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Financial Report and Audited Consolidated Financial Statements for the Year Ended December 31, 2015

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Friday, February 19, 2016

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,525,774,135 00

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

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Selected key consolidated financial data

Preliminary comments

Vivendi deconsolidated GVT, SFR, Maroc Telecom group and Activision Blizzard as from May 28, 2015, November 27, 2014, May 14, 2014, and October 11, 2013, respectively, i e , the date of their effective sale by Vivendi In compliance with IFRS 5, these businesses have been reported in Vivendi's Consolidated Financial Statements as discontinued operations for all relevant periods as set out in the table of selected key consolidated financial data below in respect of data contained in the Consolidated Statement of Earnings and Consolidated Statement of Cash Flows

	Year ended December 31				
	2015	2014	2013	2012	2011
Consolidated data					
Revenues	10,762	10,089	10,252	9 597	9,064
EBIT	1 231	736	637	(1 131)	1 269
Earnings attributable to Vivendi SA shareowners	1 932	4 744	1 967	179	2 681
of which earnings from continuing operations attributable to Vivendi SA shareowners	699	(290)	43	(1,565)	571
Income from operations (a)	1 061	1 108	1 131	na	na
EBITA (a)	942	999	955	1 074	1 086
Adjusted net income (a)	697	626	454	318	270
Net Cash Position/(Financial Net Debt) (a)	6 422	4,637	(11 097)	(13,419)	(12 027)
Total equity	21 086	22 988	19,030	21,291	22,070
of which Vivendi SA shareowners equity	20 854	22 606	17 457	18 325	19 447
Cash flow from operations (CFFO) (a)	892	843	894	846	897
Cash flow from operations after interest and income tax paid (CFAIT) (a)	(69)	421	503	772	826
Financial investments	(3 927)	(1 244)	(107)	(1 689)	(289)
Financial divestments	9 013	17 807	3 471	201	4 205
Dividends paid by Vivendi SA to its shareholders	2 727 (b)	1 348 (c)	1 325	1 245	1 731
Per share data					
Weighted average number of shares outstanding	1 361 5	1,345 8	1,330 6	1 298 9	1 281 4
Adjusted net income per share	**0.51**	**0 46**	**0.34**	**0.24**	**0.21**
Number of shares outstanding at the end of the period (excluding treasury shares)	1 342 3	1 351 6	1 339 6	1,322 5	1 287 4
Equity per share attributable to Vivendi SA shareowners	15 54	16 73	13 03	13 86	15 11
Dividends per share paid	**2 00** (b)	**1 00** (c)	**1.00**	**1.00**	**1 40**

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

na not applicable

a The non-GAAP measures of Income from operations (a measure of the operating performance of business segments recently applied by Vivendi Management), EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), Cash flow from operations (CFFO) and Cash flow from operations after interest and income tax paid (CFAIT) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report Vivendi considers these to be relevant indicators of the group's operating and financial performance Each of these indicators is defined in the appropriate section of this Financial Report or in its Appendix In addition, it should be noted that other companies may have different definitions and calculations for these indicators from Vivendi, thereby affecting comparability

b Relates to the ordinary dividend paid on April 23, 2015 with respect to fiscal year 2014 (€1 per share, i e , €1,363 million), and the interim dividend paid on June 29, 2015 with respect to fiscal year 2015 (€1 per share, i e , €1,364 million)

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

Nota

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

- 2014 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2014, prepared under IFRS and the related Statutory Auditors' Report presented on pages 158 to 293 of the "Document de Référence" No D 15-0135, filed with the French Autorité des Marchés Financiers (AMF) on March 13, 2015, and on pages 158 to 293 of the English translation of this "Document de Référence", and
- 2013 Financial Report and the Consolidated Financial Statements for the year ended December 31, 2013, prepared under IFRS and the related Statutory Auditors' Report presented on pages 172 to 324 of the "Document de Référence" No D 14-0355, filed with the French Autorité des Marchés Financiers (AMF) on April 14, 2014, and on pages 172 to 324 of the English translation of this "Document de Référence"

I - 2015 Financial Report

Preliminary comments

- *On February 10, 2016, the Management Board approved the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2015 Upon the recommendation of the Audit Committee, which met on February 11, 2016, the Supervisory Board, at its meeting held on February 18, 2016, reviewed the Financial Report and the Audited Consolidated Financial Statements for the year ended December 31, 2015, as approved by the Management Board on February 10, 2016*
- *The Consolidated Financial Statements for the year ended December 31, 2015 have been audited and certified by the Statutory Auditors without qualified opinion The Statutory Auditors' Report on the Consolidated Financial Statements is included in the preamble to the Financial Statements*

Overview

Acceleration of international expansion

In 2015, Vivendi continued to develop its international activities which now account for close to 60% of its revenues

The group is the world leader in recorded music holding a 34% global market share[1] in 2014 The launch of new offerings by global, regional and local players as well as new entrants in digital music provide Universal Music Group with opportunities to expand into new markets

Vivendi has 11 2 million pay-TV individual subscribers, of which 5 5 million are located outside mainland France In particular, Canal+ Group now has more than 2 million individual subscribers in over 30 countries in Africa where, after launching the African entertainment channel A+ in October 2014, it continued to expand its offer by adding 25 additional channels in 2015

The film and television production and distribution activities are driven in particular by Studiocanal, the leading European studio, which continues its geographical expansion by entering into agreements in the United Kingdom and in Scandinavia in 2015, and by strengthening its presence in the North American market

In addition, with the acquisition of Dailymotion, one of the world's largest video platforms (3 5 billion videos viewed each month), Vivendi increased its digital distribution capacity, resulting in an acceleration of its international development

In recent months, Vivendi also confirmed its willingness to invest in Southern Europe, a market that shares its Latin culture and roots As of December 31, 2015, it held 21 4% of Telecom Italia's common shares and 0 95% of Telefonica In December 2015, as a long-term shareholder, the group successfully proposed the appointment of four members to the Board of Directors of the Italian telecoms operator, of which three are Vivendi representatives and one is an independent member

The investment in Telecom Italia represents an opportunity for the group to be present and to expand in a market with significant growth prospects and a very strong appetite for quality content In pursuit of its investment strategy in Latin content, Vivendi is exploring opportunities to invest in several production companies in Southern Europe

Development of original content production

The development of original content production, which reduces Vivendi's dependence on third-parties, is being achieved by the continuous investment in artists and talent, by multiplying original production projects and by the acquisition of interests in production companies

Vivendi relies on its own in-house production capabilities Canal+ (the *Création originale* label), Studiocanal (cinema and series), Flab Prod, Studio+ and Can't Stop, companies acquired in the first half of 2015 (non-scripted television shows), Studio Bagel (short web-based content) and Universal Music Group labels

Vivendi will acquire a 26 2% interest in Banijay Zodiak, one of the largest independent producers and distributors of television programs in the world, resulting from the combination of Banijay Group and Zodiak Media The transaction will be finalized shortly The group also acquired a 30% interest in Mars Films, a French leader in film production and distribution

[1] *Source Music & Copyright*

The need to stop losses of Canal+ channels in France

The six Canal+ channels[2] have been losing money in France for the last four years With a subscriber base that has been severely eroded since 2012, the channels recorded a negative EBITA of €264 million in 2015, a €76 million loss increase compared to 2014 The arrival of new national and international players in the areas of sports and fiction caused a surge in the price of content broadcasting rights and has increased the number of competing offers, leading to greater losses

This situation threatens the entire Canal+ Group, which employs 8,200 people and is a major player in the financing and development of the movie industry, in which it invests globally close to €800 million per year both in France (French cinema agreements renewed in spring 2015) and internationally

The priority for the new management team put in place last summer is to implement a major transformation plan in order to return to break-even This plan must ensure that the subscriber's perceived value of the group's offers is restored by increasing investment in original content production and premium content as well as by improving significantly the user experience, all in an essential cost-efficient manner

Vivendi cannot on a long term basis continue to finance the losses of Canal+ channels in France Over the past two years, the group has already invested €1 5 billion in Canal+ in France (acquisition in October 2013 of the 20% interest in Canal+ France held by Lagardère and public tender offer for Société d'Edition de Canal Plus (SECP) shares in May 2015) and investments will remain substantial in the medium term, both in content and in technology

For a detailed description of the significant events that occurred in 2015, as well as the subsequent events, please refer to Notes 2 and 27, respectively, to the Consolidated Financial Statements for the year ended December 31, 2015

1 Earnings analysis: Group and Business segments

Preliminary comments

- *Income from operations, EBITA and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in the Financial Report Vivendi considers these to be relevant indicators of the group's operating and financial performance*

  Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they provide a better illustration of the underlying performance of continuing operations by excluding most non-recurring and non-operating items

  - *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, 2015*
  - *As defined by Vivendi, income from operations is calculated as EBITA as presented in the Adjusted Statement of Earnings, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance*

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

- *In compliance with IFRS 5, SFR and Maroc Telecom group (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations In practice, income and charges from these businesses have been reported as follows*

  - *their contribution, until their effective divestiture, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been reported on the line "Earnings from discontinued operations",*
  - *any capital gain recognized as a result of a completed divestiture is recorded under the line "Earnings from discontinued operations", and*
  - *their share of net income and the capital gain recognized as a result of a completed divestiture have been excluded from Vivendi's adjusted net income*

[2] *Relates to the six premium channels Canal+ Canal+ Cinéma Canal+ Sport, Canal+ Séries Canal+ Family and Canal+ Décalé*

1.1 Consolidated Statement of Earnings and Adjusted Statement of Earnings

CONSOLIDATED STATEMENT OF EARNINGS	Year ended December 31		ADJUSTED STATEMENT OF EARNINGS Year ended December 31		
	2015	2014	2015	2014	
Revenues	**10,762**	**10,089**	**10,762**	**10,089**	**Revenues**
Cost of revenues	(6 555)	(6 121)	(6,555)	(6 121)	Cost of revenues
Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3 163)	(2 865)	(3 146)	(2 860)	Selling general and administrative expenses excluding amortization of intangible assets acquired through business combinations
			1,061	**1,108**	**Income from operations**
Restructuring charges	(102)	(104)	(102)	(104)	Restructuring charges
			(17)	(5)	Other operating charges and income
Amortization of intangible assets acquired through business combinations	(408)	(344)			
Impairment losses on intangible assets acquired through business combinations	(3)	(92)			
Other income	745	203			
Other charges	(45)	(30)			
EBIT	**1,231**	**736**	**942**	**999**	**EBITA**
Income from equity affiliates	(10)	(18)	(10)	(18)	Income from equity affiliates
Interest	(30)	(96)	(30)	(96)	Interest
Income from investments	52	3	52	3	Income from investments
Other financial income	16	19			
Other financial charges	(73)	(751)			
Earnings from continuing operations before provision for income taxes	**1,186**	**(107)**	**954**	**888**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(441)	(130)	(199)	(200)	Provision for income taxes
Earnings from continuing operations	**745**	**(237)**			
Earnings from discontinued operations	1,233	5 262			
Earnings	**1,978**	**5,025**	**755**	**688**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,932**	**4,744**	**697**	**626**	**Adjusted net income**
continuing operations	**699**	**(290)**			
discontinued operations	1 233	5 034			
Non-controlling interests	46	281	58	62	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1 42**	**3.52**	**0.51**	**0 46**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1 41**	**3.51**	**0.51**	**0 46**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts

1.2 Earnings analysis Group

1.2.1 Analysis of Adjusted net income and Earnings attributable to Vivendi SA shareowners

In 2015, **adjusted net income** was a €697 million profit (or €0 51 per share), compared to €626 million in 2014 (or €0 46 per share), a €71 million increase (+11 3%) The change in adjusted net income mainly resulted from the decrease in interest expense (+€66 million) and the increase in income from investments (+€49 million), partially offset by the decrease in EBITA (-€57 million) As a reminder, pursuant to the application of IFRS 5 to SFR and Maroc Telecom group (businesses sold in 2014), as well as GVT (sold on May 28, 2015), the Adjusted Statement of Earnings includes the results of Canal+ Group, Universal Music Group, Vivendi Village and New Initiatives' operations, as well as Corporate costs

Adjusted net income per share

	Year ended December 31,			
	2015		2014	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	697	697	626	626
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1 361 5	1,361 5	1,345 8	1 345 8
Potential dilutive effects related to share-based compensation	-	5 3	-	5 5
Adjusted weighted average number of shares	**1,361 5**	**1,366.8**	**1,345 8**	**1,351.3**
Adjusted net income per share (in euros)	0 51	0 51	0 46	0 46

a Net of the average number of treasury shares 1 6 million shares in 2015, compared to 0 4 million in 2014

In 2015, **earnings attributable to Vivendi SA shareowners** were a €1,932 million profit (or €1 42 per share), compared to €4,744 million (or €3 52 per share) in 2014

1.2 2 Reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income

	Year ended December 31	
(in millions of euros)	2015	2014
Earnings attributable to Vivendi SA shareowners (a)	**1,932**	**4,744**
Adjustments		
Amortization of intangible assets acquired through business combinations	408	344
Impairment losses on intangible assets acquired through business combinations (a)	3	92
Other income (a)	(745)	(203)
Other charges (a)	45	30
Other financial income (a)	(16)	(19)
Other financial charges (a)	73	751
Earnings from discontinued operations (a)	(1 233)	(5 262)
Of which capital gain on the divestiture of GVT, after taxes paid in Brazil	*(1,423)*	-
capital loss on the divestiture of Telefonica Brasil	*294*	-
capital gain on the divestiture of SFR	-	*(2 378)*
capital gain on the divestiture of Maroc Telecom group	-	*(786)*
capital gain on the sale of 41 5 million Activision Blizzard shares	-	*(84)*
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	229	37
Non recurring items related to provision for income taxes	145	5
Provision for income taxes on adjustments	(132)	(112)
Non-controlling interests on adjustments	(12)	219
Adjusted net income	**697**	**626**

a As reported in the Consolidated Statement of Earnings

1.2.3 Detailed analysis of the main items from the Statement of Earnings

Revenues were €10,762 million, compared to €10,089 million in 2014 (+6 7%, or +1 4% at constant currency and perimeter[3]) As a result of the appreciation of the U S dollar (USD) and the British pound (GBP) against the euro (EUR) in 2015, revenues included a €473 million favorable impact, primarily attributable to Universal Music Group, as well as the litigation settlement proceeds in the United States at Universal Music Group (+€56 million)

Income from operations was €1,061 million, compared to €1,108 million in 2014, a €47 million decrease (-4 3%) At constant currency and perimeter, income from operations decreased by €65 million (-5 9%)
The decline of Canal+ Group (-€76 million), notably reflecting increased investment in contents and a positive non-recurring impact in 2014 related to a litigation settlement, and the impact of the integration of developing activities within New Initiatives (-€18 million), were

[3] *Constant perimeter reflects the impacts of the acquisitions of Thema (October 28 2014) and Dailymotion (June 30 2015)*

partially offset by the improved operating performance of Vivendi Village (+€44 million), mainly associated with Watchever's return to break-even thanks to the transformation plan implemented during the second half of 2014

Cost of revenues amounted to €6,555 million (compared to €6,121 million in 2014)

Selling, general and administrative expenses reported in the Adjusted Statement of Earnings amounted to €3,146 million, compared to €2,860 million in 2014, a €286 million increase (+10 0%)

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 €305 million (compared to €307 million in 2014), and were notably related to Canal+ Group's set-top boxes, as well as Studiocanal's catalogs, films and television programs

EBITA amounted to €942 million, compared to €999 million in 2014, a €57 million decrease (-5 7%) At constant currency and perimeter, EBITA decreased by €74 million (-7 4%) This decline reflected the unfavorable change in income from operations and the impact of other operating charges and income EBITA notably included

- **restructuring charges** for €102 million, primarily incurred by Universal Music Group (€51 million, stable compared to 2014) and Canal+ Group (€47 million, notably related to the new organization put in place during the second half of 2015) In 2014, restructuring charges amounted to €104 million and included, in addition to a €50 million charge incurred by Universal Music Group, an exceptional provision of €44 million intended as part of Watchever's transformation plan in Germany, and
- **other operating charges and income** excluded from income from operations for a net charge of €17 million, compared to a €5 million net charge in 2014 In 2015, they notably comprised on the one hand, Universal Music Group's income from litigation settlement proceeds in the United States (+€29 million), as well as reversals of reserves at Canal+ Group (+€22 million) and at Corporate (+€19 million), and on the other hand, accruals of reserves related to litigation at Canal+ Group (-€61 million) and charges related to equity-settled share-based compensation plans (-€16 million) In 2014, they notably included reversals of reserves at Universal Music Group (+€24 million) and non-recurring profits related to pensions at Corporate (+€25 million), partially offset by transition costs at Canal+ Group (-€15 million), EMI's integration costs at Universal Music Group (-€13 million) and charges related to equity-settled share-based compensation plans (-€9 million)

EBIT amounted to €1,231 million, compared to €736 million in 2014, a €495 million increase (+67 2%) In this amount

- **other income and charges** were a €700 million net income, compared to a €173 million net income in 2014 In 2015, they primarily comprised the capital gain on the divestiture of the 20% interest in Numericable-SFR (€651 million, before taxes) and a reversal of reserve related to the impairment of Canal+ Group's interest in TVN in Poland (€54 million), sold on July 1, 2015 In 2014 other income in EBIT mainly included a capital gain on the divestiture of Universal Music Group's interest in Beats (€179 million), and
- **amortization and depreciation of intangible assets acquired through business combinations** amounted to €411 million in 2015, amortization increased by €64 million notably as a result of the appreciation of the U S dollar (USD) against the euro at Universal Music Group In 2014, amortization and depreciation of intangible assets acquired through business combinations amounted to €436 million and notably included the impairment of goodwill losses attributable to Digitick and MyBestPro (Wengo) for €92 million

Reconciliation of EBIT to EBITA and to income from operations

	Year ended December 31	
(in millions of euros)	2015	2014
EBIT (a)	**1,231**	**736**
Adjustments		
Amortization of intangible assets acquired through business combinations	408	344
Impairment losses on intangible assets acquired through business combinations (a)	3	92
Other income (a)	(745)	(203)
Other charges (a)	45	30
EBITA	**942**	**999**
Adjustments		
Restructuring charges (a)	102	104
Charges related to equity-settled share-based compensation plans	16	9
Other non-current operating charges and income	1	(4)
Income from operations	**1,061**	**1,108**

a As reported in the Consolidated Statement of Earnings

Income from equity affiliates was a €10 million loss, compared to a €18 million loss in 2014

Interest was an expense of €30 million, compared to €96 million in 2014, a €66 million decrease (-68 7%) In this amount

- interest expense on borrowings amounted to €65 million (compared to €283 million in 2014) This €218 million decrease was attributable for €216 million, to the decrease in the average outstanding borrowings to €2 2 billion in 2015 (compared to €9 7 billion in 2014) In 2015, the average interest rate on borrowings was 2 91% (compared to 2 94% in 2014) The redemption of bonds for an aggregate amount of €5 6 billion, including €0 9 billion at maturity date of the redeemable bonds in January 2014 and €4 7 billion in December 2014 following the sale of SFR, resulted in interest savings of €175 million in 2015 The outstanding bonds remaining in the Statement of Financial Position (€1,950 million as of December 31, 2015) generated a €59 million interest expense in 2015
  In addition, pursuant to the application of IFRS 5 to GVT and SFR, interest expense was reported net of interest received by Vivendi SA from financing provided to these entities, on an arm's-length basis The interest received from GVT amounted to €4 million in 2015, compared to €172 million received from SFR and GVT in 2014, a €168 million decrease, primarily attributable to the sale of SFR at the end of November 2014, and
- interest income earned on Net Cash Position amounted to €31 million, compared to €15 million in 2014 This change resulted from the increase in the average Net Cash Position to €8 8 billion in 2015 (compared to €2 1 billion in 2014) following the divestitures occurred in 2014 (SFR, Maroc Telecom) and in 2015 (GVT, Numericable-SFR)

Income from investments amounted to €52 million, compared to €3 million in 2014 In 2015, €26 million was attributable to interest generated between May 6 and August 19, 2015 by the €1,948 million receivable from Altice related to the deferred payment for the sale of a 10% interest in Numericable-SFR They also included dividends received from Activision Blizzard (€8 million, in cash) and from Telefonica (€16 million, in shares)

Other financial charges and income were a €57 million net charge, compared to a €732 million net charge in 2014 In 2015, this amount included the unfavorable change in the time value component of the collar hedge denominated in USD on Vivendi's remaining interest in Activision Blizzard during the second half of 2015 (-€16 million) In 2014, it mainly included the premium paid (-€642 million) with respect to the early redemption of bonds in December 2014 (€4 7 billion) following the sale of SFR

Provision for income taxes reported to adjusted net income was a net charge of €199 million, stable compared to 2014 The effective tax rate reported to adjusted net income was 20 6% in 2015 (compared to 22 0% in 2014), mainly reflecting the favorable impact on tax rates of Vivendi's French and U S Tax Group Systems, as well as the favorable impact of Watchever's return to break-even in Germany, thanks to cost management implemented since the second half of 2014
In addition, **provision for income taxes reported to net income** was a €441 million net charge, compared to a €130 million net charge in 2014 This €311 million increase mainly reflected the income tax payable by Vivendi SA in France related to the sale of the interests in Numericable-SFR, GVT and Telefonica Brasil (-€187 million, net of the tax savings related to Vivendi SA's Tax Group System), as well as the 3% tax on Vivendi SA's dividends (-€122 million, with respect to dividends of €4 1 billion) As a reminder, in addition to the ordinary dividend of €1 with respect to fiscal year 2014 approved by the Shareholders' Meeting of April 17, 2015, Vivendi's Management Board, in furtherance of its commitment, approved the distribution of two interim ordinary dividends of €1 each with respect to fiscal year 2015, following the sales of GVT on May 28, 2015 and of the 20% interest in Numericable-SFR on May 6, 2015 The first interim dividend was paid on June 29, 2015, the second one was paid on February 3, 2016

Earnings from continuing operations after provision for income taxes were a €745 million profit, compared to a €237 million loss in 2014, a favorable change of €982 million In 2015, this change notably included the capital gain on the sale of the 20% interest in Numericable-SFR (+€651 million, before taxes), partially offset by the increase in provision for income taxes (-€311 million) as a result of the income tax paid in France related to the sale of the interests in Numericable-SFR, GVT and Telefonica Brasil (-€187 million), as well as the 3% tax on the dividends paid in France (-€122 million) In 2014, this change mainly included the premium paid (-€642 million) with respect to the early redemption of bonds in December 2014 following the sale of SFR

Earnings from discontinued operations amounted to €1,233 million, compared to €5,262 million in 2014 In 2015, they included (i) the capital gain on the sale of GVT on May 28, 2015 for €1,818 million, before taxes of €395 million paid in Brazil, (ii) the capital loss on Telefonica Brasil shares (-€294 million), and (iii) GVT's net earnings up until its sale for €179 million, including the impact related to the discontinuation of the amortization of tangible and intangible assets since September 1, 2014, in compliance with IFRS 5 (+€153 million in 2015) They also comprised the remaining impact related to the sale of the 80% interest in SFR to Numericable (-€69 million) In 2014, they included the capital gains on the sale of SFR (€2,378 million, after taxes), of Maroc Telecom (+€786 million, after taxes) and of the interest in Activision Blizzard (+€84 million), as well as GVT, SFR and Maroc Telecom's net earnings, before non-controlling interests, for an aggregate amount of €2,010 million, including the impact of the discontinuation of amortization of tangible and intangible assets, in compliance with IFRS 5 (+€1,385 million in 2014) Please refer to Note 2 11 to the Consolidated Financial Statements for the year ended December 31, 2015

Earnings attributable to non-controlling interests amounted to €46 million, compared to €281 million in 2014, a €235 million decrease mainly attributable to the sale of Maroc Telecom group on May 14, 2014 **Adjusted net income attributable to non-controlling interests** amounted to €58 million, compared to €62 million in 2014, and included non-controlling interests of Société d'Edition de Canal Plus (SECP, prior to their full acquisition by Vivendi from mid-August to the end of September 2015), Canal+ Overseas and nc+ in Poland

1.3 Performance analysis: Business segments

(in millions of euros)	2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
	Year ended December 31				
Revenues					
Canal+ Group	5,513	5,456	+1.1%	+0.5%	+0.2%
Universal Music Group	5,108	4,557	+12.1%	+2.5%	+2.7%
Vivendi Village	100	96	+3.5%	-0.2%	-9.6%
New Initiatives	43	-			
Elimination of intersegment transactions	(2)	(20)			
Total Vivendi	**10,762**	**10,089**	**+6.7%**	**+2.0%**	**+1.4%**
Income from operations					
Canal+ Group	542	618	-12.2%	-12.3%	-13.1%
Universal Music Group	626	606	+3.2%	-0.9%	-0.6%
Vivendi Village	10	(34)	na	na	na
New Initiatives	(18)	-			
Corporate	(99)	(82)			
Total Vivendi	**1,061**	**1,108**	**-4.3%**	**-6.3%**	**-5.9%**
EBITA					
Canal+ Group	454	583	-22.1%	-22.2%	-23.0%
Universal Music Group	593	565	+5.0%	+0.8%	+1.0%
Vivendi Village	9	(79)	na	na	na
New Initiatives	(20)	-			
Corporate	(94)	(70)			
Total Vivendi	**942**	**999**	**-5.7%**	**-7.9%**	**-7.4%**

na: not applicable.

a. Constant perimeter reflects the impacts of the acquisitions of Thema by Canal+ Group on October 28, 2014, and Dailymotion (included within New Initiatives) on June 30, 2015, as well as the transfer of L'Olympia from UMG to Vivendi Village as from January 1, 2015.

