

vivendi

Aug. 31,
2017

FIRST HALF 2017 RESULTS

IMPORTANT NOTICE

Financial statements unaudited and prepared under IFRS

Investors are strongly urged to read the important disclaimer at the end of this presentation

vivendi

ARNAUD DE PUYFONTAINE

Chairman of the Management Board
Chief Executive Officer

STRATEGIC UPDATE

KEY ACHIEVEMENTS

Strong financial performances

- **UMG: transition well on track fueled by the strong take-off of streaming and subscription**
- **Canal+: transformation plan in France delivering tangible results**

Completion of the acquisition of 59.2% stake in Havas

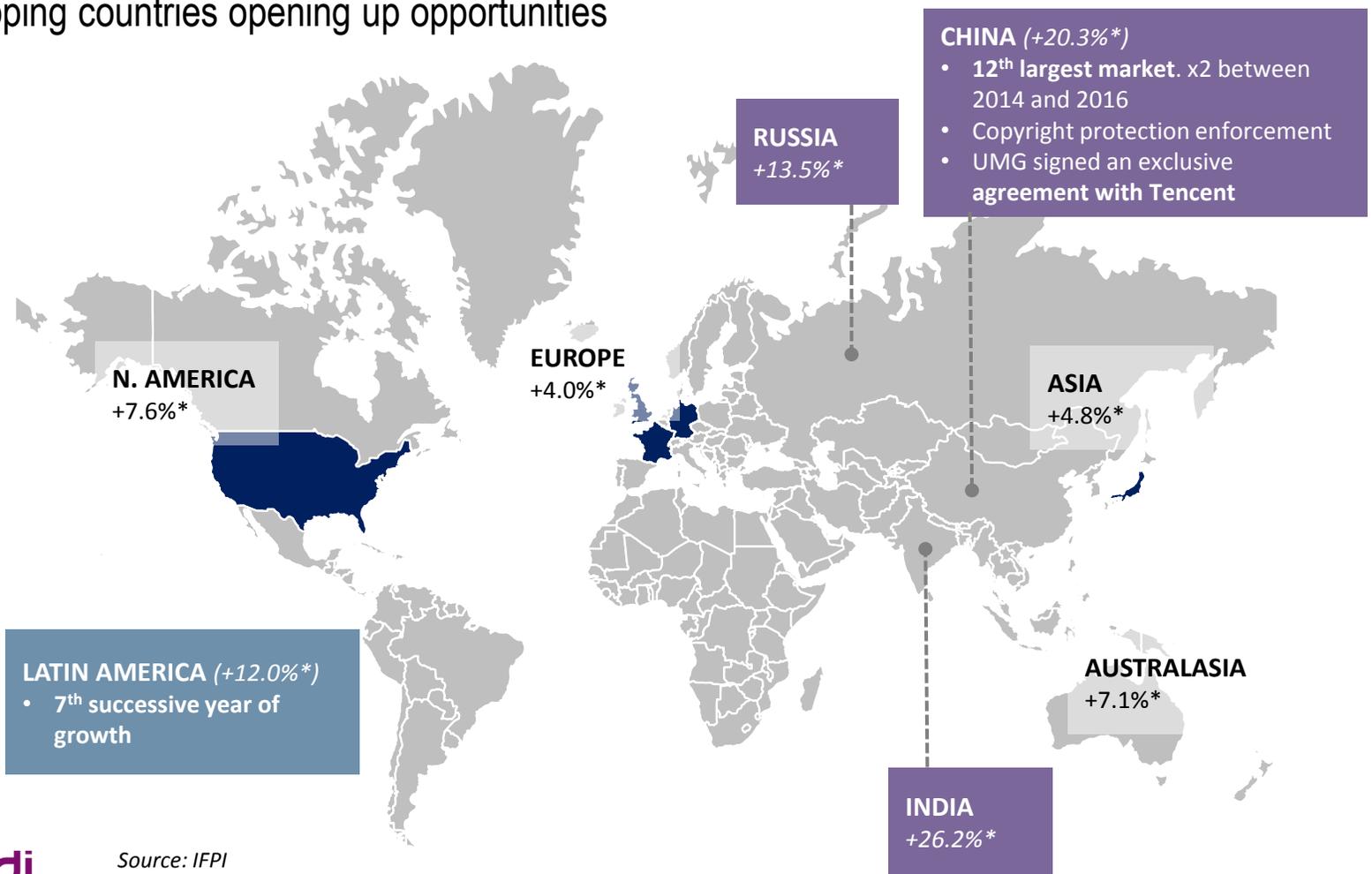
- **Creation of a unique value proposition**

Telecom Italia's transformation plan strengthening its activities

- **Strong operating performances, laying the foundation for a relaunch of the group**

