Financial Report and Unaudited Condensed Financial Statements for the Nine Months Ended September 30, 2012

NOVEMBER 13
2012

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,279,157,930

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Selected key consolidated financial data

	Nine months ended September 30, (unaudited)		Year ended December 31,			
	2012	2011	2011	2010	2009	2008
Consolidated data						
Revenues	20,751	21,030	28,813	28,878	27,132	25,392
EBITA (a)	4,331	4,866	5,860	5,726	5,390	4,953
Earnings attributable to Vivendi SA shareowners	1,651	2,799	2,681	2,198	830	2,603
Adjusted net income (a)	2,194	2,519	2,952	2,698	2,585	2,735
Financial Net Debt (a) (b)	15,011	13,342	12,027	8,073	9,566	8,349
Total equity (c)	22,715	21,352	22,070	28,173	25,988	26,626
of which Vivendi SA shareowners' equity (c)	20,065	18,901	19,447	24,058	22,017	22,515
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	4,961	5,372	8,034	8,569	7,799	7,056
Capital expenditures, net (capex, net) (d)	(3,665)	(2,386)	(3,340)	(3,357)	(2,562)	(2,001)
Cash flow from operations (CFFO) (a)	1,296	2,986	4,694	5,212	5,237	5,055
Financial investments	(1,596)	(514)	(636)	(1,397)	(3,050)	(3,947)
Financial divestments	48	4,617	4,701	1,982	97	352
Dividends paid with respect to previous fiscal year	1,245	1,731	1,731	1,721	1,639 (e)	1,515
Per share amounts						
Weighted average number of shares outstanding (f)	1,290.9	1,279.8	1,281.4	1,273.8	1,244.7	1,208.6
Adjusted net income per share (f)	**1.70**	**1.97**	**2.30**	**2.12**	**2.08**	**2.26**
Number of shares outstanding at the end of the period (excluding treasury shares) (f)	1,323.1	1,285.5	1,287.4	1,278.7	1,270.3	1,211.6
Equity per share, attributable to Vivendi SA shareowners (f)	15.17	14.70	15.11	18.81	17.33	18.58
Dividends per share paid with respect to previous fiscal year	**1.00**	**1.40**	**1.40**	**1.40**	**1.40**	**1.30**

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

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

b. As of December 31, 2009, Vivendi revised its definition of Financial Net Debt to include certain cash management financial assets whose features do not strictly comply with the definition of cash equivalents as defined by IAS 7 and the AMF’s position n°2011-13 (in particular, these financial assets may have a maturity of up to 12 months). Considering that no investment in such assets was made prior to 2009, the retroactive application of this change in presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the 2008 fiscal year is therefore consistent.

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

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

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

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

I – Financial Report for the first nine months of 2012

Preliminary comments:

On November 12, 2012, this Financial Report and Unaudited Condensed Financial Statements for the nine months ended September 30, 2012 were approved by Vivendi's Management Board, after having considered the Audit Committee's recommendation given at its meeting held on November *9, 2012.*

*The Financial Report for the first nine month*s of 2012 should be read in conjunction with the Financial Report for the year ended December 31, 2011 as published in the 2011"*Rapport annuel - Document de référence*" filed on March 19, 2012 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2011*") and the Financial Report for the half year ended June 30, 2012. Please also refer to pages 128 through 168 of the English translation[1] of the "*Document de reference 2011*" (the "2011 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

1 Major events

1.1 Major events for the first nine months of 2012

Vivendi's Management Board remains committed to recreating shareholder value, growing adjusted net income per share and maintaining a strong credit rating. With this in mind, Vivendi's Management Board will continue to work, together with the Supervisory Board, on Vivendi's strategic development. Vivendi will communicate on the necessary evolution of the group as and when appropriate.

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

Following receipt of the regulatory approvals from the European Commission and the Federal Trade Commission in the United States on September 21, 2012, Vivendi and UMG completed the acquisition of 100% of the recorded music business of EMI Group Global Limited (EMI Recorded Music) from Citigroup Inc (Citi) on September 28, 2012. EMI Recorded Music has been fully consolidated since that date. As a reminder, the transaction was unconditionally cleared in New-Zealand (June 21, 2012), Japan (July 9, 2012), and Canada (August 20, 2012). The purchase price, in enterprise value, amounted to £1,130 million (approximately €1,404 million) of which £991 million (approximately €1,230 million) was paid in early September 2012, when conditions to payment were satisfied. As part of this transaction, Citi agreed to assume the full pension obligations in the United Kingdom, and UMG received commitments customary for this type of transaction. In addition, Citi undertook to indemnify UMG against losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom.

The approval by the European Commission is conditional upon the divestment of EMI's Parlophone label and certain other music assets worldwide, such as EMI France, EMI's classical music labels, Chrysalis, Mute and several other local EMI entities. The sale process of certain of these assets is underway.

For a detailed description of this transaction and of its impacts on Vivendi's financial statements, please refer to Note 2.1 to the Condensed Financial Statements for the nine months ended September 30, 2012.

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

In February 2012, Canal+ Group exercised its option to acquire, in one transaction, a 100% interest in Bolloré Group's television business, in exchange for the issuance of Vivendi shares.

On September 27, 2012, Vivendi carried out a share capital increase of 22,356 thousand shares, which it paid in consideration for the contribution made by Bolloré Media, representing an enterprise value of €336 million. Bolloré Group committed to retain the Vivendi shares received in connection with the completion of this transaction for a minimum period of six months after September 27, 2012. Since that date, Vivendi and Canal+ Group hold guarantees capped at €120 million. These guaranties expire 3 months after the expiration of the applicable statute of limitations for tax or social matters, and 18 months after September 27, 2012 for all other matters. Direct 8 and Direct Star have been fully consolidated since September 27, 2012 and were renamed D8 and D17, in connection with their launch on October 7, 2012.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2011".*

As part of the French Competition Authority's authorization of the transaction received on July 23, 2012, Vivendi and Canal+ Group undertook a series of commitments. These commitments relate to restrictions regarding 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, the limitation regarding the acquisition by Direct 8 and Direct Star of French catalog movies from StudioCanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a 5-year period, renewable once if the competitive analysis performed by the Competition Authority renders it necessary. In addition, on September 18, 2012, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) authorized the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal+ Group of the Direct 8 shares for a minimum period of two and a half years.

Following the closing of this transaction, Bolloré Group reported having increased its interest in Vivendi SA to 4.41%. Subsequently, on October 16, 2012, it announced that it had crossed the 5% threshold in Vivendi SA's share capital.

For a detailed description of this transaction and its impacts on Vivendi's financial statements, please refer to Note 2.2 to the Condensed Financial Statements for the nine months ended September 30, 2012.

1.1.3 New financings

For a detailed description of the new financings set up during the first nine months of 2012, please refer to Section 5.4. For a detailed description of the maturities of the bonds and bank credit facilities as of September 30, 2012, please refer to Note 8 to the Condensed Financial Statements for the nine months ended September 30, 2012.

1.1.4 Acquisition of 4G spectrum by SFR

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

1.1.5 Corporate officers

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

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

In addition, as a reminder, on March 26, 2012, Mr. Frank Esser resigned from his offices as Chairman and Chief Executive Officer (CEO) of SFR and as a member of Vivendi's Management Board. On June 29, 2012, Mr. Stéphane Roussel was appointed CEO of SFR.

1.1.6 Other events of the period

License agreements entered into by Activision Blizzard in China

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

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

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

On April 12, 2012, Multithématiques, a subsidiary of Canal+ Group, and Orange Cinema Series finalized their agreements and partnered in a common company, Orange Cinema Series, in which Multithématiques acquired a 33% interest and Orange Cinema Series contributed the publishing and broadcasting operations of its pay cinema channels. Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat since April 5, 2012. On July 23, 2012, as part of the decision authorizing the combination of TPS group and CanalSatellite, the French Competition Authority has required that Canal+ Group sell its non-controlling interest in Orange Cinema Series or, upon failure to sell such interest, to amend certain provisions of the shareholders' agreement between Multithématiques and Orange Cinema Series. This injunction is subject to an appeal pending before the French Council of State (please refer to Note 10 to the Condensed Financial Statements for the nine months ended September 30, of 2012).

Acquisition by StudioCanal of a 100% interest in Hoyts Distribution

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

Creation of Numergy by SFR

On September 5, 2012, SFR, Bull, and Caisse des Dépôts announced the creation of the company Numergy that will offer cloud computing services to all economic players.

Liberty Media Complaint

On June 25, 2012, a verdict was returned by the jury against Vivendi in a lawsuit filed by Liberty Media Corporation and certain of its subsidiaries before the U.S. District Court for the Southern District of New York. Vivendi strongly disagrees with the decision and intends to pursue all available paths of action to overturn the verdict and reduce the damages award. The jury limited the damages Vivendi may be required to pay to €765 million. Given that there is a lack of an enforceable judgment against Vivendi and that the various post-trial motions that remain pending before the Court could result in the judge deciding not to enter a judgment or to significantly alter the verdict of the jury, Vivendi has not made, at this stage, a provision related to this case. Please refer to Note 10 to the Condensed Financial Statements for the nine months ended September 30, 2012.

Distributions to Vivendi SA shareowners and its subsidiaries

Dividend paid by Vivendi SA with respect to fiscal year 2011

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

Bonus shares granted to Vivendi SA shareowners

On May 9, 2012, Vivendi SA granted to each shareowner one bonus share for each 30 shares held. This transaction, realized by a €229 million withdrawal from additional paid-in capital, resulted in the issuance of 41.6 million new shares with a nominal value of €5.5 each and entitlement as from January 1, 2012.

Dividends distributed by the subsidiaries

On May 16, 2012, Activision Blizzard paid to its shareowners a cash dividend of $0.18 per common share, with respect to fiscal year 2011, representing $123 million (€94 million) for Vivendi.

On May 31, 2012, Maroc Telecom group paid to its shareowners a cash dividend of MAD 9.26 per common share with respect to fiscal year 2011, representing MAD 4.3 billion (€391 million) for Vivendi.

Activision Blizzard's stock repurchase programs

During the first nine months of 2012, Activision Blizzard repurchased its own common shares for €241 million ($315 million), including €42 million ($54 million) pursuant to the stock repurchase program of up to $1 billion authorized by Activision Blizzard's Board of Directors on February 2, 2012 and €199 million ($261 million) pursuant to the previous stock repurchase program. As of September 30, 2012, Vivendi held an approximate 61% non-diluted interest in Activision Blizzard (compared to an approximate 60% interest as of December 31, 2011).

1.1.7 Transaction underway as of November 12, 2012

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

On December 19, 2011, Canal+ Group, ITI, and TVN announced that they entered into a strategic partnership in Poland. On September 14, 2012, the transaction received unconditional approval from the Polish Competition and Consumer Protection Authority covering the two components of the partnership:

- the merger of Cyfra+ (75% owned by Canal+ Group) and the pay-TV platform "n" (owned by TVN) in order to create a major satellite TV platform, with a total base of 2.5 million customers; and
- the acquisition by Canal+ Group of a 40% interest in N-Vision, the company which owns a 51% interest in TVN.

The closing of this transaction is expected by the end of 2012.

For a detailed description of this transaction, please refer to Note 2.5 to the Consolidated Financial Statements for the year ended December 31, 2011, pages 195 to 196 of the 2011 Annual Report.

1.2 Major events since September 30, 2012

None.

2 Earnings analysis

2.1 Consolidated statement of earnings and adjusted statement of earnings

THIRD QUARTER

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	Three months ended September 30,		Three months ended September 30,		
	2012	2011	2012	2011	
Revenues	**6,667**	**6,777**	**6,667**	**6,777**	**Revenues**
Cost of revenues	(3,131)	(3,247)	(3,131)	(3,247)	Cost of revenues
Margin from operations	**3,536**	**3,530**	**3,536**	**3,530**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,131)	(1,967)	(2,131)	(1,967)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(11)	(60)	(11)	(60)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(116)	(117)			
Impairment losses on intangible assets acquired through business combinations	-	(5)			
Other income	7	3			
Other charges	(26)	(174)			
EBIT	**1,259**	**1,210**	**1,394**	**1,503**	**EBITA**
Income from equity affiliates	(6)	(6)	(6)	(6)	Income from equity affiliates
Interest	(137)	(144)	(137)	(144)	Interest
Income from investments	3	-	3	-	Income from investments
Other financial income	5	6			
Other financial charges	(40)	(92)			
Earnings from continuing operations before provision for income taxes	**1,084**	**974**	**1,254**	**1,353**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(396)	(560)	(390)	(492)	Provision for income taxes
Earnings from continuing operations	**688**	**414**			
Earnings from discontinued operations	-	-			
Earnings	**688**	**414**	**864**	**861**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**491**	**241**	**665**	**685**	**Adjusted net income**
Non-controlling interests	197	173	199	176	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.38**	**0.19**	**0.51**	**0.53**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.38**	**0.19**	**0.51**	**0.53**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

FIRST NINE MONTHS

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	Nine months ended September 30,		Nine months ended September 30,		
	2012	2011	2012	2011	
Revenues	**20,751**	**21,030**	**20,751**	**21,030**	**Revenues**
Cost of revenues	(9,893)	(10,080)	(9,893)	(10,080)	Cost of revenues
Margin from operations	**10,858**	**10,950**	**10,858**	**10,950**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(6,393)	(5,946)	(6,393)	(5,946)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(134)	(138)	(134)	(138)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(337)	(358)			
Impairment losses on intangible assets acquired through business combinations	(93)	(5)			
Other income	15	1,292			
Other charges	(82)	(633)			
EBIT	**3,834**	**5,162**	**4,331**	**4,866**	**EBITA**
Income from equity affiliates	(19)	(19)	(19)	(19)	Income from equity affiliates
Interest	(423)	(351)	(423)	(351)	Interest
Income from investments	7	74	7	74	Income from investments
Other financial income	11	11			
Other financial charges	(123)	(154)			
Earnings from continuing operations before provision for income taxes	**3,287**	**4,723**	**3,896**	**4,570**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(1,039)	(997)	(1,101)	(1,104)	Provision for income taxes
Earnings from continuing operations	**2,248**	**3,726**			
Earnings from discontinued operations	-	-			
Earnings	**2,248**	**3,726**	**2,795**	**3,466**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,651**	**2,799**	**2,194**	**2,519**	**Adjusted net income**
Non-controlling interests	597	927	601	947	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.28**	**2.19**	**1.70**	**1.97**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.28**	**2.18**	**1.70**	**1.96**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

Nota: Earnings attributable to Vivendi SA shareowners per share and adjusted net income per share (basic and diluted) for all periods previously published have been adjusted in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held, in accordance with IAS 33 - Earnings per share. Please refer to Section 1.1.6 of this Financial Report.