1 3 1 Canal+ Group

(in millions of euros)	Year ended December 31 2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Pay-TV in Mainland France	3 383	3 454	-2 1%	-2 1%	-2 1%
Of which Canal+ channels (b)	*1,743*	*1 779*	*-2 0%*	*-2 0%*	*-2 0%*
Free-to-air TV in Mainland France	203	196	+3 3%	+3 3%	+3 3%
International Pay-TV	1 364	1 273	+7 2%	+6 2%	+4 7%
Poland	*500*	*515*	*-2 8%*	*-2 5%*	*-2 5%*
Overseas	*413*	*406*	*+1 7%*	*+1 9%*	*+1 9%*
Africa	*400*	*312*	*+28 2%*	*+26 1%*	*+20 0%*
Vietnam	*51*	*40*	*+29 3%*	*+11 1%*	*+11 1%*
Studiocanal	563	533	+5 7%	+2 3%	+2 3%
Total Revenues	**5,513**	**5,456**	**+1 1%**	**+0 5%**	**+0.2%**
Income from operations	**542**	**618**	**-12 2%**	**-12 3%**	**-13 1%**
Income from operations margin	*9 8%*	*11 3%*	*-1 5 pt*		
Charges related to equity-settled share based compensation plans	(3)	(3)			
Other special items excluded from income from operations (including transition and restructuring costs)	(85)	(32)			
EBITA	**454**	**583**	**-22.1%**	**-22.2%**	**-23.0%**
EBITA margin	*8 2%*	*10 7%*			
Of which Canal+ channels EBITA (b)	*(264)*	*(188)*			
Canal+ Group's Pay-TV					
Individual subscribers (in thousands)					
Mainland France	5 746	6 062	316		
International	5,495	4,986	+509		
Poland	*2,119*	*2 146*	*27*		
Overseas	*499*	*494*	*+5*		
Africa	*2 073*	*1 552*	*+521*		
Vietnam	*804*	*794*	*+10*		
Total Canal+ Group	**11,241**	**11,048**	**+193**		
Subscriptions (in thousands)					
Mainland France (c)	9,072	9,463	-391		
Subscriptions with commitment (d)	*8,459*	*8,864*	*-405*		
Canalplay subscriptions (e)	*613*	*599*	*+14*		
International	6 677	5 886	+791		
Total Canal+ Group	**15,749**	**15,349**	**+400**		
Mainland France Pay-TV					
Churn, per individual subscriber with commitment	14 9%	14 5%	+0 4 pt		
Net ARPU, in euros per individual subscriber with commitment	44 7	44 0	+1 6%		
Mainland France Free-to-air TV's audience shares (f)					
D8	3 4%	3 3%	+0 1 pt		
D17	1 2%	1 2%	-		
i>Télé	1 0%	0 9%	+0 1 pt		
Total	**5 6%**	**5 4%**	**+0.2 pt**		

a Constant perimeter reflects the impact of the acquisition of Thema on October 28, 2014

b Relates to the six premium channels Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Décalé, Canal+ Family and Canal+ Séries In 2013 and 2012, Canal+ channels' revenue amounted to €1,832 million and €1,840 million, respectively, and its EBITA to -€130 million and -€21 million, respectively

c Includes individual and collective subscriptions

d 9,199 thousand subscriptions with commitment (Canal+ and Canalsat) as of December 31, 2013, and 9,563 thousand as of December 31, 2012

e 335 thousand Canalplay subscriptions as of December 31, 2013, and 156 thousand as of December 31, 2012

f Source Médiamétrie Population four years and older

Canal+ Group's revenues amounted to €5,513 million, up 1 1% (+0 2% at constant currency and perimeter) compared to 2014

At year-end 2015, Canal+ Group had a total of 15 7 million subscriptions, a year-on-year increase of 400,000, driven by international markets The total number of individual subscribers also grew to 11 2 million compared to 11 million at the end of 2014, notably driven by Africa, where, for the first time, the number of individual subscribers exceeded 2 million at year-end 2015

Revenues from pay-TV operations in mainland France were down 2 1% year-on-year due to fewer subscriptions International pay-TV revenues grew significantly (+7 2%) compared to 2014, thanks to growth in the subscriber base, in particular in Africa

Advertising revenues from free-to-air channels, up 3 3% compared to 2014, benefited from the continuously growing audience of D8, which is once again the leading DTT channel in France and the fifth most watched French channel with a 3 4% audience share For the population aged 25-49 years old, D8 is the fourth most watched French channel with a 4 3% audience share

Studiocanal's revenues grew significantly year-on-year (+5 7%, +2 3% at constant currency), thanks to the sale of film rights for recent box-office hits such as Paddington, Imitation Game and Shaun the Sheep, as well as the build-up of the TV series production business

Canal+ Group's income from operations was €542 million compared to €618 million in 2014, and EBITA was €501 million (excluding reorganization costs) compared to €583 million in 2014 This change mainly resulted from increased investment in programs, as well as non-recurring items

1 3.2 Universal Music Group (UMG)

	Year ended December 31				
(in millions of euros)	2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Recorded music	4,113	3 688	+11 5%	+2 2%	+2 4%
Physical sales	*1 410*	*1,417*	*-0 5%*	*-6 7%*	*-6 7%*
Digital sales	*1 975*	*1,640*	*+20 5%*	*+8 6%*	*+8 6%*
of which streaming and subscriptions	*954*	*610*	*+56 2%*	*+43 2%*	*+43 2%*
License and other	*728*	*631*	*+15 3%*	*+5 4%*	*+7 1%*
Music publishing	756	673	+12 4%	+3 0%	+3 0%
Merchandising and other	276	232	+19 1%	+3 5%	+3 5%
Elimination of intersegment transactions	(37)	(36)			
Total Revenues	**5,108**	**4,557**	**+12 1%**	**+2 5%**	**+2 7%**
Income from operations	**626**	**606**	**+3.2%**	**-0 9%**	**-0 6%**
Income from operations' margin	*12 3%*	*13 3%*	*1 0 pt*		*-0 4 pt*
Charges related to equity-settled share-based compensation plans	(5)	(2)			
Special items excluded from income from operations (including integration and restructuring costs)	(28)	(39)			
EBITA	**593**	**565**	**+5 0%**	**+0.8%**	**+1 0%**
EBITA margin	*11 6%*	*12 4%*			

Recorded music revenues by geographical area		
Europe	38%	41%
North America	42%	39%
Asia	11%	11%
Rest of the world	9%	9%
	100%	**100%**

a Constant perimeter reflects the impacts of the transfer of L'Olympia from UMG to Vivendi Village as from January 1, 2015

Recorded music best sellers, by value (Source *MusicMart*)

Year ended December 31, 2015		Year ended December 31, 2014	
Artist	Title	Artist	Title
Taylor Swift	1989	Various Artists	Frozen
Justin Bieber	Purpose	Taylor Swift	1989
Sam Smith	In The Lonely Hour	Sam Smith	In The Lonely Hour
The Weeknd	Beauty Behind The Madness	Ariana Grande	My Everything
Various Artists	Fifty Shades Of Grey	Katy Perry	PRISM
The Beatles	1+	Lorde	Pure Heroine
Dreams Come True	Dreams Come True The Best! Watashino Dorikamu	Imagine Dragons	Night Visions
Maroon 5	V	5 Seconds Of Summer	5 Seconds Of Summer
Drake	If You're Reading This It's Too Late	Maroon 5	V
Helene Fischer	Weihnachten	Iggy Azalea	The New Classic

Universal Music Group's (UMG) revenues were €5,108 million, up 2.7% at constant currency and perimeter compared to 2014 (+12.1% on an actual basis), driven by growth across all divisions.

Recorded music revenues grew 2.4% at constant currency and perimeter thanks to growth in subscription and streaming revenues (+43.2%) and the recognition of legal settlement income (+€56 million), which more than offset the decline in both digital download and physical sales.

Music publishing revenues grew 3.0% at constant currency, also driven by increased subscription and streaming revenues. Merchandising and other revenues were up 3.5% at constant currency thanks to stronger retail activity.

In the United States, UMG had seven of the Top 10 albums of the year, including two of the top three with Taylor Swift's *1989* and Justin Bieber's *Purpose*. In the United Kingdom, UMG had nine of the Top 20 albums of the year, including the debut from the U.K.'s biggest breakthrough artist of 2015, James Bay, and nine of the Top 20 singles, including Hozier's *Take Me To Church*. In Germany, UMG artist Helene Fischer was the best-selling artist of the year for the third time in four years.

Globally, recorded music best sellers for the year included strong carryover sales from Taylor Swift and Sam Smith, new releases from Justin Bieber, The Weeknd, Drake, the *Fifty Shades of Grey* soundtrack, a compilation from The Beatles, as well as the Japanese band Dreams Come True.

UMG's income from operations was €626 million, marginally down 0.6% at constant currency and perimeter compared to 2014 (+3.2% on an actual basis). Income from operations excluded restructuring charges as well as a legal settlement income in 2015 (+€29 million), and a reversal of provisions in 2014.

UMG's EBITA was €593 million, up 1.0% at constant currency and perimeter compared to 2014 (+5.0% on an actual basis), thanks to revenue growth, even with 2014 benefit of a reversal of provisions.

1.3.3 Vivendi Village

	Year ended December 31,				
(in millions of euros)	2015	2014	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Vivendi Ticketing	52	51	+0 6%	-6 5%	-6 5%
Watchever	16	26	-36 9%	-36 9%	-36 9%
MyBestPro	22	19	+14 4%	+14 4%	+14 4%
Olympia	10	-			
Radionomy	-	-			
Total Revenues	**100**	**96**	**+3 5%**	**-0.2%**	**-9 6%**
Income from operations	10	(34)			
EBITA	9	(79)			

a Constant perimeter reflects the impacts of the transfer of L'Olympia from UMG to Vivendi Village as from January 1, 2015

Vivendi Village's revenues were €100 million, up 3 5% compared to 2014

Vivendi Village's income from operations, at €10 million, and EBITA, at €9 million, became positive in 2015 largely thanks to the transformation plan implemented by Watchever, the subscription video-on-demand service in Germany

MyBestPro, which connects individuals with professionals from various business sectors, continued to record a very steady progress of its activities, driven in particular by JuriTravail com, a French leading online legal content platform also providing legal information and conflict resolution services to third parties

Vivendi Ticketing, which provides ticketing services in the United Kingdom, France and the United States, recorded a satisfactory year in 2015

L'Olympia was affected by the events that occurred on November 13th in Paris, which resulted in the rescheduling or cancellation of concerts and shows

In the coming months, the group plans to open 10 CanalOlympia concert venues in Africa

On December 17, 2015, Vivendi announced the acquisition of 64 4% interest in Radionomy Group, a major global player in the digital radio industry, which was integrated within Vivendi Village With this investment, Vivendi expands its presence in content creation and distribution to the growing sector of digital audio, driven by a dynamic advertising market

1.3.4 Corporate

Corporate's income from operations was a net charge of €99 million, compared to €82 million in 2014, a €17 million increase, primarily due to the decrease in management fees, the increase in fees related to certain litigation, as well as the set-up costs for the new businesses Moreover, recurring personnel costs were stable

Corporate's EBITA was a net charge of €94 million, compared to €70 million in 2014 In addition to the items included in income from operations, this €24 million increase in the net charge in EBITA was notably linked to fewer positive non-recurring items (related to pensions in 2014 and litigation in 2015)

2 Treasury and capital resources

2 1 Net Cash Position and equity portfolio

Preliminary comments

- *Vivendi considers Net Cash Position, a non-GAAP measure, to be a relevant indicator in measuring Vivendi's treasury and capital resources The Net Cash Position is calculated as the sum of*
  - *i cash and cash equivalents as reported on the Consolidated Statement of Financial Position, corresponding to cash in banks, money market funds, complying with the criteria set forth in AMF position No 2011-13 and other highly liquid short-term investments with initial maturities of generally three months or less, as required by IAS 7 (please refer to Note 1 3 5 11 to the Consolidated Financial Statements for the year ended December 31, 2015),*
  - *ii cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", corresponding to financial investments which do not comply with the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, the criteria set forth in AMF position No 2011-13, and*
  - *iii derivative financial instruments in assets, and cash deposits backing borrowings, included in the Consolidated Statement of Financial Position under "financial assets", less*
  - *iv long-term and short-term borrowings and other financial liabilities as reported on the Consolidated Statement of Financial Position*
- *Net Cash Position should be considered in addition to, and not as a substitute for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as any other measures of indebtedness reported in accordance with GAAP, and Vivendi considers it to be a relevant indicator of treasury and capital resources of the group Vivendi Management uses this indicator for reporting, management and planning purposes, as well as to comply with certain covenants*

2.1.1 Net Cash Position as of December 31, 2015

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	December 31 2015	December 31, 2014
Cash and cash equivalents (a)	14	8,225	6,845
of which Vivendi SA's money market funds		*5 550*	*4,754*
Vivendi SA's term deposits, interest-bearing current accounts, and MTN		*2 372*	*1 770*
Cash management financial assets	14	581	-
Cash position		**8,806**	**6,845**
Derivative financial instruments in assets	19	115	139
Cash deposits backing borrowings	12	439	-
Borrowings and other financial liabilities	19	(2,938)	(2,347)
of which long-term (a)		*(1 555)*	*(2 074)*
short-term (a)		*(1 383)*	*(273)*
Borrowings and other financial items		**(2,384)**	**(2,208)**
Net Cash Position		**6,422**	**4,637**

a As presented in the Consolidated Statement of Financial Position

As of December 31, 2015, Vivendi's Net Cash Position was €6,422 million (compared to €4,637 million as of December 31, 2014) This amount included the group's cash position of €8,806 million as of December 31, 2015, of which €8,508 million was held by Vivendi SA and invested as follows

- €5,550 million invested in money market funds,
- €2,638 million invested in term deposits, interest-bearing current accounts and MTN, of which €2,372 million is classified as "cash and cash equivalents" and the remaining balance (€266 million) as "financial assets", and
- €315 million invested in bond funds and classified as "financial assets"

As of December 31, 2015 Vivendi's borrowings and other financial liabilities net of derivative financial instruments in assets and cash deposits amounted to €2,384 million, compared to €2,208 million as of December 31, 2014, a €176 million increase They primarily comprised three Vivendi SA bonds for an aggregate amount of €1,950 million, maturing in December 2016, March 2017 and December 2019, respectively, as well as the share repurchase program in place as of December 31, 2015 (€193 million)

In addition, Vivendi SA has a €2 billion bank credit facility, undrawn as of December 31, 2015 On October 30, 2015, the maturity of this credit facility was extended for one year, to October 31, 2020

As of February 10, 2016, the date of the Management Board meeting that approved Vivendi's Consolidated Financial Statements for the year ended December 31, 2015, after taking into account (i) the cash proceeds from the sale of Activision Blizzard shares and the unwinding of the related hedging instrument on January 13, 2016 (+€1 4 billion), (ii) the payment of the second interim dividend on February 3, 2016 with respect to fiscal year 2015 (-€1 3 billion), and (iii) the repurchase of treasury shares (-€0 5 billion), Vivendi's Net Cash Position would be approximately €6 billion

2.1.2 Equity portfolio

As of December 31, 2015, Vivendi held a portfolio of quoted and unquoted non-controlling equity interests, mainly in Telecom Italia, Activision Blizzard, Telefonica, Ubisoft and Gameloft At this date, this equity portfolio represented an aggregate market value of approximately €6 billion (before taxes) please refer to Notes 11 and 12 to the Consolidated Financial Statements for the year ended December 31, 2015

As of February 10, 2016, the date of the Management Board meeting that approved Vivendi's Consolidated Financial Statements for the year ended December 31, 2015, the market value of Vivendi's portfolio of non-controlling equity interests amounted to approximately €3 8 billion This change included the sale of the interest in Activision Blizzard and fluctuations in stock market prices

2 2 Changes in Net Cash Position

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Net Cash Position
Net Cash Position as of December 31, 2014	**6,845**	**(2,208)**	**4,637**
Outflows/(inflows) related to continuing operations			
Operating activities	87	-	87
Investing activities	4 854	1,011	5 865
Financing activities	(3,564)	(603)	(4,167)
Foreign currency translation adjustments of continuing operations	3	-	3
Outflows/(inflows) related to continuing operations	**1,380**	**408**	**1,788**
Outflows/(inflows) related to discontinued operations	-	(3)	(3)
Net Cash Position as of December 31, 2015	**8,225**	**(1,803)**	**6,422**

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

2 3 Cash flow from operations analysis

Preliminary comments

- *The non-GAAP measures cash flow from operations (CFFO) and cash flow from operations after interest and taxes (CFAIT) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report Vivendi considers these to be relevant indicators of the group's operating and financial performance*
- *In compliance with IFRS 5, SFR and Maroc Telecom (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations In practice, cash flows from these businesses have been reported as follows*
    - *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", and*
    - *their cash flow from operations (CFFO) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO and CFAIT, as presented below*

	Year ended December 31		
(in millions of euros)	2015	2014	% Change
Revenues	10 762	10,089	+6 7%
Operating expenses excluding depreciation and amortization	(9 429)	(8 646)	-9 1%
	1,333	*1,443*	*-7 7%*
Restructuring charges paid	(84)	(84)	-0 5%
Content investments, net	157	19	x 8 3
of which film and television rights net at Canal+ Group			
Acquisition paid	*(633)*	*(604)*	*-4 7%*
Consumption	*753*	*713*	*+5 6%*
	120	*109*	*+10 7%*
of which sports rights, net at Canal+ Group			
Acquisition paid	*(719)*	*(818)*	*+12 1%*
Consumption	*815*	*801*	*+1 7%*
	96	*(17)*	*na*
of which payments to artists and repertoire owners net at UMG			
Payments	*(635)*	*(554)*	*-14 6%*
Recoupment and other	*675*	*613*	*+10 2%*
	40	*59*	*-31 4%*
Neutralization of change in provisions included in operating expenses	(47)	(154)	+69 9%
Other cash operating items	(9)	(22)	+59 9%
Other changes in net working capital	(226)	(123)	-83 5%
Net cash provided by/(used for) operating activities before income tax paid	***1,124***	***1,079***	***+4.2%***
Dividends received from equity affiliates and unconsolidated companies	14	7	x 2 2
Capital expenditures net (capex net)	(246)	(243)	-1 2%
Cash flow from operations (CFFO)	**892**	**843**	**+5 9%**
Interest paid net	(30)	(96)	+68 7%
Other cash items related to financial activities	106	(606)	na
Income tax (paid)/received, net	(1,037)	280	na
Cash flow from operations after interest and income tax paid (CFAIT)	**(69)**	**421**	**na**

na not applicable

2.3.1 Changes in cash flow from operations (CFFO)

In 2015, cash flow from operations (CFFO) generated by the business segments was €892 million (compared to €843 million in 2014), a €49 million increase (+5 9%) This change mainly reflected Universal Music Group's favorable change (+€142 million), notably resulting from improved operating performance, the receipt of a litigation settlement income in the United States (+€82 million) and the appreciation of the U S dollar (USD) and the British pound (GBP) against the euro (EUR) in 2015, partially offset by the phasing of advances received by UMG from major digital platforms, as well as the decline of Canal+ Group (-€59 million), notably related to content investments In addition, restructuring charges (€84 million) and capital expenditures, net (€246 million) were stable

2.3 2 Cash flow from operations (CFFO) by business segment

(in millions of euros)	Year ended December 31, 2015	2014	% Change
Cash flow from operations (CFFO)			
Canal+ Group	472	531	-11 1%
Universal Music Group	567	425	+33 3%
Vivendi Village	(10)	(44)	+78 6%
New Initiatives	(22)	-	
Corporate	(115)	(69)	
Total Vivendi	**892**	**843**	**+5.9%**

2.3.3 Cash flow from operations after interest and income tax paid (CFAIT)

In 2015, cash flow from operations after interest and income tax paid (CFAIT) represented a net outflow of -€69 million, compared to a net €421 million inflow in 2014, a €490 million decrease Despite the increase in CFFO (+€49 million), this change mainly reflected the unfavorable change in cash flow related to income taxes (-€1,317 million) partially offset by the favorable change in net cash inflows from financial activities (+€712 million) and the decrease in interest paid, net (+€66 million)

Cash flow related to income taxes represented a -€1,037 million outflow in 2015, compared to a €280 million inflow in 2014 In 2015, they notably included the tax installment paid in France with respect to fiscal year 2015 (-€233 million), income taxes paid by Vivendi SA in Brazil related to the capital gain on the sale of GVT on May 28, 2015 (-€395 million), as well as the payment made in France on March 31, 2015 by Vivendi SA (-€321 million), related to an ongoing litigation with tax authorities for the final assessment of the income tax payable by Vivendi SA with respect to fiscal year 2012 (please refer to Note 6 to the Consolidated Financial Statements for the year ended December 31, 2015) This payment was partially offset by the receipt on January 16, 2015 by Vivendi SA of moratorium interest (+€43 million), related to the refund received on December 23, 2014 with respect to the 2011 Consolidated Global Profit Tax System (+€366 million) In addition, in 2015, income tax paid included the 3% tax on dividends paid by Vivendi SA in April and June 2015 (-€82 million)

In 2015, financial activities generated a net €106 million inflow, compared to a net -€606 million outflow in 2014 In 2015, they mainly included cash inflows generated by foreign exchange risk hedging instruments (+€86 million), as well as the interest (+€26 million) received between May 6 and August 19, 2015 from the €1,948 million receivable from Altice related to the deferred payment for the sale of a 10% interest in Numericable-SFR In 2014, they mainly included the premium paid (-€642 million) with respect to early redemption of bonds in December 2014 following the sale of SFR, partially offset by a net foreign exchange gain (+€47 million) In addition, net interest paid was €30 million in 2015, compared to €96 million in 2014

2.3.4 Reconciliation of CFAIT to net cash provided by/(used for) operating activities of continuing operations

(in millions of euros)	Year ended December 31 2015	2014
Cash flow from operations after interest and income tax paid (CFAIT)	**(69)**	**421**
Adjustments		
Capital expenditures, net (capex, net)	246	243
Dividends received from equity affiliates	(14)	(7)
Interest paid, net	30	96
Other cash items related to financial activities	(106)	606
Net cash provided by/(used for) operating activities of continuing operations (a)	**87**	**1,359**

a As presented in the Consolidated Statement of Cash Flows

2.4 Analysis of investing and financing activities

2.4.1 Investing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended December 31, 2015
Financial investments		
Acquisitions of Telecom Italia common shares	2	(2,008)
Acquisition of Dailymotion	2	(246)
Acquisitions of Ubisoft shares	2	(351)
Acquisitions of Gameloft shares	2	(122)
Acquisition of Boulogne Studios	2	(40)
Acquisition of a 64% interest in Radionomy	2	(24)
Acquisition of cash management financial assets	14	(584)
Cash deposits backing borrowings	12	(431)
Other		(121)
Total financial investments		**(3,927)**
Financial divestments		
Cash proceeds from the sale of GVT	2	4,178
Cash proceeds from the sale of the 20% interest in Numericable-SFR	2	3,896
Proceeds from the sale of the 4% interest in Telefonica Brasil	2	800
Cash proceeds from the sale of the interest in TVN	2	273
Additional price adjustment related to the sale of SFR paid by Vivendi	2	(116)
Other		(18)
Total financial divestments		**9,013**
Dividends received from equity affiliates		14
Capital expenditures, net	3	(246)
Investing activities (a)		**4,854**

a. As presented in the Consolidated Statement of Cash Flows

2.4.2 Financing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Year ended December 31, 2015
Transactions with shareowners		
Distribution to Vivendi SA's shareowners	15	(2,727)
Sales/(purchases) of Vivendi SA's treasury shares	15	(492)
Acquisition of SECP's non-controlling interests	2	(522)
Exercise of stock options by executive management and employees	18	202
Capital increase subscribed by employees as part of the Stock Purchase Plan	18	75
Other		(62)
Total transactions with shareowners		**(3,526)**
Transactions on borrowings and other financial liabilities		
Interest paid, net	5	(30)
Other		(8)
Total transactions on borrowings and other financial liabilities		**(38)**
Financing activities (a)		**(3,564)**

a. As presented in the Consolidated Statement of Cash Flows

3 Outlook

Amid the economic transition of our businesses, the group met its announced 2015 outlook and, apart from Canal+ channels[4] in France, the results reflected the good operating performances of all businesses Revenues increased 6 7% compared to 2014 (+1 4% at constant currency and perimeter) to €10,762 million, the operating margin amounted to 10 2% at constant currency and perimeter, and adjusted net income increased by 11 3% to €697 million

For Universal Music Group, Vivendi continues to see a positive momentum in the business, driven by ongoing growth in streaming and subscription and tempered by declines in download and physical sales, leading to a reasonable increase in results this year and enhanced results from 2017 onwards

For Canal+ Group, Vivendi needs to stop the losses of Canal+ channels in France which could lead to a significant decline in the operating results in 2016, by implementing a transformation plan with the objective, for the Canal+ channels in France, of reaching breakeven in 2018 and of achieving a level of profitability similar to that of the best European players in the sector in the medium term

It will be proposed to the Annual Shareholders' Meeting to be held on April 21, 2016, that an ordinary dividend of €3 per share be paid with respect to 2015, representing a total of €4 0 billion distributed to shareholders and comprising a €0 20 distribution related to the group's business performance and a €2 80 return to shareholders Two interim dividends of €1 each were paid on June 29, 2015 and February 3, 2016, and the balance will be paid on April 28, 2016 (coupon detachment on April 26, 2016)

In addition to these distributions, the group also repurchased shares amounting to €1,386 million (73 million shares) as of February 17, 2016 as part of the program approved by the General Shareholders' Meeting of April 17, 2015 Vivendi has committed to return an additional €1 3 billion to shareholders by mid-2017 at the latest This should take the form of an ordinary dividend of €1 per share or share repurchases depending on the overall economic environment

4 Forward-Looking Statements

Cautionary note

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

5 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 solely for the convenience of English speaking readers This translation is qualified in its entirety by the French version, which is available on the company's website (www vivendi com) In the event of any inconsistencies between the French version of this Financial Report and the English translation, the French version will prevail

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[4] *Relates to the six premium channels Canal+, Canal+ Cinéma Canal+ Sport, Canal+ Séries Canal+ Family and Canal+ Décalé*

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

1 Quarterly revenues, income from operations and EBITA by business segment

	2015			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended September 30	Three months ended December 31
Revenues				
Canal+ Group	1,370	1,364	1,300	1 479
Universal Music Group	1,097	1 214	1,181	1,616
Vivendi Village	25	26	22	27
New Initiatives	-	1	17	25
Elimination of intersegment transactions	-	(2)	-	-
Total Vivendi	**2,492**	**2,603**	**2,520**	**3,147**
Income from operations				
Canal+ Group	154	214	186	(12)
Universal Music Group	88	91	99	348
Vivendi Village	4	4	1	1
New Initiatives	-	(1)	(9)	(8)
Corporate	(28)	(26)	(20)	(25)
Total Vivendi	**218**	**282**	**257**	**304**
EBITA				
Canal+ Group	165	223	162	(96)
Universal Music Group	82	89	88	334
Vivendi Village	4	4	-	1
New Initiatives	-	(1)	(9)	(10)
Corporate	(33)	(17)	(22)	(22)
Total Vivendi	**218**	**298**	**219**	**207**

