, and
- bonds amounted to €6 9 billion, following the redemption in January 2014 upon its contractual maturity, of the bond issued in January 2009, with a 7 75% coupon, for €894 million

Moreover, on March 4, 2013, a letter of credit for €975 million was issued in connection with Vivendi's appeal against the Liberty Media judgment This off-balance sheet financial commitment has no impact on Vivendi's net debt

Contractual agreements in relation to credit facilities and letters of credit granted to Vivendi SA (notably the letter of credit issued in connection with the appeal against the Liberty Media judgment) do not include provisions that tie the conditions of the loan to its financial strength ratings from rating agencies They contain customary provisions related to events of default and, at the end of each half-year, Vivendi SA is notably required to comply with a financial covenant (please refer to Note 23) The credit facilities granted to group companies other than Vivendi SA are intended to finance either the general needs of the borrowing subsidiary or a specific project

Group financing organization

Excluding primarily Maroc Telecom group, 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

Taking into account the foregoing, Vivendi considers that the cash flows generated by its operating activities, its cash and cash equivalents, as well as the amounts available through its current bank credit facilities and the letter of credit issued in connection with Vivendi's appeal against the Liberty Media judgment will be sufficient to cover its operating expenses and capital expenditure, service its debt (including the

redemption of borrowings), pay its income taxes and dividends, as well as to fund its financial investment projects, if any, for the next twelve months, subject to potential transactions which may be implemented in connection with the group's change in scope

24.3 Credit and investment concentration risk and counterparty risk management

Vivendi's risk management policy aims at minimizing the concentration of its credit (bank credit facilities, bonds, and derivatives) and investment risks as well as counterparty risk, as regards the setting-up of bank credit facilities, derivatives or investments, by entering into transactions with highly rated commercial banks only Moreover, regarding bond issues, Vivendi distributes its transactions among selected financial investors
In addition, Vivendi's trade receivables do not represent a significant concentration of credit risk due to its broad customer base, the broad variety of customers and markets, and the geographic diversity of its business operations

24.4 Equity market risk management

As of December 31, 2013, Vivendi and its subsidiaries held shares in the following listed companies

- 83 million Activision Blizzard common shares classified as "Assets held for sale" in the Consolidated Statement of Financial Position, the value of which is €1,078 million as of December 31, 2013, at constant EUR/USD rate, a 10% decrease (or a 10% increase) in Activision Blizzard's share price would have a negative impact of €108 million (or a positive impact of €108 million) on Vivendi's net income These shares are subject to a 15-month lock-up period, during which Vivendi cannot sell, transfer, hedge or otherwise dispose of any Activision Blizzard shares directly or indirectly (please refer to Note 7), and
- 95 million TVN shares indirectly held by N-Vision, consolidated by Canal+ Group under the equity method (please refer to Note 15)

In addition, as of December 31, 2013, Vivendi holds call options and has granted put options on listed or unlisted shares Vivendi is thus exposed to the risk of fluctuation in their values

Note 25 Consolidated Cash Flow Statement

25.1 Adjustments

(in millions of euros)	Note	Year ended December 31 2013	2012
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	4	5 106	3 275
Change in provision net		(168)	10
Other non-cash items from EBIT		(2)	-
Other			
Reserve accrual related to the Liberty Media Corporation litigation in the United States	28	-	945
Other income from EBIT	4	(88)	(19)
Other charges from EBIT	4	57	236
Proceeds from sales of property, plant, equipment and intangible assets	3	6	9
Adjustments		**4,911**	**4,456**

25.2 Investing and financing activities with no cash impact

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

In 2012, investing and financing activities with no cash impact amounted to €596 million (of which €336 million due to the share capital increase (including premium) and €260 million due to the group's retained earnings increase) and were mainly related to

- the grant of bonus shares to Vivendi SA shareowners by a €229 million withdrawal from additional paid-in capital (please refer to Note 19),
- Vivendi SA's share capital increase of 22,356 thousand shares, which it paid in consideration for the contribution made by Bolloré Media, (the free-to-air channels Direct 8 and Direct Star), representing an enterprise value of €336 million, and
- the strategic partnership in Poland, finalized on November 30, 2012 This transaction generated an increase in consolidated retained earnings from equity of €260 million (€114 million related to the gain on the dilution of Cyfra+ and €131 million related to the recognition of ITI Neovision's non-controlling interests at fair value)

Note 26 Transactions with related parties

26.1 Corporate officers

Situation of corporate officers

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

Until December 31, 2013, the Management Board was composed of Mr Jean-François Dubos and Mr Philippe Capron, who left his position as a member of the Management Board as of that date

Since January 1, 2014, the Management Board is composed of Mr Jean-François Dubos , Mr Jean-Yves Charlier (Chairman and Chief Executive Officer of SFR), and Mr Arnaud de Puyfontaine (Senior Executive Vice President, Media and Content activities)

Compensation of corporate officers

- The gross compensation, including benefits in kind, that the group paid in 2013, to the members of the Management Board in office, amounted to €2 3 million This amount included the fixed and variable compensation components paid to the members of the Management Board in office in 2013 for their 2012 mandate Moreover, in 2013, the members in office until June 28, 2012 received the prorated variable compensation component with respect to 2012, as approved by the Supervisory Board on February 22, 2013, for a total amount of €4 6 million (excluding severance payment, if any, see below)

  In 2012, the total gross compensation, including benefits in kind that the group paid to the members of the Management Board in office, amounted to €25 million This amount included the fixed compensation component of the members of the Management Board for the duration of their mandate (€5 million), the variable compensation component paid for their 2011 mandate (€12 million), as well as the severance payments paid to Mr Jean-Bernard Levy and Mr Frank Esser (a member of Vivendi's Management Board and as SFR's Chief Executive Officer until March 26, 2012, i e , termination date of his term of office)

- In 2012, Mr Jean-Bernard Lévy, received a severance payment of €3 9 million, approved by the General Shareholders' Meeting held on April 30, 2013 In addition, Mr Frank Esser's received a severance payment, with respect to the termination of its employment contract, for €3 9 million (of which €1 7 million received in January 2013)

  Mr Philippe Capron, considering his resignation, is not entitled to benefit from the severance payment as included in the amendment to its employment contract which was approved by the General Shareholders' Meeting held on April 30, 2013

  The Chairman of the Management Board do not benefit from any severance payment due to his position as a Corporate Officer

- The total charge recorded by the group with respect to share-based compensation plans (performance shares, stock options, and employee stock purchase) granted to the members of the Management Board, in office, amounted to €2 million in 2013 (compared to €6 million in 2012)

- The amount of net pension plan obligations to the Management Board amounted to €7 8 million as of December 31, 2013 (compared to €4 6 million for the members of the Management Board, in office as of December 31, 2012) Mr Philippe Capron lost his pension benefit rights with respect to the additional pension plan

- The fixed compensation paid to the Chairman of the Supervisory Board amounted to €700,000 (before taxes and withholdings) in 2013 (unchanged since 2011) and the total amount of fees paid to the other members of the Supervisory Board amounted to €1 2 million (before taxes and withholdings) with respect to 2013 (unchanged compared to 2012)

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

Sale of Activision Blizzard

On October 11, 2013, Vivendi sold 88% of its interest in Activision Blizzard Mr Jean-François Dubos was a member of Activision Blizzard's Board of Directors and of its Compensation Committee and Mr Philippe Capron was Chairman of Activision Blizzard's Board of Directors and of its Compensation Committee as well as a member of its Nominating and Corporate Governance Committee

26.2 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 29 for a list of its main subsidiaries, fully consolidated or accounted for under the equity method), and non-controlling interests that exercise significant influence on group affiliates i e , the Kingdom of Morocco, which owns 30% of Maroc Telecom group, and since November 30, 2012, TVN, which owns 32% of Canal+ Cyfrowy (a subsidiary of Canal+ Group)