2.2 Earnings review

For the first nine months of 2012, **adjusted net income** amounted to €2,194 million (or €1.70 per share[2]) compared to €2,519 million (or €1.97 per share[2]) for the first nine months of 2011. This €325 million decrease (-12.9%) in adjusted net income resulted primarily from:

- a €535 million decrease in EBITA to a total of €4,331 million (compared to €4,866 million for the first nine months of 2011). This change mainly reflected the decline in the performances of SFR (-€235 million), Activision Blizzard (-€197 million, due to the launch schedule for video games), Maroc Telecom group (-€104 million, including the expected €72 million cost of a voluntary redundancy plan), Canal+ Group (-€10 million), and Universal Music Group (-€6 million), partially offset by the operating performance of GVT (+€42 million);
- a €72 million increase in interest expense, primarily resulting from the impact on the average outstanding Financial Net Debt related to the acquisition by Vivendi of Vodafone's non-controlling interest in SFR on June 16, 2011 for €7.75 billion;
- a €67 million decrease attributable to the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal;

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

- a €3 million decrease in income tax expense, resulting from the €87 million decrease in current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems. It notably included the impact of the changes in French Tax Law in the fourth quarter of 2011, i.e., the additional contribution of corporate income tax for which the rate increased to 36.10% (-€35 million, compared to the first nine months of 2011), and in the second half of 2012, i.e., the capping of the deduction for tax losses carried forward at 50% of taxable income (compared to 60% in 2011) and the limitation of the deductibility of interests at 85% (-€35 million for the first nine months of 2012), offset by the decline in taxable income at SFR, Activision Blizzard, and Maroc Telecom group, despite the new solidarity contribution established in Morocco (-€25 million for the group for the first nine months of 2012); and
- a €346 million decrease in adjusted net income attributable to non-controlling interests, mainly resulting from the acquisition in June 2011 of Vodafone's non-controlling interest in SFR (€242 million).

Breakdown of the main items from the Statement of Earnings

Revenues were €20,751 million, compared to €21,030 million for the first nine months of 2011 (-1.3%, or -2.7% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

Restructuring charges and other operating charges and income amounted to a net charge of €134 million, compared to a net charge of €138 million for the first nine months of 2011, a €4 million decrease. For the first nine months of 2012, they mainly included restructuring charges for €136 million, of which €72 million related to the expected cost of the voluntary redundancy plan at Maroc Telecom and €37 million were incurred by UMG. For the first nine months of 2011, restructuring charges amounted to €82 million, of which €49 million at UMG and €18 million at Activision Blizzard. For the first nine months of 2011, they also included the €30 million fine ordered in September 2011 by the French Competition Authority on Canal+ Group as part of the audit relating to the compliance with the commitments undertaken by Canal+ Group in connection with the combination of CanalSatellite and TPS in January 2007.

EBITA was €4,331 million, compared to €4,866 million for the first nine months of 2011, a €535 million decrease (-11.0%, or -11.9% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

Amortization of intangible assets acquired through business combinations was €337 million, compared to €358 million for the first nine months of 2011, a €21 million decrease (-5.9%).

Impairment losses on intangible assets acquired through business combinations amounted to €93 million, compared to €5 million for the first nine months of 2011, and were related to certain goodwill and music catalogs of Universal Music Group.

Other income amounted to €15 million, compared to €1,292 million for the first nine months of 2011. For the first nine months of 2011, it primarily included the impact of the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland (€1,255 million).

Other charges amounted to €82 million, compared to €633 million for the first nine months of 2011. For the first nine months of 2011, they mainly included the capital loss incurred on January 25, 2011 on the sale of Vivendi's remaining 12.34% interest in NBC Universal (€421 million, of which €477 million related to a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004).

EBIT was €3,834 million, compared to €5,162 million for the first nine months of 2011, a €1,328 million decrease (-25.7%).

Income from equity affiliates was a €19 million charge, unchanged compared to the first nine months of 2011.

Interest was an expense of €423 million, compared to €351 million for the first nine months of 2011, a €72 million increase (+20.5%).
For the first nine months of 2012, interest expense on borrowings amounted to €447 million, compared to €388 million for the first nine months of 2011, a €59 million increase (+15.2%). This change was mainly attributable to the increase in the average outstanding borrowings to €16.8 billion for the first nine months of 2012 (compared to €13.1 billion for the first nine months of 2011), primarily resulting from the impact of the acquisition by Vivendi of Vodafone's non-controlling interest in SFR on June 16, 2011 for €7.75 billion, partially offset by the decrease in the average interest rate on borrowings to 3.55% for the first nine months of 2012 (compared to 3.94% for the first nine months of 2011).
Interest income earned on cash and cash equivalents amounted to €24 million for the first nine months of 2012, compared to €37 million for the first nine months of 2011, a €13 million decrease. This change was attributable to the decrease in average cash and cash equivalents to €3.3 billion for the first nine months of 2012 (compared to €4.5 billion for the first nine months of 2011) and to the decrease in the average income rate to 0.97% for the first nine months of 2012 (compared to 1.08% for the first nine months of 2011).

Income from investments amounted to €7 million, compared to €74 million for the first nine months of 2011. For the first nine months of 2011, it included €70 million attributable to the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal.

Other financial income and charges amounted to a net charge of €112 million, compared to a net charge of €143 million for the first nine months of 2011.

Income taxes reported to adjusted net income was a net charge of €1,101 million, compared to a net charge of €1,104 million for the first nine months of 2011. This change mainly reflected the €87 million decrease in current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems due to the changes in French Tax Law in the fourth quarter of 2011, i.e., the additional contribution of corporate income tax for which the rate increased to 36.10% (-€35 million compared to the first nine months of 2011), and in the second half of 2012, i.e., the capping of the deduction for tax losses carried forward at 50% of taxable income (compared to 60% in 2011) and the limitation of the deductibility of interests at 85% (-€35 million for the first nine months of 2012). It also reflected the new solidarity contribution established in Morocco (-€25 million for the group for the first nine months of 2012). This unfavorable change was partially offset by the decline in taxable income of SFR, Activision Blizzard, and Maroc Telecom group as well as by the favorable settlement of an income tax audit in the United States, which enabled Activision Blizzard to utilize an additional $132 million of net operating losses, resulting in a $46 million (€37 million) tax benefit over the period. The effective tax rate reported to adjusted net income was 28.1% for the first nine months of 2012 (compared to 24.1% for the first nine months of 2011). Excluding the impacts of the changes in Tax Law in France and Morocco, (-€95 million compared to the first nine months of 2011), the effective tax rate reported to adjusted net income would have been 25.7% for the first nine months of 2012 (compared to 24.1% for the first nine months of 2011).

In addition, **provision for income taxes** was a net charge of €1,039 million, compared to a net charge of €997 million for the first nine months of 2011, a €42 million increase. In addition to the items that explained the increase in income taxes reported to adjusted net income, this increase included the change in deferred tax savings related to Vivendi SA's tax group System, which was a €48 million charge (compared to a €28 million charge for the first nine months of 2011).

Earnings attributable to non-controlling interests amounted to €597 million, compared to €927 million for the first nine months of 2011. The €330 million decrease was mainly attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€224 million) as well as the decline in the performances of Activision Blizzard (-€27 million), Maroc Telecom group (-€22 million), and SFR (-€65 million).

Adjusted net income attributable to non-controlling interests amounted to €601 million, compared to €947 million for the first nine months of 2011. The €346 million decrease was primarily attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€242 million) as well as the decline in the performances of Activision Blizzard (-€30 million), Maroc Telecom group (-€24 million), and SFR (-€56 million).

For the first nine months of 2012, **earnings attributable to Vivendi SA shareowners** amounted to €1,651 million (or €1.28 per share), compared to €2,799 million (or €2.19 per share) for the first nine months of 2011, a €1,148 million decrease (-41.0%). This change was mainly due to a €1,255 million income recorded in 2011 related to the final settlement of the litigation over the share ownership of PTC in Poland. Furthermore, no reserve has been set up at this stage in the accounts regarding the lawsuit filed by Liberty Media Corporation, for claims arising out of the agreement entered into by Vivendi and Liberty Media in May 2002. On June 25, 2012, a jury entered a verdict ordering Vivendi to pay €765 million. This verdict has not yet been entered by the Court. Vivendi strongly believes there are many grounds for appeal and continues to pursue all available paths of action to overturn the verdict and reduce the damages award.

The reconciliation of earnings attributable to Vivendi SA shareowners with adjusted net income is further described in Appendix 1 of this Financial Report. For the first nine months of 2012, this reconciliation primarily included the amortization and impairment losses on intangible assets acquired through business combinations (-€316 million, after taxes and non-controlling interests). For the first nine months of 2011, this reconciliation primarily included a net gain of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred from the sale of Vivendi's remaining 12.34% interest in NBC Universal completed on January 25, 2011 (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004). The reconciliation also included the amortization and impairment losses on intangible assets acquired through business combinations (-€230 million, after taxes and non-controlling interests).

2.3 2012 Outlook

Vivendi's results for the first nine months of 2012 support the full-year outlook. The better than expected performance of Vivendi's businesses for the first nine months of 2012 offset the economic slowdown and heavier tax environment, and leads to an improvement in the 2012 adjusted net income guidance, around €2.7 billion, before the impact of the transactions announced in the second half of 2011 (acquisition of EMI Recorded Music by UMG, acquisition of Direct 8 and Direct Star channels by Canal+ Group, and strategic partnership project among Canal+ Group, ITI, and TVN in Poland; cf. below) and the restructuring charges in telecom operations (compared to a previous 2012 adjusted net income guidance above €2.5 billion, as announced on March 1, 2012). In addition, Vivendi maintains its outlook of Financial Net Debt below €14 billion at year end 2012 (assuming closing, expected by year end 2012, of the strategic partnership project among Canal+ Group, ITI, and TVN in Poland).

These forecasts are based on each business's financial objectives, which are described below and updated if necessary:

- Activision Blizzard's EBITA guidance is upgraded: due to better-than-expected third quarter results, Activision Blizzard's EBITA is now expected to be above €900 million (compared to EBITA around €800 million, as announced on August 30, 2012).
- UMG confirms its EBITA margin guidance, as announced on March 1, 2012: UMG expects to report a double digit EBITA margin in 2012, before the impact of the EMI Recorded Music acquisition, completed on September 28, 2012. As a result of this transaction, UMG further strengthens its presence throughout the world, especially in the United States, Japan, and Germany - the top three leading international music markets. This acquisition also creates even more opportunities for new and established artists, while expanding UMG's presence on all of the major digital music platforms and services. Moreover, the sale process of certain EMI Recorded Music assets is underway. Team integration is also progressing according to plan. The objective of £100 million annual synergies has been maintained.
- SFR upgrades its EBITDA guidance: SFR now expects, excluding non-recurring positive items, a decrease in EBITDA close to 12% (compared to a 12% to 15% decrease in EBITDA, as announced on March 1, 2012). Non-recurring positive items amounted to €51 million in 2012 and €93 million in 2011. As a reminder, excluding non-recurring positive items, SFR's EBITDA amounted to €3,707 million in 2011. In addition, SFR expects cash flow from operations around €1.7 billion (excluding the impact of 4G spectrum acquisition).
- Maroc Telecom group upgrades its EBITA margin guidance and confirms its cash flow from operations guidance: Maroc Telecom group now expects an EBITA margin above 38%, excluding restructuring charges (compared to an EBITA margin around 38%, as announced on March 1, 2012) and confirms its cash flow from operations guidance, which should be stable excluding restructuring charges, compared to 2011, in Dirhams.
- GVT confirms its guidance, as revised on August 30, 2012: GVT expects to report a revenue growth above 30%, at constant currency and an EBITDA margin slightly above 40% (including the impact of pay-TV launch). In addition, capital expenditures should amount to close to €1 billion and GVT's "EBITDA-Capex" is expected to reach the break-even point for telecom operations.
- Canal+ Group confirms its EBITA guidance, as announced on March 1, 2012: Canal+ Group expects a slight increase in EBITA, at constant perimeter (excluding the impact of the transactions announced in the second half of 2011: acquisition of Direct 8 and Direct Star channels and the strategic partnership project among Canal+ Group, ITI, and TVN in Poland). Moreover, Canal+ Group indicates that the French free-to-air TV channels re-launch represents a cost of around €40 million at EBITA level.

The 2012 financial objectives above regarding revenues, EBITA, EBITA margin rate, EBITDA, EBITDA margin rate, adjusted net income (ANI), as well as cash flow from operations (CFFO) and capital expenditures is based on data, assumptions, and estimates considered as reasonable by Vivendi management. They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and/or regulatory environment. Moreover, the materialization of certain risks described in Chapter 2 of the 2011 Annual Report could have an impact on the group's operations and its capacity to achieve its 2012 outlook. Finally, Vivendi considers that the non-GAAP measures EBITA, EBITDA, ANI, CFFO, and capital expenditures are relevant indicators of the group's operating performance.

3 Cash flow from operations analysis

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

For the first nine months of 2012, cash flow from operations before capital expenditures (CFFO before capex, net) generated by business segments amounted to €4,961 million (compared to €5,372 million for the first nine months of 2011), a €411 million decrease (-7.7%). This change notably reflected the increase in content investments (+€185 million), the impact in January 2011 from the balance of the contractual dividend received as part of the completion of the sale of Vivendi's interest in NBC Universal (-€70 million) as well as the decrease in SFR's EBITDA after changes in net working capital, offset by the favorable change in Activision Blizzard's net working capital for the first nine months of 2012.

For the first nine months of 2012, capital expenditures, net amounted to €3,665 million (compared to €2,386 million for the first nine months of 2011), a €1,279 million increase, mainly attributable to SFR's acquisition of 4G mobile spectrum for €1,065 million in January 2012. Excluding this impact, capital expenditures, net increased by €214 million (+9.0%), primarily attributable to GVT (+€201 million).

After capital expenditures, net, cash flow from operations (CFFO) generated by business segments amounted to €1,296 million (compared to €2,986 million for the first nine months of 2011), a €1,690 million decrease. Excluding the acquisition of mobile spectrum, CFFO generated by business segments amounted to €2,361 million (compared to €2,986 million for the first nine months of 2011), a €625 million decrease (-20.9%), reflecting in particular GVT's growth related capital expenditures.

For the first nine months of 2012, cash flow from operations after interest and income taxes paid (CFAIT) amounted to €277 million (compared to €1,688 million for the first nine months of 2011), a €1,411 million decrease. The decrease in CFFO (-€1,690 million) was partially offset by the €365 million decrease in income taxes paid, net. This change mainly reflected the change from one fiscal year to another of the amount of income tax installments for the current fiscal year and final settlements for the previous fiscal year paid by the group's entities.