	2014			
(in millions of euros)	Three months ended March 31	Three months ended June 30	Three months ended September 30,	Three months ended December 31
Revenues				
Canal+ Group	1 317	1,350	1,300	1 489
Universal Music Group	984	1 019	1,094	1 460
Vivendi Village	21	25	23	27
Elimination of intersegment transactions	(5)	(5)	(5)	(5)
Total Vivendi	**2,317**	**2,389**	**2,412**	**2,971**
Income from operations				
Canal+ Group	179	246	208	(15)
Universal Music Group	66	93	131	316
Vivendi Village	(20)	(17)	-	3
Corporate	(21)	(19)	(15)	(27)
Total Vivendi	**204**	**303**	**324**	**277**
EBITA				
Canal+ Group	175	245	206	(43)
Universal Music Group	56	97	121	291
Vivendi Village	(20)	(67)	-	8
Corporate	(26)	(5)	(17)	(22)
Total Vivendi	**185**	**270**	**310**	**234**

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III - Consolidated Financial Statements for the year ended December 31, 2015

Statutory Auditors' report on the Consolidated Financial Statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you for the year ended December 31, 2015, on

- the audit of the accompanying Consolidated Financial Statements of Vivendi,
- the justification of our assessments, and
- the specific verification required by law

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

I Opinion on the Consolidated Financial Statements

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

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union

II Justification of our assessments

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

- At each financial year end, your company systematically performs impairment tests on goodwill and assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in Note 1 3 5 7 to the Financial Statements We examined the methods used to perform these impairment tests, as well as the main assumptions and estimates, and ensured that Notes 1 3 5 7 and 9 to the Financial Statements provide appropriate disclosures thereon
- Note 1 3 9 to the 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 at December 31, 2015 We ensured that Note 6 to the Financial Statements gives appropriate information on tax assets and liabilities and on your company's tax positions
- Notes 1 3 8 and 23 to the Financial Statements describe the methods used to assess and recognize provisions for litigation We examined the methods used within the company 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 Financial Statements, some facts and circumstances may lead to changes in estimates and assumptions which could have an impact upon the reported amount of provisions

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

III Specific verification

As required by law we have also verified, in accordance with professional standard applicable in France, the information presented in the group's management report

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

Paris-La Défense, February 18, 2016

The statutory auditors
French original signed by

KPMG Audit *Département de KPMG S A*	ERNST & YOUNG et Autres
Baudouin Griton	Jacques Pierres

Consolidated Statement of Earnings

	Note	Year ended December 31 2015	2014
Revenues	4	**10,762**	**10,089**
Cost of revenues	4	(6,555)	(6,121)
Selling, general and administrative expenses		(3,571)	(3,209)
Restructuring charges	3	(102)	(104)
Impairment losses on intangible assets acquired through business combinations	3	(3)	(92)
Other income	4	745	203
Other charges	4	(45)	(30)
Earnings before interest and income taxes (EBIT)	3	**1,231**	**736**
Income from equity affiliates		(10)	(18)
Interest	5	(30)	(96)
Income from investments		52	3
Other financial income	5	16	19
Other financial charges	5	(73)	(751)
Earnings from continuing operations before provision for income taxes		**1,186**	**(107)**
Provision for income taxes	6	(441)	(130)
Earnings from continuing operations		**745**	**(237)**
Earnings from discontinued operations	2	1,233	5,262
Earnings		**1,978**	**5,025**
Of which			
Earnings attributable to Vivendi SA shareowners		**1,932**	**4,744**
of which **earnings from continuing operations attributable to Vivendi SA shareowners**		**699**	**(290)**
earnings from discontinued operations attributable to Vivendi SA shareowners	2	1,233	5,034
Non-controlling interests		46	281
of which earnings from continuing operations		46	53
earnings from discontinued operations	2	-	228
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.51	(0.22)
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.51	(0.22)
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	7	0.91	3.74
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	7	0.90	3.73
Earnings attributable to Vivendi SA shareowners per share - basic	7	**1.42**	**3.52**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	1.41	3.51

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

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR and Maroc Telecom (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations

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, 2015	2014
Earnings		**1,978**	**5,025**
Actuarial gains/(losses) related to employee defined benefit plans, net		(21)	(68)
Items not reclassified to profit or loss		**(21)**	**(68)**
Foreign currency translation adjustments		1,513	778
Unrealized gains/(losses), net		(371)	936
Other impacts, net		31	(94)
Items to be subsequently reclassified to profit or loss		**1,173**	**1,620**
Charges and income directly recognized in equity	8	**1,152**	**1,552**
Total comprehensive income		**3,130**	**6,577**
Of which			
Total comprehensive income attributable to Vivendi SA shareowners		**3,089**	**6,312**
Total comprehensive income attributable to non-controlling interests		41	265

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

Consolidated Statement of Financial Position

(in millions of euros)	Note	December 31 2015	December 31, 2014
ASSETS			
Goodwill	9	10,177	9,329
Non-current content assets	10	2,286	2,550
Other intangible assets		224	229
Property, plant and equipment		737	717
Investments in equity affiliates	11	3,435	306
Non-current financial assets	12	4,132	6 144
Deferred tax assets	6	622	710
Non-current assets		**21,613**	**19,985**
Inventories		117	114
Current tax receivables	6	653	234
Current content assets	10	1 088	1,135
Trade accounts receivable and other	13	2,139	1,983
Current financial assets	12	1,111	49
Cash and cash equivalents	14	8 225	6,845
		13,333	**10,360**
Assets of discontinued businesses		-	5,393
Current assets		**13,333**	**15,753**
TOTAL ASSETS		**34,946**	**35,738**
EQUITY AND LIABILITIES			
Share capital		7,526	7,434
Additional paid-in capital		5 343	5,160
Treasury shares		(702)	(1)
Retained earnings and other		8,687	10,013
Vivendi SA shareowners' equity		**20,854**	**22,606**
Non-controlling interests	2	232	382
Total equity	15	**21,086**	**22,988**
Non-current provisions	16	2,679	2,888
Long-term borrowings and other financial liabilities	19	1,555	2,074
Deferred tax liabilities	6	705	657
Other non-current liabilities		105	121
Non-current liabilities		**5,044**	**5,740**
Current provisions	16	363	290
Short-term borrowings and other financial liabilities	19	1,383	273
Trade accounts payable and other	13	6 737	5,306
Current tax payables	6	333	47
		8,816	**5,916**
Liabilities associated with assets of discontinued businesses		-	1,094
Current liabilities		**8,816**	**7,010**
Total liabilities		**13,860**	**12,750**
TOTAL EQUITY AND LIABILITIES		**34,946**	**35,738**

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 2015	2014
Operating activities			
EBIT	4	1,231	736
Adjustments	20	(38)	447
Content investments, net		157	19
Gross cash provided by operating activities before income tax paid		***1,350***	***1,202***
Other changes in net working capital		(226)	(123)
Net cash provided by operating activities before income tax paid		***1,124***	***1,079***
Income tax (paid)/received, net	6 2	(1,037)	280
Net cash provided by operating activities of continuing operations		***87***	***1,359***
Net cash provided by operating activities of discontinued operations		***153***	***2,234***
Net cash provided by operating activities		**240**	**3,593**
Investing activities			
Capital expenditures	3	(247)	(249)
Purchases of consolidated companies, after acquired cash	2	(359)	(100)
Investments in equity affiliates		(19)	(87)
Increase in financial assets	12	(3 549)	(1 057)
Investments		***(4,174)***	***(1,493)***
Proceeds from sales of property, plant, equipment and intangible assets	3	1	6
Proceeds from sales of consolidated companies after divested cash	2	4 032	16 929
Disposal of equity affiliates	11	268	-
Decrease in financial assets	12	4 713	878
Divestitures		***9,014***	***17,813***
Dividends received from equity affiliates		5	4
Dividends received from unconsolidated companies		9	2
Net cash provided by/(used for) investing activities of continuing operations		***4,854***	***16,326***
Net cash provided by/(used for) investing activities of discontinued operations		***(262)***	***(2,034)***
Net cash provided by/(used for) investing activities		**4,592**	**14,292**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	18	273	197
Sales/(purchases) of Vivendi SA's treasury shares	15	(492)	(32)
Distributions to Vivendi SA's shareowners	15	(2,727)	(1 348)
Other transactions with shareowners	2	(534)	(2)
Dividends paid by consolidated companies to their non-controlling interests		(46)	(34)
Transactions with shareowners		***(3,526)***	***(1,219)***
Setting up of long-term borrowings and increase in other long term financial liabilities	19	8	3
Principal payment on long-term borrowings and decrease in other long term financial liabilities	19	(2)	(1 670)
Principal payment on short term borrowings	19	(126)	(7 680)
Other changes in short term borrowings and other financial liabilities	19	6	140
Interest paid net	5	(30)	(96)
Other cash items related to financial activities		106	(606)
Transactions on borrowings and other financial liabilities		***(38)***	***(9,909)***
Net cash provided by/(used for) financing activities of continuing operations		***(3,564)***	***(11,128)***
Net cash provided by/(used for) financing activities of discontinued operations		***69***	***(756)***
Net cash provided by/(used for) financing activities		**(3,495)**	**(11,884)**
Foreign currency translation adjustments of continuing operations		3	10
Foreign currency translation adjustments of discontinued operations		(8)	(4)
Change in cash and cash equivalents		**1,332**	**6,007**
Reclassification of discontinued operations' cash and cash equivalents		**48**	**(203)**
Cash and cash equivalents			
At beginning of the period	14	6,845	1,041
At end of the period	14	8,225	6,845

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR and Maroc Telecom (sold in 2014), as well as GVT (sold on May 28, 2015) have been reported as discontinued operations

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

Consolidated Statements of Changes in Equity

Year ended December 31 2015

(in millions of euros, except number of shares)	Note	Capital: Common shares: Number of shares (in thousands)	Capital: Common shares: Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Other comprehensive income	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31 2014		**1,351,601**	**7,434**	**5,160**	**(1)**	**12,593**	**10,611**	**(216)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners		***1,351,601***	***7 434***	***5,160***	***(1)***	***12,593***	***10,210***	***(197)***	***10,013***	***22,606***
Attributable to non-controlling interests							***401***	***(19)***	***382***	***382***
Contributions by/distributions to Vivendi SA shareowners		**16,722**	**92**	**183**	**(701)**	**(426)**	**(4,033)**		**(4,033)**	**(4,459)**
Sales/(purchases) of treasury shares	15				(702)	(702)				(702)
Distribution to shareowners	15						(4 044)		(4 044)	(4,044)
Dividend paid on April 23, 2015 with respect to 2014 fiscal year (€1 per share)							*(1 363)*		*(1 363)*	*(1 363)*
First interim dividend paid on June 29 2015 with respect to 2015 fiscal year (€1 per share)							*(1 364)*		*(1 364)*	*(1 364)*
Second interim dividend paid on February 3, 2016 with respect to 2015 fiscal year (€1 per share)							*(1 318)*		*(1 318)*	*(1 318)*
Capital increase related to share-based compensation plans		16,722	92	183	1	276	11		11	287
of which Vivendi Employee Stock Purchase Plans (July 16, 2015)	18	*3 914*	*22*	*53*		*75*				*75*
exercise of stock-options by executive management and employees		*10 882*	*60*	*140*		*200*				*200*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control				-			(382)		(382)	(382)
Of which acquisition of SECP's non-controlling interests	25						(375)		(375)	(375)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		**16,722**	**92**	**183**	**(701)**	**(426)**	**(4,415)**		**(4,415)**	**(4,841)**
Contributions by/distributions to non-controlling interests							(41)		(41)	(41)
Dividends paid by subsidiaries to non-controlling interests							(41)		(41)	(41)
Changes in non-controlling interests that do not result in a gain/(loss) of control							(150)		(150)	(150)
Acquisition of SECP's non-controlling interests	25						(150)		(150)	(150)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)							**(191)**		**(191)**	**(191)**
Earnings							1 978		1,978	1,978
Charges and income directly recognized in equity	8						31	1 121	1 152	1 152
TOTAL COMPREHENSIVE INCOME (C)				-			**2,009**	**1 121**	**3 130**	**3,130**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***16,722***	***92***	***183***	***(701)***	***(426)***	***(2,597)***	***1 121***	***(1 476)***	***(1,902)***
Attributable to Vivendi SA shareowners		*16,722*	*92*	*183*	*(701)*	*(426)*	*(2 446)*	*1 120*	*(1 326)*	*(1 752)*
Attributable to non controlling interests							*(151)*	*1*	*(150)*	*(150)*
BALANCE AS OF DECEMBER 31, 2015		**1,368,323**	**7,526**	**5,343**	**(702)**	**12,167**	**8,014**	**905**	**8,919**	**21,086**
Attributable to Vivendi SA shareowners		***1,368,323***	***7,526***	***5,343***	***(702)***	***12,167***	***7 764***	***923***	***8,687***	***20,854***
Attributable to non-controlling interests							***250***	***(18)***	***232***	***232***

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

Year ended December 31, 2014

(in millions of euros except number of shares)	Capital – Common shares – Number of shares (in thousands)	Capital – Common shares – Share capital	Capital – Additional paid-in capital	Capital – Treasury shares	Capital – Subtotal	Retained earnings and other – Retained earnings	Retained earnings and other – Other comprehensive income	Retained earnings and other – Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2013	**1,339,610**	**7,368**	**8,381**	**(1)**	**15,748**	**5,194**	**(1,912)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	***1,339,610***	***7,368***	***8,381***	***(1)***	***15,748***	***3,563***	***(1,854)***	***1 709***	***17 457***
Attributable to non-controlling interests		*-*		*-*		***1 631***	***(58)***	***1,573***	***1,573***
Contributions by/distributions to Vivendi SA shareowners	**11 991**	**66**	**(3,221)**		**(3,155)**	**1,986**		**1,986**	**(1 169)**
Sales/(purchases) of treasury shares				(32)	(32)				(32)
Allocation of 2013 result			(2,004)		(2,004)	2 004		2,004	
Distribution to shareowners (€1 per share)			(1,348)		(1,348)				(1,348)
Capital increase related to share based compensation plans	11,991	66	131	32	229	(18)		(18)	211
of which exercise of stock options by executive management and employees	*11,264*	*62*	*135*		*197*				*197*
Changes in Vivendi SA s ownership interest in its subsidiaries that do not result in a loss of control				-		**6**		**6**	**6**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***11,991***	**66**	**(3,221)**		**(3,155)**	**1,992**		**1,992**	**(1 163)**
Contributions by/distributions to non-controlling interests						**(107)**		**(107)**	**(107)**
Dividends paid by subsidiaries to non-controlling interests						(107)		(107)	(107)
Changes in non-controlling interests that result in a gain/(loss) of control						**(1,394)**	**48**	**(1,346)**	**(1,346)**
Sale of the 53% interest in Maroc Telecom group						(1 376)	48	(1,328)	(1,328)
Changes in non-controlling interests that do not result in a gain/(loss) of control						**(4)**		**(4)**	**(4)**
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)						**(1,505)**	**48**	**(1,457)**	**(1,457)**
Earnings						5,025		5 025	5,025
Charges and income directly recognized in equity						(94)	1 647	1 552	1 552
TOTAL COMPREHENSIVE INCOME (C)						**4,930**	**1,647**	**6,577**	**6,577**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***11,991***	***66***	***(3,221)***		***(3,155)***	***5,417***	***1,696***	***7 113***	***3,958***
Attributable to Vivendi SA shareowners	*11 991*	*66*	*(3,221)*		*(3,155)*	*6 647*	*1 657*	*8,304*	*5,149*
Attributable to non-controlling interests						*(1,230)*	*39*	*(1 191)*	*(1 191)*
BALANCE AS OF DECEMBER 31, 2014	***1,351,601***	**7 434**	**5,160**	**(1)**	**12,593**	**10,611**	**(216)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	***1,351,601***	***7 434***	***5,160***	***(1)***	***12,593***	***10,210***	***(197)***	***10,013***	***22,606***
Attributable to non-controlling interests	*-*					***401***	***(19)***	***382***	***382***

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

Notes to the Consolidated Financial Statements

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

Vivendi is an integrated media and content group The company operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content Canal+ Group is engaged in pay-TV in France, as well as in Africa, Poland and Vietnam Its subsidiary Studiocanal is a leading European player in production, sales and distribution of cinema films and TV series Universal Music Group is engaged in recorded music, music publishing and merchandising It owns more than 50 labels covering all music genres Vivendi Village brings together Vivendi Ticketing (ticketing in the United Kingdom, the United States and France), MyBestPro (expert counseling), Watchever (subscription video-on-demand) and L'Olympia (the Paris-based music hall) Within New Initiatives, Dailymotion is one of the biggest video-content aggregation and distribution platforms in the world

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 10, 2016, at a meeting held at the headquarters of the company, the Management Board approved the Financial Report and the Consolidated Financial Statements for the year ended December 31, 2015 They were reviewed by the Audit Committee at its meeting held on February 11, 2016 and the Supervisory Board at its meeting held on February 18, 2016

On April 21, 2016, the Consolidated Financial Statements for the year ended December 31, 2015 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 2015 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, 2015

In addition and as a reminder, Vivendi applied, from January 1, 2014, IFRIC 21 interpretation – *Levies*, which clarifies IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, and specifically addresses the accounting for a liability to pay a levy imposed by public authorities on entities in accordance with laws or regulations, except for income tax and value-added taxes Thus, its application has led to changes, where applicable, in the analysis of the obligating event triggering recognition of the liability This interpretation, which mandatorily applies to accounting periods beginning on or after January 1, 2014, and retrospectively as from January 1, 2013, did not have any material impact on Vivendi's Financial Statements

1.2 Presentation of the Consolidated Financial Statements

1 2.1 Consolidated Statement of Earnings

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

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

1 2.2 Consolidated Statement of Cash Flows

Net cash provided by operating activities

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

Net cash used for investing activities

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

Net cash used for financing activities

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

1 2.3 Operating performance of each operating segment and the group

Vivendi considers Adjusted Earnings Before Interest and Tax (EBITA), income from operations, 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 It enables Vivendi to compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions To calculate EBITA, the accounting impact of the following elements is excluded from the income from EBIT

- 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 transactions with shareowners and to financial investing transactions, which 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

Income from operations

Vivendi considers income from operations, a non-GAAP measure, to be a relevant measure to assess the performance of its operating segments as reported in the segment data As defined by Vivendi, income from operations is calculated as EBITA, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance

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 provides a better illustration of the underlying performance of continuing operations by excluding most non-recurring and non-operating items Adjusted net income includes the following items

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

It does not include the following items

- amortization of intangibles acquired through business combinations (**) as well as impairment losses on goodwill and other intangibles acquired through business combinations (*) (**),
- other income and charges related to financial investing transactions and to transactions with shareowners (*), as defined above,
- other financial charges and income (*), equal to the profit and loss related to the change in value of financial assets and the termination or change in value of financial liabilities, which primarily include changes in the fair value of derivative instruments, premiums from the early redemption of borrowings, the early unwinding of derivative instruments, the cost of issuing or cancelling credit facilities, the cash impact of foreign exchange transactions (other than those related to operating activities, included in the EBIT), as well as the effect of undiscounting assets and liabilities, and the financial components of employee benefits (interest cost and expected return on plan assets),
- earnings from discontinued operations (*), and

- provisions for income taxes and adjustments attributable to non-controlling interests and non-recurring tax items (notably the changes in deferred tax assets pursuant to Vivendi SA's tax group and the Consolidated Global Profit Tax Systems, and the reversal of tax liabilities relating to risks extinguished over the period)

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

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 2014 and 2013 Consolidated Financial Statements to conform to the presentation of the 2015 and 2014 Consolidated Financial Statements

1.3 Principles governing the preparation of the Consolidated Financial Statements

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

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

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

1 3 1 Use of estimates

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

The main estimates and assumptions relate to the measurement of

- revenue estimates of provisions for returns and price guarantees (please refer to Note 1 3 4),
- provisions risk estimates, performed on an individual basis, noting that the occurrence of events during the course of procedures may lead to a risk reassessment at any time (please refer to Notes 1 3 8 and 16),
- 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 17),
- 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 18),
- deferred taxes estimates concerning the recognition of deferred tax assets are updated annually with factors such as expected tax rates and future tax results of the group (please refer to Notes 1 3 9 and 6),
- goodwill and other intangible assets valuation methods adopted for the identification of intangible assets acquired through business combinations (please refer to Notes 1 3 5 2),
- goodwill, intangible assets with indefinite useful lives and assets in progress assumptions are updated annually relating to impairment tests performed on each of the group's cash-generating units (CGUs), future cash flows and discount rates (please refer to Notes 1 3 5 7 and 9),
- UMG content assets estimates of the future performance of beneficiaries who were granted advances are recognized in the Statement of Financial Position (please refer to Notes 1 3 5 3 and 10), and

- certain financial instruments valuation method at fair value defined according to the three following classification levels (please refer to Notes 1 3 5 8, 1 3 7, 12, 14 and 19)
  - 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

  The fair 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

1 3 2 Principles of consolidation

A list of Vivendi's major subsidiaries, joint ventures and associated entities is presented in Note 24

Consolidation

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

The Control defined by IFRS 10 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 arrangements Voting rights must be substantial, i e , they shall be exercisable at any time without limitation, particularly during decision making related to significant activities The assessment of the exercise of power depends on the nature of the subsidiary's relevant activities, the internal decision-making process, and the allocation of rights among the subsidiary's other shareowners,
- the parent company is exposed, or has rights, to variable returns from its involvement with the subsidiary which may vary as a result of the subsidiary's performance The concept of returns is broadly defined and includes, among other things, dividends and other economic benefit distributions, changes in the value of the investment in the subsidiary, economies of scale, and business synergies, and
- the parent company has the ability to use its power to affect the returns Exercising power without having any impact on returns does not qualify as control

Consolidated Financial Statements of a group are presented as if the group was a single economic entity with two categories of owners (i) the owners of the parent company (Vivendi SA shareowners) and (ii) the owners of non-controlling interests (minority shareholders of the subsidiaries) 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 – *Joint Arrangements* 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)

Equity accounting

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

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

1 3 3 Foreign currency translation

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

Foreign currency transactions

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

Financial statements denominated in a foreign currency

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

1 3 4 Revenues from operations and associated costs

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

1 3 4 1 Canal+ Group

Pay and free-to-air television

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

Equipment rentals

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

Film and television programming

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

1 3 4 2 Universal Music Group (UMG)

Recorded music

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

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

Music publishing

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

Costs of revenues

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

1 3 4 3 Other

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

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

Advertising costs are expensed when incurred

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

1 3 5 Assets

1 3 5 1 Capitalized financial interest

When appropriate, Vivendi capitalizes financial interest incurred during the construction and acquisition period of intangible assets, and property, plant and equipment, these interests being included in the cost of qualifying assets

1 3 5 2 Goodwill and business combinations

Business combinations from January 1, 2009

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

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

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

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

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

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

In addition, the following principles are applied to business combinations

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

Business combinations prior to January 1, 2009

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

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

1 3 5 3 Content assets

Canal+ Group

Film, television or sports broadcasting rights

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

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

Theatrical films and television rights produced or acquired to be sold to third parties

Theatrical films and television rights produced or acquired before their initial exhibition to be sold to third parties, are recorded as a content asset at capitalized cost (mainly direct production and overhead costs) or at their acquisition cost The cost of theatrical films 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

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

Film and television rights catalogs

Catalogs comprise film rights acquired for a second television screening, or produced or acquired film and television rights that are sold to third parties 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 rights and catalogs include music catalogs, artists' contracts and music publishing rights, acquired through business combinations, amortized in selling, general and administrative expenses over a period not exceeding 15 years

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

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

1 3 5 4 Research and development costs

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

Cost of internal use software

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

1 3 5 5 Other intangible assets

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

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

1 3 5 6 Property, plant and equipment

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

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

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

Assets financed by finance lease contracts are capitalized at the lower of the fair value of future 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 mainly applies to commercial supply agreements for the Canal+ Group satellite capacity, which are commercial service agreements that, in general, 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 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, in accordance with the applicable accounting standards, goodwill, other intangible assets with an indefinite useful life, and intangible assets in progress are all subject to an annual impairment test undertaken in the fourth quarter of each fiscal year This impairment 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 CGU 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 various channels CGUs are independently defined at each business level, corresponding to the group operating segments Vivendi CGUs and groups of CGUs are presented in Note 9

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

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

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

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

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

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

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

1 3 5 8 **Financial assets**

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

Financial assets at fair value

Financial assets at fair value include available-for-sale securities, derivative financial instruments with a positive value (please refer to Note 1 3 7) and other financial assets measured at fair value through profit or loss Most of these financial assets are actively traded in organized public markets, their fair value being calculated by reference to the published market price at period end Fair value is estimated for financial assets which do not have a published market price on an active market As a last resort, when a reliable estimate of fair value cannot be made using valuation techniques in the absence of an active market, the group values financial assets at historical cost, less any impairment losses

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

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

Financial assets at amortized cost

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

1 3 5 9 Inventories

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

1 3 5 10 Trade accounts receivable

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

1 3 5 11 Cash and cash equivalents

The "cash and cash equivalents" category, defined in accordance with IAS 7, 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 performances of the investments are monitored regularly to confirm their cash equivalents accounting classification

1 3 6 Assets held for sale and discontinued operations

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

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

1 3 7 Financial liabilities

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

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

Borrowings

All borrowings are initially accounted for at fair value net of transaction costs directly attributable to the borrowing Borrowings bearing interest are subsequently valued at amortized cost, applying the effective interest method The effective interest rate is the internal yield rate that discounts future cash flows over the term of the borrowing In addition, where the borrowing comprises an embedded derivative (e g , an exchangeable bond) or an equity instrument (e g , a convertible bond), the amortized cost is calculated for the debt component only, after separation of the embedded derivative or equity instrument In the event of a change in expected future cash flows (e g , redemption occurs 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 committed to purchase the non-controlling interests of some of the minority shareowners of its fully consolidated subsidiaries These purchase commitments may be optional (e g , put options) or mandatory (e g , forward purchase contracts)

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

Derivative financial instruments

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

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

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

1.3.8 Other liabilities

Provisions

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

Employee benefit plans

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

Defined contribution plans

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

Defined benefit plans

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

Pension expenses and defined benefit obligations are calculated by independent actuaries using the projected unit credit method. This method is based on annually updated assumptions, which include the probability of employees remaining with Vivendi until retirement, expected changes in future compensation and an appropriate discount rate for each country in which Vivendi maintains a pension plan. The assumptions adopted in 2014 and 2015, and the means of determining these assumptions, are presented in Note 17. A provision is recorded in the Statement of Financial Position equal to the difference between the actuarial value of the related benefits (actuarial liability) and the fair value of any associated plan assets, and includes past service cost and actuarial gains and losses.