Moreover, on November 5, 2013, Vivendi acquired from Lagardère Group its 20% interest in Canal+ France (please refer to Note 2) The agreement entered into in 2006 with Lagardère Group which gave Canal+ France the right to broadcast their theme channels on its multi-channel offer, was extended once until June 30, 2013 and has been extended a second time until June 30, 2016

Note 27 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 11 2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including finance leases (please refer to Note 13), off-balance sheet operating leases and subleases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments,
- commitments related to the group's scope contracted through acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments resulting from shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets,
- commitments related to the group's financing borrowings issued and undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Notes 23 and 24), and
- contingent assets and liabilities related to litigation in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 28)

27.1 Contractual obligations and commercial commitments

		As of December 31 2013				Total as of December 31 2012
		Total	Payments due in			
(in millions of euros)	Note		2014	2015-2018	After 2018	
Borrowings and other financial liabilities	24 2 3	13 967	3 925	6 275	3 767	20 338
Content liabilities	11 2	2 335	2 245	88	2	2 283
Future minimum payments related to the consolidated statement of financial position items		**16,302**	**6,170**	**6,363**	**3,769**	**22,621**
Contractual content commitments	11 2	4 298	2 118	2 124	56	4 939
Commercial commitments	27 1 1	2 209	1 057	806	346	2 697
Operating leases and subleases	27 1 2	2 700	454	1 284	962	2 735
Items not recorded in the consolidated statement of financial position		**9,207**	**3,629**	**4,214**	**1,364**	**10,371**
Contractual obligations and commercial commitments		**25,509**	**9,799**	**10,577**	**5,133**	**32,992**

27 1 1 Off balance sheet commercial commitments

	Minimum future payments as of December 31 2013				Total minimum future payments as of December 31 2012
	Total	Due in			
(in millions of euros)		2014	2015 - 2018	After 2018	
Satellite transponders	686	102	345	239	846
Investment commitments	1,078	802	154	122	1 273
Other	732	265	419	48	786
Given commitments	**2,496**	**1,169**	**918**	**409**	**2,905**
Satellite transponders	(159)	(97)	(62)	-	(201)
Other	(128)	(15)	(50)	(63)	(7)
Received commitments	**(287)**	**(112)**	**(112)**	**(63)**	**(208)**
Net total (a)	**2,209**	**1,057**	**806**	**346**	**2,697**

a The decrease in off balance sheet commercial commitments was mainly related to Maroc Telecom group, whose sale by Vivendi is underway (€316 million as of December 31, 2012) please refer to Note 7 2

27 1 2 Off balance sheet operating leases and subleases

(in millions of euros)	Minimum future leases as of December 31 2013				Total - minimum future leases as of December 31 2012
	Total	Due in			
		2014	2015 2018	After 2018	
Buildings (a)	2 695	427	1 282	986	2 633
Other	221	67	103	51	212
Leases	**2,916**	**494**	**1,385**	**1,037**	**2,845**
Buildings (a)	(216)	(40)	(101)	(75)	(110)
Subleases	**(216)**	**(40)**	**(101)**	**(75)**	**(110)**
Net total	**2,700**	**454**	**1,284**	**962**	**2,735**

a Mainly relates to offices and technical premises

27.2 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 1 6 million hours (unchanged compared to December 31 2012)	
	SFR s network coverage commitments related to telecom licenses	Please refer to Note 14	-
(a)	GSM R commitments	Bank guarantee, joint and several guarantees with Synérail for a total amount of €105 million (compared to €92 million as of December 31, 2012)	-
	Obligations in connection with pension plans and post retirement benefits	Please refer to Note 21	-
(b)	Other guarantees given	Cumulated amount of €156 million (compared to €190 million as of December 31 2012)	-
	Received commitments		
(c)	Agreements on the digital distribution of music rights	Minimum guarantees	-
(d)	Other guarantees received	Cumulated amount of €1 million (compared to €191 million as of December 31 2012)	

a On February 18, 2010, a group comprised of SFR, Vinci and AXA (30% each) and TDF (10%) entered into a contract with Réseau Ferré de France regarding the public-private partnership GSM-R This 15-year contract valued at approximately €1 billion, covers the financing, building, operation and maintenance of the digital telecommunications network that enables conference mode communications (voice and data) between train drivers and teams on the ground It will be rolled out gradually until 2015 over 14,000 km of conventional and high-speed railway lines in France

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

c 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

d The decrease in other guarantees received was notably related to the plan to sell Maroc Telecom group (please refer to Note 7 2)

27.3 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 November 4, 2013, Vivendi notably committed to sell its interest in Maroc Telecom group (please refer to Note 7 2)

In connection with the sale of a majority of Vivendi's interest in Activision Blizzard, completed on October 11, 2013, Vivendi's remaining interest in Activision Blizzard (83 million shares) is subject to lock-up provisions (please refer to Note 7 1)

The liquidity rights regarding the strategic partnership among Canal+ Group, ITI, and TVN are detailed in Note 27 5 below

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

27.4 Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

Ref	Context	Characteristics (nature and amount)	Expiry
	Contingent liabilities		
(a)	NBC Universal transaction (May 2004) and subsequent amendments (2005 2010)	- Breaches of tax representations - Obligation to cover the Most Favored Nation provisions and Remedial actions	2014
(b)	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
(c)	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 Competition Authority	2017
(d)	Divestiture of Canal+ Nordic (October 2003)	Distribution guarantees given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary	
(e)	Divestiture of NC Numéricâble (March 2005)	Specific guarantees capped at €241 million (including tax and social risks)	2014
	Divestiture of PSG (June 2006)	Unlimited specific guarantees	2018
	Divestiture of UMG manufacturing and distribution operations (May 2005)	Various commitments for manufacturing and distribution services	2018
(f)	Takeover of Neuf Cegetel (April 2008)	Commitments undertaken in connection with the authorization of the take over by the French Minister of the Economy, Industry and Employment expired in 2013	2013
(g)	Divestiture of Sithe (December 2000)	Specific guarantees capped at $480 million	
(h)	Sale of real estate assets (June 2002)	Autonomous first demand guarantees capped at €150 million in total (tax and decennial guarantees)	2017
(i)	Early settlement of rental guarantees related to the last three buildings in Germany (November 2007)	Cancellation in October 2012 of guarantees of rental payments obligations following the sale of the companies	2012
(j)	Divestiture of PTC shares (December 2010)	Commitments undertaken in order to end litigation over the share ownership of PTC in Poland	
	Sale of Activision Blizzard (October 2013)	Commitments undertaken in connection with the sale (please refer to Note 7) unlimited general guarantees and fiscal guarantees capped at $200 million under certain circumstances	
	Other contingent liabilities	Cumulated amount of €7million (compared to €10 million as of December 31 2012)	
	Contingent assets		
(b)	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 and €277 million for specific guarantees (including tax matters free and full ownership of shares sold authorizations / approvals for the exercise of the activity)	2014
	Merger of Cyfra+ and TVN s n platform (November 2012)	Reciprocal guarantees in favor of TVN - PLN 1 billion in the event of 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	
(e)	Divestiture of NC Numéricâble (March 2005)	€151 million counter-guaranteed by Orange	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	
(k)	Acquisition of Tele2 France by SFR (July 2007)	Commitments on the handling and distribution of audio visual content expired in July 2012	2012
(i)	Early settlement of rental guarantees related to the last three buildings in Germany (November 2007)	Commitments expired in October 2012 - Pledge over the cash of the divested companies sold and Counter-guarantee provided by the purchaser in the amount of €200 million	2012
(l)	Divestiture of Xfera (2003)	Guarantees amount to €71 million	
	Other contingent assets	Cumulated amount of €70 million (compared to €58 million as of December 31 2012)	