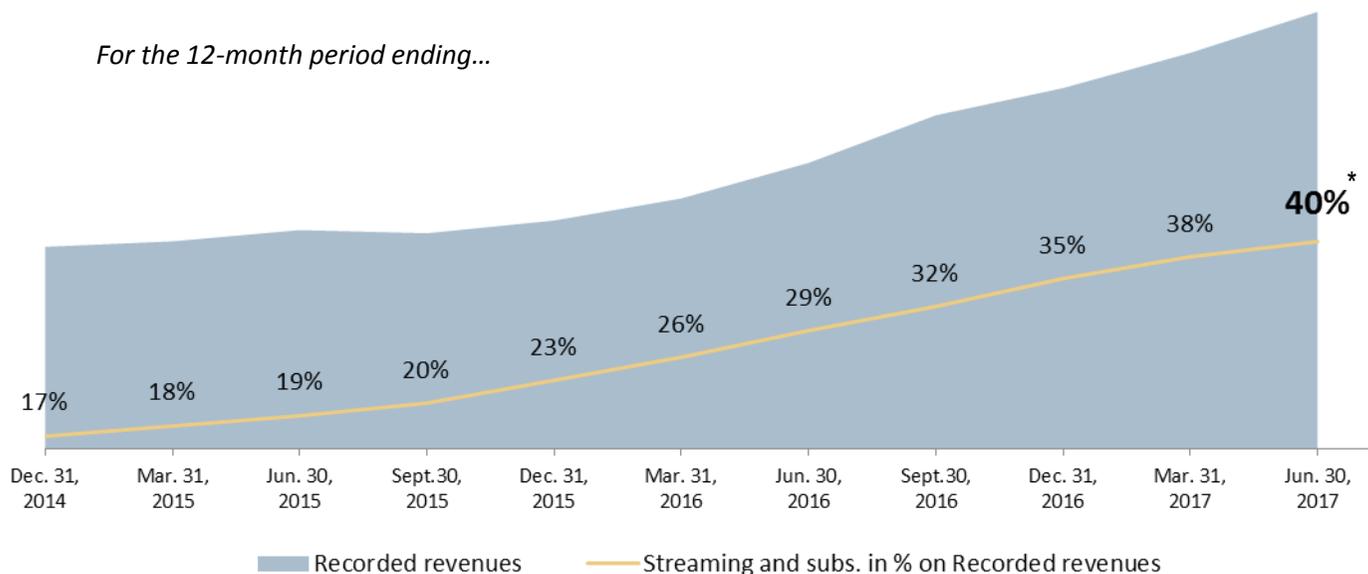
UMG: MUSIC MARKET IN TRANSITION

- Many major markets have returned to growth
- Developing countries opening up opportunities



UMG LEADING THE TRANSITION

- UMG revenues are growing fast, driven by streaming and subscription revenues which have doubled since the end of 2015



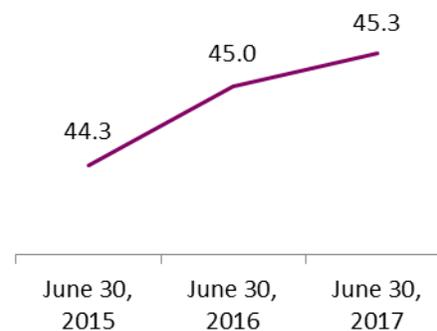
- Through UMG and Vivendi Village, Vivendi is also investing in:
 - 17 festivals around the world
 - Live talent
 - 2 venues in Paris + CanalOlympia in Africa
 - Ticketing activities

CANAL+: TRANSFORMATION PLAN FOCUSED ON VALUE CREATION

RETAIL OFFERS: focus on value

- Recruitments:
 - *2/3 of new subscribers purchase at least one option package*
 - *ARPU for new subscribers on the new offers is higher than with the previous offers*
 - *Almost all of the new subscribers take a 24-month commitment*
- Existing subscriber base: higher value creation through better ARPU/volume balance

ARPU evolution*
(12-month period, in €)



WHOLESALE OFFERS: a wider audience

- Wider penetration of Canal brand: 8m clients** access a Canal offer

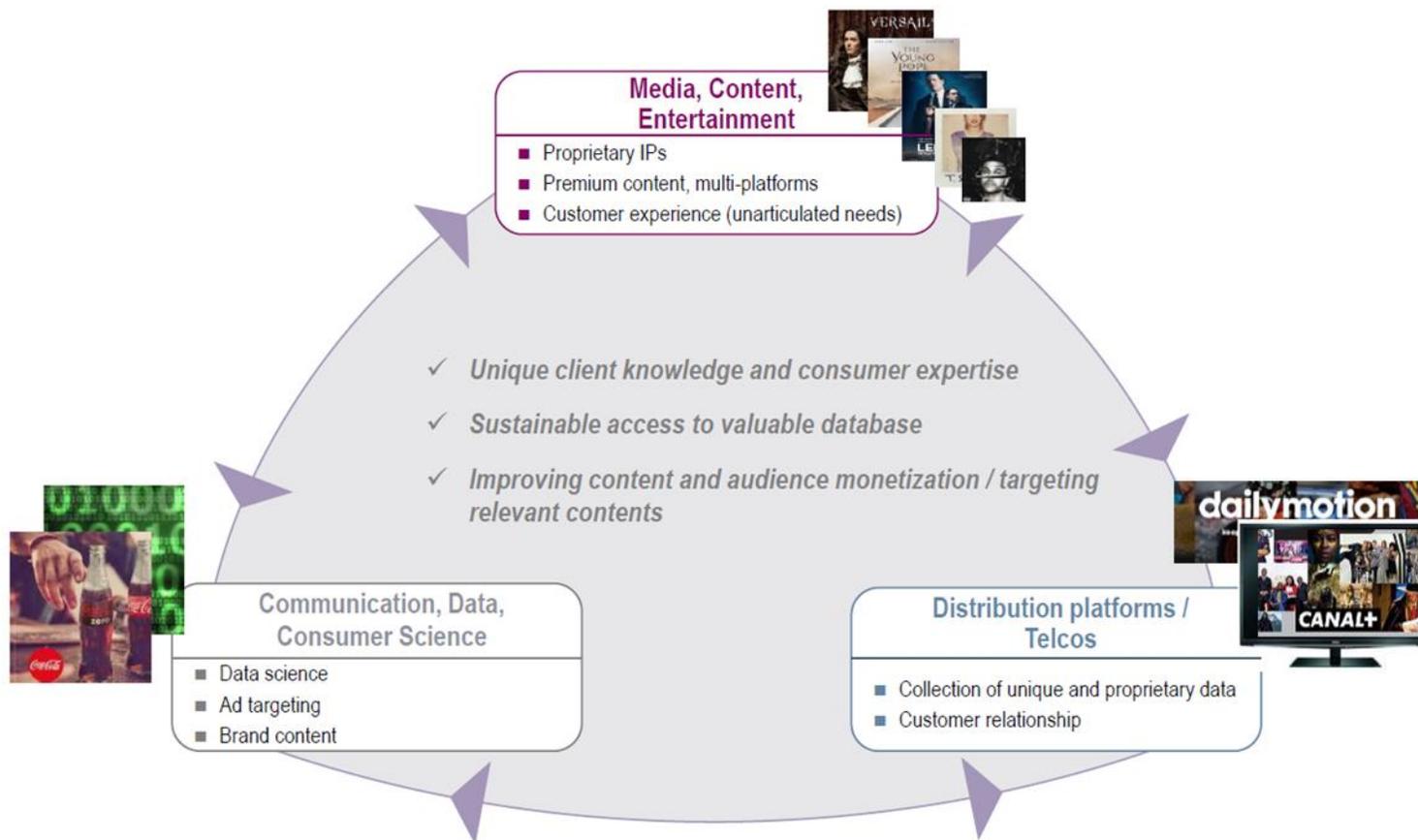
Canal+ clients**
(in thousand)