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

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

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

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

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

1.3.9 Deferred taxes

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

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

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

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

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

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

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

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

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

1 3 10 Share-based compensation

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

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

Please refer to Note 18 for details of the features of these plans

Share-based compensation is recognized as a personnel cost at the fair value of the equity instruments granted This expense is spread over the vesting period, i e , three years for stock option plans and for performance share plans (two years for performance shares granted before June 24, 2014), and two years for Vivendi's bonus share plans, other than in specific cases

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

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

Equity-settled instruments

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

Cash-settled instruments

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

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

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

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

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 control are not included in the intersegment operations (a list of the group's major consolidated entities is presented in Note 24) Moreover, commercial relationships among subsidiaries of the group, aggregated in operating segments, are conducted on an arm's-length basis on terms and conditions similar to those which would be offered by third parties The operating costs of Vivendi SA's headquarters, after the allocation of a portion of these costs to each of the group's businesses, are included in the Corporate operating segment

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 carried out, including (but not limited to) the review of

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

1 6 New IFRS standards and IFRIC interpretations that have been published but are not yet effective

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

- The amendments to IAS 38 – *Intangible Assets*, related to clarification of acceptable methods of depreciation and amortization, which apply mandatorily from January 1, 2016 and endorsed in the EU Vivendi expects no significant impact deriving from the application of these amendments Indeed, within its film production and television rights activities, Vivendi considers that the amortization method based on revenue generated by these activities (according to the estimated revenue method described in Note 1 3 5 3) is appropriate because revenue is highly correlated with the consumption of the economic benefits embodied in the intangible assets
- IFRS 15 – *Revenue from Contracts with Customers*, which applies mandatorily from January 1, 2018, and is still to be endorsed in the EU Vivendi is currently assessing the potential impact on the Statement of Earnings, the aggregate comprehensive income, the Statement of Financial Position, the Statement of Cash Flows, and the content of the Notes to the Consolidated Financial Statements in applying this standard

Note 2 Major changes in the consolidation scope and the equity portfolio

2.1 Acquisition of a 90% interest in Dailymotion

On June 30, 2015, Vivendi completed the acquisition of an 80% interest in Dailymotion from Orange for a cash consideration of €217 million, based on a full enterprise value of €265 million Limited representations and warranties, customary for this type of transaction, were granted by Orange

On July 30, 2015, Vivendi purchased an additional 10% interest in Dailymotion from Orange for a cash consideration of €28 7 million In addition, Orange was granted a put option on its remaining 10% interest, exercisable within two months following the General Shareholders' Meeting held to approve Dailymotion's Financial Statements for the year ended December 31, 2016 At the end of this period, Vivendi will have a call option, exercisable within two months

As from June 30, 2015, Vivendi has consolidated Dailymotion under the full goodwill method and performed a preliminary allocation of the purchase price for 100% of Dailymotion The allocation of the purchase price will be finalized within the 12-month period following the acquisition date, as required by accounting standards The provisional goodwill amounted to €262 million The final amount of goodwill may differ from the amount initially recorded

2 2 Acquisition of an interest in Telecom Italia

On June 24, 2015, Vivendi announced that it had become the largest shareholder of Telecom Italia, holding 14 9% of Telecom Italia common shares As of December 31, 2015, Vivendi held 21 4% of Telecom Italia common shares and 14 8% of the diluted capital, pursuant to the following transactions

- on June 24, 2015, pursuant to the agreement entered into with Telefonica for the sale of GVT, Vivendi swapped a 4 5% interest in Telefonica Brasil with Telefonica in exchange for a block of 1,110 shares, representing 8 24% of Telecom Italia common shares,
- between June 10 and June 18, 2015, Vivendi acquired 1 90% of Telecom Italia common shares directly on the stock market (256 million shares) and, on June 22, 2015, Vivendi acquired a block of 642 million shares representing 4 76% of Telecom Italia common shares from a financial institution, and
- during the second half of 2015, Vivendi acquired 880 million Telecom Italia common shares directly on the stock market

On June 22, 2015, Vivendi entered into a hedge transaction involving 5 6% of Telecom Italia common shares, through a three-year zero-premium collar (consisting of a put option acquired by Vivendi and a call option sold by Vivendi) On June 30, 2015, to benefit from favorable market conditions, Vivendi unwound this collar in cash and entered into a three-month cash-settled swap on 4 7% of Telecom Italia common shares, pursuant to which Vivendi would have to pay the positive difference between the Telecom Italia stock market price and the share price at the unwinding of the collar, if applicable At the end of August 2015, Vivendi unwound this swap for a net payment of approximately €26 million given the evolution of the Telecom Italia stock market price

Accounting for the investment in Telecom Italia

On December 15, 2015, Telecom Italia's Extraordinary General Shareholders' Meeting appointed Mr Arnaud de Puyfontaine, chairman of Vivendi's Management Board, as well as Mr Hervé Philippe and Mr Stéphane Roussel, members of Vivendi's Management Board, as members of Telecom Italia's Board of Directors As from that date, Vivendi has the power to participate the financial and operating policy decisions of Telecom Italia, according to IAS 28, and, consequently, it considers exercising a significant influence over Telecom Italia

- Between June 24 and December 14, 2015, Vivendi's investment in Telecom Italia was accounted for as "available-for-sale securities", revalued at the stock market price and the change in value was recognized as "charges and income directly recognized in equity", in accordance with IAS 39
- As from December 15, 2015, the interest in Telecom Italia has been accounted for under the equity method, in accordance with IAS 28 On that date, this interest was revalued at the stock market price and the change in value was a gain of €30 million recycled to the Statement of Earnings, as "Other income"
- As of December 31, 2015, Vivendi held 2,888 million (21 4%) Telecom Italia common shares (14 8% of the diluted capital), valued at €3,319 million given the share purchases since December 15 2015 This amount included €2,008 million paid in cash The average purchase price amounted to €1 14 per share The market value of this interest amounted to €3,393 million
- As of February 10, 2016, the date of Vivendi's Management Board that approved the Consolidated Financial Statements for the year ended December 31, 2015 Telecom Italia's Consolidated Financial Statements were not publicly reported, which prevented Vivendi in 2015 to meet the requirements set forth in IFRS 12 regarding the financial information related to Telecom Italia In 2016, Vivendi will rely on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method

2.3 Divestment of Telefonica Brasil and entry into Telefonica's share capital

On July 29, 2015, Vivendi sold a 4 0% interest in Telefonica Brasil on the stock market, for a consideration of US$877 million (i e , €800 million) This transaction was carried out after the preferred shares were converted into American Depositary Receipts (ADR)

On July 29, 2015, Vivendi entered into an agreement with Telefonica to swap a 3 5% interest in Telefonica Brasil in exchange for a 0 95% interest in Telefonica (46 million shares) After obtaining the approval of the Brazilian competition authority (CADE), this swap transaction was completed on September 16, 2015, and the value of the interest amounted to €538 million as of this date In December 2015, Vivendi received 1 4 million additional Telefonica shares with respect to the dividend in shares, representing a value of €16 million

As of December 31, 2015, Vivendi held 47 4 million Telefonica shares (a 0 95% interest) This interest was accounted for as "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position and, in accordance with IAS 39, is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity On that date, the interest in Telefonica was valued at €485 million, representing an unrealized capital loss of €70 million

2.4 Acquisition of interests in Ubisoft and Gameloft

Ubisoft

As of December 31 2015, Vivendi held 15 7 million Ubisoft Entertainment ("Ubisoft") shares, i e , 13 98% of the share capital and 12 35% of the voting rights, representing acquisitions on the stock market for €351 million

On October 26, 2015, Vivendi made the following declaration of intent
Vivendi's acquisitions were financed using its available cash Vivendi is not acting in concert with any third party in connection with its investments in Ubisoft and has not entered into a temporary sale agreement for Ubisoft shares or voting rights It does not hold instruments and is not a party to agreements such as those referred to in paragraphs 4° and 4° bis of Article L 233-9 of the French Commercial Code (*Code de commerce*)
The group contemplates continuing the acquisition of shares depending on market conditions These acquisitions were not specifically designed as a preparatory step for a plan to takeover Ubisoft, nonetheless, over the six coming months, Vivendi cannot rule out the possibility of considering such a plan Vivendi plans to request, in due time, to be represented on the company's Board of Directors
Vivendi's investment in Ubisoft's business sector is part of a strategic vision of operational convergence between, Vivendi's contents and platforms, and Ubisoft's productions in video games Since this strategy does not require any modification to Ubisoft's legal or financial organization, Vivendi does not contemplate implementing any of the transactions referred to in Article 223-17, I, 6° of the AMF *Règlement Général* (General Regulations)

As of December 31, 2015, this interest was accounted for as "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position and, in accordance with IAS 39, is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity

As of February 10, 2016, the date of Vivendi's Management Board that approved the Consolidated Financial Statements for the year ended December 31, 2015, Vivendi held 16 7 million Ubisoft Entertainment shares, i e , 14 89% of the share capital and 13 15% of the voting rights

Gameloft

As of December 31, 2015, Vivendi held 24 5 million Gameloft SE ("Gameloft") shares, i e , 28 65% of the share capital and 25 50% of the voting rights, representing acquisitions on the stock market for €122 million This interest was accounted for as "available-for-sale securities" in Vivendi's Consolidated Statement of Financial Position as of December 31, 2015, in accordance with IAS 39, and is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity

As of February 10, 2016, the date of Vivendi's Management Board that approved the Consolidated Financial Statements for the year ended December 31, 2015, Vivendi held 25 4 million Gameloft shares, i e , 29 75% of the share capital and 26 49% of the voting rights At this meeting, Vivendi's Management Board decided to submit to the Supervisory Board, at its meeting to be held on February 18, 2016, the project of public tender offer for all Gameloft shares

2.5 Vivendi's public tender offer for the shares of Société d'Edition de Canal Plus (SECP)

On May 12, 2015, Vivendi announced its intention to file a public tender offer ("the offer") with the *Autorité des marchés financiers* (the French securities regulator) for the shares of SECP, 48.5% of which were owned by Canal+ Group SA, a wholly-owned subsidiary of Vivendi.

The offer periods lasted from July 9 until August 12, 2015, and from August 31 until September 11, 2015, at a price of €8.00 per share (compared to the €7.60 price initially announced). Following completion of the offer, Vivendi directly and indirectly held 122,982,460 SECP shares, representing 97.07% of the share capital and voting rights of SECP.

In accordance with applicable laws and regulations, Vivendi launched a squeeze-out procedure for the SECP shares not directly or indirectly held by Vivendi. On September 29, 2015, the squeeze-out for the 3,708,308 SECP shares not held by Vivendi, representing a 2.93% interest, was made at the same price as the tender offer price.

Upon completion of these transactions, Vivendi acquired a 51.5% interest in SECP, at a price of €8.00 per share (€522 million), and SECP is now wholly-owned, directly and indirectly, by Vivendi. In accordance with IFRS standards, the difference between the acquisition price paid and the carrying value of the acquired non-controlling interest was recorded as a deduction from equity attributable to Vivendi SA shareowners for €375 million.

2.6 Other acquisitions

Radionomy

On December 17, 2015, Vivendi purchased a 64.4% interest in Radionomy Group for a €24 million cash consideration, based on a full enterprise value of €40 million. In addition, Vivendi and the minority shareholders were granted call options and put options, respectively, on the interest held by the minority shareholders. The call options are exercisable by Vivendi in June 2018. At the end of this period, the minority shareholders will have put options, exercisable the following month.

As from December 17, 2015, Vivendi has consolidated Radionomy under the full goodwill method. The purchase price and its allocation will be finalized within the 12-month period following the acquisition date, as required by accounting standards. The provisional goodwill amounted to €41 million. The final amount of goodwill may differ from the amount initially recorded.

Boulogne Studios

On September 9, 2015, Vivendi acquired a company called Boulogne Studios for €40 million.

2.7 Acquisition in progress of an interest in Banijay Zodiak

Vivendi's project to invest in the future Banijay Zodiak group ("BZ"), which will be born out of the combination between Banijay Group and Zodiak Media, two of the largest audiovisual production companies in Europe, is expected to be completed before the end of the first quarter of 2016, subject to the satisfaction of several conditions precedent. In this respect, all approvals by the relevant competition authorities (and notably the European Commission) were granted. There are three components to this investment:

- i. a €100 million investment to obtain a 26.2% interest in the future combined entity BZ,
- ii. the subscription to a €100 million bond ("ORAN1") redeemable in shares or cash issued by BZ. Upon maturity of ORAN1, BZ would have the option of either redeeming the bond in cash or converting it into a number of BZ shares which, in addition to the shares already held by Vivendi, would bring Vivendi's interest in the company to a maximum of 49.9%, and
- iii. the subscription to a €90 million bond ("ORAN2") redeemable in shares or cash issued by Lov-Banijay, a holding company controlled by Financière Lov. Upon maturity of ORAN2, Lov Banijay would have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay.

Both bonds have a 7-year maturity.

Vivendi would have the right to appoint two representatives to BZ's Board of Directors, and would be granted certain veto and tag-along rights.

2.8 Sale of the 20% interest in Numericable-SFR

As a reminder, on November 27, 2014, Vivendi completed the combination between SFR and Numericable. Pursuant to this transaction, Vivendi received net cash proceeds of €13,050 million, which takes into account the €250 million final price adjustment (including an additional €116 million paid by Vivendi on May 6, 2015), as well as Vivendi's €200 million contribution to the financing of the acquisition of Virgin Mobile by Numericable-SFR. In addition to the cash proceeds, Vivendi received a 20% interest in the new entity Numericable-SFR as well as an earn-out right of €750 million contingent upon Numericable-SFR's operating performance. Vivendi granted specific guarantees to Numericable-SFR which are limited in amount, and issued certain undertakings to the French Competition Authority.

On February 27, 2015, after review by the Management Board, Vivendi's Supervisory Board unanimously decided to accept the offer received on February 17, 2015 from Numericable-SFR and Altice, to purchase the Numericable-SFR shares held by Vivendi, which represented 20% of the share capital of Numericable-SFR. The purchase offer was as follows:

a. Repurchase by Numericable-SFR of 10% of its own shares

   In accordance with the Share Repurchase Agreement signed on February 27, 2015, at Numericable-SFR General Shareholders' Meeting held on April 28, 2015, the shareholders approved the repurchase of 48,693,922 of the company's own shares held by Vivendi (i.e., a 10% interest) at a purchase price of €40 per share, for an aggregate consideration of €1,948 million, paid on May 6, 2015.

b. Purchase by Altice of a 10% interest in Numericable-SFR

   On May 6, 2015, the closing date of the share repurchase, Altice acquired 48,693,923 shares at a price of €40 per share, for an aggregate consideration of €1,948 million, payable no later than April 7, 2016, with an early payment option for the full amount. Payment was received by Vivendi on August 19, 2015 for €1,974 million.

The capital gain on the sale of the 20% interest in Numericable-SFR amounted to €651 million (before taxes), classified as "other income" in EBIT.

This transaction permitted Vivendi to complete its divestment of SFR under financial conditions which resulted in it receiving, with respect to this minority interest, a 20% premium over the closing price of Numericable-SFR shares on November 27, 2014. The low liquidity level of Numericable-SFR shares made an exit under optimal conditions uncertain. In total, net proceeds received by Vivendi from the sale of SFR amounted to approximately €17 billion, in line with the valuation projected by Vivendi in April 2014.

The completion of these transactions resulted in the termination of: (i) the agreements pursuant to which Vivendi was entitled to receive a potential earn-out payment of €750 million and a specific guarantee given by Vivendi, (ii) the shareholders' agreement including in particular a non-compete provision relating to Canal+ Group in specific sectors and territories, and (iii) discussions over a sale price adjustment of SFR based on its level of debt at the closing date, which resulted in the payment by Vivendi of €116 million.

In addition, Vivendi was informed that the tax authorities are challenging the validity of the merger completed in December 2011 between SFR and Vivendi Telecom International (VTI) and, consequently, intend to contest the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011. The tax authorities plan to require that SFR be carved-out from Vivendi's tax group for that fiscal year and to make a claim against SFR for a total amount of €1,374 million, representing a principal tax amount of €711 million plus default interest and penalties of €663 million.

As part of the agreement entered into on February 27, 2015 among Vivendi, Altice and Numericable-SFR, Vivendi agreed to return to SFR, if applicable, taxes and contributions that could be borne by SFR for fiscal year 2011 and that SFR would have already paid at that time to Vivendi, up to a maximum amount of €711 million (including €154 million corresponding to the use by SFR of VTI's tax losses in 2011 or 2012) covering the entire period within which SFR belonged to the Vivendi tax group, if the 2011 merger of SFR and VTI were to be ultimately invalidated for tax purposes. Vivendi and Altice/Numericable-SFR have agreed to cooperate in order to challenge the position of the tax authorities.

Vivendi Management believes that it has solid legal grounds on which to defend the inclusion of SFR within the Vivendi tax group in respect of fiscal year 2011 or, failing that, its consolidation by applying the Consolidated Global Profit Tax System in respect of such fiscal year. Therefore, Vivendi believes that the agreement entered into on February 27, 2015 between Vivendi and Altice/Numericable-SFR should not have a materially adverse impact on the financial position or liquidity of the company.

2.9 Sale of GVT

On May 28, 2015, pursuant to the agreements entered into on September 18, 2014, Vivendi sold 100% of GVT, its Brazilian telecommunications subsidiary, to Telefonica for an enterprise value of €7 5 billion (based on the stock market value and foreign exchange rates on that date) The main terms of this transaction are described below

Cash proceeds	€4,178 million (before taxes), corresponding to a contractual gross amount of €4,663 million in cash, net of the sale price adjustments (€485 million), including, among other things, exceptional changes in net working capital, GVT's bank debt at the closing date, as well as certain restatements as contractually defined by the parties After taxes paid in Brazil (€395 million), the net cash proceeds received by Vivendi amounted to €3,783 million This amount will be further decreased by the income tax payable in France, estimated at approximately €237 million, which will bring the net sale proceeds to approximately €3 6 billion
Consideration shares	12% interest in Telefonica Brasil Pursuant to the agreements entered into with Telefonica, Vivendi subsequently swapped a 4 5% interest in Telefonica Brasil in exchange for 8 24% of Telecom Italia common shares (please refer to Note 2 2 above)
Commitments given	Representations and warranties, limited to specifically identified tax matters, capped at BRL180 million Vivendi gave a commitment to CADE to progressively exit from Telefonica Brasil
Liquidity	With respect to Vivendi's interest in Telefonica Brasil - lock-up period until July 28, 2015, and - tag-along rights
Governance	No specific governance rights in Telefonica Brasil nor in Telecom Italia

Deconsolidation of GVT as from May 28, 2015

As from the third quarter of 2014, GVT had been presented in Vivendi's Consolidated Statement of Earnings, Statement of Cash Flows and Statement of Financial Position as a discontinued operation On May 28, 2015, Vivendi sold 100% of GVT to Telefonica and received €4,178 million in cash (before taxes) and a 12% interest in Telefonica Brasil On that date, Vivendi deconsolidated GVT

The capital gain on the sale of GVT amounted to €1,818 million, before taxes amounting to €634 million (of which €395 million paid in Brazil), and was recorded in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations" Excluding the discontinuation[1] of amortization since the third quarter of 2014, in accordance with IFRS 5, the capital gain after taxes on the sale of GVT would have amounted to €1,453 million

On July 29, 2015, Vivendi divested its entire 7 5% interest in Telefonica Brasil (please refer to Note 2 3 above)

2.10 Sale of the interest in TVN in Poland

On July 1, 2015, Canal+ Group and ITI Group sold their controlling interest in TVN (Poland's free-to-air TV) to Southbank Media Ltd, a London-based subsidiary of Scripps Networks Interactive Inc Group

Pursuant to the terms of the transaction, N-Vision B V, which held a 52 7% controlling interest in TVN, was acquired by Southbank Media Ltd for an aggregate cash consideration of €584 million (i e, €273 million for Canal+ Group)
SouthBank Media Ltd took over the bond issued by Polish Television Holding B V (€300 million nominal value)

[1] *When an operation is discontinued IFRS 5 requires the discontinuation of the amortization of the operation s tangible and intangible assets Therefore for GVT Vivendi discontinued the amortization of tangible and intangible assets as from the third quarter of 2014, resulting in a positive impact of €269 million on earnings from discontinued operations from September 1, 2014 to May 28 2015*

2.11 Earnings from discontinued operations

In compliance with IFRS 5, the line "Earnings from discontinued operations" presented in Vivendi's Consolidated Statement of Earnings includes, until their respective sale dates, GVT (sold on May 28, 2015), SFR (sold on November 27, 2014), Maroc Telecom group (sold on May 14, 2014), as well as the capital gains realized upon completion of the divestitures of these operations

	2015 year contributions		
(in millions of euros)	GVT	Other	**Total**
Revenues	738	-	738
EBITDA	292	-	292
Adjusted earnings before interest and income taxes (EBITA)	138	-	138
EBITA after discontinuation of amortization (a)	291	-	291
Earnings before interest and income taxes (EBIT)	289		289
Earnings before provision for income taxes	195		195
Provision for income taxes	(16)	-	(16)
Earnings	**179**	**-**	**179**
Capital gain on the divestiture of GVT	1,818		1,818
Taxes paid in Brazil related to the divestiture of GVT	(395)		(395)
Capital loss on the divestiture of Telefonica Brasil	-	(294)	(294)
Other	-	(75) (b)	(75)
Earnings from discontinued operations	**1,602**	**(369)**	**1,233**
Of which attributable to Vivendi SA shareowners	1,602	(369)	1,233
non-controlling interests		-	-

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

na not applicable

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

b Included the €69 million remaining impact related to the sale of an 80% interest in SFR to Numericable, notably the final sale price adjustment

c Included the capital gain on the divestiture of 41 5 million Activision Blizzard shares on May 22, 2014

Note 3 Segment data

3 1 Operating segment data

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

The operating segments presented hereunder are strictly identical to the information given to Vivendi's Management Board

Vivendi's main businesses are aggregated within the following operating segments

- **Canal+ Group** publishing and distribution of premium and thematic pay-TV channels, as well as free-to-air channels in France, Poland, Africa and Vietnam, as well as production, sales and distribution of cinema films and TV series
- **Universal Music Group** sale of recorded music (physical and digital media), exploitation of music publishing rights, as well as artist services and merchandising
- **Vivendi Village** Vivendi Ticketing (with See Tickets and Digitick), MyBestPro (formerly Wengo, expert counseling), Watchever (subscription video-on-demand), L'Olympia (the Paris-based music hall), Radionomy (acquired on December 17, 2015), as well as CanalOlympia (business in the process of being developed in Africa)
- **New Initiatives** Dailymotion (acquired on June 30, 2015, please refer to Note 2 1), Vivendi Contents' businesses (created in February 2015, bringing together notably Flab Prod and Studio+), Boulogne Studios, as well as Group Vivendi Africa (business in the process of being developed)
- **Corporate** central services

Intersegment commercial operations are conducted on an arm's-length basis, on terms and conditions similar to those which would be offered by third parties

Main aggregates of the Statement of Earnings

(in millions of euros)	Year ended December 31, 2015	2014
Revenues		
Canal+ Group	5,513	5,456
Universal Music Group	5,108	4,557
Vivendi Village	100	96
New Initiatives	43	-
Elimination of intersegment transactions	(2)	(20)
	10,762	**10,089**
Income from operations		
Canal+ Group	542	618
Universal Music Group	626	606
Vivendi Village	10	(34)
New Initiatives	(18)	-
Corporate	(99)	(82)
	1,061	**1,108**
Restructuring charges		
Canal+ Group	(47)	-
Universal Music Group	(51)	(50)
Vivendi Village	(1)	(44)
New Initiatives	-	-
Corporate	(3)	(10)
	(102)	**(104)**
Charges related to equity-settled share-based compensation plans		
Canal+ Group	(3)	(3)
Universal Music Group	(5)	(2)
Vivendi Village	-	(1)
New Initiatives	-	-
Corporate	(8)	(3)
	(16)	**(9)**
Other non-current operating charges and income		
Canal+ Group	(38)	(32)
Universal Music Group	23	11
Vivendi Village	-	-
New Initiatives	(2)	-
Corporate	16	25
	(1)	**4**
Adjusted earnings before interest and income taxes (EBITA)		
Canal+ Group	454	583
Universal Music Group	593	565
Vivendi Village	9	(79)
New Initiatives	(20)	-
Corporate	(94)	(70)
	942	**999**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Year ended December 31, 2015	2014
EBIT (a)	**1,231**	**736**
Adjustments		
Amortization of intangible assets acquired through business combinations	408	344
Impairment losses on intangible assets acquired through business combinations (a)	3	92
Other income (a)	(745)	(203)
Other charges (a)	45	30
EBITA	**942**	**999**
Adjustments		
Restructuring charges (a)	102	104
Charges related to equity-settled share-based compensation plans	16	9
Other non-current operating charges and income	1	(4)
Income from operations	**1,061**	**1,108**

a As reported in the Consolidated Statement of Earnings

Consolidated Statement of Financial Position

(in millions of euros)	December 31, 2015	December 31, 2014
Segment assets (a)		
Canal+ Group	7,575	7,829
Universal Music Group	9,242	8 677
Vivendi Village	216	154
New Initiatives	387	-
Corporate	8,026	5,896
	25,446	**22,556**
Segment liabilities (b)		
Canal+ Group	2,615	2,609
Universal Music Group	3 552	3,463
Vivendi Village	117	129
New Initiatives	50	-
Corporate	3,550	2,404
	9,884	**8,605**