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

a As part of the NBC Universal transaction which occurred in May 2004, Vivendi and General Electric (GE) gave certain reciprocal commitments customary for this type of transaction, and Vivendi retained certain liabilities relating to taxes and excluded assets Vivendi and GE undertook to indemnify each other against losses resulting from, among other things, any breach of their respective representations, warranties and covenants

Neither party will have any indemnification obligations for losses arising as a result of any breach of representations and warranties (i) for any individual item where the loss is less than $10 million and (ii) in respect of each individual item where the loss is equal to or greater than $10 million except where the aggregate amount of all losses exceeds $325 million In that event, the liable party will be required to pay the amount of losses which exceeds $325 million, but in no event will the aggregate indemnification payable exceed $2,088 million

In addition, Vivendi will have indemnification obligations for 50% of every US dollar of loss up to $50 million and for all losses in excess of $50 million relating to liabilities arising out of the Most Favored Nation provisions set forth in certain contracts As part of

the unwinding of IACI's interest in VUE on June 7, 2005, Vivendi's commitments with regard to environmental matters were amended and Vivendi's liability is now subject to a de minimis exception of $10 million and a payment basket of $325 million
The representations and warranties given as part of the NBC Universal transaction other than those regarding authorization, capitalization and tax representations terminated on August 11, 2005 Notices of environmental claims related to remediation must be brought by May 11, 2014 Other claims, including those related to taxes, will be subject to applicable statutes of limitations
The sale of Vivendi's interest in NBC Universal to GE completed on January 25, 2011 did not modify these commitments

b As part of the 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 undertook certain commitments These commitments provide for restrictions on the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of certain rights for pay-TV and free-to-air movies and television series, limitations on the acquisition by D8 and D17 of French catalog movies from Studiocanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process These commitments are made for a 5-year period, renewable once if the French Competition Authority, after having performed a competitive analysis, deems it necessary In addition, on September 18, 2012, the French Broadcasting Authority (Conseil Supérieur de l'Audiovisuel) approved the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the D8 shares for a minimum period of two and a half years
On December 23, 2013 the French Council of State annulled the decision of the French Competition Authority approving the acquisition of the D8 and D17 channels, with a postponed effect as from July 1, 2014 The French Council of State raised an issue regarding an error of judgment in relation to a specific commitment on the second and third windows for free-to-air French films On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority in respect of the acquisition of the free-to-air channels D8 and D17 However, the D8 and D17 channels continue to broadcast their programs as the decision of the French Council of State did not challenge the acquisition of these channels

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

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

- Acquisition of movie rights
  - by limiting the duration of output deals to three years, requiring separate agreements for different types of rights (1st pay-TV window, 2nd pay-TV window, series, etc) and prohibiting output deals for French films, and
  - by divesting its interest in Orange Cinema Series – OCS SNC or by adopting measures limiting its influence on Orange Cinema Series – OCS SNC (please refer to Note 27 5 below)
- Distribution of pay-TV channels
  - by the distribution of a minimum number of independent channels, the distribution of any channel holding premium rights, and by drafting a model distribution deal relating to independent channels included in the CanalSat offer,
  - by the obligation to promote, in a transparent and separate manner, the distribution of exclusive independent channels on each owned platform serving more than 500,000 subscribers, and
  - by making all its own movie channels distributed by Canal+ Group (Cine+ channels) available to third-party distributors (unbundling)
- Video on demand (VOD) and subscription video on demand (SVOD)
  - by separating contracts entered into for the purchase of VOD and SVOD rights on a non-exclusive basis, and not combining them with rights purchased for linear distribution on pay-TV,
  - by offering Studiocanal's VOD and SVOD rights to any interested operator, and
  - by forbidding exclusive distribution deals for the benefit of Canal+ Group's VOD and SVOD offers on Internet Service Providers platforms

These injunctions are imposed for a period of five years, renewable once At the end of the five-year period, the French Competition Authority will review the competition situation to determine whether the injunctions should be kept in place If market conditions have changed significantly, Canal+ Group will be able to request that these injunctions be waived or partially or totally revised An

independent trustee, proposed by Canal+ Group and approved by the French Competition Authority on September 25, 2012, will be responsible for monitoring the injunctions implementation
Moreover, Vivendi granted a counter-guarantee, in favor of TF1 and M6 to assume commitments and guarantees made by TF1 and M6 in connection with some of the contractual content commitments and other long term obligations of TPS and other obligations recognized in the Statement of Financial Position of TPS As of December 31, 2012, the remaining amount of these commitments was not significant and the counter-guarantee expired on January 4, 2013

d In connection with the divestiture of Canal+ Nordic in October 2003, Canal+ Group has retained distribution guarantees given in favor of Canal Digital and Telenor Broadcast Holding by a former subsidiary, which guarantees are covered by a counter-guarantee given by the buyers

e As part of the divestiture of NC Numéricâble on March 31, 2005, the Canal+ Group granted specific guarantees with a €241 million cap (including tax and social risks) Specific risks relating to cable networks used by NC Numericâble are included in this maximum amount and are counter-guaranteed by Orange up to €151 million

f As part of the takeover of Neuf Cegetel, the approval from the Ministry of Economy, Industry and Employment, dated April 15, 2008, resulted in additional commitments from Vivendi and its subsidiaries They address competitor access and new market entrants to wholesale markets on SFR's fixed and mobile networks, acceptance on the fixed network of an independent television distributor if such a player appears, as well as the availability, on a non-exclusive basis, of ADSL on eight new channels which are leaders in their particular field (Paris Première, Teva, Jimmy, Ciné Cinéma Famiz, three M6 Music channels and Fun TV) All these commitments expired in April 2013

g In connection with the sale of its 49 9% interest in Sithe to Exelon in December 2000, Vivendi granted customary representations and guarantees Claims, other than those made in relation to foreign subsidiary commitments, are capped at $480 million In addition, claims must exceed $15 million, except if they relate to foreign subsidiaries or the divestiture of certain electrical stations to Reliant in February 2000 Some of these guarantees expired on December 18, 2005 Some environmental commitments still exist and any potential liabilities related to contamination risks will survive for an indefinite period of time

h 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

i After having sold the companies carrying credit lease commitments in relation to the Berlin buildings Lindencorso, Anthropolis and Dianapark (the "Companies"), in November 2007, Vivendi continued to guarantee certain lease payment obligations As a result of the early exercise by the Companies of their call options on the buildings, Vivendi's guarantees were terminated on October 5, 2012 In return, the counter-guarantee provided by the acquirors of the Companies to Vivendi (€200 million) was cancelled, as well as the pledge over the cash of the divested companies to the benefit of Vivendi Vivendi has retained tax guarantees given at the time of the disposal of the Companies

j 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 Elektrim SA (Elektrim) for the tax consequences of the transaction, with a cap at €20 million This commitment expired in July 2011 and the claims were settled in June 2012,
- Vivendi committed to compensate Law Debenture Trust Company (LDTC) against any recourse for damages that could be brought against LDTC in connection with the completed transaction, for an amount up to 18 4% for the first €125 million, 46% between €125 million and €288 million, and 50% thereafter, and
- Vivendi committed to compensate Elektrim's administrator for the consequences of any action for damages that may be taken against it, in connection with the decisions that were taken to end certain procedures

k The Share Purchase Agreement dated as of October 2, 2006 between Tele2 Europe SA and SFR contains representations and warranties which expired on January 20, 2009 and warranties relating to claims arising with respect to tax and social matters, which expired end of March 2012 On July 18, 2007, by way of implementation of the European Union antitrust regulation, the European Commission approved the purchase of the fixed and internet activities of Tele2 France by SFR, subject to commitments on the handling and distribution of audio-visual content for a five-year period All these commitments expired on July 18, 2012

l 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 2013 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

27.5 Shareholders' agreements

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

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

Strategic agreements among Vivendi, Canal+ Group, Lagardère, and Lagardère Holding TV