Cost optimization plan well on track

HAVAS: INTEGRATION SINCE JULY 3RD*

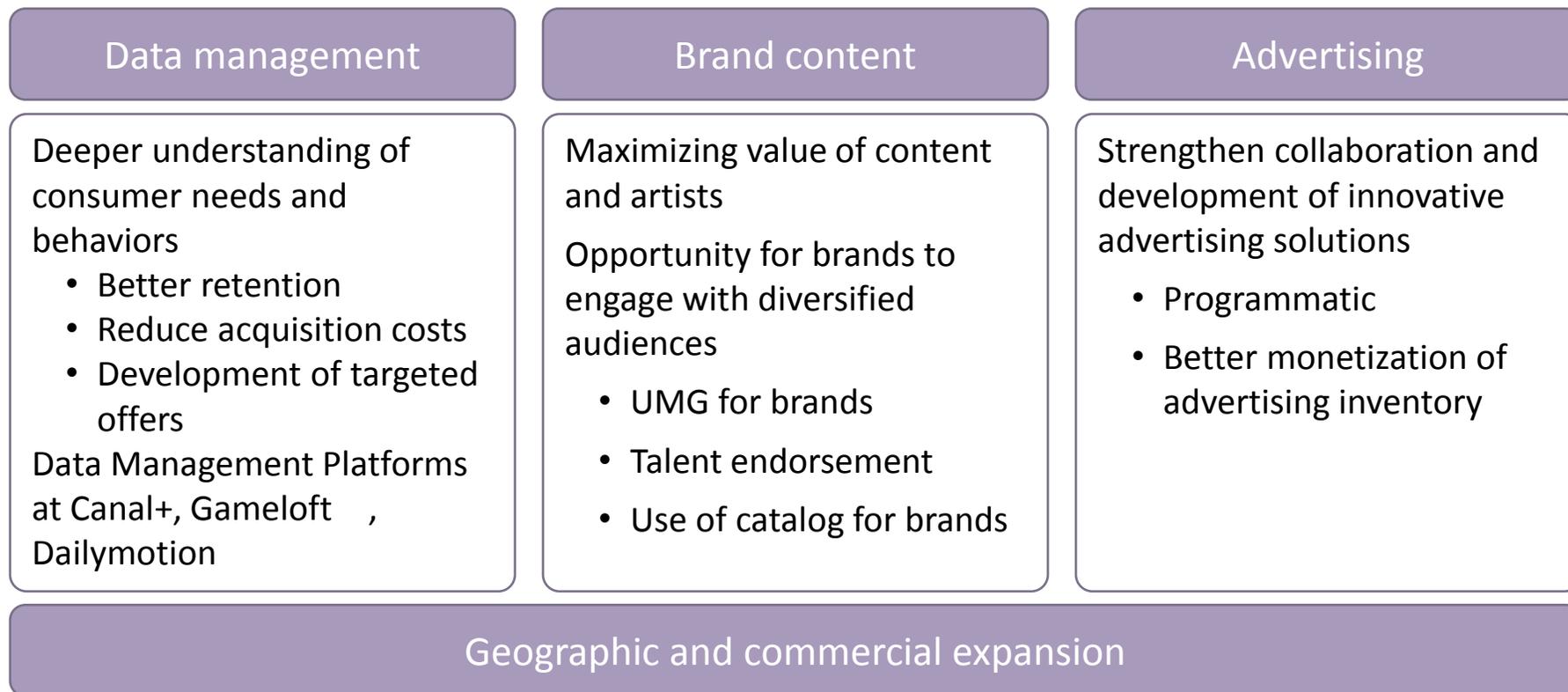
Increasing convergence between content, distribution and communication



VIVENDI / HAVAS: AN INTEGRATED GROUP WITH A UNIQUE VALUE PROPOSITION

Havas, catalyst for value creation

- Better monetization of Vivendi’s assets through new revenue streams, new uses and distinct experiences centered around content, distribution platforms, as well as artists and their fans



TELECOM ITALIA

Governance

- Appointment of Arnaud de Puyfontaine as Executive Chairman of the Board on June 1st
- Appointment of Amos Genish as General Manager for Operations (*Direttore Operativo*) on July 28th

Strong Q2 2017 operating results

- **In Italy**
 - *Fixed market service revenues grew for the 1st time in 10 years*
 - *Mobile market service revenues growth sustained by good competitive performance*
- **In Brazil, confirmation of the positive trend**
 - *Revenue grew by 3.2% in Q2 2017*
 - *EBITDA margin increased by 3.7pts in Q2 2017 vs Q2 2016*

Proposed joint venture with Canal+ for the acquisition of pay-TV rights, co-production of series and films, and other activities.

OUTLOOK

FULL-YEAR 2017 OUTLOOK CONFIRMED

- Revenues should increase by more than 5%*. Thanks to the measures taken in 2016, EBITA should increase by around 25%*, with Canal+ Group EBITA expected to reach approximately €350m vs €240m in FY 2016.

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HERVE PHILIPPE

Member of the Management Board
Chief Financial Officer

FINANCIALS

SCOPE OF CONSOLIDATION AND MAIN CURRENCIES

Constant perimeter reflects the impacts of Thema America, Gameloft and Paddington.

As a reminder, Thema America, Gameloft and Paddington have been consolidated since April 7, 2016, June 29, 2016 and June 30, 2016, respectively.

In addition, since 2017, the results of Flab Prod/Flab Presse as well as Canal Factory are reported within Canal+ Group / Free-TV; in 2016, they were reported within New Initiatives.

Banijay Group has been accounted for as an equity affiliate since February 23, 2016.