Moreover, the change in CFAIT included the increase in interest expense (+€72 million) and other cash items related to financial activities (+€14 million). For the first nine months of 2012, they notably included the foreign exchange loss attributable to the redemption in April 2012 of a $700 million bond (-€78 million). For the first nine months of 2011, they included the net premium paid in connection with borrowings issued and the early unwinding of interest rate hedging derivative instruments (-€76 million).

(in millions of euros)		Nine months ended September 30, 2012	2011	Change in €	Change in %
Revenues		20,751	21,030	-279	-1.3%
Operating expenses excluding depreciation and amortization		(14,354)	(14,279)	-75	-0.5%
EBITDA	(a)	*6,397*	*6,751*	*-354*	*-5.2%*
Restructuring charges paid		(121)	(94)	-27	-28.7%
Content investments, net		(347)	(162)	-185	x 2.1
Neutralization of change in provisions included in EBITDA		(11)	(68)	+57	+83.8%
Other cash operating items excluded from EBITDA		(13)	-	-13	na*
Other changes in net working capital		(947)	(1,130)	+183	+16.2%
Net cash provided by operating activities before income tax paid	(b)	***4,958***	***5,297***	***-339***	***-6.4%***
Dividends received from equity affiliates	(c)	2	74	-72	-97.3%
of which balance of the contractual dividend paid by GE		-	*70*	*-70*	*-100.0%*
Dividends received from unconsolidated companies	(c)	1	1	-	-
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**4,961**	**5,372**	**-411**	**-7.7%**
Capital expenditures, net (capex, net)	(d)	(3,665)	(2,386)	-1,279	-53.6%
of which SFR		*(2,349)* (f)	*(1,278)*	*-1,071*	*-83.8%*
Maroc Telecom Group		*(359)*	*(333)*	*-26*	*-7.8%*
GVT		*(720)*	*(519)*	*-201*	*-38.7%*
Cash flow from operations (CFFO)		**1,296**	**2,986**	**-1,690**	**-56.6%**
Interest paid, net	(e)	(423)	(351)	-72	-20.5%
Other cash items related to financial activities	(e)	(84)	(70)	-14	-20.0%
of which fees and premium on borrowings issued/redeemed and early unwinding of hedging derivative instruments		*(25)*	*(76)*	*+51*	*+67.1%*
gains/(losses) on currency transactions		*(50)*	*7*	*-57*	*na**
Financial activities cash payments		***(507)***	***(421)***	***-86***	***-20.4%***
Payment received from the French State Treasury as part of the Consolidated Global Profit Tax and Vivendi SA's French Tax Group Systems		536	591	-55	-9.3%
Other taxes paid		(1,048)	(1,468)	+420	+28.6%
Income tax (paid)/received, net	(b)	***(512)***	***(877)***	***+365***	***+41.6%***
Cash flow from operations after interest and income tax paid (CFAIT)		**277**	**1,688**	**-1,411**	**-83.6%**

na*: not applicable.

a. EBITDA, a non-GAAP measure, is described in Section 4.2 of this Financial Report.

b. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

c. As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

d. Relates to cash used for capital expenditures, net of proceeds from property, plant and equipment, and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

e. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

f. SFR's capital expenditures notably included the cash payment related to 4G mobile spectrum for €1,065 million made in January 2012.

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

THIRD QUARTER

	Three months ended September 30,			
(in millions of euros)	2012	2011	% Change	% Change at constant rate
Revenues				
Activision Blizzard	673	533	+26.3%	+11.6%
Universal Music Group	981	979	+0.2%	-7.9%
SFR	2,747	3,017	-8.9%	-8.9%
Maroc Telecom Group	665	698	-4.7%	-6.6%
GVT	429	395	+8.6%	+22.5%
Canal+ Group	1,177	1,171	+0.5%	+0.4%
Non-core operations and others, and elimination of intersegment transactions	(5)	(16)	na*	na*
Total Vivendi	**6,667**	**6,777**	**-1.6%**	**-3.4%**
EBITA				
Activision Blizzard	182	118	+54.2%	+36.5%
Universal Music Group	82	112	-26.8%	-29.1%
SFR	537	644	-16.6%	-16.6%
Maroc Telecom Group	266	302	-11.9%	-13.6%
GVT	118	112	+5.4%	+19.2%
Canal+ Group	239	237	+0.8%	+1.0%
Holding & Corporate	(26)	(17)	-52.9%	-45.0%
Non-core operations and others	(4)	(5)	na*	na*
Total Vivendi	**1,394**	**1,503**	**-7.3%**	**-8.0%**

FIRST NINE MONTHS

	Nine months ended September 30,			
(in millions of euros)	2012	2011	% Change	% Change at constant rate
Revenues				
Activision Blizzard	2,404	2,390	+0.6%	-8.0%
Universal Music Group	2,903	2,842	+2.1%	-3.4%
SFR	8,508	9,137	-6.9%	-6.9%
Maroc Telecom Group	2,028	2,059	-1.5%	-2.8%
GVT	1,282	1,077	+19.0%	+28.1%
Canal+ Group	3,647	3,563	+2.4%	+2.6%
Non-core operations and others, and elimination of intersegment transactions	(21)	(38)	na*	na*
Total Vivendi	**20,751**	**21,030**	**-1.3%**	**-2.7%**
EBITA				
Activision Blizzard	754	951	-20.7%	-26.6%
Universal Music Group	238	244	-2.5%	-5.0%
SFR	1,650	1,885	-12.5%	-12.5%
Maroc Telecom Group	729	833	-12.5%	-13.7%
GVT	341	299	+14.0%	+23.0%
Canal+ Group	722	732	-1.4%	-1.1%
Holding & Corporate	(95)	(59)	-61.0%	-59.4%
Non-core operations and others	(8)	(19)	na*	na*
Total Vivendi	**4,331**	**4,866**	**-11.0%**	**-11.9%**

na*: not applicable.

4.2 Comments on the operating performance of business segments

Preliminary comments:

- *Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably the non-GAAP measures EBITA (Adjusted Earnings Before Interest and Income Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):*
  - *The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations and EBIT's "other charges" and "other income" as defined in Note 1.2.1 to the Consolidated Financial Statements for the year ended December 31, 2011.*
  - *As defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets and other non-recurring items (as presented in the Consolidated Statement of Earnings by each operating segment - Please refer to Note 3 to the Condensed Financial Statements for the nine months ended September 30, 2012).*

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

- *The Vivendi group operates through six businesses at the heart of the worlds of content, platforms and interactive networks. As of September 30, 2012, Vivendi's ownership interest in each of these businesses was as follows: Activision Blizzard: 61%; Universal Music Group (UMG): 100%; SFR: 100%; Maroc Telecom group: 53%; GVT: 100%; and Canal+ Group: 100% (Canal+ Group holds an 80% interest in Canal+ France).*

Activision Blizzard

For the third quarter, Activision Blizzard had three of the top four best-selling games in North America and Europe[3] with *World of Warcraft®: Mists of Pandaria*, *Diablo III™*, and *Skylanders Spyro's Adventure™*. On September 25, Activision Blizzard released *World of Warcraft: Mists of Pandaria™* and sold through approximately 2.7 million copies of the game as of its first week of release.

Revenues for the third quarter were €673 million, a 26.3% increase (+11.6% at constant currency) compared to the same period in 2011, and EBITA was €182 million, a 54.2% increase (+36.5% at constant currency). Revenues for the first nine months of 2012 were €2,404 million, a 0.6% increase (-8.0% at constant currency) compared to the same period in 2011, and EBITA stood at €754 million, a 20.7% decrease (-26.6% at constant currency).

These results took into account the accounting principles requiring that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period. The balance of the deferred operating margin was €567 million as of September 30, 2012, compared to €323 million as of September 30, 2011.

Skylanders Giants is off to a great start and this November 13, the company releases *Call of Duty: Black Ops II*, which it expects will be one of the most successful entertainment launches of all time.

Universal Music Group (UMG)

Universal Music Group (UMG)'s revenues were €2,903 million, a 2.1% increase compared to the first nine months of 2011. Revenues were down 3.4% at constant currency with an 8.6% increase in digital sales and higher license income offset by falling demand for physical product.

UMG's EBITA of €238 million was down 2.5% (-5.0% at constant currency) compared to the first nine months of 2011.

Recorded music best sellers included new releases from Justin Bieber, Maroon 5 and Nicki Minaj, as well as the breakthrough successes of such new artists as Lana Del Rey, Carly Rae Jepsen and Gotye. Releases for the remainder of the year include highly-anticipated albums from Taylor Swift, Rod Stewart, Rihanna, The Rolling Stones, and Ne-Yo, among many others.

[3] According to the NPD Group, Chart-Track, and GfK.

SFR

SFR's revenues[4] amounted to €8,508 million, a 6.9% decrease compared to the first nine months of 2011 due to the progressive impact on its subscriber base of price cuts related to the competitive environment and to several price cuts imposed by the regulators[5]. Excluding the impact of these regulatory decisions, revenues decreased by 2.8%.

Mobile[6] revenues amounted to €5,697 million, a 10.3% decrease compared to the first nine months of 2011. Mobile service[7] revenues decreased by 10.2% to €5,362 million. Excluding the impact of regulated price cuts, mobile service revenues decreased by 3.8%.

In third quarter 2012, SFR's postpaid mobile customer base increased by 40,000 additions. At the end of September 2012, SFR's postpaid mobile customer base reached 16.454 million, a 1.6% increase year-on-year. The customer mix (the percentage of the number of postpaid customers in the total customer base) amounted to 78.8%, a 2.2 percentage points increase year-on-year. SFR's total mobile customer base reached 20.876 million. Mobile Internet usage continued to develop, with 47% of SFR customers being equipped with a smartphone (37% at the end of September 2011).

SFR continues to innovate: on September 25, SFR launched new simplified "Formules Carrées" offers focused on six tariffs, which aim at providing more distinctive offers (Dual carrier network, second SIM card,…) and customer support (Silver, Gold & Platine services). SFR is the first French operator to offer a pay and debit card, reloadable and contactless thanks to PayPass. SFR customers are also the first in France to be able to make purchases on Google Play Store by charging them to their SFR bill. In addition, on October 23, Joe Mobile, a 100% web-based virtual mobile operator, was launched and the latest mobile network generation 4G will be commercially available on November 28 in Lyon.

Broadband Internet and fixed[6] revenues amounted to €2,959 million, a 1.2% decrease compared to the first nine months of 2011, and was stable excluding the impact of regulated price cuts. Excluding regulatory impacts, broadband Internet mass market revenues increased by 0.6%.

At the end of September 2012, the active broadband Internet residential customer base totaled 5.040 million, with 24,000 net additions in the third quarter. The quadruple play offer ("Multi-Pack de SFR") customer base reached 1.7 million at the end of September 2012. On September 25, SFR adapted its broadband Internet residential offer with a simplified pricing structure better tailored to its customers' uses, in order to strengthen its competitiveness.

SFR's EBITDA was €2,735 million, a 7.9% decrease compared to the first nine months of 2011. Excluding non-recurring positive items (€51 million as of September 30, 2012 and €73 million as of September 30, 2011), EBITDA decreased by 7.4%. EBITA was €1,650 million, a 12.5% decrease. Excluding non-recurring items, EBITA decreased by 11.8%.

Maroc Telecom group

Maroc Telecom group's revenues were €2,028 million, a 1.5% decrease compared to the first nine months of 2011 (-2.8% at constant currency).

Activities in Morocco generated revenues of €1,586 million, a 5.6% decrease compared to the first nine months of 2011 (-7.1% at constant currency). This change reflected the successive cuts in mobile termination rates in January and July 2012, further price cuts in the mobile segment, and the decrease in fixed revenues.

However, activities in sub-Saharan African countries generated revenues of €470 million, a 19.3% increase compared to the first nine months of 2011 (+18.4% at constant currency). This performance resulted from very strong growth in mobile customer bases (+45%), enhanced offers, and higher customer usage in a stable competitive environment.

The group's overall customer base maintained positive momentum with an 18% increase and reached nearly 33 million customers, primarily due to the 43% growth in the sub-Saharan African customer base, year-on-year. In Morocco, the customer base also increased: +6.2% for the mobile segment (+22% for postpaid only), +57% for 3G mobile Internet and +18% for ADSL.

The group's EBITDA amounted to €1,128 million, nearly stable (-0.4%) compared to the first nine months of 2011 (-1.7% at constant currency). As a result, the group's EBITDA margin increased by 0.6 percentage point, to reach 55.6%. This performance is due to the increase of the sub-Saharan EBITDA (margin increase close to 7 percentage points).

[4] Following the disposal of 100% of Débitel France SA to La Poste Télécom SAS, Débitel France SA has been excluded from the consolidation perimeter since March 1, 2011, with a customer base of 290,000.

[5] Tariff cuts imposed by regulatory decision:

i) 33% decrease in mobile voice termination regulated price on July 1, 2011, a 25% additional decrease on January 1, 2012 and a further 33% decrease on July 1, 2012;

ii) 25% decrease in SMS termination regulated price on July 1, 2011 and a 33% additional decrease on July 1, 2012. In addition to asymmetric tariff in favor of Iliad;

iii) Roaming tariff cuts on July 1, 2011 and July 1, 2012; and

iv) 40% decrease in fixed voice termination regulated price on October 1, 2011 and a 50% additional decrease on July 1, 2012.

[6] Mobile revenues, broadband Internet, and fixed revenues are determined as revenues before elimination of intersegment operations within SFR.

[7] Mobile service revenues are determined as mobile revenues excluding revenues from equipment sales.

The group's EBITA amounted to €729 million, a 12.5% decrease compared to the first nine months of 2011 (-13.7% at constant currency) including a €72 million restructuring provision related to the voluntary redundancy plan. As of October 30, 2012, 1,330 people chose to benefit from this plan. Excluding restructuring provision, EBITA was down by only 3.8% at €801 million, representing a 39.5% margin (-1.0 point).

GVT

GVT's revenues reached €1,282 million, a 19.0% increase compared to the first nine months of 2011 (+28.1% at constant currency); excluding the impact of change in VAT policy, revenues increased by 38.2% at constant currency. Broadband service revenues increased by 10.3% (+18.6% at constant currency) and voice service revenues increased by 18.5% (+27.4% at constant currency) compared to the first nine months of 2011.

During the first nine months of 2012, GVT expanded its coverage to 17 additional cities and currently covers 136 cities. As a result of commercial efforts and geographical network expansion, GVT's Telecom lines in service reached 8.178 million, a 41.7% increase year-on-year. The profile of the customer base with speed equal to or higher than 15 Mbps reached 42%, compared to 31% at the end of September 2011.