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

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

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

Depreciations and amortizations

(in millions of euros)	Year ended December 31, 2015	2014
Capital expenditures, net (capex net) (a)		
Canal+ Group	181	190
Universal Music Group	53	46
Vivendi Village	7	7
New Initiatives	4	-
Corporate	1	-
	246	243
Increase in tangible and intangible assets		
Canal+ Group	175	205
Universal Music Group	53	47
Vivendi Village	7	7
New Initiatives	5	-
Corporate	1	-
	241	259
Depreciation of tangible assets		
Canal+ Group	163	170
Universal Music Group	67	58
Vivendi Village	2	3
New Initiatives	2	-
Corporate	-	1
	234	232
Amortization of intangible assets excluding those acquired through business combinations		
Canal+ Group	70	72
Universal Music Group	-	-
Vivendi Village	-	3
New Initiatives	1	-
Corporate	-	-
	71	75
Amortization of intangible assets acquired through business combinations		
Canal+ Group	8	8
Universal Music Group	398	334
Vivendi Village	2	2
New Initiatives	-	-
Corporate	-	-
	408	344
Impairment losses on intangible assets acquired through business combinations		
Canal+ Group	1	-
Universal Music Group	2	1
Vivendi Village	-	91
New Initiatives	-	-
Corporate	-	-
	3	92

a 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 customer location

(in millions of euros)	Year ended December 31, 2015		2014	
Revenues				
France	4,464	*42%*	4,482	*44%*
Rest of Europe	2 567	*24%*	2 505	*25%*
United States	2,191	*20%*	1,748	*17%*
Rest of the world	1 540	*14%*	1,354	*14%*
	10,762	***100%***	**10,089**	***100%***

(in millions of euros)	December 31, 2015		December 31 2014	
Segment assets				
France	9,568	*38%*	11 774	*52%*
Rest of Europe	6 109	*24%*	2,519	*11%*
United States	9,078	*36%*	7,660	*34%*
Rest of the world	691	*2%*	603	*3%*
	25,446	***100%***	**22,556**	***100%***

Note 4 EBIT

Breakdown of revenues and cost of revenues

(in millions of euros)	Year ended December 31, 2015	2014
Product sales net	5 269	4 701
Services revenues	5,437	5,322
Other	56	66
Revenues	**10,762**	**10,089**
Cost of products sold net	(2 658)	(2 365)
Cost of service revenues	(3 897)	(3 748)
Other	-	(8)
Cost of revenues	**(6,555)**	**(6,121)**

Personnel costs and average employee numbers

(in millions of euros)	Note	Year ended December 31 2015	2014
Salaries		1,138	1,005
Social security and other employment charges		310	276
Capitalized personnel costs		(3)	(3)
Wages and expenses		**1,445**	**1,278**
Share-based compensation plans	18	19	(8) (a)
Employee benefit plans	17	40	10
Other		41	42
Personnel costs		**1,545**	**1,322**
Annual average number of full-time equivalent employees (in thousands)		*16 6*	*15 7*

a Notably included a €19 million reversal of reserve related to the departure of a key executive from Universal Music Group (please refer to Note 18 2)

Additional information on operating expenses

Advertising costs amounted to €348 million in 2015 (compared to €407 million in 2014)

Expenses recorded in the Statement of Earnings, with respect to service contracts related to satellite transponders amounted to €120 million in 2015 (compared to €115 million in 2014)

Net expense recorded in the Statement of Earnings, with respect to operating leases amounted to €113 million in 2015 (compared to €104 million in 2014)

Taxes on production

Taxes on production amounted to €179 million in 2015 (compared to €173 million in 2014), of which €98 million related to taxes on television services (compared to €102 million in 2014) and €22 million related to the territorial economic contribution (unchanged compared to 2014)

Other income and other charges

(in millions of euros)	Year ended December 31 2015	2014
Capital gain on financial investments	745 (a)	194 (b)
Other	-	9
Other income	**745**	**203**
Downside adjustment on financial investments	(7)	(17)
Other	(38)	(13)
Other charges	**(45)**	**(30)**
Net total	**700**	**173**

a Included the capital gain on the sale of the 20% interest in Numericable-SFR (€651 million, before taxes) and the reversal of the €54 million impairment reserve related to Canal+ Group's interest in TVN in Poland (please refer to Note 2 10)

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

Note 5 Financial charges and income

Interest

(in millions of euros)	Note	Year ended December 31, 2015	2014
(Charge)/Income			
Interest expense on borrowings	19	*(65)*	*(283)*
Interest income on SFR's loans		*na*	*159*
Interest income on GVT's loans		*4*	*13*
Interest expense net of borrowings		(61)	(111)
Interest income from cash cash equivalents and investments		31	15
Interest from continuing operations		**(30)**	**(96)**
Premium paid and other costs related to the early redemptions of bonds		(4)	(698) (a)
		(34)	**(794)**

Other financial income and charges

(in millions of euros)	Note	Year ended December 31, 2015	2014
Expected return on plan assets related to employee benefit plans	17 2	12	12
Foreign exchange gain		4	7
Other financial income		**16**	**19**
Premium paid and other costs related to the early redemptions of bonds		(4)	(698) (a)
Effect of undiscounting liabilities (b)		(9)	(8)
Interest cost related to employee benefit plans	17 2	(29)	(31)
Foreign exchange loss		(7)	(8)
Change in value of derivative instruments		(17)	-
Other		(7)	(6)
Other financial charges		**(73)**	**(751)**
Net total		**(57)**	**(732)**

a Included net premium paid for €642 million related to the early redemption of bonds following completion of the sale of SFR in November 2014

b In accordance with applicable accounting standards, when the effect of the time value of money is material, assets and liabilities are initially recorded on the Statement of Financial Position in an amount corresponding to the present value of the expected revenues and expenses At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time As of December 31, 2015 and 2014, these adjustments only applied to liabilities (mainly trade accounts payable and provisions)

Note 6 Income taxes

6.1 French Tax Group and Consolidated Global Profit Tax Systems

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

- Under the French Tax Group System, Vivendi is entitled to consolidate its own tax profits and losses with the tax profits and losses of subsidiaries that are at least 95% owned directly or indirectly by it, and that are located in France for 2015, this mainly applied to Universal Music in France 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 were at least 50% owned directly or indirectly by it, and located in France or abroad, i e , other than the French companies that were at least 95% owned directly or indirectly by Vivendi Activision Blizzard, Universal Music Group, Maroc Telecom, GVT, Canal+ France and its subsidiaries, as well as Société d'Edition de Canal Plus (SECP) As a reminder, on May 19, 2008, Vivendi lodged a request with the French Ministry of Finance to renew 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 fiscal year 2009 and ending with fiscal year 2011
- In addition, as a reminder, on July 6, 2011, Vivendi lodged a request with the French Ministry of Finance to renew its authorization to use the Consolidated Global Profit Tax System for a three-year period, from January 1, 2012 to December 31, 2014
- 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 has been capped at 50% of taxable income and the deductibility of interest 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 a request for a refund of €366 million with respect to the tax saving for fiscal year ended December 31, 2011 As this request was denied by the tax authorities, Vivendi accrued a €366 million provision for the associated risk in its Financial Statements for the year ended December 31, 2012 On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi Pursuant to this ruling, on December 23, 2014, Vivendi received a €366 million refund and moratorium interest of €43 million, which was received on January 16, 2015 On December 2, 2014, the tax authorities appealed this ruling As a result, in its Financial Statements for the year ended December 31, 2014, Vivendi maintained the provision related to the €366 million principal refund and increased it by €43 million to take into account the moratorium interest, for a total amount of €409 million, which remained unchanged as of December 31, 2015 (please refer to Note 6 5)
- Moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due, under the French Tax Group System for the year ended December 31, 2012, i e , €208 million, increased to €221 million in 2013 at the time of the tax return filing with respect to fiscal year ended December 31, 2012 On May 8, 2013, Vivendi received a €201 million refund related to the tax installment paid in 2012 This position was challenged by the tax authorities in the context of an audit and Vivendi provisioned the associated risk for a principal amount of €208 million in its Financial Statements for the year ended December 31, 2012, increased to €221 million as of December 31, 2013 In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €221 million principal refund and increased it by additional default interest of €11 million, for a total amount of €232 million as of December 31, 2014, decreased to €228 million as of December 31, 2015 after deduction of ordinary tax credits As part of this process, Vivendi made a payment of €321 million on March 31, 2015, comprising the payment of taxes for €221 million due under the French Tax Group System for the year ended December 31, 2012, €11 million in default interest and additional penalties of €89 million The audit being terminated, on June 29, 2015, Vivendi submitted a claim requesting a refund of the principal tax amount, the default interest, as well as penalties, for which no provision has been accrued, following the recommendation of the company's advisors
- In the Financial Statements for the year ended December 31, 2015, the tax results of the subsidiaries within the scope of Vivendi SA's French Tax Group System were estimated, and as a result, the amount of tax attributes as of December 31, 2015 could not be reliably determined Taking into account the impact of the estimated 2015 tax results and before the effects of the ongoing tax

audits (please refer to Note 6 5) on the amount of tax attributes, Vivendi SA may achieve €809 million in tax savings from tax attributes (based on the income tax rate applicable as from January 1, 2016, i e , 34 43%)

- As of December 31, 2015, Vivendi SA valued its tax attributes under the French Tax Group System on the basis of one year's forecasted results, taken from the following year's budget On this basis, Vivendi may achieve tax savings from the French Tax Group System in an amount of €84 million (based on the income tax rate applicable as from January 1, 2016, i e , 34 43%)

6.2 Provision for income taxes and income tax paid by geographic area

(in millions of euros)	Year ended December 31	
(Charge)/Income	2015	2014
Current		
France	(339)	(44)
Rest of Europe	(28)	(12)
United States	-	5
Rest of the world	(25)	(43)
	(392)	**(94)**
Deferred		
France	(100)	(61)
Rest of Europe	34	(8)
United States	(30)	(58)
Rest of the world	47	91
	(49)	**(36)**
Provision for income taxes	**(441)**	**(130)**
Income tax (paid)/collected		
France	(613)	327
Rest of Europe	(8)	(11)
United States	(9)	(5)
Rest of the world	(407) (a)	(31)
Income tax (paid)/collected	**(1,037)**	**280**

a Included taxes paid in Brazil related to the sale of GVT for €395 million recorded in the Consolidated Statement of Earnings under the line "Earnings from discontinued operations"

6 3 Effective tax rate

(in millions of euros except %)	Year ended December 31 2015	2014
Earnings (before non-controlling interests)	**1,978**	**5,025**
Eliminations		
Income from equity affiliates	10	18
Earnings from discontinued operations	(1,233)	(5,262)
Provision for income taxes	441	130
Earnings from continuing operations before provision for income taxes	**1,196**	**(89)**
French statutory tax rate	*38 00%*	*38 00%*
Theoretical provision for income taxes based on French statutory tax rate	**(454)**	**34**
Reconciliation of the theoretical and effective provision for income taxes.		
Earnings tax rate differences	39	36
Impacts of the changes in tax rates	(25)	-
Use of tax losses	231	112
Depreciation of tax losses	(112)	(176)
Changes in deferred tax assets related to Vivendi SA's French Tax Group and the Consolidated Global Profit Tax Systems	(42)	(37)
Adjustments to tax expense from previous years	64	(33)
Capital gain or loss on the divestiture of or downside adjustments on financial investments or businesses	21	(35)
3% tax on Vivendi SA s dividends	(122)	-
Other	(41)	(31)
Provision for income taxes	**(441)**	**(130)**
Effective tax rate	**36 9%**	**-146.1%**

6 4 Deferred tax assets and liabilities

Changes in deferred tax assets/(liabilities), net

(in millions of euros)	Year ended December 31, 2015	2014	
Opening balance of deferred tax assets/(liabilities), net	53	53	
Provision for income taxes	(49)	(53)	(a)
Charges and income directly recorded in equity	(67)	54	
Business combinations	-	9	
Divestitures in progress or completed	-	(20)	
Changes in foreign currency translation adjustments and other	(20)	10	
Closing balance of deferred tax assets/(liabilities), net	(83)	53	

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

Components of deferred tax assets and liabilities

(in millions of euros)	December 31 2015	December 31 2014
Deferred tax assets		
Recognizable deferred taxes		
Tax attributes - Vivendi SA French Tax Group System (a) (b)	809	1 400
Tax attributes - US Tax Group (a) (c)	445	419
Tax attributes - Other (a)	573	656
Other	609	542
Of which non-deductible provisions	*107*	*117*
employee benefits	*193*	*185*
net working capital	*136*	*105*
Total gross deferred taxes	**2,436**	**3,017**
Deferred taxes unrecognized		
Tax attributes - Vivendi SA French Tax Group System (a) (b)	(725)	(1 274)
Tax attributes - US Tax Group (a) (c)	(445)	(419)
Tax attributes - Other (a)	(476)	(462)
Other	(168)	(152)
Total deferred tax assets, unrecognized	**(1,814)**	**(2,307)**
Recorded deferred tax assets	**622**	**710**
Deferred tax liabilities		
Asset revaluations (d)	(422)	(484)
Other	(283)	(173)
Recorded deferred tax liabilities	**(705)**	**(657)**
Deferred tax assets/(liabilities), net	**(83)**	**53**

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

b Related to deferred tax assets recognizable in respect of tax attributes by Vivendi SA as head of the French Tax Group, representing €809 million as of December 31, 2015 (please refer to Note 6 1), related only to tax losses, taking into account the estimated impact (-€507 million) of 2015 transactions (taxable income and use or expiration of tax credits) and the change in income tax rate in France which decreased from 38% to 34 43% as from January 1, 2016 (-€84 million), but before taking into account the effects of ongoing tax audits (please refer to Note 6 5) In France, tax losses can be carried forward indefinitely and Vivendi considers that tax credits can be carried forward for a minimum period of five years upon exit from the Consolidated Global Profit Tax System In this respect, €285 million tax credits matured as of December 31, 2015

c Related 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 $486 million as of December 31, 2015, taking into account the estimated impact (-$23 million) of 2015 transactions (taxable income, capital losses, and tax credits that expired, capital losses and tax credits generated, but before taking into account the final outcome of ongoing tax audits (please refer to Note 6 5) 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 $16 million tax credits matured in 2015

d These tax liabilities, generated by asset revaluations following purchase allocations were terminated upon the amortization or divestiture of the underlying asset and generated no current tax charge

6.5 Tax audits

The fiscal year ended on December 31, 2015 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations Various tax authorities have proposed adjustments to the taxable income reported for prior years It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of these audits Vivendi Management believes that these tax audits should not have a material unfavorable impact on the financial position or liquidity of the group

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the tax audit for fiscal years 2006, 2007 and 2008 is still ongoing and, likewise, the tax audits for fiscal years 2009 and 2010 are still ongoing Finally, the audit of Vivendi SA's Tax Group System for fiscal years 2011 and 2012 began in July 2013 As of December 31, 2015, all of these tax audits were ongoing Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit In any event, Vivendi has accrued a provision for the impact of the Consolidated Global Profit Tax System in 2011 (€409 million), notwithstanding the decision of the Administrative Court of Montreuil of October 6, 2014, subject to the appeal filed by the Tax Authorities (please refer to Note 6 1), as well as a provision for the impact in relation to the use of tax credits in 2012 (€228 million)

In respect of the US Tax Group, the fiscal years 2008, 2009 and 2010 are under audit and the final outcome has not materially impacted the amount of tax attributes reported In June 2014, the US tax authorities began a tax audit for fiscal years 2011 and 2012, and in December 2014, they undertook a tax audit for fiscal year 2013 As of December 31, 2015, these audits were ongoing Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit

Note 7 Earnings per share

	Year ended December 31			
	2015		2014	
	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners	699	699	(290)	(290)
Earnings from discontinued operations attributable to Vivendi SA shareowners	1,233	1 233	5,034	5,034
Earnings attributable to Vivendi SA shareowners	1 932	1,932	4 744	4,744
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,361 5	1,361 5	1,345 8	1 345 8
Potential dilutive effects related to share based compensation (b)		5 3	-	5 5
Adjusted weighted average number of shares	**1,361 5**	**1,366 8**	**1,345.8**	**1,351 3**
Earnings per share (in euros)				
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0 51	0 51	(0 22)	(0 22)
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	0 91	0 90	3 74	3 73
Earnings attributable to Vivendi SA shareowners per share	1 42	1 41	3 52	3 51

a Net of the average number of treasury shares 1 6 million shares in 2015, compared to 0 4 million in 2014 (please refer to Note 15)

b Do not include accretive instruments, which could be potentially dilutive, the overall balance of common shares in connection with Vivendi SA's share-based compensation plans is presented in Note 18 1

Note 8 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

(in millions of euros)	Actuarial gains/(losses) related to employee defined benefit plans (a)	Unrealized gains/(losses) Available-for-sale securities (b)	Hedging instruments (c)	Total	Foreign currency translation adjustments	Other comprehensive income
Balance as of December 31, 2013	**(85)**	**164**	**20**	**184**	**(2,011)**	**(1,912)**
Charges and income directly recognized in equity	(93)	912	(50)	862	706	1 475
Items to be reclassified to profit or loss	na	(95) (d)	9	(86)	72	(14)
Tax effect	25	31	(2)	29	-	54
Other	7	132	-	132	42	181
Balance as of December 31, 2014	**(146)**	**1 144**	**(23)**	**1,121**	**(1,191)**	**(216)**
Charges and income directly recognized in equity	(16)	461	(69)	392	580	956
Items to be reclassified to profit or loss	na	(682) (e)	(10)	(692)	933 (f)	241
Tax effect	(5)	(63)	1	(62)	-	(67)
Other	-	(8)	(1)	(9)	-	(9)
Balance as of December 31, 2015	**(167)**	**852**	**(102)**	**750**	**322**	**905**

na not applicable

a Please refer to Note 17

b Please refer to Note 12

c Please refer to Note 19

d Related to the gain realized on the sale of the interest in Beats by UMG in August 2014

e Included -€651 million related to the gain realized on the sale of the 20% interest in Numericable-SFR in May 2015 (please refer to Note 2 8)

f Attributable to the foreign currency translation EUR/BRL related to GVT, sold in May 2015 (please refer to Note 2 9)

Note 9 Goodwill

(in millions of euros)	December 31, 2015	December 31, 2014
Goodwill, gross	24 384	22,622
Impairment losses	(14 207)	(13,293)
Goodwill	**10,177**	**9,329**

9.1 Changes in goodwill

(in millions of euros)	December 31, 2014	Impairment losses	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	December 31, 2015
Canal+ Group	4 573	-	3	-	6	4 582
Universal Music Group	4,656	-	3	-	513 (a)	5,172
Vivendi Village	100		41 (b)	-	19	160
New Initiatives	-	-	263 (c)	-	-	263
Total	**9,329**	**-**	**310**	**-**	**538**	**10,177**

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

a Primarily attributable to foreign currency translation (EUR/USD) for €525 million in 2015 and €549 million in 2014

b Related to the provisional goodwill attributable to Radionomy (please refer to Note 2 6)

c Included the provisional goodwill attributable to Dailymotion for €262 million (please refer to Note 2 1)

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

e Related to full impairment losses on the goodwill of Digitick and MyBestPro, formerly Wengo (€43 million and €48 million, respectively)

9.2 Goodwill impairment test

In 2015, Vivendi tested the value of goodwill allocated to its Cash-Generating Units (CGUs) or groups of CGU applying valuation methods consistent with previous years Vivendi ensured that the recoverable amount of CGU or groups of CGU exceeded their carrying value (including goodwill) The recoverable amount is determined as the higher of the value in use determined by the discounted value of future cash flows (Discounted Cash Flow method (DCF)) and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent transactions) For a description of the methods used for the impairment test, please refer to Note 1 3 5 7

Presentation of CGU or groups of CGUs tested

Operating Segments	Cash Generating Units (CGU)	CGU or groups of CGU tested
Canal+ Group	Pay TV in Mainland France	Pay-TV and free-to-air TV in France, Poland, Africa and Vietnam (b)
	Canal+ Overseas (a)	
	nc+ (Poland)	
	Free-to-air TV	
	Studiocanal	Studiocanal
Universal Music Group	Recorded music	Universal Music Group
	Artist services and merchandising	
	Music publishing	
Vivendi Village	See Tickets	See Tickets
	Digitick	Digitick (c)
	MyBestPro	MyBestPro (c)
	Radionomy	Radionomy (d)
	L'Olympia	L'Olympia
	CanalOlympia	CanalOlympia
New Initiatives	Dailymotion	Dailymotion (d)
	Vivendi Contents	Vivendi Contents
	Group Vivendi Africa	Group Vivendi Africa

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

b The process of integrating free-to-air TV operations (D8/D17 channels acquired on September 27, 2012) with pay-TV operations in mainland France, as well as the development of pay-TV in Poland and Vietnam reflects the further convergence of pay-TV and free-to-air TV operations in countries in which Canal+ Group operates As a result, as of December 31, 2015, Vivendi performed a goodwill impairment test related to pay-TV and free-to-air TV operations in France, Poland, Africa and Vietnam by aggregating the CGU of pay-TV in Mainland France, Canal+ Overseas, nc+ and free-to-air TV, which corresponds to the level of monitoring the return on such investments

c Goodwill attributable to Digitick and MyBestPro (formerly Wengo) were fully impaired as of December 31, 2014

d As of December 31, 2015, no goodwill impairment test attributable to Dailymotion and Radionomy were undertaken given that the acquisition dates of Dailymotion and Radionomy (June 30, 2015 and December 17, 2015, respectively) were close to the closing date

During the fourth quarter of 2015, Vivendi performed a goodwill impairment test on each CGU or groups of CGU, on the basis of valuations of recoverable amounts determined with the assistance of third-party appraisers, for pay-TV and free-to-air TV in France, Africa and Vietnam as well as Universal Music Group and internal valuations for nc+ in Poland, Studiocanal and See Tickets As a result, Vivendi Management concluded that, as of December 31, 2015, the recoverable amount for each CGU or groups of CGU tested exceeded their carrying value

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 2016 budget and the most recent forecasts prepared by the operating segments These forecasts are prepared for each operating segment, on the basis of financial targets as well as the following main key assumptions discount rate, perpetual growth rate and EBITA as defined in Note 1 2 3, capital expenditures, the competitive and regulatory environments, technological developments and level of commercial expenses The recoverable amount for each CGU or groups of CGU was determined based on its value in use in accordance with the main key assumptions set out below

		Valuation Method		Discount Rate (a)		Perpetual Growth Rate	
Operating segments	CGU or groups of CGU tested	2015	2014	2015	2014	2015	2014
Canal+ Group	Pay TV and free to-air TV in France Poland Africa and Vietnam	DCF & comparables model (b)	DCF & comparables model (b)	(c)	(c)	(c)	(c)
	Studiocanal	DCF	DCF	9 25%	9 75%	0 50%	1 00%
Universal Music Group	Universal Music Group	DCF & comparables model	DCF & comparables model	8 50%	8 90%	1 125%	1 00%
Vivendi Village	See Tickets	DCF	DCF	11 00%	11 50%	2 00%	2 00%

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 Except for nc+ in Poland comparables model in 2015 and DCF in 2014

c Discount rates and perpetual growth rates applied to test this group of UGT were the following

	Discount rate		Perpetual growth rate	
	2015	2014	2015	2014
Pay-TV				
Mainland France	7 56%	8 04%	1 20%	1 50%
France overseas	8 80%	9 04%	1 20%	1 50%
Poland	na	9 75%	na	3 00%
Africa	9 80%	10 04%	3 00%	3 14%
Vietnam	10 30%	10 88%	3 00%	4 50%
Free-to-air TV - Mainland France	8 26%	9 50%	1 50%	2 00%

na not applicable

Sensitivity of recoverable amounts

	December 31 2015				
	Discount rate		Perpetual growth rate		Discounted cash flows
	Applied rate (in %)	Increase in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Decrease in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Decrease in the discounted cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
Canal+ Group					
Pay-TV and Free to-air TV in France Poland Africa and Vietnam	(a)	+1 16 pt	(a)	2 11 pts	17%
Studiocanal	9 25%	+1 97 pt	0 50%	2 81 pts	21%
Universal Music Group	8 50%	+1 25 pt	1 125%	-1 55 pt	15%

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

a For a presentation of the applied rates, please refer to the table in reference c above

Note 10 Content assets and commitments

10 1 Content assets

(in millions of euros)	December 31 2015 Content assets, gross	Accumulated amortization and impairment losses	Content assets
Film and television costs	6 145	(5,483)	662
Sports rights	415	-	415
Music catalogs and publishing rights	8,756	(7.076)	1 680
Advances to artists and repertoire owners	611	-	611
Merchandising contracts and artists services	27	(23)	4
Other	6	(4)	2
Content assets	**15,960**	**(12,586)**	**3,374**
Deduction of current content assets	(1,102)	14	(1 088)
Non-current content assets	**14,858**	**(12,572)**	**2,286**

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

Changes in content assets

(in millions of euros)	Year ended December 31 2015	2014
Opening balance	**3,685**	**3,772**
Amortization of content assets excluding those acquired through business combinations	(21)	(14)
Amortization of content assets acquired through business combinations	(398)	(334)
Impairment losses on content assets acquired through business combinations	(2)	-
Increase	2,354	2 339
Decrease	(2 465)	(2 352)
Business combinations	4	27
Changes in foreign currency translation adjustments and other	217	247
Closing balance	**3,374**	**3,685**

10.2 Contractual content commitments

Commitments given recorded in the Statement of Financial Position content liabilities

Content liabilities are mainly part of "Trade accounts payable and other" or part of "Other non-current liabilities" whether they are current or non-current, as applicable

	Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
		Due in			
(in millions of euros)	Total	2016	2017-2020	After 2020	
Film and television rights (a)	196	196	-	-	193
Sports rights	455	455	-	-	400
Music royalties to artists and repertoire owners	1,848	1,822	26	-	1,721
Creative talent employment agreements and others	90	43	43	4	119
Content liabilities	**2,589**	**2,516**	**69**	**4**	**2,433**

Off balance sheet commitments given/(received)

	Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
		Due in			
(in millions of euros)	Total	2016	2017-2020	After 2020	
Film and television rights (a)	3,080	1,292	1 727	61	2,443
Sports rights	2,965 (b)	783	2,182	-	3 087
Creative talent, employment agreements and others (c)	790	354	413	23	807
Given commitments	**6,835**	**2,429**	**4,322**	**84**	**6,337**
Film and television rights (a)	(174)	(74)	(74)	(26)	(199)
Sports rights	(39)	(10)	(29)	-	(3)
Creative talent, employment agreements and others (c)			not available		
Received commitments	**(213)**	**(84)**	**(103)**	**(26)**	**(202)**
Total net	**6,622**	**2,345**	**4,219**	**58**	**6,135**

a Mainly included contracts valid over several years for the broadcast of cinema films and TV productions (mainly exclusivity contracts with major US studios), for the pre-purchases relating to the French cinema industry, for Studiocanal films production and co-production commitments (given and received), and for broadcasting rights of Canalsat and nc+ multichannel digital TV packages They are recorded as content assets when the broadcast is available for initial release or after the initial significant payment As of December 31, 2015, provisions recorded relating to these commitments amounted to €45 million (compared to €73 million as of December 31, 2014)