		H1 2017 average	H1 2016 average	% of change
EUR vs.	USD:	1.078	1.110	+ 2.9%
	GBP:	0.856	0.768	- 11.5%
	JPY:	122	127	+ 4.0%

H1 2017 KEY FINANCIAL METRICS

	H1 2017	% Change YoY	% underlying change* YoY
Revenues	€ 5,437 m	+ 7.8 %	+ 4.8 %
EBITA	€ 352 m	- 9.2 %	- 11.0 %
EBIT	€ 362 m	- 31.5 %	
Adjusted Net Income	€ 320 m	+ 12.0 %	
Net Cash Position	€ 500 m	vs. € 1,068 m at end-2016	

Q1 AND Q2 KEY FINANCIAL METRICS

	Q1 2017	% Change YoY	% underlying change* YoY	Q2 2017	% Change YoY	% underlying change* YoY
Revenues	€ 2,663 m	+ 6.9 %	+ 3.4 %	€ 2,774 m	+ 8.7 %	+ 6.2 %
<i>UMG</i>	€ 1,284 m	+ 14.8 %	+ 12.7 %	€ 1,382 m	+ 15.5 %	+ 15.2 %
<i>Canal+ Group</i>	€ 1,278 m	- 3.8 %	- 3.5 %	€ 1,290 m	- 1.6 %	- 1.3 %
EBITA	€ 149 m	- 29.9 %	- 34.0 %	€ 203 m	+ 16.0 %	+ 17.1 %
<i>UMG</i>	€ 134 m	+ 71.3 %	+ 65.7 %	€ 152 m	+ 53.8 %	+ 52.5 %
<i>Canal+ Group</i>	€ 57 m	- 66.3 %	- 67.5 %	€ 114 m	- 3.8 %	- 5.5 %

UNIVERSAL MUSIC GROUP



<i>In euro millions - IFRS</i>	H1 2016	H1 2017	Change	Constant perimeter and currency *
Revenues	2,315	2,666	+ 15.2%	+ 14.0%
Recorded music	1,832	2,141	+ 16.8%	+ 15.6%
Music Publishing	361	400	+ 10.9%	+ 9.2%
Merchandising & Other	134	135	+ 1.1%	+ 2.2%
Intercompany Elimination	(12)	(10)		
Income from operations	217	311	+ 43.3%	+ 40.8%
<i>Income from operations margin</i>	9.4%	11.7%	+2.3 pts	
Charges related to equity-settled share-based compensation plans	(1)	(7)		
Other special items excluded from income from operations (including restructuring costs)	(39)	(18)		
EBITA	177	286	+ 61.6%	+ 58.4%

HIGHLIGHTS

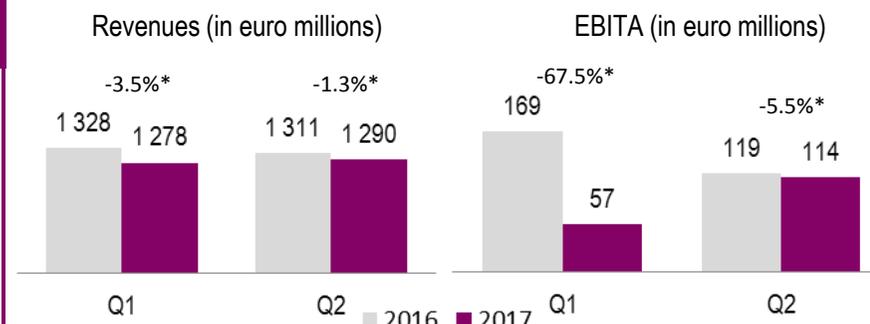
- Outstanding performance in H1 2017 with 14.0%* growth in revenues.
- Recorded music revenues were up 15.6%*, driven by continued subscription and streaming growth and the timing of releases.
 - *Strong H1 2017 performance of new releases from Drake, Kendrick Lamar, The Beatles (50th Anniversary edition of 'Sgt. Pepper's Lonely Hearts Club Band') and Helene Fischer.*
 - *Q2 2017 benefited from the receipt of earnings from a digital royalty claim.*
- Subscription and streaming revenues grew c. 45%* yoy while download sales were down c. 18%*. Physical revenues benefited from a more physically-skewed release schedule in H1 2017.
- Publishing revenues were up 9.2%* driven by growth in digital, synchronization and performance income.
- Merchandising and other revenues were up 2.2%* due to stronger retail sales.
- Income from operations was up 40.8%* mainly as a result of revenue growth.
- Restructuring charges of €15m in H1 2017 compared to €34m in H1 2016.

CANAL+ GROUP



<i>In euro millions - IFRS</i>	H1 2016	H1 2017	Change	Constant perimeter and currency *
Revenues	2,639	2,568	- 2.7%	- 2.4%
Pay-TV Mainland France	1,627	1,542	- 5.3%	- 5.3%
Pay-TV International	709	753	+ 6.2%	+ 6.6%
<i>o/w Africa</i>	215	252	+ 17.6%	+ 22.1%
Free-to-Air TV Mainland France	114	100	- 12.3%	- 12.3%
Studiocanal	189	173	- 8.1%	- 6.3%
Income from operations	297	186	- 37.3%	- 38.6%
<i>Income from operations margin</i>	11.3%	7.2%	-4.1 pts	
Charges related to equity-settled share-based compensation plans	(2)	(3)		
Other special items excluded from income from operations (including restructuring costs)	(7)	(12)		
EBITA	288	171	- 40.5%	- 41.9%

HIGHLIGHTS



- Sequential improvement, in line with € 350m FY EBITA target
- Revenues down 2.4%*:
 - Pay-TV revenues decreased in mainland France due to lower average number of individual subscribers and the decline in ad revenue resulting from the reduction of the free-access windows. H1 2017 benefited from revenues generated by wholesale deals.
 - Continued good performances of international operations, mainly in Africa where there was +22.1%* growth.
 - FTA TV revenues were down 12.3% as a result of restructuring at CNews compared to H1 2016 and sanctions imposed by the regulator on C8.
- In H1 2017, Income from operations decreased by € -111m vs H1 2016. In Q2 2017, IFO remained flat yoy.
- Restructuring charges €21m in H1 2017 compared to €14m in H1 2016