Launched less than a year ago, the pay-TV service had around 312,000 subscribers as of September 30, 2012. During the third quarter of 2012, GVT captured 15.2%[8] of the growth from the entire Brazilian pay-TV market, raising this percentage to 33.4%[8] when only considering the cities where it operates.

GVT's EBITDA was €528 million, a 16.8% increase compared to the first nine months of 2011 (+25.7% at constant currency) and EBITDA margin reached 41.2%, and 43.9% for the telecoms activities only.

GVT's EBITA was €341 million, a 14.0% increase compared to the first nine months of 2011 (+23.0% at constant currency).

GVT's capital expenditures amounted to €720 million, a 38.7% increase compared to the first nine months of 2011, of which around €164 million related to the pay-TV business.

Canal+ Group

Canal+ Group's revenues were €3,647 million, a 2.4% increase compared to the first nine months of 2011.

Canal+ France's revenues, which include Canal+ Group's pay-TV operations in mainland France, French overseas territories and Africa, were up by 1.6% and reached €3,063 million, driven by subscription portfolio growth and increased advertising revenues. Over the past twelve months, Canal+ France's portfolio recorded a net growth of 237,000 subscriptions, with more than 170,000 subscriptions from Africa.

Revenues from all other Canal+ Group activities grew, notably thanks to solid performances of StudioCanal and the pay-TV operations in Vietnam.

Canal+ Group's EBITA was €722 million, compared to €732 million for the first nine months of 2011, as a result of the negative impact of a VAT rise (around €30 million).

Holding & Corporate

Holding & Corporate EBITA was -€95 million, compared to -€59 million for the first nine months of 2011, notably due to higher litigation charges for the first nine months of 2012 and several positive one-off items in 2011.

[8] *According to Anatel.*

5 Treasury and capital resources

Preliminary comment: *Vivendi considers Financial Net Debt, a non-GAAP measure, to be a relevant indicator in measuring the group's indebtedness. Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain debt covenants.*

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

Vivendi's financing policy consists of incurring long-term debt, mainly in bond and banking markets, at a variable or fixed rate, in euros or in US dollars, depending on general corporate needs and market conditions. In this context, in 2012, Vivendi pursued its policy of disintermediation, having recourse in priority to the bond market by issuing two euro-denominated bonds for a total amount of €1,550 million in January and April 2012 and one US dollar-denominated bond for $2,000 million in April 2012. Vivendi also sought to diversify its investor base by issuing on the American bond market and pursued its policy of maintaining the "economic" average term of the group's debt above 4 years. In addition, Vivendi has a Euro Medium Term Notes program on the Luxembourg Stock Exchange, which is renewed each year, in order to take advantage of every euro bond market opportunity. To comply with the rating agencies' new prudential regulations regarding liquidity management, Vivendi arranges to the extent possible, the refinancing of all expiring bank credit facilities or bonds one year in advance.

As of September 30, 2012:

- The group's bond debt amounted to €10,234 million (compared to €9,276 million as of December 31, 2011). During the first nine months of 2012, Vivendi issued bonds in euros and in dollars for a total amount of €3,058 million and redeemed bonds for a total amount of €2,048 million (of which $700 million (or €448 million) were early redeemed in April/May 2012). Please refer to Section 5.4 below. The group's bond debt represented 56% of the borrowings in the Statement of Financial Position (compared to 59% as of December 31, 2011), taking into account the financing of the acquisition of EMI Recorded Music by drawing on credit facilities.
- The total amount of the group's confirmed credit facilities amounted to €9,058 million, of which €2,498 million was neither drawn nor backed by commercial paper (compared to €12,081 million confirmed credit facilities, with €6,635 million available as of December 31, 2011). This decrease was notably due to the disintermediation policy, the short-term financing through commercial paper, and the financing of the acquisition of EMI Recorded Music by drawing on credit facilities.
- Vivendi SA's and SFR's total confirmed credit facilities amounted to €8,340 million as of September 30, 2012 (including €2 billion in swinglines), compared to €11,242 million as of December 31, 2011. The maturity of these credit facilities is greater than one year. These credit facilities were drawn for €2,975 million as of September 30, 2012. Considering the €3,087 million commercial paper issued at that date and backed to bank credit facilities, these facilities were available up to €2,278 million.
- The short-term borrowings mainly included issued commercial paper. The "economic" average term of the group's debt was 4.4 years (compared to 4.0 years as of December 31, 2011).

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

In addition, if the Liberty Media verdict were to be entered into the record by the judge (please refer to Note 10 to the Condensed Financial Statements for the nine months ended September 30, 2012), in order to appeal, Vivendi would be required to post a security instrument in favor of an American court. On September 28, 2012, Vivendi finalized the agreement pursuant to which a syndicate of banks will issue a security instrument in favor of, and subject to the approval of, the Court, if the judgment is entered.

As of November 12, 2012, the date of the Management Board meeting that approved Vivendi's Financial Statements for the nine months ended September 30, 2012, Vivendi SA and SFR had available confirmed credit facilities amounting to €8,340 million, of which €2,300 million were drawn. Considering the amount of commercial paper issued at this date, and backed on bank credit facilities for €3,760 million, these facilities were available for an aggregate amount of €2,280 million.

Taking into account the foregoing, Vivendi considers that the cash flows generated by its operating activities, its cash and cash equivalents, as well as the amounts available through its current bank credit facilities and the bank commitments received for the issuance of a security instrument in connection with a potential appeal against the Liberty Media judgment will be sufficient to cover its operating expenses and capital expenditure, service its debt, and if necessary, cover any consequences that may arise in connection with the appeal of the Liberty Media verdict, as well as to finance its investment projects underway for the remaining of 2012. Vivendi confirms its Financial Net Debt outlook below €14 billion at year-end 2012 (assuming closing expected by end of 2012 of the strategic partnership project among Canal+ Group, ITI, and TVN in Poland).

5.2 Financial Net Debt changes

As of September 30, 2012, Vivendi's Financial Net Debt amounted to €15,011 million (compared to €12,027 million as of December 31, 2011), a €2,984 million increase. This change notably reflected the following transactions:

- the impact of the acquisition of EMI Recorded Music (€1,402 million, please refer to Section 1.1 above);
- the cash payments related to capital expenditures (€3,665 million, of which €1,065 million paid in January 2012 by SFR, related to 4G mobile spectrum);
- the dividends paid notably to shareowners of Vivendi SA (€1,245 million), Maroc Telecom SA (€345 million), and Activision Blizzard (€62 million), and the impact of Activision Blizzard's stock repurchase program (€241 million);
- interest expense (€423 million);
- offset by net cash generated by operating activities of business segments (€4,446 million) and by the capital increase subscribed by employees in connection with Vivendi SA's employee stock purchase plan in July 2012 (€127 million).

(in millions of euros)	September 30, 2012	December 31, 2011
Borrowings and other financial liabilities	18,464	15,710
of which long-term (a)	*13,779*	*12,409*
short-term (a)	*4,685*	*3,301*
Cash management financial assets (b) (c)	(324)	(266)
Derivative financial instruments in assets (b)	(151)	(101)
Cash deposits backing borrowings (b)	(9)	(12)
	17,980	**15,331**
Cash and cash equivalents (a)	(2,969)	(3,304)
of which Activision Blizzard	*(2,259)*	*(2,448)*
Financial Net Debt	**15,011**	**12,027**

a. As presented in the Consolidated Statement of Financial Position.

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

c. Relates to Activision Blizzard's US treasuries and government agency securities, with a maturity exceeding three months.

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2011	**(3,304)**	**15,331**	**12,027**
Outflows/(inflows) generated by:			
Operating activities	(4,446)	-	(4,446)
Investing activities	5,210	(17)	5,193
Financing activities	(424)	2,751	2,327
Foreign currency translation adjustments	(5)	(85)	(90)
Change in Financial Net Debt over the period	335	2,649	2,984
Financial Net Debt as of September 30, 2012	**(2,969)**	**17,980**	**15,011**

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

5.3 Analysis of Financial Net Debt changes

		Nine months ended September 30, 2012		
(in millions of euros)	Refer to section	Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT	2	**(3,834)**	**-**	**(3,834)**
Adjustments		(2,418)	-	(2,418)
Content investments, net		347	-	347
Gross cash provided by operating activities before income tax paid		***(5,905)***	***-***	***(5,905)***
Other changes in net working capital		947	-	947
Net cash provided by operating activities before income tax paid	3	***(4,958)***	***-***	***(4,958)***
Income tax paid, net	3	512	-	512
Operating activities **A**		**(4,446)**	**-**	**(4,446)**
Financial investments				
Purchases of consolidated companies, after acquired cash		1,437	37	1,474
of which acquisition of EMI Recorded Music by Vivendi and UMG	1	*1,363*	*39*	*1,402*
Investments in equity affiliates		40	-	40
Increase in financial assets		119	(77)	42
Total financial investments		***1,596***	***(40)***	***1,556***
Financial divestments				
Proceeds from sales of consolidated companies, after divested cash		(14)	-	(14)
Disposal of equity affiliates		(4)	-	(4)
Decrease in financial assets		(30)	23	(7)
Total financial divestments		***(48)***	***23***	***(25)***
Financial investment activities		**1,548**	**(17)**	**1,531**
Dividends received from equity affiliates		(2)	-	(2)
Dividends received from unconsolidated companies		(1)	-	(1)
Net investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets		**1,545**	**(17)**	**1,528**
Capital expenditures		3,679	-	3,679
Proceeds from sales of property, plant, equipment and intangible assets		(14)	-	(14)
Capital expenditures, net	3	***3,665***	***-***	***3,665***
Investing activities **B**		**5,210**	**(17)**	**5,193**
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		(126)	-	(126)
of which capital increase subscribed by employees in connection with the stock purchase plan		*(127)*	-	*(127)*
Dividends paid by Vivendi SA (€1 per share)	1	1,245	-	1,245
Other transactions with shareowners		223	-	223
of which stock repurchase program of Activision Blizzard	1	*241*	-	*241*
Dividends paid by consolidated companies to their non-controlling interests	1	470	-	470
of which Maroc Telecom SA		*345*	-	*345*
Activision Blizzard		*62*	-	*62*
Total transactions with shareowners		***1,812***	***-***	***1,812***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long-term financial liabilities	5.4	(6,180)	6,180	-
of which bonds		*(3,058)*	*3,058*	-
bank credit facilities		*(2,975)*	*2,975*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities		4,199	(4,199)	-
of which bank credit facilities		*4,176*	*(4,176)*	-
Principal payments on short-term borrowings	5.4	2,604	(2,604)	-
of which bonds		*2,048*	*(2,048)*	-
bank credit facilities		*271*	*(271)*	-
commercial paper		*40*	*(40)*	-
Other changes in short-term borrowings and other financial liabilities		(3,366)	3,366	-
of which commercial paper		*(2,598)*	*2,598*	-
Non-cash transactions		-	8	8
Interest paid, net	3	423	-	423
Other cash items related to financial activities	3	84	-	84
Total transactions on borrowings and other financial liabilities		***(2,236)***	***2,751***	***515***
Financing activities **C**		**(424)**	**2,751**	**2,327**
Foreign currency translation adjustments D		(5)	(85)	(90)
Change in Financial Net Debt **A+B+C+D**		**335**	**2,649**	**2,984**

5.4 New financings set up during the first nine months of 2012

Bonds

In January 2012, Vivendi set up a €1,250 million bond, with a 5.5-year maturity and a 4.125% coupon, and an effective rate of 4.31%.

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

- A $2 billion bond issue consisting of the following three tranches:
  - $550 million with a 2.4% coupon maturing in April 2015 and an effective rate of 2.50%. A USD-EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche with a rate of 1.3082 USD/EUR, or a €420 million counter value at maturity;
  - $650 million, with a 3.450% coupon maturing in January 2018 and an effective rate of 3.56%; and
  - $800 million, with a 4.750% coupon maturing in April 2022 and an effective rate of 4.91%.

  This bond notably allowed the early redemption, through a tender offer, of the $700 million bond, with an initial scheduled maturity in April 2013.
- A €300 million tap issue on the €750 million bond maturing in July 2021, with a 4.750% coupon. This transaction increased the total amount of the bond to €1,050 million, with an effective rate of 4.67% (compared to 4.90% as of December 31, 2011).

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

Bank credit facilities

- In January 2012, Vivendi set up a €1.1 billion bank credit facility with a 5-year maturity, early refinancing the €1.5 billion credit facility with an initial scheduled maturity in December 2012 and a €0.5 billion SFR syndicated loan with an initial scheduled maturity in March 2012; and
- In May 2012, Vivendi set up a €1.5 billion bank credit facility maturing in May 2017, which early refinanced two credit facilities for a total amount of €3 billion (the €2 billion credit facility set up in August 2006, maturing in August 2013 for €1.7 billion and in August 2012 for €0.3 billion, as well as the €1 billion credit facility set up in February 2008, maturing in February 2013).

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

For a detailed description of the group's bonds and bank credit facilities as of September 30, 2012, please refer to Note 8 to the Condensed Financial Statements for the nine months ended September 30, 2012.

6 Forward-looking statements

Cautionary note regarding forward-looking statements

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

7 Other Disclaimers

Unsponsored ADRs

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

Translation

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

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

1. Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi Management uses adjusted net income because it illustrates the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. Adjusted net income is defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2011.

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

(in millions of euros)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Earnings attributable to Vivendi SA shareowners (a)	**491**	**241**	**1,651**	**2,799**
Adjustments				
Amortization of intangible assets acquired through business combinations	116	117	337	358
Impairment losses on intangible assets acquired through business combinations (a)	-	5	93	5
Other income (a)	(7)	(3)	(15)	(1,292)
Other charges (a)	26	174	82	633
Other financial income (a)	(5)	(6)	(11)	(11)
Other financial charges (a)	40	92	123	154
Change in deferred tax asset related to the Consolidated Global Profit Tax and to Vivendi SA's French Tax Group Systems	37	140	48	28
Non-recurring items related to provision for income taxes	10	(5)	26	14
Provision for income taxes on adjustments	(41)	(67)	(136)	(149)
Non-controlling interests on adjustments	(2)	(3)	(4)	(20)
Adjusted net income	**665**	**685**	**2,194**	**2,519**

a. As presented in the Consolidated Statement of Earnings.

Adjusted net income per share

	Three months ended September 30,				Nine months ended September 30,			
	2012		2011		2012		2011	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	665	665 (a)	685	685 (a)	2,194	2,192 (a)	2,519	2,516 (a)
Number of shares (in millions)								
Weighted average number of shares outstanding (b) (c)	1,298.9	1,298.9	1,283.9	1,283.9	1,290.9	1,290.9	1,279.8	1,279.8
Potential dilutive effects related to share-based compensation	-	2.6	-	1.8	-	2.1	-	2.3
Adjusted weighted average number of shares	**1,298.9**	**1,301.5**	**1,283.9**	**1,285.7**	**1,290.9**	**1,293.0**	**1,279.8**	**1,282.1**
Adjusted net income per share (in euros) (b)	0.51	0.51	0.53	0.53	1.70	1.70	1.97	1.96

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

b. The weighted-average number of shares and adjusted net income per share have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33 - Earnings per share. Please refer to Section 1.1.6 of the Financial Report above.

c. Net of treasury shares (411 thousand shares as of September 30, 2012).