The rights granted to Lagardère following the strategic agreements entered into on January 4, 2007, were ended on November 5, 2013, following the acquisition by Vivendi of Lagardère Group's 20% interest in Canal+ France (please refer to Note 2)

Strategic partnership among Canal+ Group, ITI, and TVN

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

- At the level of N-Vision
  - on December 18, 2013, ITI exercised its put option to sell a 9% interest in N-Vision to Canal+ Group, and on the basis of a value equal to Canal+ Group's initial investment in N-Vision, i e , for a cash amount of €62 million, paid in February 2014,
  - Canal+ Group has a call option to acquire ITI's remaining N-Vision shares, exercisable at any time during the two 3-month periods beginning February 29, 2016 and February 28, 2017, at the then-prevailing market value,
  - conversely, in the event that Canal+ Group does not exercise its call option on ITI's interest in N-Vision, ITI has a call option to acquire Canal+ Group's interest in N-Vision, exercisable at any time during the two 3-month periods beginning May 30, 2016 and May 29, 2017, and between November 1, 2017 and December 31, 2017 and between May 1, 2018 and June 30, 2018, at the then-prevailing market value, and
  - Canal+ Group and ITI each has the liquidity right, following the above call option periods, to sell its entire interest in N-Vision
- At the level of "nc+"
  - Canal+ Group has a call option to acquire TVN's 32% interest in "nc+" at market value, which is exercisable during the two 3- month periods beginning November 30, 2015 and November 30, 2016,
  - if Canal+ Group exercises its call option, Canal+ Group will be required to acquire ITI's remaining interest in N-Vision, and
  - in the event that Canal+ Group does not exercise its call option, TVN has liquidity rights in the form of an Initial Public Offering of its interest in "nc+"

Shareholders' agreement between Orange Cinema Series and Multithématiques

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

In addition, in compliance with Article L 225-100-3 of the French Commercial Code, it is stated that some rights and obligations of Vivendi resulting from shareholders' agreements (Maroc Telecom group, and Canal+ Cyfrowy) may be amended or terminated in the event of a change in control of Vivendi or a tender offer being made for Vivendi These shareholders' agreements are subject to confidentiality provisions

27.6 Collaterals and pledges

As of December 31, 2013, the amount of the group's assets that were pledged or mortgaged for the benefit of third parties was €212 million (compared to €209 million as of December 31, 2012) This amount primarily includes GVT's pledged assets with respect to judicial guarantees for various litigations

(in millions of euros)	December 31 2013	December 31, 2012
On intangible assets	4	8
On tangible assets	23	47
On financial assets	177	146
On cash	8	8
Total	**212**	**209**

Moreover, as of December 31, 2013 and 2012, Vivendi did not hold any third-party guarantees in respect of any of its outstanding receivables

Note 28 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 2013, provisions recorded by Vivendi for all claims and litigations amounted to €1,379 million, compared to €1,357 million at December 31, 2012 (please refer to Note 20)

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 19, 2014, the date of the Management Board meeting held to approve Vivendi's Financial Statements for the year ended December 31, 2013

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 At the end of this process, which should be completed during the first half of 2014, the judge will be able to determine the total amount of damages and enter a final judgment, thereby enabling Vivendi to commence its appeal

Moreover, in connection with the Halliburton case under review by the Supreme Court of the United States, Vivendi filed an *amicus curiae* brief This case addresses the conditions under which class actions are certified in the United States

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

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

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 U S Treasury bills On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments On 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 The appeal in the Liberty Media case is stayed until Vivendi can appeal from the Class Action final judgment

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, 2013, 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 In the course of the trial, a number of civil parties have submitted an application to the Paris Court of Appeal for a priority preliminary ruling on constitutionality The application concerned the impossibility, for a civil party, to appeal a decision by a first instance court to drop charges Since the same question is currently pending before the Constitutional Council, the Court of Appeal has stayed the proceedings with regard to the issues relating to the dropped charges, and postponed pleadings on these issues until the hearing of April 8 and 9, 2014 The Court will rule on these and the other issues in a single judgment on April 29, 2014

LBBW et 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 Then on April 5 and on April 23, 2012, two similar complaints were filed against Vivendi the first one by a US pension fund, the Public Employee Retirement System of Idaho and the other by six German and British institutional investors Finally, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis The cases are currently in the pretrial stage

California State Teachers Retirement System et 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 leader, between 2000 and 2002 On September 6, 2012, 24 new plaintiffs joined these proceedings, however, in November 2012, two plaintiffs withdrew from the proceedings The case is currently in the pretrial stage

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

In August 2013, a derivative action was initiated in 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* A decision on whether the "Miller" case should also be consolidated into this action is expected soon

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 CGIS BIM'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

Lagardère against Vivendi, Canal+ Group, and Canal+ France

On February 12, 2013, Lagardère Holding TV, a 20% shareholder of Canal+ France, and Mr Dominique D'Hinnin and Mr Philippe Robert, members of the Supervisory Board of Canal+ France, filed a complaint against Vivendi, Canal+ Group and Canal+ France with the Paris Commercial Court The Lagardère group is seeking nullification of the cash management agreement entered into between Canal+ France and Canal+ Group on the grounds that it constitutes a related party agreement and hence, is seeking restitution, under penalty, from Canal+ Group, of the entire cash surplus given over by Canal+ France under the agreement The parties have agreed to the appointment of a mediator to help find an amicable solution to the dispute between them On June 10, 2013, the Paris Commercial Court appointed Mr René Ricol as the mediator Following the mediation process, which ended on October 14, 2013, the different parties entered into a settlement agreement dated November 5, 2013, which put an end to the disputes between them

Compañía de Aguas de Aconquija and Vivendi against the Republic of Argentina

On August 20, 2007, the International Center for Settlement of Investment Disputes ("ICSID") issued an arbitration award in favor of Vivendi and Compañia de Aguas de Aconquija ("CAA"), its Argentinian subsidiary, relating to a dispute that arose in 1996 regarding the water concession it held between 1995 and 1997, in the Argentinian Province of Tucuman The arbitration award held that the actions of the provincial authorities had infringed the rights of Vivendi and its subsidiary, and were in breach of the provisions of the Franco-Argentine Bilateral Investment Protection Treaty The arbitration tribunal awarded Vivendi and its subsidiary damages of US$105 million plus interest and costs

On December 13, 2007, the Argentinian Government filed an application to vacate the arbitration award on the basis, among others, of an alleged conflict of interest regarding one of the arbitrators The ICSID appointed an ad hoc committee to rule on this application

On August 10, 2010, the ICSID rejected the Argentinian Government's application and the award of August 20, 2007 became final

On October 10, 2013, Vivendi and CAA entered into a settlement agreement with the Argentine government which terminated their dispute

Claim by Centenary Holdings III Ltd.

Centenary Holdings III Ltd (CH III), a former Seagram subsidiary, divested in January 2004, was placed into liquidation in July 2005 On January 9, 2009, the liquidator of CH III sued a number of its former directors, former auditors and Vivendi The liquidator, acting on behalf of CH III's creditors, alleges that the defendants breached their fiduciary duties

On September 30, 2010, Vivendi and one of the former directors of CH III settled with the liquidator This settlement put an end to the legal proceedings brought against them and assigned to Vivendi all claims filed on behalf of the creditors

Vivendi, based on the rights of CH III obtained in the settlement, sued Stephen Bloch, a former director of CH III, and Murray Richards, the purchaser of CH III The trial took place from June 12 through June 27, 2013, and on October 9, 2013, the High Court in London ruled in favor of Vivendi On October 25, 2013, Court entered a judgment requiring the defendants to pay the sum of £9,666,437

Vivendi's complaint against Orange before the European Commission for abuse of a dominant position