GAMELOFT



<i>In euro millions - IFRS</i>	H1 2016	H1 2017	Change	Constant perimeter and currency *
Revenues	125	130	+ 4%	+ 3%
<i>o/w Advertising revenues</i>	7	17	+ 128%	
Income from operations	(2)	2		
Charges related to equity-settled share-based compensation plans		(1)		
Other special items excluded from income from operations (including restructuring costs)		(2)		
EBITA		(1)		

HIGHLIGHTS

- Gameloft consolidated since June 29, 2016. H1 2016 financial information provided only for comparison purposes.
- In H1 2017, Gameloft released 6 new games, including Gangstar New Orleans, N.O.V.A. Legacy, City Mania and Asphalt Street Storm Racing.
- Total revenues were up 3% at constant currency in H1 2017 compared to the same period last year, due to:
 - Good performance of the back catalog; and
 - Strong growth of ad revenues which reached €17m (+128% vs H1 2016). In H1 2017, ad revenues accounted for 13% of Gameloft's total revenues.

TICKETING - LIVE - DAILYMOTION - STUDIO+...

- Vivendi Village and New initiatives are investing in new projects for the benefit of the entire Group.

VIVENDI VILLAGE

<i>In euro millions - IFRS</i>	H1 2016	H1 2017	Change	Constant perimeter and currency *
Revenues	54	56	+ 3.9%	+ 3.3%
of which Vivendi Ticketing	25	27	+ 8.5%	+ 16.5%
MyBestPro	12	13	+ 7.3%	+ 7.3%
Income from operations	(8)	(7)	+ 9.2%	+ 32.9%
EBITA	(4)	(9)		

- Strong performances from Ticketing and MyBestPro.
- Development of new activities in the live and festivals business.
- Accelerated deployment of CanalOlympia venues.
- Q1 2016 benefited from a positive one time item.

NEW INITIATIVES

<i>In euro millions - IFRS</i>	H1 2016	H1 2017	Change	Constant perimeter and currency *
Revenues	58	23	- 60.3%	- 38.6%
of which Dailymotion	37	22	- 40.7%	- 40.7%
Income from operations	(17)	(38)		
EBITA	(24)	(38)	- 59.4%	- 59.4%

- Investments in the repositioning of Dailymotion and in content for Studio+.
- New Dailymotion model was launched in July.

CORPORATE

<i>In euro millions - IFRS</i>	H1 2016	H1 2017	Change	Constant perimeter and currency *
Income from operations	(49)	(53)		
EBITA	(50)	(57)		

HIGHLIGHTS

- Higher legal fees relates to settlement of past litigations and to the deployment of the Group in Italy.

CONSOLIDATED P&L

<i>In euro millions - IFRS</i>	H1 2016	H1 2017	%
Revenues	5,044	5,437	+ 7.8%
Income from operations	440	401	- 9.0%
EBITA	387	352	- 9.2%
Amortization and depreciation on intangible assets acquired through business combinations	(110)	(65)	
Reversals of reserves related to the Securities Class Action and Liberty Media litigations in the US	240	27	
Income from equity affiliates	12	48	
EBIT	529	362	- 31.5%
Interest	(17)	(25)	
Income from investments	22	15	
Other financial income and charges	535*	(35)	
Provision for income taxes	(135)	(124)	
Earnings from continuing operations	934	193	
Earnings from discontinued operations	(2)	-	
Non-controlling interests	(21)	(17)	
Earnings attributable to Vivendi SA shareowners	911	176	- 80.7%
Adjusted net income**	286	320	+ 12.0%

CONSOLIDATED BALANCE SHEET

In euro millions

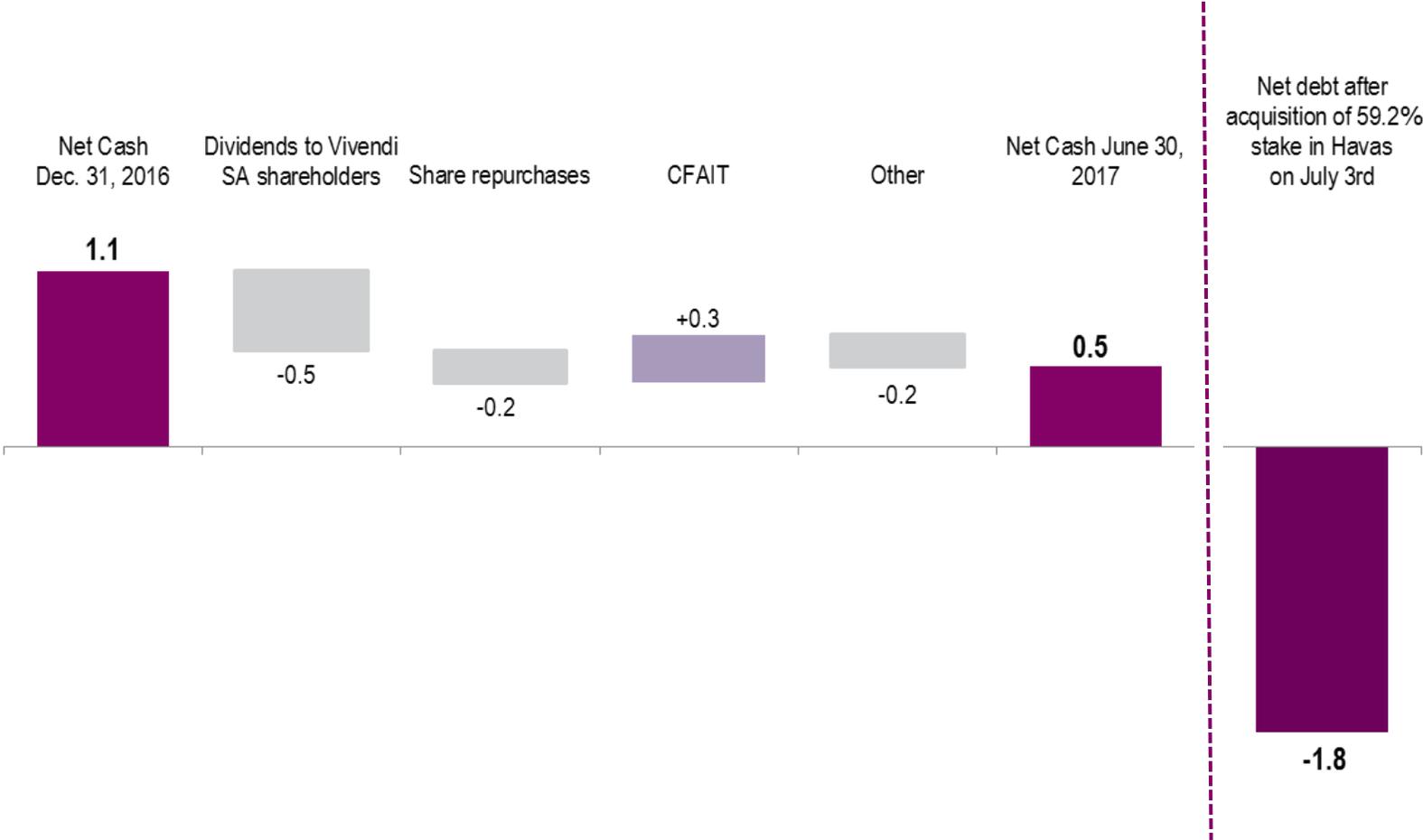
Assets	December 31, 2016	June 30, 2017	Equity and Liabilities	December 31, 2016	June 30, 2017
Goodwill	10,987	10,469	Consolidated equity *	19,612	18,856
Intangible and tangible assets	4,204	3,955	Provisions	2,141	2,216
Financial investments	8,341	8,731	Working capital requirements and other	2,873	2,555
Net deferred tax assets	26	-	Net deferred tax liabilities	-	28
Net cash position	1,068	500			
Total	24,626	23,655	Total	24,626	23,655