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

As reported below, the reconciliation of Activision Blizzard's revenues and EBITA to IFRS as of September 30, 2012 and September 30, 2011 is based on:

- Activision Blizzard's data prepared in compliance with U.S. GAAP standards, in US dollars, contained in its Form 10-Q for the nine months ended September 30, 2012 and non-GAAP measures published by Activision Blizzard on November 7, 2012; and
- data relating to Activision Blizzard established in accordance with IFRS standards, in euros, as published by Vivendi in its Unaudited Condensed Financial Statements for the nine months ended September 30, 2012.

Non-GAAP measures of Activision Blizzard

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

i. the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games;
ii. expenses related to equity-based compensation;
iii. expenses related to restructuring;
iv. impairment of intangible assets acquired through business combinations;
v. the amortization of intangible assets acquired through business combinations; and
vi. the income tax adjustments associated with any of the above items.

Revenues reconciliation:

	Three months ended September 30, (unaudited)		Nine months ended September 30, (unaudited)	
	2012	2011	2012	2011
Non-GAAP Net Revenues (in millions of dollars)	**751**	**627**	**2,393**	**2,080**
Elimination of non-GAAP adjustments:				
Changes in deferred net revenues (a)	90	127	695	1,268
Net Revenues in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**841**	**754**	**3,088**	**3,348**
Elimination of U.S. GAAP vs. IFRS differences:	*na**	*na**	*na**	*na**
Net Revenues in IFRS (in millions of dollars)	**841**	**754**	**3,088**	**3,348**
Dollar to euro translation:				
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**673**	**533**	**2,404**	**2,390**
of which				
Activision	264	222	1,463	1,376
Blizzard	366	257	812	861
Distribution	43	54	129	153

na*: not applicable.

[1] *Note: For a definition of EBITA, please refer to Section 4.2 of this Financial Report*

EBITA reconciliation:

	Three months ended September 30, (unaudited)		Nine months ended September 30, (unaudited)	
	2012	2011	2012	2011
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**154**	**85**	**545**	**468**
Elimination of non-GAAP adjustments:				
Changes in deferred net revenues and related cost of sales (a)	110	105	514	943
Equity-based compensation expense	(34)	(18)	(85)	(61)
Restructuring charges	-	(3)	-	(24)
Amortization of intangibles acquired through business combinations	(3)	(7)	(7)	(22)
Operating Income/(Loss) in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**227**	**162**	**967**	**1,304**
Elimination of U.S. GAAP vs. IFRS differences:	1	(1)	1	5
Operating Income/(Loss) in IFRS (in millions of dollars)	**228**	**161**	**968**	**1,309**
Elimination of items excluded from EBITA:				
Amortization of intangibles acquired through business combinations	3	7	7	22
Other	(3)	-	(2)	(1)
EBITA in IFRS (in millions of dollars)	**228**	**168**	**973**	**1,330**
Dollar to euro translation:				
EBITA in IFRS (in millions of euros), as published by Vivendi	**182**	**118**	**754**	**951**
of which				
Activision	10	(8)	425	544
Blizzard	172	126	329	407
Distribution	-	-	-	-

a. Relates to the impact of the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games. As of September 30, 2012, both in U.S. GAAP and IFRS:

- the change in deferred net revenues resulted in the recognition of net revenues for $695 million (€534 million) and, after taking into account related costs of sales, the recognition of margin from operations for $514 million (€396 million); and
- the deferred net revenues balance in the Statement of Financial Position amounted to $847 million (€657 million), compared to $487 million (€360 million) as of September 30, 2011. After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $730 million (€567 million), compared to $437 million (€323 million) as of September 30, 2011.

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

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

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

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III - Condensed Financial Statements for the first nine months of 2012

Condensed Statement of Earnings

	Note	Three months ended September 30, (unaudited) 2012	2011	Nine months ended September 30, (unaudited) 2012	2011	Year ended December 31, 2011
Revenues	3	**6,667**	**6,777**	**20,751**	**21,030**	**28,813**
Cost of revenues		(3,131)	(3,247)	(9,893)	(10,080)	(14,391)
Selling, general and administrative expenses		(2,247)	(2,084)	(6,730)	(6,304)	(8,911)
Restructuring charges and other operating charges and income		(11)	(60)	(134)	(138)	(161)
Impairment losses on intangible assets acquired through business combinations		-	(5)	(93)	(5)	(397)
Other income	4	7	3	15	1,292	1,385
Other charges	4	(26)	(174)	(82)	(633)	(656)
Earnings before interest and income taxes (EBIT)		**1,259**	**1,210**	**3,834**	**5,162**	**5,682**
Income from equity affiliates		(6)	(6)	(19)	(19)	(18)
Interest	5	(137)	(144)	(423)	(351)	(481)
Income from investments		3	-	7	74	75
Other financial income		5	6	11	11	14
Other financial charges		(40)	(92)	(123)	(154)	(167)
Earnings from continuing operations before provision for income taxes		**1,084**	**974**	**3,287**	**4,723**	**5,105**
Provision for income taxes	6	(396)	(560)	(1,039)	(997)	(1,378)
Earnings from continuing operations		**688**	**414**	**2,248**	**3,726**	**3,727**
Earnings from discontinued operations		-	-	-	-	-
Earnings		**688**	**414**	**2,248**	**3,726**	**3,727**
Of which						
Earnings attributable to Vivendi SA shareowners		**491**	**241**	**1,651**	**2,799**	**2,681**
Non-controlling interests		197	173	597	927	1,046
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.38	0.19	1.28	2.19	2.09
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.38	0.19	1.28	2.18	2.09
Earnings attributable to Vivendi SA shareowners per share - basic	7	**0.38**	**0.19**	**1.28**	**2.19**	**2.09**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	0.38	0.19	1.28	2.18	2.09

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

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

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Comprehensive Income

(in millions of euros)	Three months ended September 30, (unaudited) 2012	2011	Nine months ended September 30, (unaudited) 2012	2011	Year ended December 31, 2011
Earnings	**688**	**414**	**2,248**	**3,726**	**3,727**
Foreign currency translation adjustments	**(341)**	**(124)**	**(266)**	**(304)**	**182**
of which transferred to profit or loss as part of the sale of NBC Universal interest	*-*	*-*	*-*	*477*	*477*
Assets available for sale	(1)	16	6	18	15
Cash flow hedge instruments	(12)	80	18	96	78
Net investment hedge instruments	-	-	-	21	21
Tax	1	(18)	1	(28)	(24)
Unrealized gains/(losses)	**(12)**	**78**	**25**	**107**	**90**
Other impacts, net	**1**	**-**	**1**	**13**	**12**
Charges and income directly recognized in equity	**(352)**	**(46)**	**(240)**	**(184)**	**284**
Total comprehensive income	**336**	**368**	**2,008**	**3,542**	**4,011**
of which					
Total comprehensive income attributable to Vivendi SA shareowners	**166**	**169**	**1,411**	**2,636**	**2,948**
Total comprehensive income attributable to non-controlling interests	170	199	597	906	1,063

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Financial Position

(in millions of euros)	Note	September 30, 2012 (unaudited)	December 31, 2011
ASSETS			
Goodwill	2	26,540	25,029
Non-current content assets		2,447	2,485
Other intangible assets		5,198	4,329
Property, plant and equipment		9,455	9,001
Investments in equity affiliates		227	135
Non-current financial assets		529	394
Deferred tax assets		1,381	1,421
Non-current assets		**45,777**	**42,794**
Inventories		703	805
Current tax receivables		283	542
Current content assets		1,291	1,066
Trade accounts receivable and other		6,117	6,730
Current financial assets		530	478
Cash and cash equivalents		2,969	3,304
Current assets		**11,893**	**12,925**
TOTAL ASSETS		**57,670**	**55,719**
EQUITY AND LIABILITIES			
Share capital		7,279	6,860
Additional paid-in capital		8,268	8,225
Treasury shares		(8)	(28)
Retained earnings and other		4,526	4,390
Vivendi SA shareowners' equity		**20,065**	**19,447**
Non-controlling interests		2,650	2,623
Total equity		**22,715**	**22,070**
Non-current provisions		1,541	1,569
Long-term borrowings and other financial liabilities	8	13,779	12,409
Deferred tax liabilities		669	728
Other non-current liabilities		887	864
Non-current liabilities		**16,876**	**15,570**
Current provisions		511	586
Short-term borrowings and other financial liabilities	8	4,685	3,301
Trade accounts payable and other		12,367	13,987
Current tax payables		516	205
Current liabilities		**18,079**	**18,079**
Total liabilities		**34,955**	**33,649**
TOTAL EQUITY AND LIABILITIES		**57,670**	**55,719**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Cash Flows

(in millions of euros)	Note	Nine months ended September 30, (unaudited) 2012	2011	Year ended December 31, 2011
Operating activities				
EBIT	3	3,834	5,162	5,682
Adjustments		2,418	1,427	2,590
Including amortization and depreciation of tangible and intangible assets		*2,343*	*2,173*	*3,441*
other income from EBIT		*(15)*	*(1,292)*	*(1,385)*
other charges from EBIT		*82*	*633*	*656*
Content investments, net		(347)	(162)	(13)
Gross cash provided by operating activities before income tax paid		***5,905***	***6,427***	***8,259***
Other changes in net working capital		(947)	(1,130)	(307)
Net cash provided by operating activities before income tax paid		***4,958***	***5,297***	***7,952***
Income tax paid, net		(512)	(877)	(1,090)
Net cash provided by operating activities		**4,446**	**4,420**	**6,862**
Investing activities				
Capital expenditures		(3,679)	(2,400)	(3,367)
Purchases of consolidated companies, after acquired cash		(1,437)	(227)	(210)
Investments in equity affiliates		(40)	(41)	(49)
Increase in financial assets		(119)	(246)	(377)
Investments		***(5,275)***	***(2,914)***	***(4,003)***
Proceeds from sales of property, plant, equipment and intangible assets		14	14	27
Proceeds from sales of consolidated companies, after divested cash		14	36	30
Disposal of equity affiliates		4	2,879	2,920
Decrease in financial assets		30	1,702	1,751
Divestitures		***62***	***4,631***	***4,728***
Dividends received from equity affiliates		2	74	79
Dividends received from unconsolidated companies		1	1	3
Net cash provided by/(used for) investing activities		**(5,210)**	**1,792**	**807**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		126	151	151
Sales/(purchases) of Vivendi SA's treasury shares		-	(70)	(37)
Dividends paid by Vivendi SA to its shareowners		(1,245)	(1,731)	(1,731)
Other transactions with shareowners		(223)	(8,109)	(7,909)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their non-controlling interests		(470)	(1,147)	(1,154)
Transactions with shareowners		***(1,812)***	***(10,906)***	***(10,680)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	8	6,180	5,079	6,045
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	8	(4,199)	(1,199)	(452)
Principal payment on short-term borrowings	8	(2,604)	(1,064)	(2,451)
Other changes in short-term borrowings and other financial liabilities	8	3,366	1,489	597
Interest paid, net	5	(423)	(351)	(481)
Other cash items related to financial activities		(84)	(70)	(239)
Transactions on borrowings and other financial liabilities		***2,236***	***3,884***	***3,019***
Net cash provided by/(used for) financing activities		**424**	**(7,022)**	**(7,661)**
Foreign currency translation adjustments		5	(80)	(14)
Change in cash and cash equivalents		**(335)**	**(890)**	**(6)**
Cash and cash equivalents				
At beginning of the period		**3,304**	**3,310**	**3,310**
At end of the period		**2,969**	**2,420**	**3,304**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statements of Changes in Equity

First nine months of 2012 (unaudited)

(in millions of euros, except number of shares)	Note	Capital: Common shares – Number of shares (in thousands)	Capital: Common shares – Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2011		***1,247,263***	**6,860**	**8,225**	**(28)**	**15,057**	**7,094**	**23**	**(104)**	**7,013**	**22,070**
Attributable to Vivendi SA shareowners		***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests		-	-	-	-	-	***2,453***	-	***170***	***2,623***	***2,623***
Contributions by/distributions to Vivendi SA shareowners		***76,220***	***419***	***43***	***20***	***482***	***(1,209)***	-	-	***(1,209)***	***(727)***
Capital increase related to Direct 8 and Direct Star acquisition (September 27, 2012)	2	*22,356*	123	213	-	336	-	-	-	-	336
Dividends paid by Vivendi SA (€1 per share)		-	-	-	-	-	(1,245)	-	-	(1,245)	(1,245)
Grant of one bonus share for each 30 shares held (May 9, 2012)		*41,575*	229	(229)	-	-	-	-	-	-	-
Capital increase related to Vivendi SA's share-based compensation plans		*12,289*	67	59	20	146	36	-	-	36	182
of which Vivendi Employee Stock Purchase Plans (July 19, 2012)		*12,289*	*67*	*60*	-	*127*	-	-	-	-	*127*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		-	-	-	-	-	***(66)***	-	-	***(66)***	***(66)***
of which Activision Blizzard's stock repurchase program		-	-	-	-	-	(110)	-	-	(110)	(110)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		***76,220***	**419**	**43**	**20**	**482**	**(1,275)**	-	-	**(1,275)**	**(793)**
Contributions by/distributions to non-controlling interests		-	-	-	-	-	***(478)***	-	-	***(478)***	***(478)***
of which dividends paid by subsidiaries to non-controlling interests		-	-	-	-	-	(478)	-	-	(478)	(478)
Changes in non-controlling interests that do not result in a gain/(loss) of control		-	-	-	-	-	***(92)***	-	-	***(92)***	***(92)***
of which Activision Blizzard's stock repurchase program		-	-	-	-	-	(131)	-	-	(131)	(131)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		-	-	-	-	-	**(570)**	-	-	**(570)**	**(570)**
Earnings		-	-	-	-	-	***2,248***	-	-	***2,248***	***2,248***
Charges and income directly recognized in equity		-	-	-	-	-	***1***	***25***	***(266)***	***(240)***	***(240)***
TOTAL COMPREHENSIVE INCOME (C)		-	-	-	-	-	**2,249**	**25**	**(266)**	**2,008**	**2,008**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***76,220***	***419***	***43***	***20***	***482***	***404***	***25***	***(266)***	***163***	***645***
Attributable to Vivendi SA shareowners		*76,220*	*419*	*43*	*20*	*482*	*377*	*26*	*(267)*	*136*	*618*
Attributable to non-controlling interests		-	-	-	-	-	*27*	*(1)*	*1*	*27*	*27*
BALANCE AS OF SEPTEMBER 30, 2012		***1,323,483***	**7,279**	**8,268**	**(8)**	**15,539**	**7,498**	**48**	**(370)**	**7,176**	**22,715**
Attributable to Vivendi SA shareowners		***1,323,483***	***7,279***	***8,268***	***(8)***	***15,539***	***5,018***	***49***	***(541)***	***4,526***	***20,065***
Attributable to non-controlling interests		-	-	-	-	-	***2,480***	***(1)***	***171***	***2,650***	***2,650***

The accompanying notes are an integral part of the Condensed Financial Statements.