On March 2, 2009, Vivendi and Free jointly filed a complaint against Orange before the European Commission (the "Commission"), for abuse of a dominant position Vivendi and Free allege that Orange imposes excessive tariffs on offers for access to its fixed network and on telephone subscriptions In July 2009, Bouygues Telecom joined in this complaint In a letter dated February 2, 2010, the Commission informed the parties of its intention to dismiss the complaint On September 17, 2010, Vivendi filed an appeal before the Court of First Instance of the European Union in Luxemburg On October 16, 2013, the Court denied Vivendi's appeal

Free against SFR

On May 21, 2012, Free filed a complaint against SFR with the Paris Commercial Court Free is challenging SFR's model of subsidizing mobile phone purchases through what Free calls "concealed" consumer loans and claims this constitutes an unfair and deceptive trade practice On January 15, 2013, the Court dismissed Free's claims and ordered it to pay to SFR €300,000 in damages for defamation and €100,000 for costs Free appealed this decision

Orange against SFR

On August 10, 2011, Orange filed a claim against SFR before the Paris Commercial Court Orange asked the Court to compel SFR to stop the overflow traffic at the point of interconnection of their respective networks On December 10, 2013, SFR was ordered to pay €22,133,512 to Orange On January 10, 2014, SFR appealed this decision

Complaint against Orange before the French Competition Authority

On August 9, 2010, SFR filed a complaint before the French Competition Authority against Orange for anti-competitive practices on the professional mobile market This case is under investigation

SFR against Orange

On April 24, 2012, SFR filed a complaint against Orange before the Paris Commercial Court for practices constituting an abuse of its dominant position in the secondary residence market On February 12, 2014, the Paris Commercial Court ordered Orange to pay €51 million in damages

Complaint lodged with the French Competition Authority by Orange Réunion, Orange Mayotte, and Outremer Télécom against Société Réunionnaise du Radiotéléphone (SRR)

Orange Réunion, Orange Mayotte and Outremer Télécom notified the French Competition Authority about alleged unfair price discrimination practices implemented by SRR On September 16, 2009, the French Competition Authority imposed protective measures on SRR, pending its decision on the merits

SRR was required to end price differences that exceed the costs borne by SRR based on the network called (off-net/on-net) The French Competition Authority found that SRR had not fully complied with the order it had imposed and, on January 24, 2012, ordered SRR to pay a fine of €2 million With regard to the proceedings on the merits, on July 31, 2013, SRR signed a statement of no contest to grievances and a letter of commitments Accordingly, the Deputy Reporter General will propose to the College of the French Competition Authority that the fine incurred by SRR be reduced

Following the French Competition Authority's decision of September 16, 2009, Outremer Télécom sued SRR on June 17, 2013, before the Paris Commercial Court for damages it claims to have suffered as a result of SRR's practices On November 13, 2013, the Court stayed the proceedings until the French Competition Authority issues its decision on the merits of the case

Complaint of Bouygues Telecom against SFR and Orange in connection with the call termination and mobile markets

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices in the call termination and mobile markets ("price scissoring") On May 15, 2009, the French Competition Authority (the "Authority") resolved to postpone its decision on the issue and remanded the case for further investigation On December 13, 2010, SFR was heard on these allegations by the instructing magistrate On August 18, 2011, SFR received a notification of grievances in which the Authority noted the existence of abusive price discrimination practices On December 13, 2012, the Authority fined SFR €66 million SFR has appealed this decision The case will be argued before the Paris Court of Appeal on February 20, 2014

Following the decision of the French Competition Authority on December 13, 2012, Bouygues Telecom, OMEA and El Telecom (NRJ Mobile) brought a claim before the Paris Commercial Court against SFR for damages suffered They are seeking damages of €623 6 million, €67 9 million and €28 6 million, respectively SFR strongly disputes the validity and the amount, which Vivendi believes cannot, in any case, exceed €250 million in total, of these claims Pending the decision of the Paris Court of Appeal, the mediation process underway in the Paris Commercial Court between Bouygues Telecom and SFR has been suspended

UFC against SFR

On June 7, 2012, the French Federal Union of Consumers (UFC) filed a complaint against Orange before the Paris Court of First Instance (Tribunal de Grande Instance de Paris) It alleges that the general conditions of use of SFR's *La Carte* offering contain abusive clauses, which it is seeking to have removed

CLCV against SFR and others

On January 7, 2013, the French consumer protection association, CLCV (consumption, housing and quality of life) sued several French telecom operators, including SFR, before the Paris Tribunal of First Instance It is seeking the removal of certain clauses that it considers abusive from subscription contracts

Employee litigation arising from the transfer of customer relations centers in Toulouse, Lyon, and Poitiers

Following the transfer of the customer relations centers located in Toulouse and Lyon to the company Infomobile, and the center in Poitiers to a subsidiary of the Bertelsmann Group, former employees of these sites filed complaints with the industrial tribunals (Conseils de Prud'hommes) of each of these cities, claiming unfair execution of their employment contracts and fraudulent breach of Article L 1224-1 of the French Labor Code and the legal provisions relating to dismissal on economic grounds The findings of the courts on this issue in 2013 were not consistent, the Court of Appeal of Toulouse sanctioned the SFR and Teleperformance groups in half of the cases while the courts of Poitiers and Lyon rendered judgments which were favorable to SFR The cases are at different stages of the appeal process

Disputes with independent distributors

SFR, like other companies that use an indirect distribution model, faces complaints by its distributors and, almost systematically, by its former distributors These recurring disputes concern the abrupt termination of the contractual relationship, the abuse of economic dependence and/or requests for reclassification of a distributor as a commercial agent, and, more recently, applications for reclassification of a manager as a branch manager and reclassification of the employment contracts of the employees working at these points of sale as employment contracts with SFR The French Court of Cassation rendered three judgments against SFR on the status of branch managers but the various Courts of Appeal have decided in favor of SFR On the issue of abrupt termination of contractual relationships and the request for reclassification of employees of the distributor as employees of SFR, apart from a few rare exceptions the various courts have ruled in favor of SFR

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 fine, from allowing the broadcast by third parties of these channels or those replacement channels that have substituted these channels Canal+ Group appealed this decision In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS Parabole Réunion was again unsuccessful in its claims concerning the content of the channels in question On September 19, 2008, Parabole Réunion appealed to the French Supreme Court On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion In the context of this dispute, various jurisdictions have taken the opportunity to recall that in the event of the loss of the TPS Foot channel, Canal+ Group must make available to Parabole Réunion a channel of similar attractiveness Non-compliance with this order would result in a penalty On September 24, 2012, Parabole Réunion filed a claim

against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (Tribunal de grande instance de Nanterre) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court) On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels 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

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 Reunion 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

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 by independent channels as well as the extension of exclusive rights on TF1, M6 and Lagardère channels to fiber optic and catch-up TV On October 30, 2013, the French Competition Authority took over the investigation into these aspects of the case

Annulment of the decision authorizing the acquisition of Direct 8, Direct Star, Direct Productions, Direct Digital, and Bolloré Intermedia

In November 2012 and January 2013, TF1 and M6 submitted to the French Council of State an action for annulment of the decisions taken by the French Competition Authority and the CSA (French authority for media networks) authorizing the acquisition by Canal+ Group of Direct 8, Direct Star, Direct Productions, Direct Digital and Bolloré Intermedia

On December 23, 2013, the French Council of State annulled the French Competition Authority's decision with effect from July 1, 2014, and partially annulled the decision of the CSA On January 15, 2014, the transaction was re-notified to the French Competition Authority

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 original 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

Canal+ Group against TF1, and TMC Régie

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 Regie in the television advertising market Group Canal+ SA and Canal+ Regie accused them of cross-promotion, having a single advertising division and refusing to promote the D8 channel during its launch

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 The Court has decided that the proceedings on class certification will be completed in the second half of 2014

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

Koninklijke Philips Electronics against UMG

On April 30, 2008, Koninklijke Philips Electronics filed suit against UMG in the District Court for the Southern District of New York claiming breach of contract and patent infringement in connection with a license to manufacture CDs On March 1, 2013, a jury rendered an unfavorable verdict against UMG On August 8, 2013, the parties entered into a settlement agreement that ended this dispute