CASH FLOW FROM OPERATIONS (CFFO)

CFFO before capex, net				CFFO		
H1 2016	H1 2017	Change	<i>In euro millions</i>	H1 2016	H1 2017	Change
116	83	- 28.6%	Universal Music Group	93	58	- 37.4%
381	142	- 62.6%	Canal+ Group	303	69	- 77.2%
-	13	na	Gameloft	-	10	na
2	(14)		Vivendi Village	(2)	(21)	
(26)	(27)		New Initiatives	(31)	(32)	
(73)	(74)		Corporate	(73)	(74)	
400	123	- 69.2%	Total Vivendi	290	10	- 96.5%

H1 2017 NET CASH EVOLUTION

In euro billions



APPENDICES

Details of Business Operations: slides 25-28

Detailed Vivendi Financial Results: slides 30-35

Glossary and Disclaimers: slides 37-38

UNIVERSAL MUSIC GROUP



<i>In euro millions - IFRS</i>	H1 2017	Constant perimeter and constant currency *
Recorded music	2,141	+ 15.6%
Physical sales	484	- 1.8%
Digital music sales	1,315	+ 25.4%
<i>o/w Streaming and subscription</i>	962	+ 45.1%
License and Other	342	+ 10.4%
Music Publishing	400	+ 9.2%
Merchandising and Other	135	+ 2.2%
Intercompany elimination	(10)	
Total Revenues	2,666	+ 14.0%

Recorded music: Best Sellers**	
H1 2016	H1 2017
Drake	Drake
Justin Bieber	Kendrick Lamar
Rihanna	The Beatles
Ariana Grande	The Weeknd
The Weeknd	Moana OST

Recorded Music Revenues	H1 2016	H1 2017
North America	802	1,023
Europe	659	674
Asia	229	278
Latin America	62	75
Rest of the world	80	91
Recorded music	1,832	2,141

2017 UPCOMING RELEASES ***

Beck	Madonna (live +dvd)
Carla Bruni - France	Niall Horan
Dreams Come True – Japan	Nolwenn Leroy - France
Florent Pagny - France	Pearl Jam (live)
Jack Johnson	Shania Twain
Liam Payne	Taylor Swift
Masaharu Fukuyama - Japan	

* See details on page 12.

** Based on revenues.

*** This is a selected release schedule, subject to change.

CANAL+ GROUP



In '000	June 30, 2016	June 30, 2017	Change
Individual subscribers	11,182	14,020	+ 2,838
Mainland France	5,455	7,984	+ 2,529
Retail subscribers	5,455	4,989	- 466
Wholesale customers	na	2,995	+ 2,995
International	5,727	6,036	+ 309
Poland	2,101	2,102	+ 1
Overseas	502	510	+ 8
Africa	2,222	2,713	+ 491
Vietnam	902	711	- 191

Mainland France	H1 2016	H1 2017	Change
Churn (%)**	15.4%	17.6%	+ 2.2pts
ARPU per subscriber (€)***	€ 45.0	€ 45.3	€ + 0.3

FTA-TV audience share ****	H1 2016	H1 2017	Change
C8	4.9%	4.7%	- 0.2pt
Cstar	1.5%	1.5%	-
Cnews	0.9%	0.6%	- 0.3pt
Total	7.3%	6.8%	- 0.5pt

Revenues In euro millions - IFRS	H1 2016	H1 2017	Constant perimeter and currency *
Revenues	2,639	2,568	- 2.4%
Pay-TV Mainland France	1,627	1,542	- 5.3%
Pay-TV International	709	753	+ 6.6%
<i>o/w Poland</i>	246	251	+ 0.5%
Overseas	205	204	- 0.4%
Africa	215	252	+ 22.1%
Vietnam	24	23	- 6.5%
Other	19	23	+ 4.5%
Free-to-Air TV Mainland France	114	100	- 12.3%
Studiocanal	189	173	- 6.3%

* See details on page 12.