First nine months of 2011 (unaudited)

(in millions of euros, except number of shares)	Capital: Common shares – *Number of shares* (in thousands)	Capital: Common shares – Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2010	***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners	***9,679***	***54***	***94***	***(59)***	***89***	***(1,698)***	**-**	**-**	***(1,698)***	***(1,609)***
Vivendi SA's stock repurchase program	-	-	-	(70)	(70)	-	-	-	-	(70)
Dividends paid by Vivendi SA (€1.40 per share)	-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA's share-based compensation plans	*9,679*	54	94	11	159	33	-	-	33	192
of which Vivendi Employee Stock Purchase Plans (July 21, 2011)	*9,372*	*52*	*91*	-	*143*	-	-	-	-	*143*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	***(6,173)***	***(11)***	**-**	***(6,184)***	***(6,184)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(6,038)	(11)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(175)	-	-	(175)	(175)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***9,679***	**54**	**94**	**(59)**	**89**	**(7,871)**	**(11)**	**-**	**(7,882)**	**(7,793)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***(713)***	**-**	**-**	***(713)***	***(713)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(513)	-	-	(513)	(513)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***14***	**-**	**-**	***14***	***14***
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***(1,882)***	***11***	**-**	***(1,871)***	***(1,871)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(1,712)	11	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(202)	-	-	(202)	(202)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(2,581)**	**11**	**-**	**(2,570)**	**(2,570)**
Earnings	**-**	**-**	**-**	**-**	**-**	***3,726***	**-**	**-**	***3,726***	***3,726***
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	***13***	***107***	***(304)***	***(184)***	***(184)***
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**3,739**	**107**	**(304)**	**3,542**	**3,542**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***9,679***	***54***	***94***	***(59)***	***89***	***(6,713)***	***107***	***(304)***	***(6,910)***	***(6,821)***
Attributable to Vivendi SA shareowners	*9,679*	*54*	*94*	*(59)*	*89*	*(5,059)*	*86*	*(273)*	*(5,246)*	*(5,157)*
Attributable to non-controlling interests	-	-	-	-	-	*(1,654)*	*21*	*(31)*	*(1,664)*	*(1,664)*
BALANCE AS OF SEPTEMBER 30, 2011	***1,247,016***	**6,859**	**8,222**	**(61)**	**15,020**	**6,882**	**40**	**(590)**	**6,332**	**21,352**
Attributable to Vivendi SA shareowners	***1,247,016***	***6,859***	***8,222***	***(61)***	***15,020***	***4,561***	***39***	***(719)***	***3,881***	***18,901***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***2,321***	***1***	***129***	***2,451***	***2,451***

The accompanying notes are an integral part of the Condensed Financial Statements.

Year ended December 31, 2011

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
	Number of shares (in thousands)	Share capital								
BALANCE AS OF DECEMBER 31, 2010	**1,237,337**	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners	***9,926***	***55***	***97***	***(26)***	***126***	***(1,690)***	***-***	***-***	***(1,690)***	***(1,564)***
Vivendi SA's stock repurchase program	-	-	-	(37)	(37)	-	-	-	-	(37)
Dividends paid by Vivendi SA (€1.40 per share)	-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA's share-based compensation plans	*9,926*	55	97	11	163	41	-	-	41	204
of which Vivendi Employee Stock Purchase Plans (July 21, 2011)	*9,372*	*52*	*91*	*-*	*143*	*-*	*-*	*-*	*-*	*143*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	***-***	***-***	***-***	***-***	***-***	***(5,983)***	***(12)***	***-***	***(5,995)***	***(5,995)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(6,037)	(12)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(231)	-	-	(231)	(231)
sale of Activision Blizzard shares	-	-	-	-	-	236	-	-	236	236
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***9,926***	**55**	**97**	**(26)**	**126**	**(7,673)**	**(12)**	**-**	**(7,685)**	**(7,559)**
Contributions by/distributions to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***(721)***	***-***	***-***	***(721)***	***(721)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(521)	-	-	(521)	(521)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control	***-***	***-***	***-***	***-***	***-***	***10***	***-***	***-***	***10***	***10***
Changes in non-controlling interests that do not result in a gain/(loss) of control	***-***	***-***	***-***	***-***	***-***	***(1,856)***	***12***	***-***	***(1,844)***	***(1,844)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(1,713)	12	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(271)	-	-	(271)	(271)
sale of Activision Blizzard shares	-	-	-	-	-	78	-	-	78	78
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(2,567)**	**12**	**-**	**(2,555)**	**(2,555)**
Earnings	***-***	***-***	***-***	***-***	***-***	***3,727***	***-***	***-***	***3,727***	***3,727***
Charges and income directly recognized in equity	***-***	***-***	***-***	***-***	***-***	***12***	***90***	***182***	***284***	***284***
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**3,739**	**90**	**182**	**4,011**	**4,011**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***9,926***	***55***	***97***	***(26)***	***126***	***(6,501)***	***90***	***182***	***(6,229)***	***(6,103)***
Attributable to Vivendi SA shareowners	*9,926*	*55*	*97*	*(26)*	*126*	*(4,979)*	*70*	*172*	*(4,737)*	*(4,611)*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*(1,522)*	*20*	*10*	*(1,492)*	*(1,492)*
BALANCE AS OF DECEMBER 31, 2011	**1,247,263**	**6,860**	**8,225**	**(28)**	**15,057**	**7,094**	**23**	**(104)**	**7,013**	**22,070**
Attributable to Vivendi SA shareowners	***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***2,453***	***-***	***170***	***2,623***	***2,623***

The accompanying notes are an integral part of the Condensed Financial Statements.

Notes to the Condensed Financial Statements

On November 12, 2012, during a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the unaudited Condensed Financial Statements for the nine months ended September 30, 2012, after having considered the Audit Committee's recommendation given at its meeting held on November 9, 2012.

The unaudited Condensed Financial Statements for the nine months ended September 30, 2012 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2011, as published in the 2011 "*Rapport annuel - Document de référence*" filed on March 19, 2012 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2011*") and the unaudited Condensed Financial Statements for the first half of 2012. Please also refer to pages 169 to 264 of the English translation[1] of the "*Document de référence 2011*" (the "2011 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

Note 1 Accounting policies and valuation methods

1.1 Interim financial statements

The Condensed Financial Statements of Vivendi for the first nine months of 2012 are presented and have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2011 (please refer to Note 1 "Accounting policies and valuation methods" presented in the financial statements from pages 178 to 193 of the 2011 Annual Report) and the following provisions were applied:

- provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to the pre-tax earnings of the period. The assessment of the annual effective tax rate takes into consideration notably the recognition of anticipated deferred tax assets for the full year which were not previously recognized; and
- compensation costs recorded for stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for any non-recurring events which occurred over the period, if necessary.

1.2 New IFRS standards and interpretations applicable as of January 1, 2012

The new IFRS standards and interpretations applicable as of January 1, 2012, described in Note 1.6 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" of Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2011 (page 193 of the 2011 Annual Report), and applicable to the first nine months of 2012, had no material impact on Vivendi's Financial Statements.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2011".*

Note 2 Major changes in the scope of consolidation

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

Following receipt of the regulatory approvals from the European Commission and the Federal Trade Commission in the United States on September 21, 2012, Vivendi and UMG completed the acquisition of 100% of the recorded music business of EMI Group Global Limited (EMI Recorded Music) from Citigroup Inc (Citi) on September 28, 2012. EMI Recorded Music has been fully consolidated since that date. As a reminder, the transaction was unconditionally cleared in New-Zealand (June 21, 2012), Japan (July 9, 2012), and Canada (August 20, 2012). The purchase price, in enterprise value, amounted to £1,130 million (approximately €1,404 million) of which £991 million (approximately €1,230 million) was paid in early September 2012, when conditions to payment were satisfied. As part of this transaction, Citi agreed to assume the full pension obligations in the United Kingdom, and UMG received commitments customary for this type of transaction. In addition, Citi undertook to indemnify UMG against losses stemming from taxes and litigation claims, in particular those related to pension obligations in the United Kingdom.

The approval by the European Commission is conditional upon the divestment of EMI's Parlophone label and certain other music assets worldwide, such as EMI France, EMI's classical music labels, Chrysalis, Mute and several other local EMI entities. The sale process of certain of these assets is underway.

The purchase price allocation will be finalized within twelve months as prescribed by the accounting standards and recognized in the Consolidated Financial Statements for the year ended December 31, 2012. The final amount of goodwill may differ significantly from the amount of €1,404 million recognized as of September 30, 2012.

Moreover, the acquisition-related costs amounted to €34 million for the first nine months of 2012 and to €6 million in 2011. They are recorded as other charges from EBIT and as investing activities in the Condensed Statement of Cash Flows.

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

In February 2012, Canal+ Group exercised its option to acquire, in one transaction, a 100% interest in Bolloré Group's television business, in exchange for the issuance of Vivendi shares.

On September 27, 2012, Vivendi carried out a share capital increase of 22,356 thousand shares, which it paid in consideration for the contribution made by Bolloré Media, representing an enterprise value of €336 million. Bolloré Group committed to retain the Vivendi shares received in connection with the completion of this transaction for a minimum period of six months after September 27, 2012. Since that date, Vivendi and Canal+ Group hold guarantees capped at €120 million. These guaranties expire 3 months after the expiration of the applicable statute of limitations for tax or social matters, and 18 months after September 27, 2012 for all other matters. Direct 8 and Direct Star have been fully consolidated since September 27, 2012 and were renamed D8 and D17, in connection with their launch on October 7, 2012.

As part of the French Competition Authority's authorization of the transaction received on July 23, 2012, Vivendi and Canal+ Group undertook a series of commitments. These commitments relate to restrictions regarding the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of rights for pay-TV and free-to-air movies and television series, the limitation regarding the acquisition by Direct 8 and Direct Star of French catalog movies from StudioCanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a 5-year period, renewable once if the competitive analysis performed by the Competition Authority renders it necessary. In addition, on September 18, 2012, the French Broadcasting Authority (*Conseil Supérieur de l'Audiovisuel*) authorized the acquisition of these channels, subject to certain commitments relating to broadcasting, investment obligations, transfer rights, and the retention by Canal + Group of the Direct 8 shares for a minimum period of two and a half years.

Following the closing of this transaction, Bolloré Group reported having increased its interest in Vivendi SA to 4.41%. Subsequently, on October 16, 2012, it announced that it had crossed the 5% threshold in Vivendi SA's share capital.

The purchase price allocation will be finalized within twelve months as prescribed by the accounting standards and recognized in the Consolidated Financial Statements for the year ended December 31, 2012. The final amount of goodwill may differ significantly from the amount of €324 million recognized as of September 30, 2012.

2.3 Other changes in the scope of consolidation

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

On April 12, 2012, Multithématiques, a subsidiary of Canal+ Group, and Orange Cinema Series finalized their agreements and partnered in a common company, Orange Cinema Series, in which Multithématiques acquired a 33% interest and Orange Cinema Series contributed the publishing and broadcasting operations of its pay cinema channels. Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat since April 5, 2012. On July 23, 2012, as part of the decision authorizing the combination of TPS group and CanalSatellite, the French Competition Authority has required that Canal+ Group sell its non-controlling interest in Orange Cinema Series or, upon failure to sell such interest, to amend certain provisions of the shareholders' agreement between Multithématiques and Orange Cinema Series. This injunction is subject to an appeal pending before the French Council of State (please refer to Note 10).

Acquisition by StudioCanal of a 100 % interest in Hoyts Distribution

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

Creation of Numergy by SFR

On September 5, 2012, SFR, Bull, and Caisse des Dépôts announced the creation of the company Numergy that will offer cloud computing services to all economic players.

2.4 Transaction underway as of November 12, 2012

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

On December 19, 2011, Canal+ Group, ITI, and TVN announced that they entered into a strategic partnership in Poland. On September 14, 2012, the transaction received unconditional approval from the Polish Competition and Consumer Protection Authority covering the two components of the partnership:

- the merger of Cyfra+ (75% owned by Canal+ Group) and the pay-TV platform "n" (owned by TVN) in order to create a major satellite TV platform, with a total base of 2.5 million customers; and
- the acquisition by Canal+ Group of a 40% interest in N-Vision, the company which owns a 51% interest in TVN.

The closing of this transaction is expected by the end of 2012.

For a detailed description of this transaction, please refer to Note 2.5 to the Consolidated Financial Statements for the year ended December 31, 2011, pages 195 to 196 of the 2011 Annual Report.

Note 3 Segment data

The Vivendi group comprises six businesses operating at the heart of the worlds of content, platforms, and interactive networks: Activision Blizzard, Universal Music Group, SFR, Maroc Telecom group, GVT, and Canal+ Group.