In addition, these amounts do not include commitments in relation to contracts of channel diffusion rights, ISP (Internet Service Provider) royalties and non-exclusive distribution of channels, under which Canal+ Group did not grant or receive minimum guarantees The variable amount of these commitments cannot be reliably determined and is not reported in either the Statement of Financial Position or in the commitments and is instead recorded as an expense for the period in which it was incurred Based on the estimation of the future subscriber base at Canal+ Group, the commitments would have increased by a net amount of €203 million as of December 31, 2015, compared to €342 million as of December 31, 2014

Moreover, on May 7, 2015, Société d'Edition de Canal Plus (SECP) renewed its agreement with all the cinema professional organizations (ARP, BLIC, BLOC, UPF) This five-year agreement (2015/2019) confirmed the historical and strong partnership between Canal+ and the French cinema Pursuant to this agreement, SECP is required to invest every year 12 5% of its annual revenues in the financing of European cinematographic works With respect to audiovisual, in accordance with the agreements entered into with producers' and authors' organizations in France, Canal+ Group is required to invest 3 6% of its total net annual revenue in the financing of heritage works every year Only films for which an agreement has been given in principle to producers are accounted for in the off-balance sheet commitments, as it is not possible to reliably determine a future and total estimate of commitments under agreements with cinema professional organizations and with producers' and authors' organizations

b Notably included broadcasting rights held by Canal+ Group for the following sport events

- the French professional Soccer League 1, for the four seasons 2016/2017 to 2019/2020, awarded on April 4, 2014 for the two premium lots (€2,160 million),
- the National French Rugby Championship's "TOP 14" matches, for the seasons 2016/2017 to 2018/2019 which include all seven games on each match day, play-off games, as well as the *Jour de Rugby* show, awarded on January 19, 2015, and
- the Soccer Champions League, for the seasons 2016/2017 and 2017/2018, awarded on April 11, 2014 for one lot

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

Note 11 Investments in equity affiliates

	Voting interest		Value of equity affiliates	
(in millions of euros)	December 31, 2015	December 31, 2014	December 31 2015	December 31 2014
Telecom Italia (a)	21 4%	-	3 319	-
VEVO	49%	48%	76	71
N-Vision (b)	na	49%	-	213
Other	na	na	40	22
			3,435	306

na not applicable

a Telecom Italia is accounted for under the equity method as from December 15, 2015 (please refer to Note 2 2)

b On July 1, 2015, Canal+ Group sold its interest in N-Vision B V (please refer to note 2 9)

Note 12 Financial assets

	December 31 2015			December 31 2014		
(in millions of euros)	Total	Current	Non-current	Total	Current	Non-current
Financial assets at fair value						
Term deposits, interest-bearing current accounts and MTN (a)	266	266	-	-	-	-
Level 1						
Bond funds (a)	315	315	-	-	-	-
Listed equity securities	2 520	-	2 520	4,676	-	4,676
Other financial assets (b)	979	5	974	980	5	975
Level 2						
Unlisted equity securities	331	-	331	162	-	162
Derivative financial instruments (c)	115	47	68	139	40	99
Level 3						
Other financial assets	71	1	70	51	-	51
Financial assets at amortized cost (d)	646	477	169	185	4	181
Financial assets	5,243	1,111	4,132	6,193	49	6,144

a Related to cash management financial assets, included in the cash position please refer to Note 14

b Included a cash deposit of €974 million as part of the appeal against the Liberty Media judgment (please refer to Note 19 3)

c These derivative financial instruments primarily comprised interest rate and foreign currency hedging instruments, as described in Note 19

d As of December 31, 2015, these financial assets mainly included the following cash deposits
- $480 million (€439 million as of December 31, 2015) related to the hedge of Activision Blizzard shares This deposit was recovered following the unwinding of the hedge in January 2016 (please refer below), and
- $55 million (€50 million as of December 31, 2015) as part of the partial judgment entered in the securities class action (please refer to Note 23)

Quoted equity portfolio

	Note	December 31, 2015 Number of held shares	Cumulated historical value (a)	Ownership interest	Stock market	Carrying value	Change in value in the period (b)	Cumulate of unrealized capital gain/loss (b)	Sensitivity at +/-10 pts (b)
		(in thousands)			(€/share)	(in millions of euros)			
Activision Blizzard		41,500	416	5 7%	35 41	1 470 (c)	781 (c)	1 054 (c)	(c)
Telefonica	2 3	47,353	554	0 95%	10 24	485	(70)	(70)	+49/-49
Ubisoft	2 4	15,659	352	13 98%	26 67	418	65	65	+42/-42
Gameloft	2 4	24 489	122	28 65%	6 06	148	26	26	+15/-15
Total						**2,520**	**803**	**1,076**	**+106/-106**

	Note	December 31 2014 Number of held shares	Cumulated historical value (a)	Ownership interest	Stock market	Carrying value	Change in value on period (b)	Cumulate of unrealized capital gain/loss (b)	Sensitivity at +/-10 pts (b)
		(in thousands)			(€/share)	(in millions of euros)			
Activision Blizzard		41 500	416	5 7%	16 60	689	273	273	(c)
Numericable-SFR	2 8	97,388	3 244	20 0%	40 94	3,987	743	743	(d)
Total						**4,676**	**1,016**	**1,016**	

a These amounts include acquisition fees and taxes

b As of December 31, 2015 and 2014, in accordance with IAS 39, these amounts, before taxes, were accounted for as charges and income directly recognized in equity, except for the remeasurement of the underlying instrument offsetting the intrinsic value of the hedge of Activision Blizzard shares (€467 million as of December 31, 2015, please refer to reference c below)

c These shares were subject to a lock-up period, which expired on January 7, 2015
On June 11, 2015, Vivendi entered into an agreement to hedge 100% of the value of these shares denominated in USD, through an 18-month zero premium collar (consisting of a put option acquired by Vivendi and a call option sold by Vivendi), enabling Vivendi to secure an unrealized capital gain between $427 million and $532 million during this period In the Consolidated Financial Statements for the year ended December 31, 2015, this collar was accounted for as a fair value hedge, in accordance with IAS 39 As of December 31, 2015, pursuant to the credit support agreement related to the collar hedge, Vivendi established a cash deposit in favor of the counterparty, for $480 million, i e , €439 million, corresponding to the fair market value of the collar hedge as of this date, net of a $50 million deductible Given the appreciation of Activision Blizzard stock market price, the unfavorable change in time value of the collar hedge amounted to €16 million, classified as "other financial charges" in the Consolidated Statement of Earnings On January 13, 2016, Vivendi entirely unwound this instrument and sold the shares that it held The cash proceeds from these transactions amounted to $1,063 million (i e , €976 million) The unwinding of these transactions also enabled Vivendi to recover the cash deposit of €439 million

d Not applicable, as the Numericable-SFR shares were sold in May 2015

Equity market value risks

In 2015, as part of a sustainable investing strategy, Vivendi created an equity portfolio comprising listed and non-listed French and European companies in the telecommunication and media sectors, which are leaders in the production and distribution of contents As of December 31, 2015, this portfolio was mainly comprised of minority interests in Telecom Italia, Telefonica, Ubisoft, Gameloft and Activision Blizzard, and it represented an aggregate market value of approximately €6 billion (before taxes) Except for the remaining interest in Activision Blizzard sold on January 13, 2016 (please refer above), Vivendi is exposed to the risk of fluctuation in the value of these interests as of December 31, 2015, the net unrealized gain with respect to the interests in Telecom Italia (please refer to Note 11), Telefonica, Ubisoft and Gameloft amounted to €95 million (before taxes) A uniform decrease of 10% in the value of all of these shares would have a cumulative negative impact of €370 million on Vivendi's financial position, a uniform decrease of 20% in the value of all of these shares would have a cumulative negative impact of €815 million on Vivendi's financial position

Note 13 Net working capital

Trade accounts receivable and other

(in millions of euros)	December 31 2015	December 31 2014
Trade accounts receivable	1 308	1 272
Trade accounts receivable write-offs	(153)	(228)
Trade accounts receivable, net	**1,155**	**1,044**
Other	984	939
Trade accounts receivable and other	**2,139**	**1,983**

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

Trade accounts payable and other

(in millions of euros)	Note	December 31 2015		December 31, 2014
Trade accounts payable		2 224		2 215
Music royalties to artists and repertoire owners	10 2	1,822		1 699
Other		2 691	(a)	1 392
Trade accounts payable and other		**6,737**		**5,306**

a Notably included the second interim dividend, paid on February 3, 2016, for €1,318 million (please refer to Note 15)

Note 14 Cash position

Vivendi's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets As defined by Vivendi, cash management financial assets relate to investments which do not meet the criteria for classification as cash equivalents set out in IAS 7, and, with respect to money market funds, the criteria set forth in AMF position No 2011-13

	December 31, 2015			December 31, 2014		
(in millions of euros)	Carrying value	Fair value	Level	Carrying value	Fair value	Level
Term deposits interest-bearing current accounts and MTN	266	na	na	-	-	
Bond funds	315	315	1	-	-	
Cash management financial assets	**581**			**-**		
Cash	256	na	na	240	na	na
Term deposits interest-bearing current accounts and MTN	2 419	na	na	1,851	na	na
Money market funds	5 550	5 550	1	4,754	4,754	1
Cash and cash equivalents	**8,225**			**6,845**		
Cash position	**8,806**			**6,845**		

na not applicable

In 2015, the average interest rate on Vivendi's investments was 0 35%

Investment risk and counterparty risk

As of December 31, 2015, the group's cash position amounted to €8,806 million, of which €8,508 million was held by Vivendi SA Vivendi SA centralizes daily cash surpluses (cash pooling) of all controlled entities (a) which are not subject to local regulations restricting the transfer of financial assets, or (b) which are not subject to other contractual agreements

Vivendi's investment policy mainly aims to minimize its exposure to counterparty risk Consequently, Vivendi allocates a portion of the amounts available within (i) mutual funds with a low risk class (1 or 2) as defined by the European Securities and Markets Authority's (ESMA) synthetic risk and reward indicator (SRRI) which comprises seven risk classes, and (ii) highly rated commercial banks (at least A-) Moreover, Vivendi allocates investments among selected banks and limits the amount of each such investment

Liquidity risk

As of February 10, 2016, Vivendi considers that its Net Cash Position, the cash flows generated by its operating activities, as well as the amounts available through its current bank credit facility will be sufficient to cover its operating expenses and capital expenditures, service its debt (including redemption of bonds), pay its income taxes, dividends and share repurchases, if any, as well as to fund its investment projects, if any, for the next 12 months

Note 15 Equity

Share capital of Vivendi SA

(in thousands)	December 31 2015	December 31, 2014
Common shares outstanding (nominal value €5 5 per share)	**1,368,323**	**1,351,601**
Treasury shares	(25 985)	(50)
Voting rights	**1,342,338**	**1,351,551**

During the fourth quarter of 2015, Vivendi's Management Board implemented the share repurchase program, authorized by the General Shareholders' Meeting on April 17, 2015 Vivendi purchased 25,978 thousand of its own shares at an average price of €19 56 per share, for an aggregate amount of €508 million As of December 31, 2015, the 26 million shares owned by Vivendi were allocated as follows

- 6,719 shares to cover performance share plans, and
- 25,978,246 shares acquired with the intent to cancel them

Between the closing date and February 10, 2016 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2015), Vivendi purchased 38,644 thousand treasury shares at an average price of €18 7 per share, representing an aggregate payment of €725 million, of which €193 million was accounted for in the Statement of Financial Position as of December 31, 2015 (please refer to Note 19) As of February 10, 2016, Vivendi held 64 6 million treasury shares, representing an aggregate payment of €1,233 million

In addition, as of December 31, 2015, approximately 31 3 million stock options and 2 5 million performance shares were outstanding, representing a potential maximum nominal share capital increase of €186 million (i e , 2 48%)

Shareholders' dividend distribution policy

On April 17, 2015, Vivendi's Annual General Shareholders' Meeting notably approved the payment of an ordinary dividend of €1 per share with respect to fiscal year 2014, comprising a distribution of €0 20 based on the group's business performance and an €0 80 return to shareholders as a result of asset disposals This dividend was paid in cash on April 23, 2015, following the coupon detachment on April 21, 2015, for an aggregate amount of €1,363 million

The closing of the sales of GVT on May 28, 2015 and of the 20% interest in Numericable-SFR on May 6, 2015 enabled Vivendi's Management Board to approve the distribution of two interim ordinary dividends of €1 each with respect to fiscal year 2015

- the first interim dividend of €1 per share, paid out of retained earnings available on May 31, 2015, was paid on June 29, 2015 (following the coupon detachment on June 25, 2015), for an aggregate amount of €1,364 million, and
- the second interim dividend, taken from the distributable income resulting from the positive earnings generated by the divestitures of GVT and SFR, was paid on February 3, 2016 (following the coupon detachment on February 1, 2016), for an aggregate amount of €1,318 million

On February 10, 2016, the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements as of December 31, 2015 and the appropriation of earnings for the fiscal year then ended, the Management Board decided to propose to shareholders an ordinary dividend of €3 per share, representing a total distribution of €4 0 billion, comprising a €0 20 distribution related to the group's business performance and a €2 80 return to shareholders Given the interim dividends already distributed, the balance will be paid on April 28, 2016 (following the coupon detachment on April 26, 2016) This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 18, 2016, and will be submitted to approval by the Annual General Shareholders' Meeting to be held on April 21, 2016

Note 16 Provisions

(in millions of euros)	Note	December 31 2015	December 31, 2014
Employee benefits (a)		674	654
Restructuring costs (b)		74	72
Litigations (c)	23	1 222	1,206
Losses on onerous contracts		91	124
Contingent liabilities due to disposal (d)		18	17
Other (e)		963	1 105
Provisions		**3,042**	**3,178**
Deduction of current provisions		(363)	(290)
Non-current provisions		**2,679**	**2,888**

a Included deferred employee compensation as well as provisions for defined employee benefit plans (€646 million as of December 31, 2015 and €608 million as of December 31, 2014, please refer to Note 17), but excluded employee termination reserves recorded under restructuring costs

b As of December 31, 2015, mainly included provisions for restructuring at Canal+ Group (€24 million) and at UMG (€38 million) As of December 31, 2014, mainly related to provisions for restructuring at UMG (€38 million)

c Notably included the reserve accrual in relation to the Liberty Media Corporation litigation and securities class action in the United States for €945 million and €100 million, respectively (please refer to Note 23)

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

e Notably included the provisions with respect to the 2011 Consolidated Global Profit Tax System and to the 2012 French Tax Group System (€409 million and €228 million, respectively, as of December 31, 2015, please refer to Note 6 1), as well as litigation provisions for which the amount and nature are not detailed because such disclosure could be prejudicial to Vivendi

Changes in provisions

	Year ended December 31	
(in millions of euros)	2015	2014
Opening balance	**3,178**	**3,523**
Addition	309	538
Utilization	(426)	(387)
Reversal	(127)	(163)
Business combinations	6	8
Divestitures changes in foreign currency translation adjustments and other	102	(341)
Closing balance	**3,042**	**3,178**

Note 17 Employee benefits

17 1 Analysis of expenses related to employee benefit plans

The table below provides information about the cost of employee benefit plans excluding its financial component The total cost of defined benefit plans is set forth in Note 17 2 2 below

		Year ended December 31,	
(in millions of euros)	Note	2015	2014
Employee defined contribution plans		22	20
Employee defined benefit plans	17 2 2	18	(10)
Employee benefit plans		**40**	**10**

17 2 Employee defined benefit plans

17 2.1 Assumptions used in the evaluation and sensitivity analysis

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

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

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

In weighted average

	Pension benefits		Post-retirement benefits	
	2015	2014	2015	2014
Discount rate (a)	2 8%	2 9%	3 9%	3 8%
Rate of compensation increase	1 8%	2 0%	3 1%	3 0%
Duration of the benefit obligation (in years)	14 1	14 7	10 1	10 8

a A 50 basis point increase (or a 50 basis point decrease, respectively) to the 2015 discount rate would have led to a decrease of €1 million in pre-tax expense (or an increase of €1 million, respectively) and would have led to a decrease in the obligations of pension and post-retirement benefits of €70 million (or an increase of €75 million, respectively)

Assumptions used in accounting for pension benefits, by country

	United States		United Kingdom		Germany		France	
	2015	2014	2015	2014	2015	2014	2015	2014
Discount rate	4 00%	3 75%	3 75%	3 75%	1 75%	2 00%	1 75%	2 00%
Rate of compensation increase (weighted average)	na	na	3 75%	5 00%	1 75%	2 00%	3 50%	3 43%

na not applicable

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

	United States		Canada	
	2015	2014	2015	2014
Discount rate	4 00%	3 75%	3 50%	3 75%
Rate of compensation increase	na	na	na	na

na not applicable

Allocation of pension plan assets

	December 31, 2015 (a)	December 31, 2014 (a)
Equity securities	3%	3%
Debt securities	35%	45%
Diversified funds	47%	36%
Insurance contracts	3%	4%
Real estate	1%	1%
Cash and other	11%	11%
Total	100%	100%

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

Pension plan assets which were not transferred have a limited exposure to stock market fluctuations These assets do not include occupied buildings or assets used by the group 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 the under 65 years of age and 65 years of age and older categories in 2015, to 4 5% in 2023 for these categories In 2015, a one-percentage-point increase in the assumed cost evolution rates would have increased post-retirement benefit obligations by €8 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 €7 million and the pre-tax expense by €1 million

17 2.2 Analysis of the expense recorded and of the amount of benefits paid

	Pension benefits		Post-retirement benefits		Total	
(in millions of euros)	2015	2014	2015	2014	2015	2014
Current service cost	14	14	-	-	14	14
Past service cost	(1)	(25) (a)	1	-	-	(25)
(Gains)/losses on settlements		-	-	-	-	
Other	4	1	-	-	4	1
Impact on selling, administrative and general expenses	**17**	**(10)**	**1**	**-**	**18**	**(10)**
Interest cost	23	25	6	6	29	31
Expected return on plan assets	(12)	(12)	-	-	(12)	(12)
Impact on other financial charges and income	**11**	**13**	**6**	**6**	**17**	**19**
Net benefit cost recognized in profit and loss	**28**	**3**	**7**	**6**	**35**	**9**

a Related to the change in part of the group's management team since June 2012

In 2015, benefits paid amounted to (i) €40 million with respect to pensions (€45 million in 2014), of which €15 million paid by pension funds (€18 million in 2014), and (ii) €12 million paid with respect to post-retirement benefits (€9 million in 2014)

17.2.3 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, 2015		
		Benefit obligation	Fair value of plan assets	Net (provision)/asset recorded in the statement of financial position
(in millions of euros)	Note	(A)	(B)	(B)-(A)
Opening balance		**1,005**	**404**	**(601)**
Current service cost		14		(14)
Past service cost		-		-
(Gains)/losses on settlements		-		-
Other		3	(1)	(4)
Impact on selling, administrative and general expenses				***(18)***
Interest cost		29		(29)
Expected return on plan assets			12	12
Impact on other financial charges and income				***(17)***
Net benefit cost recognized in profit and loss				**(35)**
Experience gains/(losses) (a)		29	19	(10)
Actuarial gains/(losses) related to changes in demographic assumptions		(8)		8
Actuarial gains/(losses) related to changes in financial assumptions		15		(15)
Adjustment related to asset ceiling		-	-	-
Actuarial gains/(losses) recognized in other comprehensive income				**(17)**
Contributions by plan participants		1	1	-
Contributions by employers			48	48
Benefits paid by the fund		(15)	(15)	
Benefits paid by the employer		(37)	(37)	-
Business combinations		-	-	
Divestitures of businesses		-		
Transfers			-	
Other (of which foreign currency translation adjustments)		49	27	(22)
Closing balance		**1,085**	**458**	**(627)**
of which wholly or partly funded benefits		*645*		
wholly unfunded benefits (b)		*440*		
of which assets related to employee benefit plans				*19*
provisions for employee benefit plans (c)	16			*(646)*

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

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

b In accordance with local laws and practices, certain plans are not covered by plan assets As of December 31, 2015 and December 31, 2014, such plans principally comprised supplementary pension plans in the United States, pension plans in Germany and post-retirement benefit plans in the United States

c Included a current liability of €62 million as of December 31, 2015 (compared to €48 million as of December 31, 2014)

d Related to the impact of the sale of SFR on November 27, 2014

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

	Pension benefits (a)		Post-retirement benefits (b)		Total	
	December 31		December 31,		December 31	
(in millions of euros)	2015	2014	2015	2014	2015	2014
Benefit obligation						
US companies	133	125	130	136	263	261
UK companies	330	296	1	1	331	297
German companies	208	209	-	-	208	209
French companies	202	157	-	-	202	157
Other	66	65	15	16	81	81
	939	**852**	**146**	**153**	**1,085**	**1,005**
Fair value of plan assets						
US companies	59	57	-	-	59	57
UK companies	298	252	-		298	252
German companies	3	3	-	-	3	3
French companies	55	54	-	-	55	54
Other	43	38			43	38
	458	**404**	**-**	**-**	**458**	**404**
Underfunded obligation						
US companies	(74)	(68)	(130)	(136)	(204)	(204)
UK companies	(32)	(44)	(1)	(1)	(33)	(45)
German companies	(205)	(206)	-	-	(205)	(206)
French companies	(147)	(103)	-	-	(147)	(103)
Other	(23)	(27)	(15)	(16)	(38)	(43)
	(481)	**(448)**	**(146)**	**(153)**	**(627)**	**(601)**

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

b Primarily related to medical coverage (hospitalization, surgery, doctor visits and drug prescriptions), post-retirement and life insurance benefits for certain employees and retirees in the United States In accordance with the current regulation in relation to the funding policy of this type of plan, the plan is not funded The main risks for the group related to changes in discount rates as well as the increase in the cost of benefits (please refer to the sensitivity analysis described in Note 17 2 1)

17 2.4 Benefits estimation and future payments

For 2016, hedge fund contributions and benefit payments by Vivendi to retirees are estimated to be €53 million in respect of pensions, of which €34 million relates to pension funds and €9 million relates to post-retirement benefits

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

(in millions of euros)	Pension benefits	Post-retirement benefits
2016	63	11
2017	27	10
2018	29	10
2019	32	10
2020	36	10
2021-2025	185	48

Note 18 Share-based compensation plans

18 1 Plans granted by Vivendi

18 1 1 Equity-settled instruments

Transactions on outstanding instruments, which have occurred since January 1, 2014 were as follows

	Stock options		Performance shares
	Number of outstanding stock options	Weighted average strike price of outstanding stock options	Number of outstanding performance shares
	(in thousands)	(in euros)	(in thousands)
Balance as of December 31, 2013	**52,835**	**19 7**	**5,344**
Granted	-	na	380
Exercised	(11,264) (a)	17 5	(1 600)
Forfeited	(717)	17 5	na
Cancelled (b)	(571)	13 7	(440)
Adjusted (c)	2,439	19 1	183
Balance as of December 31, 2014	**42,722**	**19 3**	**3,867**
Granted	-	na	1,566
Exercised	(10 882) (a)	18 4	(1,968)
Forfeited	(481)	19 0	na
Cancelled	(28)	11 8	(920) (b)
Balance as of December 31, 2015	**31,331** (d)	**19 7**	**2,545** (e)
Exercisable as of December 31, 2015	**31,331**	**19 7**	**-**
Acquired as of December 31, 2015	**31,331**	**19 7**	**650**

na not applicable

a As of the stock option exercise dates, the weighted average price for Vivendi shares was €22 14 (compared to €19 68 for stock options exercised in 2014)

b At its meeting held on February 27, 2015, after review by the Governance, Nominating and Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives set for the cumulative fiscal years 2013 and 2014 for performance share plans granted in 2013 It confirmed that not all the criteria had been met for fiscal year 2014 The final grant of the 2013 performance share plans represents, depending on the subsidiaries of the group, between 62% and 80% of the initial grant Consequently, 828,127 rights to performance shares granted in 2013 were cancelled In 2014, the Supervisory Board confirmed a final grant at 88% of the 2012 plans Consequently, among the instruments cancelled in 2014 were 335,784 stock options and 239,207 performance shares granted in 2012

c In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares were adjusted to take into account the impact for the beneficiaries of the distribution on June 30, 2014 of an ordinary distribution of €1 per share from additional paid-in capital This adjustment had no impact on share-based compensation expenses related to the relevant stock option and performance share plans

d The total intrinsic value of outstanding stock options was €57 million

e The weighted-average remaining period before delivering performance shares was 2 2 years

Please refer to Note 15 for the potential impact on the share capital of Vivendi SA of the outstanding stock options and performance shares

Outstanding stock options as of December 31, 2015

Range of strike prices	Number	Weighted average strike price	Weighted average remaining contractual life
	(in thousands)	(in euros)	(in years)
Under €15	2,216	11.9	6.3
€15-€17	8,483	16.0	3.8
€17-€19	2,376	17.2	5.3
€19-€21	5,662	20.2	2.3
€21-€23	6,017	22.9	0.3
€23-€25	6,577	24.7	1.3
€25 and more	-	-	-
	31,331	19.7	2.6

Performance share plans

On February 27, 2015, Vivendi granted 1,449 thousand performance shares to its officers and employees. In 2014, due to changes in the scope which had been implemented, Vivendi did not grant an annual plan to its employees and only granted 380,000 performance shares to a member of the Management Board and certain executive officers of its subsidiaries.

On February 27, 2015, the share price was €21.74 and the expected dividend yield was 4.60%. These shares will vest at the end of a three-year period and the compensation cost is therefore recognized on a straight-line basis over this vesting period. They will then remain unavailable during an additional two-year period. After taking into account a discount for non-transferability of 9.0% of the share price as of February 27, 2015, the fair value of each granted performance share amounted to €16.98, corresponding to an aggregate fair value of €25 million. The accounting methods applied to value and recognize these granted plans are described in Note 1.3.10.

The objectives relating to the performance conditions are assessed over a three-year period in line with what was proposed to, and adopted by, the General Shareholders' Meeting held on June 24, 2014.

The definitive grant is effective upon the satisfaction of the following performance conditions:

- internal indicators (with a weighting of 80%), measured as of December 31, 2017 on a cumulative basis including the 2015, 2016 and 2017 fiscal years:
    - the EBITA margin rate (40%), for each subsidiary, and the group's EBITA margin for the corporate headquarters,
    - the group's EBITA growth rate (10%),
    - the group's earnings per share (30%), and
- external indicators (with a weighting of 20%) tied to changes in Vivendi's share price between January 1, 2015 and December 31, 2017 compared to the STOXX® Europe 600 Media index (15%) and to the CAC 40 (5%).