** Churn per individual retail subscriber with commitment over a 12-month period, excluding wholesale subscribers.

*** Net ARPU per individual retail subscriber with commitment, excluding wholesale subscribers.

**** Source: Médiamétrie - Population aged 25-49.

GAMELOFT



Revenue by geographies	H1 2016	H1 2017
EMEA	34%	33%
Asia Pacific	31%	28%
North America	22%	27%
Latin America	13%	12%

Average active users on smartphone (in million)	H1 2016	H1 2017
Monthly Active Users (MAU)	148	134
Daily Active Users (DAU)	18	16

UPCOMING RELEASES*



Modern Combat Versus©
 Genre: First person shooter
 Release: Q3 2017



War Planet Online
 Genre: MMO RTS
 Release: Q3 2017



Dead Rivals™
 Genre: MMO RPG
 Release: Q4 2017



Paddington™
 Genre: Casual
 Release: Q4 2017

VIVENDI: H1 2017 RESULTS - PRO-FORMA

<i>In euro millions - IFRS</i>	Vivendi Published	Havas Published Restated (a)	Adjustments (b)	Elimination of intersegment transactions (c)	Vivendi Pro forma
Revenues	5,437	1,108	-	(29)	6,516
Income from operations	401	108	-	-	509
EBITA	352	99	-	-	451
% of revenues	6.5%	8.9%			6.9%
Amortization and depreciation of intangible assets acquired through business combinations	(65)	(1)	-	-	(66)
Reversals of reserve related to the Securities Class Action litigation in the US	27	-	-	-	27
Income from equity affiliates	48	-	-	-	48
EBIT	362	98	-	-	460
Interest	(25)	(8)	(5)	-	(38)
Income from investments	15	-	-	-	15
Other financial income and charges	(35)	(12)	na	-	(47)
Provision for income taxes	(124)	(21)	1	-	(144)
Non-controlling interests	(17)	(3)	-	-	(20)
Earnings attributable to Vivendi SA shareowners	176	54	(4)	-	226
Adjusted net income	320	67	(4)	-	383

- To ensure the consistency of the presentation of Havas's Statement of Earnings with the one prepared by Vivendi, the financial data published by Havas on August 25, 2017 (Financial Statements for the half-year ended June 30, 2017) has been restated.
- The adjustments mainly related to the lower interest income earned on the investment of cash surpluses, acquisition costs and provision for income taxes on these adjustments.
- Mainly corresponds to the elimination of intersegment transactions between Havas and Vivendi's other business segments, primarily Canal+ Group's entities, over the period.

DETAILED FINANCIAL RESULTS

REVENUES / EBITDA / EBITA

Q2 2016	Q2 2017	Change	Constant currency	Constant perimeter and currency *	Revenues In euro millions - IFRS	H1 2016	H1 2017	Change	Constant currency	Constant perimeter and currency *
1,196	1,382	+ 15.5%	+ 15.2%	+ 15.2%	Universal Music Group	2,315	2,666	+ 15.2%	+ 14.0%	+ 14.0%
1,311	1,290	- 1.6%	- 1.3%	- 1.3%	Canal+ Group	2,639	2,568	- 2.7%	- 2.3%	- 2.4%
-	62	na	na	na	Gameloft	-	130	na	na	na
29	30	+ 4.1%	+ 9.3%	+ 3.1%	Vivendi Village	54	56	+ 3.9%	+ 7.9%	+ 3.3%
28	13				New Initiatives	58	23			
(11)	(3)				Intercompany elimination	(22)	(6)			
2,553	2,774	+ 8.7%	+ 8.7%	+ 6.2%	Total Vivendi	5,044	5,437	+ 7.8%	+ 7.5%	+ 4.8%
Q2 2016	Q2 2017	Change	Constant currency	Constant perimeter and currency *	EBITDA In euro millions	H1 2016	H1 2017	Change	Constant currency	Constant perimeter and currency *
128	177	+ 38.0%	+ 37.9%	+ 37.9%	Universal Music Group	241	329	+ 36.5%	+ 34.8%	+ 34.8%
191	188	- 1.5%	- 2.6%	- 2.6%	Canal+ Group	416	300	- 28.0%	- 29.0%	- 28.9%
-	(2)	na	na	na	Gameloft	-	4	na	na	na
(2)	(1)				Vivendi Village	(5)	(3)			
(11)	(17)				New Initiatives	(19)	(32)			
(25)	(32)				Corporate	(51)	(56)			
281	313	+ 11.6%	+ 12.4%	+ 11.7%	Total Vivendi	582	542	- 6.8%	- 7.7%	- 8.7%
Q2 2016	Q2 2017	Change	Constant currency	Constant perimeter and currency *	EBITA In euro millions	H1 2016	H1 2017	Change	Constant currency	Constant perimeter and currency *
98	152	+ 53.8%	+ 52.5%	+ 52.5%	Universal Music Group	177	286	+ 61.6%	+ 58.4%	+ 58.4%
119	114	- 3.8%	- 5.5%	- 5.5%	Canal+ Group	288	171	- 40.5%	- 42.0%	- 41.9%
-	(4)	na	na	na	Gameloft	-	(1)	na	na	na
(4)	(5)				Vivendi Village	(4)	(9)			
(14)	(22)				New Initiatives	(24)	(38)			
(25)	(32)				Corporate	(50)	(57)			
174	203	+ 16.0%	+ 16.4%	+ 17.1%	Total Vivendi	387	352	- 9.2%	- 11.0%	- 11.0%

REVENUES / INCOME FROM OPERATIONS / EBITA

Q2 2016	Q2 2017	Change	Constant currency	Constant perimeter and currency *	Revenues In euro millions - IFRS	H1 2016	H1 2017	Change	Constant currency	Constant perimeter and currency *
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115	170	+ 48.4%	+ 47.6%	+ 47.6%	Universal Music Group	217	311	+ 43.3%	+ 40.8%	+ 40.8%
133	135	+ 1.9%	+ 0.4%	+ 0.4%	Canal+ Group	297	186	- 37.3%	- 38.8%	- 38.6%
-	(2)	na	na	na	Gameloft	-	2	na	na	na
(4)	(3)				Vivendi Village	(8)	(7)			
(8)	(22)				New Initiatives	(17)	(38)			
(24)	(30)				Corporate	(49)	(53)			
212	248	+ 16.5%	+ 17.1%	+ 16.9%	Total Vivendi	440	401	- 9.0%	- 10.6%	- 11.1%