Statement of Earnings

Three months ended September 30, 2012

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	673	980	2,740	655	429	1,174	-	16	-	6,667
Intersegment revenues	-	1	7	10	-	3	-	1	(22)	-
Revenues	**673**	**981**	**2,747**	**665**	**429**	**1,177**	**-**	**17**	**(22)**	**6,667**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(435)	(876)	(1,858)	(288)	(246)	(863)	(24)	(18)	22	(4,586)
Charges related to share-based compensation plans	(27)	(3)	(2)	-	(1)	(3)	(1)	(1)	-	(38)
EBITDA	**211**	**102**	**887**	**377**	**182**	**311**	**(25)**	**(2)**	**-**	**2,043**
Restructuring charges	-	(4)	(8)	-	-	-	(1)	-	-	(13)
Gains/(losses) on sales of tangible and intangible assets	-	-	1	-	-	(1)	-	-	-	-
Other non-recurring items	(2)	(4)	(3)	(1)	-	1	-	(1)	-	(10)
Depreciation of tangible assets	(17)	(12)	(206)	(87)	(58)	(54)	-	-	-	(434)
Amortization of intangible assets excluding those acquired through business combinations	(10)	-	(134)	(23)	(6)	(18)	-	(1)	-	(192)
Adjusted earnings before interest and income taxes (EBITA)	**182**	**82**	**537**	**266**	**118**	**239**	**(26)**	**(4)**	**-**	**1,394**
Amortization of intangible assets acquired through business combinations	(2)	(75)	(17)	(7)	(14)	-	-	(1)	-	(116)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										7
Other charges										(26)
Earnings before interest and income taxes (EBIT)										**1,259**
Income from equity affiliates										(6)
Interest										(137)
Income from investments										3
Other financial income										5
Other financial charges										(40)
Provision for income taxes										(396)
Earnings from discontinued operations										-
Earnings										**688**
Of which										
Earnings attributable to Vivendi SA shareowners										**491**
Non-controlling interests										197

Three months ended September 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	532	976	3,011	687	395	1,168	-	8	-	6,777
Intersegment revenues	1	3	6	11	-	3	-	1	(25)	-
Revenues	**533**	**979**	**3,017**	**698**	**395**	**1,171**	**-**	**9**	**(25)**	**6,777**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(382)	(841)	(1,990)	(294)	(226)	(883)	(20)	(13)	25	(4,624)
Charges related to share-based compensation plans	(11)	(2)	(1)	(1)	(2)	(1)	-	-	-	(18)
EBITDA	**140**	**136**	**1,026**	**403**	**167**	**287**	**(20)**	**(4)**	**-**	**2,135**
Restructuring charges	(2)	(12)	(5)	-	-	-	1	-	-	(18)
Gains/(losses) on sales of tangible and intangible assets	(1)	(1)	1	-	-	-	-	1	-	-
Other non-recurring items	-	1	-	(1)	-	(1)	3	-	-	2
Depreciation of tangible assets	(12)	(12)	(234)	(78)	(48)	(37)	-	(1)	-	(422)
Amortization of intangible assets excluding those acquired through business combinations	(7)	-	(144)	(22)	(7)	(12)	(1)	(1)	-	(194)
Adjusted earnings before interest and income taxes (EBITA)	**118**	**112**	**644**	**302**	**112**	**237**	**(17)**	**(5)**	**-**	**1,503**
Amortization of intangible assets acquired through business combinations	(5)	(66)	(16)	(7)	(15)	(8)	-	-	-	(117)
Impairment losses on intangible assets acquired through business combinations	-	(5)	-	-	-	-	-	-	-	(5)
Other income										3
Other charges										(174)
Earnings before interest and income taxes (EBIT)										**1,210**
Income from equity affiliates										(6)
Interest										(144)
Income from investments										-
Other financial income										6
Other financial charges										(92)
Provision for income taxes										(560)
Earnings from discontinued operations										-
Earnings										**414**
Of which										
Earnings attributable to Vivendi SA shareowners										**241**
Non-controlling interests										173

Nine months ended September 30, 2012

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	2,404	2,899	8,488	2,000	1,282	3,634	-	44	-	20,751
Intersegment revenues	-	4	20	28	-	13	-	3	(68)	-
Revenues	**2,404**	**2,903**	**8,508**	**2,028**	**1,282**	**3,647**	**-**	**47**	**(68)**	**20,751**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,472)	(2,571)	(5,744)	(898)	(752)	(2,729)	(79)	(50)	68	(14,227)
Charges related to share-based compensation plans	(65)	(11)	(29)	(2)	(2)	(10)	(7)	(1)	-	(127)
EBITDA	**867**	**321**	**2,735**	**1,128**	**528**	**908**	**(86)**	**(4)**	**-**	**6,397**
Restructuring charges	(1)	(37)	(19)	(72)	-	-	(7)	-	-	(136)
Gains/(losses) on sales of tangible and intangible assets	-	-	1	-	(1)	(1)	-	-	-	(1)
Other non-recurring items	(1)	(10)	-	(3)	-	-	(1)	(1)	-	(16)
Depreciation of tangible assets	(48)	(36)	(627)	(256)	(169)	(129)	(1)	(1)	-	(1,267)
Amortization of intangible assets excluding those acquired through business combinations	(63)	-	(440)	(68)	(17)	(56)	-	(2)	-	(646)
Adjusted earnings before interest and income taxes (EBITA)	**754**	**238**	**1,650**	**729**	**341**	**722**	**(95)**	**(8)**	**-**	**4,331**
Amortization of intangible assets acquired through business combinations	(6)	(216)	(50)	(20)	(42)	(1)	-	(2)	-	(337)
Impairment losses on intangible assets acquired through business combinations	-	(93)	-	-	-	-	-	-	-	(93)
Other income										15
Other charges										(82)
Earnings before interest and income taxes (EBIT)										**3,834**
Income from equity affiliates										(19)
Interest										(423)
Income from investments										7
Other financial income										11
Other financial charges										(123)
Provision for income taxes										(1,039)
Earnings from discontinued operations										-
Earnings										**2,248**
Of which										
Earnings attributable to Vivendi SA shareowners										**1,651**
Non-controlling interests										597

Nine months ended September 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	2,389	2,835	9,128	2,028	1,077	3,553	-	20	-	21,030
Intersegment revenues	1	7	9	31	-	10	-	3	(61)	-
Revenues	**2,390**	**2,842**	**9,137**	**2,059**	**1,077**	**3,563**	**-**	**23**	**(61)**	**21,030**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,282)	(2,504)	(6,145)	(925)	(622)	(2,675)	(58)	(39)	61	(14,189)
Charges related to share-based compensation plans	(42)	(9)	(21)	(2)	(3)	(8)	(4)	(1)	-	(90)
EBITDA	**1,066**	**329**	**2,971**	**1,132**	**452**	**880**	**(62)**	**(17)**	**-**	**6,751**
Restructuring charges	(18)	(49)	(14)	-	-	-	(1)	-	-	(82)
Gains/(losses) on sales of tangible and intangible assets	(1)	-	3	-	(1)	(2)	-	1	-	-
Other non-recurring items	-	-	-	2	-	-	5	-	-	7
Depreciation of tangible assets	(38)	(36)	(648)	(232)	(137)	(103)	-	(1)	-	(1,195)
Amortization of intangible assets excluding those acquired through business combinations	(58)	-	(427)	(69)	(15)	(43)	(1)	(2)	-	(615)
Adjusted earnings before interest and income taxes (EBITA)	**951**	**244**	**1,885**	**833**	**299**	**732**	**(59)**	**(19)**	**-**	**4,866**
Amortization of intangible assets acquired through business combinations	(16)	(203)	(50)	(20)	(45)	(24)	-	-	-	(358)
Impairment losses on intangible assets acquired through business combinations	-	(5)	-	-	-	-	-	-	-	(5)
Other income										1,292
Other charges										(633)
Earnings before interest and income taxes (EBIT)										**5,162**
Income from equity affiliates										(19)
Interest										(351)
Income from investments										74
Other financial income										11
Other financial charges										(154)
Provision for income taxes										(997)
Earnings from discontinued operations										-
Earnings										**3,726**
Of which										
Earnings attributable to Vivendi SA shareowners										**2,799**
Non-controlling interests										927

Note 4 EBIT

Other charges and income

For the first nine months of 2012, EBIT's other charges and income were a net charge of €67 million (compared to a net income of €659 million for the first nine months of 2011). For the first nine months of 2011, they primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred on the sale on January 25, 2011 of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million).

Note 5 Interest

(in millions of euros)	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
(Charge)/Income					
Interest expense on borrowings	(148)	(154)	(447)	(388)	(529)
Interest income from cash and cash equivalents	11	10	24	37	48
Interest	**(137)**	**(144)**	**(423)**	**(351)**	**(481)**
Fees and premium on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments	*(3)*	*(45)*	*(11)*	*(49)*	*(52)*
	(140)	***(189)***	***(434)***	***(400)***	***(533)***

Note 6 Income taxes

(in millions of euros)	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011	Year ended December 31, 2011
(Charge)/Income					
Impact of the Consolidated Global Profit Tax and Vivendi SA's French Tax Group Systems	28	(203) (a)	226	333 (a)	436
Other components of the provision for income taxes	(424)	(357)	(1,265)	(1,330)	(1,814)
Provision for income taxes	**(396)**	**(560)**	**(1,039)**	**(997)**	**(1,378)**

a. On July 6, 2011, Vivendi applied to the French Ministry of Finance for the renewal of its authorization to use the Consolidated Global Profit Tax System for a three year period from 2012 to 2014. However, the changes in French Tax Law for the year 2011 terminated the Consolidated Global Profit Tax System as from September 6, 2011. In addition, it decided to cap the deduction for tax losses carried forward at 60% of taxable income. The €203 million charge recognized in the third quarter of 2011 was primarily related to the impact of this cap (-€445 million, of which -€203 million related to the 2011 fiscal year and -€242 million related to the 2012 fiscal year), which was partially offset by the positive impact of the acquisition of Vodafone's 44% interest in SFR for the 2011 and 2012 fiscal years (+€248 million). As of September 30, 2011, the impact of the Consolidated Global Profit Tax and Vivendi SA's tax group Systems for the first nine months of 2011 primarily represented 75% of the expected tax savings for the 2012 fiscal year, after the cap.

Note 7 Earnings per share

	Three months ended September 30,				Nine months ended September 30,				Year ended December 31, 2011	
	2012		2011		2012		2011			
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings attributable to Vivendi SA shareowners (in millions of euros)	491	491 (a)	241	241 (a)	1,651	1,649 (a)	2,799	2,796 (a)	2,681	2,678 (a)
Number of shares (in millions)										
Weighted average number of shares outstanding (b) (c)	1,298.9	1,298.9	1,283.9	1,283.9	1,290.9	1,290.9	1,279.8	1,279.8	1,281.4	1,281.4
Potential dilutive effects related to share-based compensation	-	2.6	-	1.8	-	2.1	-	2.3	-	2.4
Adjusted weighted average number of shares	**1,298.9**	**1,301.5**	**1,283.9**	**1,285.7**	**1,290.9**	**1,293.0**	**1,279.8**	**1,282.1**	**1,281.4**	**1,283.8**
Earnings attributable to Vivendi SA shareowners per share (in euros) (b)	0.38	0.38	0.19	0.19	1.28	1.28	2.19	2.18	2.09	2.09

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

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

b. The weighted-average number of shares and earnings attributable to Vivendi SA shareowners per share have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33 - Earnings per share. Please refer to Section 1.1.6 of the Financial Report for the nine months of 2012.

c. Net of treasury shares (411 thousand shares as of September 30, 2012).

Note 8 Borrowings and other financial liabilities

(in millions of euros)	September 30, 2012			December 31, 2011		
	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	10,234	10,234	-	9,276	7,676	1,600
Bank credit facilities (drawn confirmed)	3,473	3,388	85	4,917	4,558	359
Commercial paper issued	3,087	-	3,087	529	-	529
Bank overdrafts	195	-	195	163	-	163
Accrued interest to be paid	254	-	254	200	-	200
Other	1,186	131	1,055	621	173	448
Nominal value of borrowings	**18,429**	13,753	4,676	**15,706**	12,407	3,299
Cumulative effect of amortized cost and reevaluation due to hedge accounting	11	11	-	(12)	(8)	(4)
Commitments to purchase non-controlling interests	8	8	-	11	10	1
Derivative financial instruments	16	7	9	5	-	5
Borrowings and other financial liabilities	**18,464**	**13,779**	**4,685**	**15,710**	**12,409**	**3,301**

8.1 Bonds

(in millions of euros)	Interest rate (%)		Maturity	September 30, 2012	Maturing before September 30,					Maturing after September 30, 2017	December 31, 2011
	nominal	effective			2013	2014	2015	2016	2017		
$550 million (April 2012)	2.400%	2.50%	Apr-15	420 (a)	-	-	420	-	-	-	-
$650 million (April 2012)	3.450%	3.56%	Jan-18	505	-	-	-	-	-	505	-
$800 million (April 2012)	4.750%	4.91%	Apr-22	621	-	-	-	-	-	621	-
€1,250 million (January 2012)	4.125%	4.31%	Jul-17	1,250	-	-	-	-	1,250	-	-
€500 million (November 2011)	3.875%	4.04%	Nov-15	500	-	-	-	500	-	-	500
€500 million (November 2011)	4.875%	5.00%	Nov-18	500	-	-	-	-	-	500	500
€1,000 million (July 2011)	3.500%	3.68%	Jul-15	1,000	-	-	1,000	-	-	-	1,000
€1,050 million (July 2011)	4.750%	4.67%	Jul-21	1,050 (b)	-	-	-	-	-	1,050	750
€750 million (March 2010)	4.000%	4.15%	Mar-17	750	-	-	-	-	750	-	750
€700 million (December 2009)	4.875%	4.95%	Dec-19	700	-	-	-	-	-	700	700
€500 million (December 2009)	4.250%	4.39%	Dec-16	500	-	-	-	-	500	-	500
€300 million - SFR (July 2009)	5.000%	5.05%	Jul-14	300	-	300	-	-	-	-	300
€1,120 million (January 2009)	7.750%	7.69%	Jan-14	894	-	894	-	-	-	-	894
$700 million (April 2008)	6.625%	6.85%	Apr-18	544	-	-	-	-	-	544	541
€700 million (October 2006)	4.500%	5.47%	Oct-13	700	-	700	-	-	-	-	700
€1,000 million - SFR (July 2005)	3.375%	4.14%	Jul-12	-	-	-	-	-	-	-	1,000
$700 million (April 2008)	5.750%	6.06%	Apr-13	- (c)	-	-	-	-	-	-	541
€600 million (February 2005)	3.875%	3.94%	Feb-12	-	-	-	-	-	-	-	600
Nominal value of bonds				**10,234**	-	1,894	1,420	500	2,500	3,920	**9,276**

a. A USD-EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche denominated in US dollar and issued in April 2012 with a 1.3082 euro/dollar rate, or a €420 million counter value at maturity. As of September 30, 2012, the counter value of this bond converted at the closing rate amounted to €427million.

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

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

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

The bonds denominated in US dollar were converted into euro based on the closing rate, i.e., 1.28765 euro/dollar as of September 30, 2012 (compared to 1.29290 euro/dollar as of December 31, 2011).