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 three-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.

In 2015, the charge recognized with respect to equity settled instruments amounted to €11 million, compared to €9 million in 2014.

18.1.2 Employee stock purchase and leveraged plans

On July 16, 2015, Vivendi undertook a capital increase reserved for employees (stock purchase and leveraged plans) which allowed the majority of its employees and retirees to subscribe for Vivendi shares.

These shares, which are subject to certain sale or transfer restrictions, may be subscribed by employees for a maximum discount of 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date of approval of the share capital increase by the Management Board and the subscription price of new shares to be issued. The difference between the subscription price of the shares and the share price on that date represents the benefit granted to the beneficiaries. Furthermore, Vivendi applied a discount for non-transferability in respect of the restrictions on the sale or transfer of the shares during a five-year period, which is deducted from the benefit granted to the employees. The value of the subscribed shares is estimated and fixed at the date of the subscription price for new shares to issue.

The applied valuation assumptions were as follows

	2015
Grant date	June 18
Data at grant date	
Share price (in euros)	23 49
Expected dividend yield	4 26%
Risk-free interest rate	0 36%
5-year interest rate in fine	4 69%
Repo rate	0 36%
Discount for non-transferability per share	16 69%

Under the employee stock purchase plan, 696 thousand shares were subscribed for in 2015 at €18 39 per share
Under the leveraged plan, 3,218 thousand shares were subscribed for in 2015 at €19 21 per share The leveraged plan entitles virtually all employees and retirees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share A financial institution mandated by Vivendi hedges this transaction

In 2015, the charge recognized with respect to employee stock purchase and leveraged plans amounted to €5 million

Stock purchase and leveraged plans resulted in a capital increase (including issue premium) having an aggregate value of €75 million on July 16, 2015
In 2014, no capital increase, reserved for employees of participating group companies that have joined an employee stock purchase and leveraged plans, was put into place by Vivendi

18 1 3 Cash-settled instruments

Stock appreciation right (SAR) plans

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, i e , 2016 and 2017

As of December 31, 2015, the outstanding SAR was 2,878 thousand (compared to 4,427 thousand as of December 31, 2014) In 2015, 1,288 thousand SAR were exercised and 261 thousand have expired As of December 31, 2015 and 2014, the amount accrued for these instruments was non-significant

18.2 UMG long-term incentive plan

Effective from January 1, 2010, UMG implemented long-term incentive arrangements under which certain key executives of UMG were awarded phantom equity units and phantom stock appreciation rights whose value was intended to reflect the value of UMG These units were simply account units and did not represent an actual ownership interest in either UMG or Vivendi The equity units were notional grants of equity that were payable in cash upon settlement in 2015 at the latest, or in certain cases, on an earlier date The stock appreciation rights were essentially options on those notional shares that provided additional compensation tied to any increase in value of UMG over the term

During the third quarter of 2014, one executive, who benefited from the plan, ended his employment contract The phantom equity units and phantom stock appreciation rights that were awarded to him were therefore cancelled and the amount previously accrued for these rights was reversed (€19 million) In July 2015, following the renewal of the employment contract of one executive who benefited from the plan, the remaining rights under the plan vested, and an amount of €16 million was paid as final settlement to the executive

In 2015, the charge recognized with respect to this plan amounted to €3 million, compared to an income of €17 million in 2014 As of December 31 2015, no further amounts were accrued for (€12 million as of December 31, 2014)

18.3 Dailymotion's long-term incentive plan

In 2015, Vivendi implemented a long-term incentive plan for a five-year period with certain key executives of Vivendi, including Mr Dominique Delport, a member of Vivendi's Supervisory Board This plan is linked to the growth of Dailymotion's enterprise value compared to its acquisition value, as it will stand as of June 30, 2020, based upon a third party expertise In case of an increase in Dailymotion's value, the amount of the compensation with respect to the incentive plan is capped at a percentage, depending on the beneficiary, of this increase Within the six months following June 30, 2020, the plan will be settled by a payment in cash, if any

In accordance with IFRS 2, a compensation expense has to be estimated and accounted for at each reporting date until the payment date As of December 31, 2015, given that the acquisition date (June 30, 2015) was close to the closing date, no increase in Dalymotion's value was recorded and, as a result, no charges were accounted for with respect to Dailymotion's long-term incentive plan

Note 19 Borrowings and other financial liabilities

	Note	December 31 2015				December 31 2014		
(in millions of euros)		Total	Long-term	Short-term		Total	Long term	Short term
Bonds	19 2	1,950	1 450	500		1,950	1 950	-
Bank overdrafts		53	-	53		168	-	168
Accrued interest to be paid		27	-	27		27		27
Other		69	14	55		54	5	49
Bank credit facilities (drawn confirmed)	19 3	-	-	-		-	-	-
Nominal value of borrowings		**2,099**	1 464	635		**2,199**	1,955	244
Cumulative effect of amortized cost and revaluation due to hedge accounting	19 1	14	(3)	17		28	28	
Commitments to purchase non-controlling interests		293	83	210	(a)	87	79	8
Derivative financial instruments	19 7	532	11	521	(b)	33	12	21
Borrowings and other financial liabilities		**2,938**	**1,555**	**1,383**		**2,347**	**2,074**	**273**

a Included the firm commitment of €193 million related to the share repurchase program in place as of December 31, 2015 (please refer to Note 15)

b Included the collar hedge (€483 million) denominated in USD on Vivendi's interest in Activision Blizzard, this instrument was unwound on January 13, 2016 (please refer to Note 12)

19 1 Fair market value of borrowings and other financial liabilities

	December 31, 2015			December 31, 2014		
(in millions of euros)	Carrying value	Fair market value	Level	Carrying value	Fair market value	Level
Nominal value of borrowings	2,099			2,199		
Cumulative effect of amortized cost and revaluation due to hedge accounting	14			28		
Borrowings at amortized cost	2,113	2,272	na	2,227	2,483	na
Derivative financial instruments	532	532	2	33	33	2
Commitments to purchase non-controlling interests	293	293	(a) 1 3	87	87	3
Borrowings and other financial liabilities	**2,938**	**3,097**		**2,347**	**2,603**	

na not applicable

a Included the firm commitment of €193 million related to the share repurchase program in place as of December 31 2015, classified in Level 1 (please refer to Note 15)

19 2 Bonds

(in millions of euros)	Interest rate (%) nominal	effective	Maturity	December 31 2015	December 31, 2014
€750 million (March 2010)	4 000%	4 15%	Mar-17	750	750
€700 million (December 2009)	4 875%	4 95%	Dec-19	700	700
€500 million (December 2009)	4 250%	4 39%	Dec-16	500	500
Nominal value of bonds				**1,950**	**1,950**

Bonds denominated in euros are listed on the Luxembourg Stock Exchange

Bonds issued by Vivendi SA 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 if, as a result of any such event, the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-)

19 3 Bank credit facilities

Vivendi SA has a €2 billion bank credit facility, undrawn as of December 31, 2015 On October 30, 2015, the maturity of this credit facility was extended for one year, to October 2020

This bank credit facility contains customary provisions relating to events of default and covenants relating to negative pledge, divestiture and merger transactions In addition, at the end of each half year, Vivendi SA is required to comply with a Proportionate Financial Net Debt[2] to EBITDA[3] financial covenant over a 12-month rolling period not exceeding 3 for the duration of the loan Non-compliance with this covenant could result in the early redemption of the facility if it were drawn, or its cancellation As of December 31, 2015, Vivendi SA was in compliance with its financial covenant

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

In addition, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Note 23) In July 2015, its maturity date was extended to February 28, 2018, This letter of credit is guaranteed by a syndicate of international banks with which Vivendi signed a Reimbursement Agreement that includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account This cash deposit could be used in priority against a claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit

19.4 Borrowings by maturity

(in millions of euros)	December 31 2015		December 31 2014	
Maturity				
< 1 year (a)	635	*30%*	244	*11%*
Between 1 and 2 years	762	*36%*	505	*23%*
Between 2 and 3 years	2	-	750	*34%*
Between 3 and 4 years	700	*34%*	-	-
Between 4 and 5 years	-	-	700	*32%*
> 5 years	-	-	-	-
Nominal value of borrowings	**2,099**	***100%***	**2,199**	***100%***

a As of December 31, 2015, short-term borrowings (with a maturity period of less than one year) mainly included Vivendi SA's bonds for €500 million, maturing in December 2016, as well as bank overdrafts for €53 million As of December 31, 2014, they mainly included bank overdrafts for €168 million

As of December 31, 2015, the average "economic" term of the group's financial debt, pursuant to which all undrawn amounts on available medium term credit lines may be used to redeem group borrowings with the shortest term was 4 6 years (compared to 4 9 years at year-end 2014)

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

As of December 31, 2015, the future undiscounted cash flows related to borrowings and other financial liabilities amounted to €3,145 million (compared to a carrying value of €2,938 million) and are presented in Note 22 1 within the group's contractual minimum future payments schedule

19 5 Breakdown by nature of interest rate

(in millions of euros)	December 31, 2015		December 31 2014	
Fixed interest rate	2,002	95%	1 995	91%
Floating interest rate	97	5%	204	9%
Nominal value of borrowings before hedging	**2,099**	***100%***	**2,199**	***100%***
Pay-fixed interest rate swaps	450		*450*	
Pay-floating interest rate swaps	*(1,450)*		*(1 450)*	
Net position at fixed interest rate	***(1,000)***		***(1,000)***	
Fixed interest rate	1,002	48%	995	45%
Floating interest rate	1,097	52%	1,204	55%
Nominal value of borrowings after hedging	**2,099**	***100%***	**2,199**	***100%***

Interest rate risk

Vivendi's interest rate risk management seeks to reduce its net exposure to interest rate increases Therefore, Vivendi uses pay-floating and pay-fixed interest rate swaps These instruments thus enable the group to manage and reduce volatility for future cash flows related to interest payments on borrowings Considering the fixed/floating rate hedging instruments implemented, an unfavorable change of 1% in the interest rates would have a cumulative impact of -€10 million on net earnings

As a reminder, in December 2014, concomitantly with the redemption of the bonds having make-whole options, Vivendi made an early settlement of pay-floating interest rate swaps having a notional amount of €750 million and €400 million As of December 31, 2015, the portfolio of Vivendi's interest rate hedging instruments included the following swaps (unchanged as of December 31, 2014)

	Notional amounts			Fair value			
	Total	Maturity		December 31, 2015		December 31, 2014	
(in millions of euros)		2016	2017	Assets	Liabilities	Assets	Liabilities
Pay-fixed interest rate swaps	450	-	450	-	(9)	-	(12)
Pay-floating interest rate swaps	(1,450)	(1,000)	(450)	49	-	75	-
Net position at fixed interest rate	**(1,000)**	**(1,000)**	**-** (a)	**49**	**(9)**	**75**	**(12)**
Breakdown by accounting category of rate hedging instruments							
Fair Value Hedge	(1,000)	(1,000)		19	-	35	-
Economic Hedging (b)	-		- (a)	30	(9)	40	(12)

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

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

19 6 Breakdown by currency

(in millions of euros)	December 31 2015		December 31, 2014	
Euro - EUR	2,052	98%	2 162	98%
Other	47	2%	37	2%
Nominal value of borrowings before hedging	**2,099**	***100%***	**2,199**	***100%***
Currency swaps USD	*799*		*748*	
Other currency swaps	*(126)*		*(52)*	
Net total of hedging instruments (a)	***673***		***696***	
Euro - EUR	2,725	130%	2 858	130%
US dollar - USD	(799)	-38%	(748)	-34%
Other	173	8%	89	4%
Nominal value of borrowings after hedging	**2,099**	***100%***	**2,199**	***100%***

a Notional amounts of hedging instruments translated into euros at the closing rates

Foreign currency risk

The group's foreign currency risk management is centralized by Vivendi SA's Financing and Treasury Department and primarily seeks to hedge budget exposures (at an 80% level) resulting from monetary flows generated by activities performed in currencies other than the euro as well as from external firm commitments (at a 100% level), primarily relating to the acquisition of editorial content (e g , 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 period of less than one year Considering the foreign currency hedging instruments established, an unfavorable and uniform euro change of 1% against all foreign currencies in position as of December 31, 2015, would have a non-significant cumulative impact on net earnings (below €1 million) In addition, the group may hedge foreign currency exposure resulting from foreign-currency denominated financial assets and liabilities Moreover, due to their non-significant nature, net exposures related to subsidiaries' net working capital (internal flows of royalties as well as external purchases) are generally not hedged The associated risks are settled at the end of each month by translating the amounts into the functional currency of the relevant operating entities

The principal currencies hedged by the group are US dollars (USD) and British pounds (GBP) In 2015 and 2014, to hedge against a possible depreciation of its net investment in certain subsidiaries in the United Kingdom due to an unfavorable change in GBP, Vivendi set up a hedge using forward contracts for a notional amount of £832 million, or €1,141 million at forward rate From an accounting perspective, these hedge instruments were considered as net investment hedges

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

	December 31 2015						
	Notional amounts					Fair value	
(in millions of euros)	**Total**	USD	PLN	GBP	Other	Assets	Liabilities
Sales against the euro	(1,535)	(55)	(290)	(1,159)	(31)	18	(2)
Purchases against the euro	2 212	651	70	1,377	114	16	(37)
Other	-	198	(118)	(13)	(67)	5	(1)
	677	**794**	**(338)**	**205**	**16**	**39**	**(40)**
Breakdown by accounting category of foreign currency hedging instruments							
Cash Flow Hedge							
Sales against the euro	(53)	(4)	(35)	-	(14)	-	-
Purchases against the euro	48	47	-	-	1	2	-
Other	-	24	(24)	-		1	(1)
	(5)	**67**	**(59)**	**-**	**(13)**	**3**	**(1)**
Fair Value Hedge							
Sales against the euro	(325)	(51)	(255)	(18)	(1)	6	(2)
Purchases against the euro	333	312	-	21	-	11	(2)
Other	-	106	(94)	(8)	(4)	4	-
	8	**367**	**(349)**	**(5)**	**(5)**	**21**	**(4)**
Net Investment Hedge							
Sales against the euro	(1,141)	-	-	(1,141)	-	12	
	(1,141)	**-**	**-**	**(1,141)**	**-**	**12**	**-**
Economic Hedging (a)							
Sales against the euro	(17)	-	-	-	(17)	-	-
Purchases against the euro	1 832	292	70	1,356	114	3	(35)
Other	-	68	-	(5)	(63)	-	-
	1,815	**360**	**70**	**1,351**	**34**	**3**	**(35)**

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

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

19.7 Derivative financial instruments

Value on the Statement of Financial Position

(in millions of euros)	Note	December 31 2015		December 31 2014	
		Assets	Liabilities	Assets	Liabilities
Interest rate risk management	19 5	49	(9)	75	(12)
Foreign currency risk management	19 6	39	(40)	43	(21)
Other		27	(483) (a)	21	-
Derivative financial instruments		**115**	**(532)**	**139**	**(33)**
Deduction of current derivative financial instruments		(47)	521	(40)	21
Non-current derivative financial instruments		**68**	**(11)**	**99**	**(12)**

a Related to the collar hedge denominated in USD on Vivendi's interest in Activision Blizzard This instrument was unwound on January 13, 2016 (please refer to Note 12)

Unrealized gains and losses recognized directly in equity

(in millions of euros)	Cash Flow Hedge: Interest rate risk management	Cash Flow Hedge: Foreign currency risk management	Net Investment Hedge	Total
Balance as of December 31, 2013	**9**	**5**	**6**	**20**
Charges and income directly recognized in equity	-	6	(56)	(50)
Items to be reclassified to profit or loss	15	(6)	-	9
Tax effect	-	(2)	-	(2)
Balance as of December 31, 2014	**24**	**3**	**(50)**	**(23)**
Charges and income directly recognized in equity	-	(3)	(66)	(69)
Items to be reclassified to profit or loss	(11)	1	-	(10)
Tax effect	-	1	-	1
Other	-	(1)	-	(1)
Balance as of December 31, 2015	**13**	**1**	**(116)**	**(102)**

19.8 Credit ratings

As of February 10, 2016, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2015, Vivendi's credit ratings were as follows

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

Note 20 Consolidated Cash Flow Statement

20.1 Adjustments

(in millions of euros)	Note	Year ended December 31, 2015	2014
Items related to operating activities with no cash impact			
Amortization and depreciation of intangible and tangible assets	3	716	743
Change in provision, net		(53)	(125)
Other non-cash items from EBIT		(2)	(1)
Other			
Other income from EBIT	4	(745)	(203)
Other charges from EBIT	4	45	30
Proceeds from sales of property, plant, equipment and intangible assets		1	3
Adjustments		**(38)**	**447**

20 2 Investing and financing activities with no cash impact

On June 24, 2015, Vivendi swapped a 4 5% interest in Telefonica Brasil with Telefonica in exchange for 8 24% of Telecom Italia common shares The value of the interest in Telecom Italia amounted to €1,265 million as of this date

On September 16, 2015, Vivendi swapped a 3 5% interest in Telefonica Brasil in exchange for 46 million Telefonica shares (i e , a 0 95% interest) The value of the interest in Telefonica amounted to €538 million In December 2015, Vivendi received 1 4 million Telefonica shares with respect to the payment of a dividend in shares, representing a value of €16 million Please refer to Note 2 3

On November 27, 2014, Vivendi sold 100% of its interest in SFR to Numericable and received €13,166 million in cash as well as 97,387,845 shares in the newly combined entity Numericable-SFR, which represents a 20% interest and voting rights This 20% interest in Numericable-SFR was sold on May 6, 2015 for €3,922 million, €1,948 million received on May 6, 2015 and €1,974 million received on August 19, 2015

In 2015 and 2014, there was no significant financing activity without cash impact

Note 21 Related party transactions

As of December 31, 2015, Vivendi's main related parties were

- corporate officers who are members of Vivendi's Supervisory Board and Management,
- subsidiaries over which Vivendi exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence (please refer to Note 24 for major consolidated entities or entities accounted under equity method),
- all companies in which corporate officers or their close relatives hold significant voting rights, and
- minority shareholders exercising a significant influence over group subsidiaries as of December 31, 2015

21.1 Corporate officers

Situation of corporate officers

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

Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting on June 24, 2014, appointed Mr Vincent Bolloré as Chairman The Board also appointed Mr Pierre Rodocanachi as Vice-Chairman and Mr Jean-René Fourtou, as Honorary Chairman

On June 24, 2014, the Supervisory Board also appointed Mr Hervé Philippe and Mr Stéphane Roussel as members of the Management Board, to serve alongside Mr Arnaud de Puyfontaine, Chairman

On April 17, 2015, Vivendi's General Shareholders' Meeting notably appointed two new Supervisory Board members Mr Tarak Ben Ammar and Mr Dominique Delport Thereafter, on September 2, 2015, the Supervisory Board co-opted Ms Catherine Lawson-Hall as a member of the Supervisory Board This co-option will be submitted to the next General Shareholders' Meeting of April 21, 2016 for ratification

The Supervisory Board is currently comprised of 14 members, including an employee shareholder representative and an employee representative It is made up of six women, i e a ratio of 46% (in accordance with Law n°2011-103 of January 27, 2011, the employee representative is not taken into account for the calculation of this percentage)

On November 10, 2015, the Supervisory Board appointed Mr Frédéric Crépin, Group General Counsel, and Mr Simon Gillham, Chairman of Vivendi Village and Senior Executive Vice President, Communications, as members of the Management Board

The Management Board is currently comprised of five members

Compensation of corporate officers

Management Board

The gross compensation, including benefits in kind, paid by the group in 2015 to the members of the Management Board amounted to €4 7 million, pro rata to their term of office This amount comprised the fixed compensation (€2 5 million) and the variable compensation paid with respect to 2014 (€2 2 million), as approved by the Supervisory Board on February 27, 2015 and November 10, 2015

On February 18, 2016, the Supervisory Board approved the variable compensation of members of the Management Board with respect to 2015, to be paid in 2016 for an aggregate amount of €3 1 million, pro rata to their term of office, as well as the achievement rate of the 2014 performance share plan granted to Mr Arnaud de Puyfontaine, who consequently received 79,123 performance shares (i e , 75% of the initial grant)

The Chairman of the Management Board, Mr Arnaud de Puyfontaine, renounced his employment contract In accordance with the provisions approved by the General Shareholders' Meeting held on April 17, 2015, he was granted a contractual severance package in the event of forced departure and subject to the satisfaction of performance conditions

In 2014, the three members of the Management Board, in office as of December 31, 2014, received a fixed compensation of €1 6 million, in respect of their position as corporate officers

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

The charge recorded by Vivendi with respect to equity-settled share-based compensation plans granted to the current members of the Management Board amounted to €1 9 million in 2015 (€2 1 million in 2014)

The charge recorded by Vivendi with respect to the vested rights under the pension commitments of the Management Board members in office as of December 31, 2015 amounted to €4 1 million (compared to 2 2 million in 2014) The amount of net pension obligations toward the members of the Management Board in office as of December 31, 2015 amounted to €21 2 million as of this date The former Chairman of the Management Board, who served until June 24, 2014, exercised, on that date, his pension benefit rights after 23 years of service within the group and a debit on plan assets was recorded for €9 4 million

Supervisory Board

For 2015, the Supervisory Board decided, at its meeting held on February 27, 2015 and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, to grant the payment of an annual director's fee of €60,000 to the Chairman of the Supervisory Board and to offset it against his annual compensation capped at €400,000, which was consequently reduced to €340,000 and remains subject to the same performance conditions used to calculate the 2015 variable compensation of the Management Board members On February 18, 2016, the Supervisory Board approved the level of satisfaction of performance conditions and as a result, decided to set the compensation of the current Chairman of the Supervisory Board at €340,000 for 2015

For the period from June 24 to December 31, 2014, the compensation of the Chairman of the Supervisory Board in office, paid in 2015, amounted to €207,778 on a *prorata temporis* basis The fixed compensation paid to the Chairman of the Supervisory Board in office until June 24, 2014 amounted to €338,333 on a *prorata temporis* basis

The gross amount of directors' fees paid to the remaining members of the Supervisory Board with respect to 2015 was €1,131,666 (compared to €1,048,571 in 2014) Moreover, at its meeting held on April 4 and 5, 2014, the Supervisory Board decided to award an additional compensation of €130,000 to members of the *ad hoc* Committee, in recognition of the workload due to its mandate and the high quality of the work they had contributed

Moreover, at its meeting held on September 2, 2015, Vivendi's Supervisory Board authorized the Management Board to enter into an agreement with Mr Dominique Delport, a member of Vivendi's Supervisory Board, for a five-year period as from October 1, 2015 Pursuant to the terms of this services contract, Mr Delport provides assistance and advice regarding the creation and use of new digital contents as part of the development of Vivendi Contents and Dailymotion, for an annual fee capped at €500,000 As part of this contract, Vivendi paid €75,000 in 2015 In addition, pursuant to the terms of this contract, Mr Delport was granted a long-term incentive plan, as described in Note 18

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

21 2 Other related parties

A list of Vivendi's major consolidated entities or entities accounted under equity method is presented in Note 24

- The transactions between consolidated companies are not included in the group's Consolidated Financial Statements
- A list of the companies over which Vivendi exercises a significant influence is presented in Note 11 It is primarily comprised of Telecom Italia held at 21% by Vivendi, and Vevo, held at 49% by Universal Music Group The transactions with companies accounted for under the equity method are presented in the table below

Companies in which Vivendi's corporate officers or their close relatives hold significant voting rights are notably

- Bolloré Group and its subsidiaries, directly or indirectly controlled by Mr Vincent Bolloré, Chairman of Vivendi's Supervisory Board, and his family,
- Havas Group and its subsidiaries, 60% held by Bolloré Group, and
- Quinta Communications, held by Mr Tarak Ben Ammar

Since April 9, 2015, Bolloré Group holds 196 4 million Vivendi shares As of December 31, 2015, these shares represented approximately 14% of Vivendi's share capital Vivendi paid, on April 23, 2015, a dividend of €196 4 million to Group Bolloré, with respect to fiscal year 2014, and, on June 29, 2015, an interim dividend of €196 4 million, with respect to fiscal year 2015 On February 3, 2016, Vivendi paid a second interim dividend of €196 4 million to Group Bollore, with respect to 2015

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

(in millions of euros)	2015	2014
Assets		
Trade accounts receivable and other	37	22
Of which Havas Group	*1*	*1*
Liabilities		
Trade accounts payable and other	13	10
Of which Havas Group	*3*	*3*
Bolloré Group	*3*	-
Statement of earnings		
Operating income	156	100
Of which Havas Group	*3*	*2*
Telecom Italia	*7*	-
Operating expenses	(61)	(72)
Of which Havas Group	*(25)*	*(24)*
Bolloré Group	*(9)*	*(9)*
Advertising transactions		
Of which advertising sales realized via Havas' agencies	*99*	*89*
media costs realized via Havas' agencies	*(74)*	*(62)*

The following constitutes complementary information about certain related parties' transactions Certain Havas Group's subsidiaries render operating services to Vivendi and its subsidiaries on an arm's-length basis Regarding Canal+ Group

- as part of their advertising campaigns, customers of Havas Group entered into transactions with Canal+ Group through media agencies for an aggregate amount of €95 million in 2015 (€89 million in 2014),
- as part of the advertising campaigns developed for Canal+, Canalsat and Canalplay, Canal+ Group entered into transactions with major media companies through Havas Group and its media agencies for €72 million in 2015 (€62 million in 2014),
- media and production services, broadcasting rights and fees were completed by Havas Group and its subsidiaries for €13 million in 2015 (€9 million in 2014), and
- Havas Group and its subsidiaries designed and developed advertising campaigns in favor of Canal+ Group for €11 million in 2015 (€13 million in 2014)

In addition, on October 8, 2015, Studiocanal and Quinta Communications entered into an agreement to sell video, TV and Video-on-demand exploitation rights in France and in other French-speaking territories for 28 movies The initial duration of this contract is five years In 2015, this contract represented a non-significant amount for Studiocanal