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP, Telefonica's Brazilian subsidiary, filed a claim against Vivendi before the Civil Court of São Paulo (3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo) The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately 4 7 million euros) corresponding to the expenses incurred by TELESP in connection with its offer for GVT At the beginning of September, 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeals

On 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

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 In late December, Dynamo requested that the arbitral tribunal submit an application for the confidential information from the judge

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

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 Impostors Sober Circulaçãos de Mercadorias e Prestaçãos de Serviços (ICMS) 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, 19 have resulted in decisions favorable to GVT and 12 are no longer subject to appeal

Action related to the FUST and FUNTTEL taxes in Brazil

The Brazilian tax authorities argue that the assessment of the taxes known as "FUST" (Fundo da Universalizaçãos dos Serviços de Telecomunicaçõs), a federal tax to promote the supply of telecommunications services throughout the whole Brazilian territory, including in areas that are not economically viable, and "FUNTTEL" (Fundo para Desenvolvimento Tecnológioco das Telecomunicações), a federal tax to finance technological investments in Brazilian telecommunications services, should be based on the company's gross revenue without deduction for price reductions or interconnection expenses and other taxes, which would lead to part of that sum being subject to double taxation GVT is challenging this interpretation and has secured a suspension of payment of the sums claimed by the tax authority from the federal judge

Proceedings brought against telecommunications operators in Brazil regarding the application of the PIS and COFINS taxes

Several proceedings were initiated against all the telecommunications operators in Brazil, including GVT, seeking to prevent invoices from being increased by taxes known as "PIS" (Programa de Integrações Social) and "COFINS" (Contribuição para Financiamento da Seguridade Social), which are federal taxes that apply to revenue from the provision of telecommunications services GVT believes that the arguments in its defense have a stronger basis than those of the historic operators insofar as GVT operates pursuant to a more flexible license that allows it to set its own tariffs

Note 29 Major consolidated entities or entities accounted under equity method

As of December 31, 2013, approximately 630 entities were consolidated or accounted for using the equity method (compared to approximately 690 entities as of December 31, 2012)

			December 31 2013			December 31 2012		
	Note	Country	Accounting Method	Voting Interest	Ownership Interest	Accounting Method	Voting Interest	Ownership Interest
Vivendi S A.		**France**		**Parent company**			**Parent company**	
Groupe Canal+ S.A		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Canal+ France S A (a)	2	France	-		-	C	80%	*80%*
Société d Edition de Canal Plus (b)		France	C	49%	*49%*	C	49%	*39%*
Multithématiques S A S		France	C	100%	*100%*	C	100%	*80%*
Canal+ Overseas S A S		France	C	100%	*100%*	C	100%	*80%*
Canal+ Distribution S A S (a)		France			-	C	100%	*80%*
D8		France	C	100%	*100%*	C	100%	*100%*
Studiocanal S A		France	C	100%	*100%*	C	100%	*100%*
Canal+ Cyfrowy S A (c)		Poland	C	51%	*51%*	C	51%	*51%*
TVN (c)	15	Poland	E	49%	*26%*	E	40%	*21%*
VSTV (d)		Vietnam	C	49%	*49%*	C	49%	*49%*
Universal Music Group, Inc		**United States**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
PolyGram Holding Inc		United States	C	100%	*100%*	C	100%	*100%*
UMG Recordings Inc		United States	C	100%	*100%*	C	100%	*100%*
Vevo	15	United States	E	47%	*47%*	E	50%	*50%*
SIG 104		France	C	100%	*100%*	C	100%	*100%*
Universal International Music B V		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal Entertainment GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Universal Music LLC		Japan	C	100%	*100%*	C	100%	*100%*
Universal Music France S A S		France	C	100%	*100%*	C	100%	*100%*
Universal Music Holdings Limited		United Kingdom	C	100%	*100%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd	2	United Kingdom	C	100%	*100%*	C	100%	*100%*
Global Village Telecom S.A.		**Brazil**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Global Village Telecom Ltda (e)		Brazil			-	C	100%	*100%*
POP Internet Ltda		Brazil	C	100%	*100%*	C	100%	*100%*
Innoweb Ltda		Brazil	C	100%	*100%*	C	100%	*100%*
SFR Société Française du Radiotelephone S.A		**France**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Société Réunionnaise du Radiotéléphone S C S		France	C	100%	*100%*	C	100%	*100%*
Société Financière de Distribution S A		France	C	100%	*100%*	C	100%	*100%*
5 sur 5 S A		France	C	100%	*100%*	C	100%	*100%*
La Poste Telecom S A S		France	E	49%	*49%*	E	49%	*49%*
Numergy S A S	15	France	E	47%	*47%*	E	47%	*47%*
Other operations								
See Tickets		United Kingdom	C	100%	*100%*	C	100%	*100%*
Digitick		France	C	100%	*100%*	C	100%	*100%*
Wengo		France	C	100%	*95%*	C	100%	*95%*
Watchever Group S A		France	C	100%	*100%*	C	100%	*100%*
Watchever GmbH		Germany	C	100%	*100%*		-	
Elektrim Telekomunikacja		Poland	C	100%	*100%*	C	100%	*100%*
Maroc Telecom S.A (f)	7	**Morocco**	**C**	**53%**	***53%***	**C**	**53%**	***53%***
Mauritel S A		Mauritania	C	51%	*22%*	C	51%	*22%*
Onatel S A		Burkina Faso	C	51%	*27%*	C	51%	*27%*
Gabon Telecom S A		Gabon	C	51%	*27%*	C	51%	*27%*
Sotelma S A		Mali	C	51%	*27%*	C	51%	*27%*
Activision Blizzard, Inc (g)	7	**United States**	**na**	**12%**	***12%***	**C**	**61.5%**	***61 5%***

C Consolidated, E Equity

a On November 5, 2013, Vivendi acquired Lagardère Group's 20% interest in Canal+ France for €1,020 million in cash Thereafter, with retroactive effect to January 1, 2013, Canal+ France S A and Canal+ Distribution S A S were merged with and into Canal+ Group S A , pursuant to a simplified merger

b Vivendi consolidated Société d'Edition de Canal Plus because (i) Vivendi has majority control over the board of directors, (ii) no other shareholder or shareholder group is in a position to exercise substantive participating rights that would allow them to veto or block decisions taken by Vivendi and (iii) Vivendi assumes the majority of risks and benefits pursuant to an agreement with this company via Canal+ Distribution S A S Indeed, Canal+ Distribution, wholly-owned by Vivendi, guarantees this company's results in return for exclusive commercial rights to its subscriber base

c Following the merger of Canal+ Cyfrowy (Cyfra+'s platform) with ITI Neovision (TVN's "n" platform) on November 30, 2012, Canal+ Group holds a 51% interest in Canal+ Cyfrowy, which owns 100% of ITI Neovision and formed the new group "nc+" As Canal+ Group has the majority on the Supervisory Board and the power to govern financial and operating policies of "nc+", the latter is consolidated by Canal+ Group
At the same time, Canal+ Group acquired a 40% interest in N-Vision, which indirectly holds a 52% interest in TVN On December 18, 2013, ITI exercised its put option to sell a 9% interest in N-Vision to Canal+ Group Canal+ Group's ownership interest in N-Vision thus increased to 49% (please refer to Note 27)

d VSTV (Vietnam Satellite Digital Television Company Limited) is 49% held by Canal+ Group and 51% by VCTV, a VTV subsidiary (the Vietnamese public television company) This company has been consolidated by Vivendi given that Canal+ Group has both operational and financial control over it due to a general delegation that was granted by the majority shareholder and to the company's bylaws

e In 2013, Vivendi reorganized the legal chain of ownership of GVT's shares and notably merged Global Village Telecom Ltda's operational activities with GVT's holding company Global Village Telecom SA

f On November 4, 2013, Vivendi and Etisalat entered into a definitive agreement for the sale of Vivendi's 53% interest in Maroc Telecom group (please refer to Note 7)

g On October 11, 2013, Vivendi deconsolidated Activision Blizzard pursuant to the sale of 88% of its interest As of December 31, 2013, Vivendi retained 83 million Activision Blizzard shares, representing 12% of Activision Blizzard's outstanding share capital This interest was accounted for as an asset of discontinued business in Vivendi's Consolidated Financial Statement Position (please refer to Note 7)