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

8.2 Bank credit facilities

(in million of euros)	Maturity	Maximum amount	September 30, 2012	Maturing before September 30, 2013	2014	2015	2016	2017	Maturing after September 30, 2017	December 31, 2011
€1.5 billion revolving facility (May 2012)	May-17	1,500 (a)	300	-	-	-	-	300	-	-
€1.1 billion revolving facility (January 2012)	Jan-17	1,100 (b)	-	-	-	-	-	-	-	-
€40 million revolving facility (January 2012)	Jan-15	40	-	-	-	-	-	-	-	-
€5.0 billion revolving facility (May 2011)										
tranche B: €1.5 billion	May-14	1,500	725	-	725	-	-	-	-	725
tranche C: €2.0 billion	May-16	2,000	975	-	-	-	975	-	-	410
€1.0 billion revolving facility (September 2010)	Sep-15	1,000	475	-	-	475	-	-	-	-
€1.2 billion revolving facility - SFR (June 2010)	Jun-15	1,200	500	-	-	500	-	-	-	-
€2 billion revolving facility (February 2008)	-	- (a)	-	-	-	-	-	-	-	890
€2 billion revolving facility (August 2006)	-	- (a)	-	-	-	-	-	-	-	2,000
Securitization program - SFR (March 2011)	-	- (c)	-	-	-	-	-	-	-	422
GVT - BNDES	-	590	374	31	30	69	70	58	116	299
Maroc Telecom - MAD 3 billion loan	Jul-14	108	108	54	54	-	-	-	-	149
Canal+ Group - Vietnam	Feb-14	20	16	-	16	-	-	-	-	22
Drawn confirmed bank credit facilities			**3,473**	**85**	**825**	**1,044**	**1,045**	**358**	**116**	**4,917**
Undrawn confirmed bank credit facilities			5,585	-	779	1,300	1,062	2,337	107	7,164
Total of group's bank credit facilities			**9,058**	**85**	**1,604**	**2,344**	**2,107**	**2,695**	**223**	**12,081**
Commercial paper issued (d)			3,087	3,087						529

a. In May 2012, Vivendi set up a €1.5 billion syndicated bank credit facility maturing in May 2017, early refinancing of two credit facilities for a total amount of €3 billion (the €2 billion credit facility of August 2006 maturing in August 2013 for €1.7 billion and in August 2012 for €0.3 billion as well as the €1 billion credit facility of February 2008, maturing in February 2013).

b. In January 2012, Vivendi set up a €1.1 billion bank credit facility with a 5-year maturity, early refinancing the €1.5 billion credit facility initially maturing in December 2012 and SFR's €0.5 billion syndicated loan initially maturing in March 2012.

c. SFR's securitization program was terminated in June 2012.

d. The commercial paper is backed to confirmed bank credit facilities. It is recorded as short-term borrowing on the Consolidated Statement of Financial Position.

Bank credit facilities of Vivendi SA and SFR when drawn bear interest at floating rates.

In addition, if the Liberty Media verdict were to be entered into the record by the judge (please refer to Note 10), in order to appeal, Vivendi would be required to post a security instrument in favor of an American court. On September 28, 2012, Vivendi finalized the agreement pursuant to which a syndicate of banks will issue a security instrument in favor of, and subject to the approval of, the Court, if the judgment is entered.

8.3 Credit ratings

As of November 12, 2012, the date of the Management Board meeting that approved the Financial Statements for the first nine months of 2012, the credit ratings of Vivendi were as follows:

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

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

Note 9 Commitments

9.1 Share purchase and sale commitments

- Strategic partnership project among Canal+ Group, ITI, and TVN in Poland: please refer to Note 2.4.

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

- Commitments given or received by Vivendi and UMG with respect to the acquisition of EMI Recorded Music: please refer to Note 2.1.
- Commitments given by Vivendi and Canal+ Group with respect to the acquisition of Bolloré Group's channels: please refer to Note 2.2.
- Inquiry regarding the implementation of undertakings given by Canal+ Group in connection with the combination of TPS group and Canal Satellite: for a description of the injunctions imposed by the French Competition Authority and the proceedings underway, please refer to Note 10. Concurrently, Canal+ Group is preparing for the implementation of these injunctions.
- Early settlement of rental guarantees relating to the three remaining buildings owned in Germany: after having sold, in November 2007, the companies carrying credit lease commitments in relation to the Berlin buildings Lindencorso, Anthropolis and Dianapark ("the Companies") Vivendi continued to guarantee certain lease payment obligations. As a result of the early exercise of the call options on the buildings by the Companies, the Vivendi's guarantees were terminated on October 5, 2012 (€277 million as of December 31, 2011). In return, the counter-guarantee provided to Vivendi by the acquirers of the Companies (€200 million), as well as the pledge over the cash of the divested companies to the benefit of Vivendi (€40 million as of December 31, 2011) were cancelled. Vivendi has retained the tax guarantees given at the time of the disposal of the Companies.

9.3 Shareholders' agreements

- Lagardère's liquidity right regarding its non-controlling interest in Canal+ France:
  - on March 26, 2012, Lagardère again decided to exercise its liquidity right for 2012;
  - on May 30, 2012, Lagardère confirmed the exercise of its liquidity right;
  - on June 27, 2012, Vivendi notified Lagardère of its decision not to acquire its participating rights; and
  - on July 12, 2012, a new IPO process was launched.

Note 10 Litigation

Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively "Legal Proceedings") in the normal course of its business.

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 27 to the Consolidated Financial Statements for the year ended December 31, contained in the 2011 Annual Report (pages 256 to 261) and in Section 3 of Chapter 2 contained in the 2011 Annual Report (pages 60 to 64). The following paragraphs update such disclosure through November 12, 2012, the date of the Management Board meeting held to approve Vivendi's financial statements for the nine months ended September 30, 2012.

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including, to the company's knowledge, any pending or threatened proceedings) in which it is a defendant, which may have or have had in the recent past a significant effect on the company and on its group's financial position, profit, business and property, other than those described herein.

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, following filing by the AMF of a report of its investigations with the Parquet de Paris on June 6, 2005. Vivendi joined the proceedings as a civil party.

On January 23, 2009, the Public Prosecutor transmitted to the judge and civil parties a final prosecutor's decision to dismiss the charges in respect of all matters under investigation. On October 16, 2009, the Judge ordered all parties to appear at trial before the Criminal Court. The charges of disclosure and publication of untrue or inaccurate financial statements were rejected by the Judge. 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). The Public Prosecutor asked the Court to drop the charges against the defendants.

On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Messier and Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi officers as well as some civil parties appealed the decision. The trial before the Court of appeals is scheduled to take place from October 28 to November 26, 2013.

On January 7, 2010, Philippe Foiret summoned Vivendi and Veolia to appear before a Criminal Court in an attempt to hold them liable for the offences committed by their former managers. On January 27, 2012, the Criminal Court dismissed Mr. Foiret's application.

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi, Messrs. Messier and Hannezo in the United States District Court for the Southern District of New York and in the United States District Court for the Central District of California. On September 30, 2002, the New York court decided to consolidate these claims under its jurisdiction into a single action entitled *In re Vivendi Universal S.A. Securities Litigation*.

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v. National Australia Bank case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

In a decision dated 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 judge also indicated that the claims process would commence during the second half of 2012. During this process, Vivendi will have the opportunity to challenge the merits of shareholder claims.

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

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1.3.1 (Use of Estimates) and 1.3.8 (Provisions) to the Consolidated Financial Statements for the year ended December 31, 2011, contained in the 2011 Annual Report (pages 180 and 190). 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 District Court for the Southern District of New York decision on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve, compared to an accrual of €550 million as of December 31, 2009.

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

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Securities Act of 1933 and US Exchange Act of 1934. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009 for purposes of trial. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi has filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial. At this stage, the jury's verdict does not constitute an enforceable judgment against Vivendi since the judge must first rule on the post-trial motions and then, if appropriate, enter the jury's verdict which would then allow Vivendi to appeal. We believe we have strong grounds upon which to base an appeal.

Given that there is a lack of an enforceable judgment against Vivendi and that the various post-trial motions that remain pending before the Court could result in the judge deciding not to enter a judgment or to significantly alter the verdict of the jury, Vivendi has not made, at this stage, a provision related to this case. Vivendi will reassess the need for a provision as the proceedings progress and new elements are brought to Vivendi's attention.

LBBW et al against Vivendi

On March 4, 2011, twenty-six institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Then on April 10 and on April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho and the other by six German and British institutional investors. Finally, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis.

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

On April 27, 2012, sixty-seven institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former leader, between 2000 and 2002. On September 6, 2012, twenty-four new plaintiffs joined these proceedings.

SFR against Free

On May 21, 2012, Free filed a complaint against SFR with the Paris Commercial Court. Free is challenging SFR 's model of subsidizing mobile phone purchases through what Free calls "concealed" consumer loans and claims this constitutes an unfair and deceptive trade practice. The hearing took place on October 8, 2012 and a decision is expected on December 4, 2012.

Inquiry into the implementation of certain undertakings given in connection with the combination of CanalSatellite and TPS

The French Competition Authority opened an inquiry regarding the implementation of certain undertakings given by Vivendi and Canal+ Group in connection with the combination of TPS and CanalSatellite.

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

On October 24, 2011, the operation was re-notified to the French Competition Authority. On November 4, 2011, Vivendi and Canal+ Group filed an appeal before the French Council of State requesting the cancellation of the French Competition Authority's decision dated September 20, 2011. As part of this procedure, Canal+ Group had filed two Priority Constitutional Questions concerning this decision that the French Council of State, in view of their serious nature, forwarded, by a decision dated July 17, 2012, to the French Constitutional Council. On October 12, 2012, the French Constitutional Council declared that the legal and statutory provisions in question are constitutional.

On July 23, 2012, the Competition Authority issued its decision on this new notification. It authorizes the acquisition of TPS and CanalSatellite by Vivendi and Canal+ Group, subject to compliance with a certain number of injunctions. These injunctions are primarily focused on the acquisition of film rights from American studios and French producers, the participation of Canal+ Group in Orange Cinema series, the distribution of premium channels and non-linear services (video on demand and subscription video on demand).

Vivendi and Canal+ Group challenged the analysis conducted by the French Competition Authority and the merits of the injunctions imposed. On August 30, 2012, Vivendi and Canal+ Group filed an appeal before the French Council of State to obtain the cancellation of the July 23, 2012 decision. In addition, Vivendi and Canal+ Group have filed two motions, one seeking a suspension of the September 20, 2011 decision and the other seeking a suspension of the July 23, 2012 decision.

The French Council of State rejected these requests for suspension on September 17, 2012 and October 22, 2012, respectively. A hearing on both of the requests for cancellation is scheduled to take place on December 14, 2012.

Parabole Réunion

In July 2007, the group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, the Canal+ Group was prohibited, under fine, from allowing the broadcast of these channels by third parties, unless it offered to Parabole Réunion the replacement of these channels with other similarly attractive channels, to be distributed on an exclusive basis. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal reversed the judgment and dismissed Parabole Réunion's main claims against Canal+ Group. 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 seeking enforcement of the fine contemplated by the decision of the Paris Tribunal of First Instance dated September 18, 2007.

In parallel with the foregoing proceedings, on October 21, 2008, Parabole Réunion and its shareholders filed a claim against Canal Réunion, Canal Overseas, CanalSatellite Réunion, Canal+ France, Canal+ Group and Canal+ Distribution, seeking the enforcement of the agreement entered into on May 30, 2008, pursuant to which the companies would combine their TV channel broadcasting activities in the Indian Ocean. The execution of this agreement was contingent upon the satisfaction of certain conditions precedent. As these conditions were not satisfied, the agreement became null and void. On June 15, 2009, the Commercial Court rejected Parabole Reunion's claim. Parabole Réunion appealed this decision and the appeal was denied. On May 23, 2011, Parabole Réunion appealed to the Supreme Court.

Parabole Réunion also brought various proceedings seeking to obtain a statement recognizing the maintaining of the TPS Foot channel, among others, before the High Court of Nanterre. On September 16, 2010, the Versailles Court of appeal rejected Parabole Réunion's application. Parabole Réunion appealed the decision before the French Supreme Court and this appeal was dismissed on January 6, 2012.
On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy.

FBT & Eminem against UMG

On May 21, 2007, FBT (the label owned by Eminem) filed suit against UMG claiming breach of contract in connection with the production of an album and requesting that the court order additional payment of royalties for on-line sales of music downloads and ringtones. On March 6, 2009, the Los Angeles Court dismissed FBT's claims and FBT appealed. The Court of Appeal overturned the lower court's decision. On March 21, 2011, the U.S. Supreme Court, without ruling on the merits of the case, refused to hear an appeal from UMG, which is within its judicial discretion. In a decision dated June 27, 2012, the Court allowed FBT and Eminem to broaden the scope of their complaint and challenge the calculation of royalties on music downloads outside the United States. On October 19, 2012, the parties entered into a settlement agreement that ended this litigation.

Complaints against UMG regarding royalties for digital downloads

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

Studio Infinity Ward, subsidiary of Activision Blizzard

After concluding an internal human resources inquiry into breaches of contract and insubordination by two senior employees at Infinity Ward, Activision Blizzard terminated the employment of Jason West and Vince Zampella on March 1, 2010. On March 3, 2010, West and Zampella filed a complaint against Activision Blizzard in the Los Angeles Superior Court for breach of contract and wrongful termination. On April 9, 2010, Activision Blizzard filed a cross complaint against West and Zampella, asserting claims for breach of contract and fiduciary duty. In addition, 38 current and former employees of Infinity Ward filed a complaint against Activision Blizzard in the Los Angeles Superior Court on April 27, 2010 for breach of contract and violation of the Labor Code of the State of California. On July 8, 2010, an amended complaint was filed which added a further seven plaintiffs. They claim that the company failed to pay bonuses and other compensation allegedly owed to them.

On December 21, 2010, Activision Blizzard filed a consolidated cross complaint to add Electronic Arts as a party, the discovery having shown the complicity of Electronic Arts in the case. The Los Angeles Court, following Activision Blizzard's request, agreed to transfer the case to the Complex Division. On May 31, 2012, the parties entered into a settlement agreement that ended this dispute.

Actions related to the ICMS tax

GVT is party in various Brazilian States to several proceedings concerning the recovery of the "ICMS" tax on its Internet and Broadband services.ICMS (Impostos Sobre Circulaçãos de Mercadorias e Prestaçãos de Serviços) is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services.

To date, the court decisions rendered in several States have been favorable to GVT, but the Brazilian Federal Supreme Court (Superior Tribunal de Justiça) has not yet ruled on this issue.

On August 5, 2011, Confaz, the national council in charge of coordinating the tax policies of the Brazilian States, published a draft proposal that,if accepted by each State concerned, would allow companies (like GVT) that dispute the recovery of ICMS on Internet and Broadband services to enter into negotiations with the objective of settling the past disputes and clarifying the rules applicable to future operations. As of today, GVT has reached agreement with the majority of the states in which it operates.

In addition, GVT is a party to litigation in various Brazilian States concerning the application of the ICMS tax on voice telecommunication services. GVT argues that the ICMS tax should not apply to monthly plans. Of the eighteen proceedings initiated by GVT, all have resulted in decisions favorable to GVT and eleven are no longer subject to appeal.

Note 11 Subsequent events

None.