Note 22 Contractual obligations and other commitments

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

- contracts entered into, which relate to the group's business operations, such as content commitments (please refer to Note 10 2), contractual obligations and commercial commitments recorded in the Statement of Financial Position, including finance leases, off-balance sheet operating leases and subleases and off-balance sheet commercial commitments, such as long-term service contracts and purchase or investment commitments,
- commitments related to the group's consolidation scope contracted through acquisitions or divestitures such as share purchase or sale commitments, contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares, commitments resulting from shareholders' agreements and collateral and pledges granted to third parties over Vivendi's assets,
- commitments related to the group's financing undrawn confirmed bank credit facilities as well as the management of interest rate, foreign currency and liquidity risks (please refer to Note 19), and
- contingent assets and liabilities related to litigation in which Vivendi and/or its subsidiaries are either plaintiff or defendant (please refer to Note 23)

22.1 Contractual obligations and commercial commitments

(in millions of euros)	Note	Minimum future payments as of December 31 2015				Total minimum future payments as of December 31 2014
		Total	Due in			
			2016	2017 - 2020	After 2020	
Borrowings and other financial liabilities		3,145	1 459	1 669	17	2,623
Content liabilities	10 2	2 589	2 516	69	4	2 433
Consolidated statement of financial position items		**5,734**	**3,975**	**1,738**	**21**	**5,056**
Contractual content commitments	10 2	6 622	2,345	4 219	58	6,135
Commercial commitments		1,069	350	555	164	1,160
Operating leases and subleases		680	96	340	244	640
Net commitments not recorded in the consolidated statement of financial position		**8,371**	**2,791**	**5,114**	**466**	**7,935**
Contractual obligations and commercial commitments		**14,105**	**6,766**	**6,852**	**487**	**12,991**

Off balance sheet commercial commitments

(in millions of euros)	Minimum future payments as of December 31, 2015				Total minimum future payments as of December 31, 2014
	Total	Due in			
		2016	2017 - 2020	After 2020	
Satellite transponders	605	102	360	143	752
Investment commitments	64	45	19	-	85
Other	553	268	264	21	510
Given commitments	**1,222**	**415**	**643**	**164**	**1,347**
Satellite transponders	(144)	(59)	(85)	-	(187)
Other	(9)	(6)	(3)	-	-
Received commitments	**(153)**	**(65)**	**(88)**	**-**	**(187)**
Net total	**1,069**	**350**	**555**	**164**	**1,160**

Off balance sheet operating leases and subleases

(in millions of euros)	Minimum future leases as of December 31, 2015				Total minimum future leases as of December 31, 2014
	Total	Due in			
		2016	2017 2020	After 2020	
Buildings	701	110	345	246	652
Other	1	1	-		6
Leases	**702**	**111**	**345**	**246**	**658**
Buildings	(22)	(15)	(5)	(2)	(18)
Subleases	**(22)**	**(15)**	**(5)**	**(2)**	**(18)**
Net total	**680**	**96**	**340**	**244**	**640**

In addition, in October 2015, Universal Music Group entered into an agreement for lease with respect to the off-plan office space of approximately 15,000 m² located in the King's Cross area in London The lease is expected to be signed upon delivery of the premises in 2017 for a 15-year period

22.2 Other commitments given or received relating to operations

Given commitments amounted to a cumulative amount of €68 million (compared to €87 million as of December 31, 2014) In addition, Vivendi grants guarantees in various forms to financial institutions or service providers on behalf of its subsidiaries in the course of their operations

Received commitments amounted to a cumulative amount of €40 million (compared to €49 million as of December 31, 2014)

22 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

- call and put options on Orange's interest in Dailymotion (please refer to Note 2 1),
- call and put options on the interests in Radionomy held by minority shareholders (please refer to Note 2 6),
- project to invest in the future Banijay Zodiak Group (please refer to Note 2 7), and
- liquidity rights in respect of the strategic partnership between Canal+ Group, ITI and TVN (please refer to Note 22 5 below)

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

22.4 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		
	Sale of GVT (May 2015)	Representations and warranties, limited to specifically identified tax matters capped at BRL 180 million (please refer to Note 2)	-
	Sale of the 20% interest in SFR to Numericable-SFR (February 2015)	Commitments undertaken in connection with the sale (please refer to Note 2)	-
(a)	Sale of Maroc Telecom group (May 2014)	Commitments undertaken in connection with the sale	-
(b)	Sale of Activision Blizzard (October 2013)	- Unlimited general guarantees and - Tax guarantees capped at $200 million under certain circumstances	- -
	Merger of Cyfra+ and "n" platforms (November 2012)	Reciprocal guarantees in favor of TVN, not implemented and expired on July 1 2015 - 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)	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
	Divestiture of PTC shares (December 2010)	Commitments undertaken in order to end litigation over the share ownership of PTC - Guarantees given to the Law Debenture Trust Company (LDTC) for an amount up to 18 4% for the first €125 million 46% between €125 million and €288 million, and 50% thereafter, and - Guarantee given to Poltel Investment's (Elektrim) administrator	-
(d)	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
	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
	Divestiture of NC Numericable (March 2005)	Specific guarantees capped at €241 million (including tax and social risks) not implemented and expired as of December 31, 2014	2014
	NBC Universal transaction (May 2004) and subsequent amendments (2005 - 2010)	- Breaches of tax representations, - Obligation to cover the Most Favored Nation provisions and - End of claims related to remedial actions since May 11 2014	- - 2014
	Divestiture of Canal+ Nordic (October 2003)	Distribution guarantees not implemented and expired as of December 31, 2014 given in favor of CanalDigital and Telenor Broadcast Holding by a former subsidiary	2014
(e)	Sale of real estate assets (June 2002)	Autonomous first demand guarantees given to Nexity capped at €150 million in total (tax and decennial guarantees)	2017
	Divestiture of Sithe (December 2000)	Specific guarantees capped at $480 million (environmental commitments of which potential liabilities related to contamination risks)	-
	Other contingent liabilities	Cumulated amount of €11 million (compared to €7 million as of December 31, 2014)	-
	Contingent assets		
	Merger of Cyfra+ and "n" platform (November 2012)	Reciprocal guarantees in favor of TVN not implemented and expired on July, 1, 2015 - PLN 1 billion in the event of a breach of any representation or warranty or covenants - PLN 300 million in the event of a breach of specific representation or warranty and - PLN 145 million related to Neovision's unutilized tax losses carried forward	2015
	Acquisition of 40% of N Vision (November 2012)	Guarantees made by ITI capped at approximately - €28 million for general guarantees, expired on May 30, 2014, and - €277 million for specific guarantees (including tax matters expiring in 2016 free and full ownership of shares sold, authorizations/approvals for the exercise of the activity)	2014 -
(c)	Acquisition of Bolloré Group's channels (September 2012)	Guarantees capped at €120 million	2017
	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	- -
	Acquisition of Kinowelt (April 2008)	Specific guarantees notably on film rights granted by the sellers	-
	Divestiture of NC Numericable (March 2005)	€151 million counter-guaranteed by Orange, expired as of December 31 2014	2014
	Divestiture of Xfera (2003)	Guarantees amount to €71 million	-
	Other contingent assets	Cumulated amount of €90 million (compared to €86 million as of December 31 2014)	-

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

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

   Vivendi has agreed to counter-guarantee SFR for any amount that could be claimed by Etisalat or any third party other than Etisalat in relation to the sale of its interest in Maroc Telecom
   - with respect to the sale agreement entered into with Etisalat, this commitment will expire upon termination of Etisalat's right to make a claim against Vivendi and SFR, i e , May 14, 2018, and
   - this commitment, which also covers any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable Group within the applicable statutes of limitations

b 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 fiscal years ending on or prior to December 31, 2016

   As a reminder, as part of the creation of Activision Blizzard in July 2008, Activision and Vivendi entered into customary agreements for this type of transaction, including tax sharing and indemnity agreements

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

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

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

On October 28, 2009, the French Competition Authority opened an enquiry in respect of the implementation of certain undertakings given by Canal+ Group in connection with the merger of Canalsatellite and TPS

On December 21, 2012, the French Council of State rejected Vivendi and Canal + Group's filed motions requesting the annulment of the French Competition Authority's decisions of September 20, 2011 and July 23, 2012 Under the first motion, the €30 million fine imposed on Canal+ Group was reduced to €27 million Under the second motion, the transaction was once again cleared, subject to compliance with 33 injunctions

Canal+ Group has implemented a number of these injunctions, some since July 23, 2012 and others since October 23, 2012 The injunctions mainly focus on

- Acquisition of movie rights
  - by limiting the duration of output deals with American studios to three years, requiring separate agreements for different types of rights (e g , first pay-TV window, second pay-TV window, series) and prohibiting output deals for French films, and
  - by the Canal+ Group divesting its interest in Orange Cinema Series – OCS SNC or by adopting measures limiting its influence over Orange Cinema Series – OCS SNC On February 4, 2013, at the request of Multithématiques and to comply with the injunction ordered by the French Competition Authority on July 23, 2012, the members of Orange Cinema Series - OCS SNC's Board of Directors resigned from their positions As a result, Multithématiques appointed by letter with an effective date of February 4, 2013, two independent representatives with no affiliation to Multithématiques to the Board of Directors of Orange Cinema Series - OCS SNC
- Distribution of pay-TV special-interest channels
  - by the distribution of a minimum number of independent channels, the distribution of any channel holding premium rights, and by drafting a model distribution deal relating to independent channels included in the Canalsat offer,
  - by the obligation to promote, in a transparent and separate manner, the distribution of exclusive independent channels on each owned platform serving more than 500,000 subscribers, and
  - by making all its own movie channels distributed by Canal+ Group (Ciné+ channels) available to third-party distributors (unbundling)
- Video-on-demand (VOD) and subscription video-on-demand (SVOD)
  - by separating contracts entered into for the purchase of VOD and SVOD rights on a non-exclusive basis, and not combining them with rights purchased for linear distribution on pay-TV,
  - by offering Studiocanal's VOD and SVOD rights to any interested operator, and
  - by forbidding exclusive distribution deals for the benefit of Canal+ Group's VOD and SVOD offers on Internet Service Providers platforms

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

e 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 (SAS Nexim 1 to 6) The guarantees are effective until June 30, 2017

Several guarantees given 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 notably in connection with the winding-up of certain businesses or the dissolution of entities 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

22.5 Shareholders' agreements

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

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

Strategic partnership among Canal+ Group, ITI, and TVN

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

- Canal+ Group has a call option to acquire TVN's 32% interest in nc+ at market value, which is exercisable during the two three-month periods beginning November 30, 2015 and November 30, 2016, and
- in the event that Canal+ Group does not exercise its call option, TVN has liquidity rights in the form of an initial public offering of its interest in nc+

In addition, in compliance with Article L 225-100-3 of the French Commercial Code, it is stated that certain rights and obligations of Vivendi under shareholders' agreements (nc+) may be amended or terminated in the event of a change in control of Vivendi or a tender offer for Vivendi's shares These shareholders' agreements are subject to confidentiality provisions

22 6 Collaterals and pledges

As of December 31, 2015 and 2014, no asset in Vivendi's Statement of Financial Position was subject to a pledge or mortgage for the benefit of third parties

Note 23 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 Legal 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, 2015, provisions recorded by Vivendi for all claims and litigations amounted to €1,222 million, compared to €1,206 million as of December 31, 2014 (please refer to Note 16)

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a significant effect on the company 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 10, 2016, the date of the Management Board meeting that approved the Financial Statements for the year ended December 31, 2015

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi and Messrs Jean-Marie Messier and Guillaume 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 USD0 13 and USD10 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 has the right to challenge the merits of these claims On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims On December 23, 2014, the Court entered the partial judgment On August 11, 2015, the Court issued a decision whereby it excluded the claims filed by Southeastern Asset Management (SAM), concluding that Vivendi proved that SAM did not make investment decisions based on Vivendi's supposedly fraudulent statements ("lack of reliance ")

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals This appeal will be heard together with Vivendi's appeal in the Liberty Media case in the first quarter of 2016

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

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

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

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Messrs 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 Securities 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, 2001until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believes it has strong arguments On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the Class Action judgment is entered so that the two appeals can be heard simultaneously On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the Class Action Vivendi filed its Notice of Appeal in the Class Action on January 21, 2015, these two cases will be heard together by the Court of Appeals in the first quarter of 2016

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, 2015, the provision in the amount of €945 million recorded as of December 31, 2012

Trial of Vivendi's Former Officers in Paris

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

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

LBBW 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 Subsequently, on April 5 and April 23, 2012, two similar complaints were filed against Vivendi the first one by a US pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi based on the same grounds On January 7, 2015, the Paris Commercial Court appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities

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 CEO, between 2000 and 2002 On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities

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

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi The plaintiff, Todd Miller, 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 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 On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled *In Re Activision Blizzard Inc Securities Litigation*

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

In November 2014, the parties reached agreement on a global settlement which would put an end to this dispute On December 19, 2014, the settlement agreement executed between the parties was filed with the Court for formal approval and then the shareholder notification process commenced On May 20, 2015, the Court approved the settlement agreement, which terminated this litigation As a result of this settlement, on June 26, 2015, the Los Angeles Superior Court entered an order dismissing the aforementioned action brought by Todd Miller

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999 On July 3, 2007, the High Court of Nanterre (*Tribunal de grande instance de Nanterre*) ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first decision On November 27, 2008, Unibail appealed this decision On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal The hearing was held on April 2, 2015 The Paris Court of Appeal rendered its decision on June 4, 2015 It ordered Anjou Patrimoine to pay approximately €5 million for building code related improvements However, it denied all of Unibail's other claims Unibail filed an appeal against the judgment of the Paris Court of Appeal, which was notified to Anjou Patrimoine on September 14, 2015

Vivendi Deutschland against FIG

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

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP (now Telefonica Brazil), filed a claim against Vivendi before the Civil Court of São Paulo (*3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo*) The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million Brazilian reals (currently approximately €4 7 million) corresponding to the expenses incurred by Telefonica Brazil in connection with its offer for GVT At the beginning of September 2011, Vivendi filed an objection to jurisdiction, challenging the jurisdiction of the courts of São Paulo to hear a case involving parties from Curitiba This objection was dismissed on February 14, 2012, which was confirmed on April 4, 2012 by the Court of Appeal

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

On September 18, 2014, within the framework of agreements entered into between Vivendi and Telefonica concerning the sale of GVT, the parties agreed to end this dispute without payment to either side On May 28 2015, the date of the completion of the sale of GVT by Vivendi, the parties entered into a settlement agreement which terminated this litigation

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds, former shareholders of GVT, filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange), seeking compensation amounting to the difference between the value of the shares sold by them before Vivendi's acquisition of GVT and BRL70 00 per share According to Dynamo, 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, first, that Dynamo had sold the vast majority of its stake in GVT before November 13, 2009 (the date on which Vivendi took control of GVT) and, second, 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 is expected to be scheduled to discuss the merits of the case 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 On December 17, 2014, the Rio de Janeiro Court of Appeal authorized the provision of the abovementioned information solely to the arbitral tribunal, denying Dynamo access to the information Notwithstanding the appeals filed by Vivendi, the confidential information was provided by CVM and Bovespa to the arbitral tribunal On December 1, 2015, Dynamo filed a petition requesting access to this information Such request is waiting decision by the arbitral tribunal

Hedging-Griffo against Vivendi

On September 4, 2012, the Hedging-Griffo funds filed a complaint against Vivendi before the Bovespa Arbitration Chamber (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 On July 23, 2015, the parties entered into a settlement agreement which terminated this litigation

Parabole Reunion

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, and the degradation of the channels made available to it Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels and was ordered to replace the TPS Foot channel in the event it is dropped Canal+ Group appealed this decision In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question On September 19, 2008, Parabole Réunion appealed to the French Supreme Court On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion

On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court) On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion and held, after noting that production of the TPS Foot channel had not stopped, that there was no need to replace this channel Parabole Réunion filed a first appeal against this judgment on April 11, 2013 On May 22, 2014, the Versailles Court of Appeal declared this appeal inadmissible due to Parabole Réunion's lack of representative capacity On February 14, 2014, Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision On April 9, 2015, the French Supreme Court overturned the May 22, 2014 decision of the Versailles Court of Appeal in which the appeal filed by Parabole Reunion on April 11, 2013 was declared inadmissible The case was remanded to the Paris Court of Appeal, brought before the Court by Parabole Réunion on April 23, 2015 In parallel, the second appeal filed on February 14, 2014 by Parabole Réunion is currently pending before the Versailles Court of Appeal, following denial by the French Supreme Court on September 18, 2014, of the motion seeking the recusal of the 16th chamber of the Versailles Court of Appeal filed by Parabole Réunion

At the same time, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy These two actions have been consolidated into a single action On April 29, 2014, the Paris Tribunal of First Instance partially recognized the admissibility of Parabole Réunion's claim with respect to the period following June 19, 2008 and recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance The court appointed expert issued its report on December 18, 2015 and the case was argued before the Paris Court of Appeal on January 28, 2016

beIN Sports against the National Rugby League and Canal+ Group

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

On October 9, 2014, the Paris Court of Appeal dismissed the appeal of Canal+ Group and the National Rugby League and directed the National Rugby League to complete a new tender process for rights to the "TOP 14" for the 2015-2016 season as well as the following seasons by no later than March 31, 2015 On October 30, 2014, Canal+ Group appealed against this decision On March 10, 2015, Canal+ Group withdrew its appeal and an order of discontinuance was issued on April 9, 2015, by the President of the Commercial Chamber of the Paris Court of Appeal

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

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

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

Canal+ Group against TF1, M6, and France Télévision

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

Canal+ Group against TF1, and TMC Régie

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

Private Copying Levy Case

On February 5, 2014, a claim was filed with Court of First Instance of Nanterre by Copie France who is seeking compensation in respect of external hard drives used in connection with the G5 set-top boxes Copie France claims that the external drive used by Canal+ is "dedicated" to the set-top box and therefore it should be treated as an integrated hard drive Copie France therefore believes that the applicable amount of the compensation should be higher Copie France subsequently expanded its claim, asserting that the amount of compensation applicable to the "multimedia hard drive" with 80 GB capacity should be also higher

Aston France against Canal+ Group

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

Pro D2

On July 8, 2015, Altice filed an application for interim measures and a referral on the merits with the French Competition Authority concerning the practices of Canal+ Group, Eurosport and the National Rugby League (the "NRL") during the allocation of Pro D2 broadcast rights Altice is challenging the way the broadcasting rights to French Pro D2 Rugby for the 2015/2016 to 2019/2020 seasons were commercialized by the NRL during December 2014 The rights bidding process resulted in one portion of the rights being allocated to Eurosport and the other portion being allocated to Canal+ Group on April 3, 2015 The French Competition Authority is expected to rule on the request for interim measures in the first quarter of 2016

Thirel against Canal+ Group

On December 23, 2015, Thirel filed a complaint against Canal+ Group seeking enforcement of a computer services contract, or, in the alternative, an order against Canal+ Group to pay damages

Complaints against Music Industry Majors in the United States

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

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on line sales of music downloads and master ringtones On April 14, 2015, a global transaction terminating the litigation was entered into This settlement transaction is expected to be formally approved by the Court in the first quarter of 2016

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Record and EMI Music Publishing filed a joint complaint against MP3tunes and its founder, Michael Robertson, for copyright infringement on the sideload com and mp3tunes com websites The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records It found the defendants liable for knowingly allowing the unauthorized content on the websites On March 26, 2014, the jury awarded damages in the amount of USD41 million On October 30, 2014 the Court confirmed the verdict but entered judgment in the reduced amount of USD12 2 million The defendants have appealed against the judgment

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

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

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

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

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions have been filed by RTI against Dailymotion before the Civil Court of Rome Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform

Note 24 Major consolidated entities or entities accounted under equity method

As of December 31, 2015, approximately 520 entities were consolidated or accounted for using the equity method (compared to approximately 540 entities as of December 31, 2014)

	Note	Country	December 31 2015			December 31 2014		
			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%***
Société d'Edition de Canal Plus	2 5	France	C	100%	*100%*	C	49%	*49%*
Multithématiques S A S		France	C	100%	*100%*	C	100%	*100%*
Canal+ Overseas S A S		France	C	100%	*100%*	C	100%	*100%*
D8		France	C	100%	*100%*	C	100%	*100%*
Studiocanal S A		France	C	100%	*100%*	C	100%	*100%*
ITI Neovision		Poland	C	51%	*51%*	C	51%	*51%*
VSTV (a)		Vietnam	C	49%	*49%*	C	49%	*49%*
TVN	2 10	Poland	na	-	-	E	49%	*26%*
Universal Music Group, Inc		**United States**	**C**	**100%**	***100%***	**C**	**100%**	***100%***
Universal Music Group Holdings, Inc		United States	C	100%	*100%*	C	100%	*100%*
UMG Recordings, Inc		United States	C	100%	*100%*	C	100%	*100%*
Vevo	11	United States	E	49%	*49%*	E	48%	*48%*
SIG 104		France	C	100%	*100%*	C	100%	*100%*
Universal International Music B V		Netherlands	C	100%	*100%*	C	100%	*100%*
Universal Music Entertainment GmbH		Germany	C	100%	*100%*	C	100%	*100%*
Universal Music LLC		Japan	C	100%	*100%*	C	100%	*100%*
Universal Music France S A S		France	C	100%	*100%*	C	100%	*100%*
Universal Music Holdings Limited		United Kingdom	C	100%	*100%*	C	100%	*100%*
EMI Group Worldwide Holding Ltd		United Kingdom	C	100%	*100%*	C	100%	*100%*
Vivendi Village								
See Tickets		United Kingdom	C	100%	*100%*	C	100%	*100%*
Digitick		France	C	100%	*100%*	C	100%	*100%*
MyBestPro (formerly Wengo)		France	C	100%	*91%*	C	100%	*90%*
Watchever GmbH		Germany	C	100%	*100%*	C	100%	*100%*
L'Olympia (b)		France	C	100%	*100%*	C	100%	*100%*
Radionomy Group	2 6	Belgium	C	64%	*64%*	na	-	-
CanalOlympia	3 1	France	C	100%	*100%*	na	-	-
New Initiatives								
Dailymotion	2 1	France	C	90%	*90%*	na	-	-
Group Vivendi Africa	3 1	France	C	100%	*100%*	na	-	-
Vivendi Contents	3 1	France	C	100%	*100%*	na	-	-
Boulogne Studios	2 6	France	C	100%	*100%*	na	-	-
Other								
Telecom Italia	2 2	Italia	E	21%	*15%*	na	na	*na*
Poltel Investment (Elektrim Telekomunikacja)		Poland	C	100%	*100%*	C	100%	*100%*
Discontinued businesses								
Global Village Telecom S A	2 9	Brazil	na	-	-	C	100%	*100%*

C Consolidated, E Equity, na not applicable

a VSTV (Vietnam Satellite Digital Television Company Limited) is held 49% by Canal+ Group and 51% by VCTV, a subsidiary of VTV (the Vietnamese public television company) This company has been consolidated by Vivendi given that Canal+ Group has both operational and financial control over it pursuant to a general delegation that was granted by the majority shareholder and pursuant to the company's bylaws

b L'Olympia was transferred from Universal Music Group to Vivendi Village as from January 1, 2015

Note 25 Statutory auditors fees

Fees paid by Vivendi SA in 2015 and 2014 to its statutory auditors and members of the statutory auditor firms (including fees related to discontinued operations in 2015 and 2014 at *prorata temporis*, if any) were as follows

	KPMG S A				Ernst & Young et Autres				Total	
	Amount		Percentage		Amount		Percentage			
(in millions of euros)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Statutory audit certification consolidated and individual financial statements audit										
Issuer	0 6	0 6	*20%*	*10%*	0 6	0 7	*10%*	*10%*	1 2	1 3
Fully consolidated subsidiaries	1 4	4 1	*47%*	*73%*	5 2	5 5	*82%*	*75%*	6 6	9 6
Other work and services directly related to the statutory audit										
Issuer	0 1	0 5	*3%*	*9%*	0 2	0 3	*3%*	*4%*	0 3	0 8
Fully consolidated subsidiaries	0 2	0 1	*7%*	*2%*	0 3	0 5	*5%*	*7%*	0 5	0 6
Subtotal	**2.3**	**5.3**	***77%***	***94%***	**6.3**	**7.0**	***100%***	***96%***	**8.6**	**12.3**
Other services provided by the network to fully consolidated subsidiaries										
Legal, tax and social matters	0 6	0 2	*20%*	*3%*	-	0 2	-	*3%*	0 6	0 4
Other	0 1	0 2	*3%*	*3%*	-	0 1		*1%*	0 1	0 3
Subtotal	**0 7**	**0 4**	***23%***	***6%***	**-**	**0 3**	**-**	***4%***	**0 7**	**0 7**
Total	**3 0**	**5 7**	***100%***	***100%***	**6 3**	**7.3**	***100%***	***100%***	**9.3**	**13 0**

Note 26 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 audit exemptions, with respect to fiscal year 2015, under section 479A of the UK Companies Act 2006

Name	Company Number
Backcite Limited	02358972
Centenary UK Limited	03478918
EGW USD	08107589
E M I Overseas Holdings Limited	00403200
EMI (IP) Limited	03984464
EMI Group Electronics Limited	00461611
EMI Group Holdings (UK)	03158108
EMI Group International Holdings Limited	01407770
EMI Group Worldwide	03158106
EMI Limited	00053317
EMI Recorded Music (Chile) Limited	07934340
EMI Records UK Holdco Limited	06388809
UMGI (ATW) Limited	05103127
Universal Music (UK) Holdings Limited	03383881
Universal Music Holdings (UK) Limited	00337803
Universal Music Leisure Limited	03384487
Universal Music Publishing MGB Holding UK Limited	05092413
Universal SRG Artist Services Limited	01890289
Universal SRG Group Limited	00284340
Universal SRG Music Publishing Copyrights Limited	02873472
Universal SRG Studios Limited	03050388
V2 Music Group Limited	03205625
Virgin Music Group	02259349
Virgin Records Overseas Limited	00335444
VRL 1 Limited	03967882

Note 27 Subsequent events

The significant events that occurred between the closing date and February 10, 2016 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the year ended December 31, 2015) were as follows

- On January 13, 2016, Vivendi unwound the hedge denominated in USD of the Activision Blizzard shares that it held, and sold its entire interest The cash proceeds from these transactions amounted to $1,063 million, i e , €976 million The unwinding of these transactions also enabled Vivendi to recover a cash deposit of $0 4 billion (please refer to Note 12),
- On February 3, 2016, following the coupon detachment on February 1, 2016, Vivendi distributed a second interim dividend with respect to fiscal year 2015 for €1,318 million (please refer to Note 15), and
- As of February 10, 2016, Vivendi held 64 6 million treasury shares (please refer to Note 15)