Note 30 Statutory auditors fees

Fees paid by Vivendi SA to its statutory auditors and members of their firms in 2013 and 2012 were as follows

	KPMG S A				Ernst & Young et Autres				Total	
	Amount		Percentage		Amount		Percentage			
(in millions of euros)	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Statutory audit certification consolidated and individual financial statements audit										
Issuer	0 7	0 7	10%	7%	0 9	0 9	13%	12%	1 6	1 6
Fully consolidated subsidiaries	4 2	4 1	60%	42%	5 6	5 1	80%	69%	9 8	9 2
Other work and services directly related to the statutory audit										
Issuer	0 4	0 6	6%	6%	-	0 1	-	1%	0 4	0 7
Fully consolidated subsidiaries	0 7	2 7	10%	28%	0 1	0 4	1%	5%	0 8	3 1
Subtotal	**6.0**	**8 1**	**86%**	**83%**	**6.6**	**6.5**	**94%**	**87%**	**12.6**	**14 6**
Other services provided by the network to fully consolidated subsidiaries										
Legal tax and social matters	0 7	1 2	10%	12%	0 3	0 9	5%	12%	1 0	2 1
Other	0 3	0 4	4%	5%	0 1	0 1	1%	1%	0 4	0 5
Subtotal	**1 0**	**1 6**	**14%**	**17%**	**0 4**	**1 0**	**6%**	**13%**	**1 4**	**2.6**
Total	**7 0**	**9 7**	**100%**	**100%**	**7 0**	**7 5**	**100%**	**100%**	**14 0**	**17.2**

The 2012 fees included the non-recurring assignments undertaken by statutory auditors in relation to the transactions underway

Note 31 Audit exemptions for UMG subsidiaries in the United Kingdom

Vivendi S A has provided guarantees to the following UMG subsidiaries, incorporated in England and Wales, under the registered number indicated, in order for them to claim exemptions from audit, with respect to fiscal year 2013, under section 479A of the UK Companies Act 2006

Name	Company Number
BACKCITE LIMITED	2358972
BOILER ROOM MANAGEMENT LIMITED	07908059
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 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 WORLDWIDE	3158106
EMI INVESTMENTS HOLLAND LIMITED	3038307
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
EMI UK HOLDINGS	255852
EMIG 4 LIMITED	3038275
F L U M MANAGEMENT LIMITED	07908238
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 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
VIRGIN MUSIC GROUP	2259349
VIRGIN RECORDS OVERSEAS LIMITED	335444
V2 MUSIC GROUP LIMITED	03205625

Note 32 Subsequent events

The main events that occurred between December 31, 2013 and February 19, 2014, the date of the Management Board meeting that approved the financial statements for fiscal year 2013 are as follows

- on January 14, 2014 Canal+ Group won the exclusive broadcasting rights to the national French Rugby Championship "TOP 14" for five seasons (2014-2015 to 2018-2019) These rights relate to all of the TOP 14 matches, across all media and all territories,
- on January 31, 2014, SFR and Bouygues Telecom entered into a strategic agreement to share a portion of their mobile access networks, and
- on February 13, 2014, Vivendi entered into exclusive negotiations with Belgacom to acquire 100% of its subsidiary Telindus France Group, a leader on the French markets of telecommunication integration and networks Once signed, the transaction will be submitted to the French competition authority approval

Note 33 Adjustment of comparative information

As from the second quarter of 2013, in compliance with IFRS 5, Activision Blizzard and Maroc Telecom group have been reported in Vivendi's Consolidated Statement of Earnings, Statement of Cash Flows, and Statement of Financial Position as discontinued operations In practice, these two businesses have been reported as follows

- their contribution to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations", until their effective sale In accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information, and
- their contribution to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations" until their effective sale In accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information

Moreover, data published with respect to fiscal year 2012 was adjusted following the application of amended IAS 19, whose application is mandatory in the European Union beginning on or after January 1, 2013 (please refer to Note 1)

As a result, the 2012 and first quarter of 2013 Financial Statements were adjusted, as applicable

33.1 Adjustments made to the main aggregates of the Consolidated Statement of Earnings

(in millions of euros except per share amounts)	2012			
	Three months ended March 31	Three months ended June 30	Six months ended June 30	Three months ended September 30,
Earnings before interest and income taxes (EBIT) (as previously published)	**1,493**	**1,082**	**2,575**	**1,259**
Reclassifications related to the application of IFRS 5 for Activision Blizzard	393	175	- 568	182
Reclassifications related to the application of IFRS 5 for Maroc Telecom Group	266	183	- 449	261
Adjustments related to the application of amended IAS 19				
Selling, general and administrative expenses	*+ 2*	*+ 2*	*+ 4*	*+ 2*
Earnings before interest and income taxes (EBIT) (restated)	**836**	**726**	**1,562**	**818**
Earnings attributable to Vivendi SA shareowners (as previously published)	**697**	**463**	**1,160**	**491**
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 2*	*+ 2*	*+ 4*	*+ 2*
Other financial charges		*+ 1*	*+ 1*	-
Provision for income taxes		-	-	-
Earnings attributable to Vivendi SA shareowners (restated)	**699**	**466**	**1,165**	**493**
Earnings attributable to Vivendi SA shareowners per share basic (as previously published)	**0 54**	**0.36**	**0 90**	**0.38**
Earnings attributable to Vivendi SA shareowners per share - basic (restated)	**0 54**	**0.36**	**0 91**	**0.38**

(in millions of euros except per share amounts)	2012			2013
	Nine months ended September 30	Three months ended December 31,	Year ended December 31,	Three months ended March 31
Earnings before interest and income taxes (EBIT) (as previously published)	**3,834**	**(956)**	**2,878**	**1,178**
Reclassifications related to the application of IFRS 5 for Activision Blizzard	750	378	1 128	- 440
Reclassifications related to the application of IFRS 5 for Maroc Telecom Group	- 710	252	962	266
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 6*	*+ 11*	*+ 17*	*na*
Earnings before interest and income taxes (EBIT) (restated)	**2,380**	**(1,575)**	**805**	**472**
Earnings attributable to Vivendi SA shareowners (as previously published)	**1,651**	**(1,487)**	**164**	**534**
Adjustments related to the application of amended IAS 19				
Selling general and administrative expenses	*+ 6*	*+ 11*	*+ 17*	*na*
Other financial charges	*+ 1*	-	*+ 1*	*na*
Provision for income taxes		*3*	*- 3*	*na*
Earnings attributable to Vivendi SA shareowners (restated)	**1,658**	**(1,479)**	**179**	**534**
Earnings attributable to Vivendi SA shareowners per share - basic (as previously published)	**1.28**	**(1 12)**	**0 13**	**0 40**
Earnings attributable to Vivendi SA shareowners per share - basic (restated)	**1.28**	**(1 12)**	**0 14**	**0 40**