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98	152	+ 53.8%	+ 52.5%	+ 52.5%	Universal Music Group	177	286	+ 61.6%	+ 58.4%	+ 58.4%
119	114	- 3.8%	- 5.5%	- 5.5%	Canal+ Group	288	171	- 40.5%	- 42.0%	- 41.9%
-	(4)	na	na	na	Gameloft	-	(1)	na	na	na
(4)	(5)				Vivendi Village	(4)	(9)			
(14)	(22)				New Initiatives	(24)	(38)			
(25)	(32)				Corporate	(50)	(57)			
174	203	+ 16.0%	+ 16.4%	+ 17.1%	Total Vivendi	387	352	- 9.2%	- 11.0%	- 11.0%

TELECOM ITALIA

Telecom Italia's financial information

<i>In euro millions</i>	Q4 2015	Q4 2016	Q1 2016	Q1 2017	Q2 2016	Q2 2017
Revenues	4,841	5,086	4,440	4,819	4,656	4,953
<i>Organic change yoy</i>		+0.6%		+2.6%		+3.7%
EBITDA	1,384	2,124	1,712	1,990	2,014	2,124
<i>Organic change yoy</i>		+5.1%		+8.1%		+6.1%
Net income, group share	(437)	313	433	200	585	396

Vivendi's share of TI's earnings*

<i>In euro millions</i>	Q1 2016	Q1 2017	Q2 2016	Q2 2017	H1 2016	H1 2017
Vivendi's share of TI's net income	(11)	54	68	34	57	88
Impact of dividend paid to saving share owners	-	(7)	(8)	(7)	(8)	(14)
Impact on Vivendi's Adjusted net income	(11)	47	60	27	49	74
Amortization of revaluation of intangible assets related to the purchase price allocation	-	(15)	(26)	(15)	(26)	(30)
Impact on Vivendi's Net income	(11)	32	34	12	23	44

→ +43

→ -22

→ +21

INTEREST & INCOME TAX

<i>In euro millions (except where noted) – IFRS</i>	H1 2016	H1 2017
Interest	(17)	(25)
Interest expense on borrowings	(28)	(35)
<i>Average interest rate on borrowings (%)</i>	2.32%	1.92%
<i>Average outstanding borrowings (in euro billions)</i>	2.5	3.6
Interest income from cash and cash equivalents	11	10
<i>Average interest income rate (%)</i>	0.33%	0.44%
<i>Average amount of cash equivalents (in euro billions)</i>	7.1	4.5

<i>In euro millions – IFRS</i>	H1 2016		H1 2017	
	Adjusted Net Income	Net income	Adjusted Net Income	Net income
Impact of Vivendi SA's French Tax Group and of the Consolidated Global Profit Tax Systems	6	3	19	(6)
Other tax components	(124)	(138)	(98)	(118)
Provision for income taxes	(118)	(135)	(79)	(124)
<i>Effective tax rate</i>	30.2%		23.0%	
Tax (payment) / reimbursement	(219)		375	

RECONCILIATION OF EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS TO ANI

<i>In euro millions - IFRS</i>	H1 2016	H1 2017
Earnings attributable to Vivendi SA shareowners (*)	911	176
Amortization and depreciation of intangible assets acquired through business combinations	110	65
Reversals of reserve related to the Securities Class Action and Liberty Media litigations in the US	(240)	(27)
Amortization of intangible assets related to equity affiliates	26	30
Other financial income & charges	(535)	35
Earnings from discontinued operations (*)	2	-
Provision for income taxes on adjustments	17	45
Non-controlling interests on adjustments	(5)	(4)
Adjusted net income (ANI)	286	320

RECONCILIATION OF EBIT TO INCOME FROM OPERATIONS

<i>In euro millions - IFRS</i>	H1 2016	H1 2017
EBIT	529	362
Amortization and depreciation on intangible assets acquired through business combinations	110	65
Reversals of reserve related to the Securities Class Action and Liberty Media litigations in the US	(240)	(27)
Income from equity affiliates	(12)	(48)
EBITA	387	352
Equity settled share-based compensation plans	5	15
Special items excluded from Income from operations (including restructuring costs)	48	34
Income from operations	440	401

GLOSSARY AND DISCLAIMERS

GLOSSARY

The non-GAAP measures defined below should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance and Vivendi considers this to be relevant indicators of the group's operating and financial performance. Moreover, it should be noted that other companies may have different definitions and calculations for these indicators from Vivendi thereby affecting comparability.

Adjusted earnings before interest and income taxes (EBITA): As defined by Vivendi, EBITA corresponds to EBIT (defined as the difference between income and charges that do not result from financial activities, discontinued operations and tax) before the amortization of intangible assets acquired through business combinations and the impairment losses on goodwill and other intangibles acquired through business combinations, income from equity affiliates and transactions with shareowners (except if directly recognized in equity).

Income from operations: 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 (ANI) includes the following items: EBITA, income from equity affiliates, interest, income from investments, as well as taxes and non-controlling interests related to these items. It does not include the following items: the amortization of intangible assets acquired through business combinations and related to equity affiliates, the impairment losses on goodwill and other intangible assets acquired through business combinations, other income and charges related to financial investing transactions and to transactions with shareowners (except if directly recognized in equity), other financial charges and income, earnings from discontinued operations, provisions for income taxes and adjustments attributable to non-controlling interests, as well as non-recurring tax items (notably the changes in deferred tax assets pursuant to the Vivendi SA's tax group and Consolidated Global Profit Tax Systems and reversal of tax liabilities relating to risks extinguished over the period).

Cash flow from operations (CFFO): Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies and before income taxes paid.

Cash flow from operations after interest and income tax paid (CFAIT): Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies, and after interests and income taxes paid.

Capital expenditures net (Capex, net): Cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

Net Cash Position: Net Cash Position is calculated as the sum of cash and cash equivalents, cash management financials assets, as well as derivative financial instruments in assets and cash deposits backing borrowings, less long-term and short-term borrowings and other financial liabilities.

The percentages of change are compared to the same period of the previous accounting year, unless otherwise stated.

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