33.2 Adjustments related to charges and income directly recognized in equity

(in millions of euros)	Year ended December 31 2012		
	Published	Application of amended IAS 19	Restated
Earnings	**949**	**+ 15**	**964**
Actuarial gains/(losses) related to employee defined benefit plans net		61	(61)
Items not reclassified to profit or loss	**-**	**- 61**	**(61)**
Foreign currency translation adjustments	(605)	-	(605)
Unrealized gains/(losses) net	103		103
of which Cash flow hedge instruments	*22*		*22*
Net investment hedge instruments	*17*		*17*
Tax	*1*		*1*
Hedging instruments net	*40*		*40*
Assets available for sale net	*63*	-	*63*
Other impacts net	-	-	
Items to be subsequently reclassified to profit or loss	**(502)**	**-**	**(502)**
Charges and income directly recognized in equity	**(502)**	**- 61**	**(563)**
Total comprehensive income	**447**	**- 46**	**401**
of which			
Total comprehensive income attributable to Vivendi SA shareowners	**(317)**	**- 45**	**(362)**
Total comprehensive income attributable to non-controlling interests	764	- 1	763

33.3 Adjustments made to the Statements of Financial Position

(in millions of euros)	December 31 2012 Published	Application of amended IAS 19	December 31 2012 Restated	December 31 2011 Published	Application of amended IAS 19	January 1st 2012 Restated
ASSETS						
Goodwill	24 656	-	24 656	25 029	-	25 029
Non-current content assets	3 327	-	3 327	2 485	-	2 485
Other intangible assets	5 190		5 190	4 329		4 329
Property plant and equipment	9 926		9 926	9 001		9 001
Investments in equity affiliates	388		388	135		135
Non current financial assets	514	26	488	394	15	379
Deferred tax assets	1 400	+ 45	1 445	1 421	+ 26	1 447
Non-current assets	**45,401**	**+ 19**	**45,420**	**42,794**	**+ 11**	**42,805**
Inventories	738		738	805		805
Current tax receivables	819		819	542		542
Current content assets	1 044		1 044	1 066		1 066
Trade accounts receivable and other	6 587	-	6 587	6 730		6 730
Current financial assets	364		364	478		478
Cash and cash equivalents	3 894		3 894	3 304		3 304
	13,446	**-**	**13,446**	**12,925**	**-**	**12,925**
Assets held for sale	667		667			-
Current assets	**14,113**	**-**	**14,113**	**12,925**	**-**	**12,925**
TOTAL ASSETS	**59,514**	**+ 19**	**59,533**	**55,719**	**+ 11**	**55,730**
EQUITY AND LIABILITIES						
Share capital	7 282		7 282	6 860	-	6 860
Additional paid in capital	8 271		8 271	8 225	-	8 225
Treasury shares	(25)		(25)	(28)		(28)
Retained earnings and other	2 937	140	2 797	4 390	- 95	4 295
Vivendi SA shareowners' equity	**18,465**	**- 140**	**18,325**	**19,447**	**- 95**	**19,352**
Non controlling interests	2 971	- 5	2 966	2 623	4	2 619
Total equity	**21,436**	**- 145**	**21,291**	**22,070**	**- 99**	**21,971**
Non current provisions	3 094	+ 164	3 258	1 569	+ 110	1 679
Long-term borrowings and other financial liabilities	12 667		12 667	12 409		12 409
Deferred tax liabilities	991		991	728		728
Other non-current liabilities	1 002		1 002	864		864
Non-current liabilities	**17,754**	**+ 164**	**17,918**	**15,570**	**+ 110**	**15,680**
Current provisions	711		711	586		586
Short term borrowings and other financial liabilities	5 090		5 090	3 301		3 301
Trade accounts payable and other	14 196		14 196	13 987		13 987
Current tax payables	321		321	205		205
	20,318	**-**	**20,318**	**18,079**	**-**	**18,079**
Liabilities associated with assets held for sale	6	-	6			
Current liabilities	**20,324**	**-**	**20,324**	**18,079**	**-**	**18,079**
Total liabilities	**38,078**	**+ 164**	**38,242**	**33,649**	**+ 110**	**33,759**
TOTAL EQUITY AND LIABILITIES	**59,514**	**+ 19**	**59,533**	**55 719**	**+ 11**	**55,730**

33.4 Adjustments made to the Statements of Cash Flows

(in millions of euros)	Published	Reclassifications related to IFRS 5 (a)	Application of amended IAS19	Restated
	Year ended December 31 2012			
Operating activities				
EBIT	2 878	2 090	+ 17	805
Adjustments	5,199	726	17	4 456
Including amortization and depreciation of tangible and intangible assets	*3 929*	*654*	-	*3 275*
reserve accrual regarding the Liberty Media Corporation litigation in the United States	*945*	-	-	*945*
other income from EBIT	*(22)*	*+ 3*	-	*(19)*
other charges from EBIT	*235*	*+ 1*	-	*236*
Content investments net	(299)	+ 154	-	(145)
Gross cash provided by operating activities before income tax paid	***7,778***	***- 2,662***	-	***5,116***
Other changes in net working capital	90	- 21		69
Net cash provided by operating activities before income tax paid	***7,868***	***- 2,683***	-	***5,185***
Income tax paid net	(762)	+ 409		(353)
Net cash provided by operating activities of continuing operations	***7,106***	***- 2,274***	-	***4,832***
Net cash provided by operating activities of discontinued operations	-	***+ 2,274***	-	***2,274***
Net cash provided by operating activities	**7,106**	-	-	**7,106**
Investing activities				
Capital expenditures	(4 516)	+ 517	-	(3 999)
Purchases of consolidated companies after acquired cash	(1 374)		-	(1 374)
Investments in equity affiliates	(322)	-		(322)
Increase in financial assets	(99)	+ 64		(35)
Investments	***(6,311)***	***+ 581***	-	***(5,730)***
Proceeds from sales of property plant equipment and intangible assets	26	- 3		23
Proceeds from sales of consolidated companies after divested cash	13	-		13
Disposal of equity affiliates	11			11
Decrease in financial assets	215	35	-	180
Divestitures	***265***	***- 38***	-	***227***
Dividends received from equity affiliates	3		-	3
Dividends received from unconsolidated companies	1		-	1
Net cash provided by/(used for) investing activities of continuing operations	***(6,042)***	***+ 543***	-	***(5,499)***
Net cash provided by/(used for) investing activities of discontinued operations	-	***- 543***	-	***(543)***
Net cash provided by/(used for) investing activities	**(6,042)**	-	-	**(6,042)**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share based compensation plans	131	-		131
Sales/(purchases) of Vivendi SA s treasury shares	(18)	-		(18)
Dividends paid by Vivendi SA to its shareowners	(1 245)		-	(1 245)
Other transactions with shareowners	(229)	+ 228	-	(1)
Dividends paid by consolidated companies to their non-controlling interests	(483)	+ 450	-	(33)
Transactions with shareowners	***(1,844)***	***+ 678***	-	***(1,166)***
Setting up of long term borrowings and increase in other long term financial liabilities	5 859	26		5 833
Principal payment on long term borrowings and decrease in other long term financial liabilities	(4 217)	+ 6		(4 211)
Principal payment on short term borrowings	(2,615)	+ 121		(2 494)
Other changes in short term borrowings and other financial liabilities	3 056	248		2 808
Interest paid net	(568)	+ 24		(544)
Other cash items related to financial activities	(98)	+ 2		(96)
Transactions on borrowings and other financial liabilities	***1,417***	***- 121***	-	***1,296***
Net cash provided by/(used for) financing activities of continuing operations	***(427)***	***+ 557***	-	***130***
Net cash provided by/(used for) financing activities of discontinued operations	-	***- 557***	-	***(557)***
Net cash provided by/(used for) financing activities	**(427)**	-	-	**(427)**
Foreign currency translation adjustments of continuing operations	(47)	+ 18		(29)
Foreign currency translation adjustments of discontinued operations		- 18		(18)
Change in cash and cash equivalents	**590**	-	-	**590**
Reclassification of cash and cash equivalents from discontinued operations	-	-	-	-
Cash and cash equivalents				
At beginning of the period	**3,304**	-	-	**3,304**
At end of the period	**3,894**	-	-	**3,894**

a Includes Activision Blizzard and Maroc Telecom group (please refer to Note 7)