Financial Report and Unaudited Condensed Financial Statements for the Nine Months Ended September 30, 2016

November 9, 2016

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,076,387,571.00

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Selected key consolidated financial data

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

	Nine months ended September 30, (unaudited)		Year ended December 31,			
	2016	2015	2015	2014	2013	2012
Consolidated data						
Revenues	7,712	7,615	10,762	10,089	10,252	9,597
EBIT	1,278	1,103	1,231	736	637	(1,131)
Earnings attributable to Vivendi SA shareowners	1,175	1,790	1,932	4,744	1,967	179
of which earnings from continuing operations attributable to Vivendi SA shareowners	1,177	554	699	(290)	43	(1,565)
Income from operations (a)	730	757	1,061	1,108	1,131	na
EBITA (a)	664	735	942	999	955	1,074
Adjusted net income (a)	625	501	697	626	454	318
Net Cash Position/(Financial Net Debt) (a)	2,483	8,026	6,422	4,637	(11,097)	(13,419)
Total equity	19,050	21,302	21,086	22,988	19,030	21,291
of which Vivendi SA shareowners' equity	18,798	21,063	20,854	22,606	17,457	18,325
Cash flow from operations (CFFO) (a)	555	379	892	843	894	846
Cash flow from operations after interest and income tax paid (CFAIT) (a)	193	(366)	(69)	421	503	772
Financial investments	(2,056)	(3,169)	(3,927)	(1,244)	(107)	(1,689)
Financial divestments	1,783	9,007	9,013	17,807	3,471	201
Dividends paid by Vivendi SA to its shareholders	2,588 (b)	2,727 (c)	2,727 (c)	1,348 (d)	1,325	1,245
Per share data						
Weighted average number of shares outstanding	1,277.1	1,361.3	1,361.5	1,345.8	1,330.6	1,298.9
Adjusted net income per share	**0.49**	**0.37**	**0.51**	**0.46**	**0.34**	**0.24**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,259.0	1,368.2	1,342.3	1,351.6	1,339.6	1,322.5
Equity per share, attributable to Vivendi SA shareowners	14.93	15.39	15.54	16.73	13.03	13.86
Dividends per share paid	**2.00** (b)	**2.00** (c)	**2.00** (c)	**1.00** (d)	**1.00**	**1.00**

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

na: not applicable.

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

b. On April 21, 2016, Vivendi's General Shareholders' Meeting approved the payment of an ordinary dividend of €3 per share with respect to fiscal year 2015, i.e., an aggregate dividend payment of €3,951 million. This amount included €2,588 million paid in 2016: €1,318 million for the second interim dividend of €1 per share, paid on February 3, 2016, and €1,270 million representing the balance of €1 per share, paid on April 28, 2016.

c. In 2015, Vivendi paid the dividend with respect to fiscal year 2014 (€1 per share, i.e., €1,363 million) and a first interim dividend with respect to fiscal year 2015 (€1 per share, i.e., €1,364 million).

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

I- Financial Report for the first nine months of 2016

Preliminary comments:

- *On November 7, 2016, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the nine months ended September 30, 2016. Upon the recommendation of the Audit Committee, which met on November 8, 2016, the Supervisory Board, at its meeting held on November 9, 2016, reviewed the Financial Report and the Unaudited Condensed Financial Statements for the nine months ended September 30, 2016, as approved by the Management Board on November 7, 2016.*
- *The Financial Report for the first nine months of 2016 should be read in conjunction with the Financial Report for the year ended December 31, 2015, as published in the "Rapport Annuel - Document de référence 2015" filed on March 15, 2016 with the French Autorité des marchés financiers (the "AMF") and the Financial Report for the first half of 2016. Please also refer to pages 171 through 193 of the English translation[1] of the "Rapport Annuel - Document de référence 2015" (the "2015 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.*
- *For a detailed description of the significant events that occurred during the first nine months of 2016, as well as any subsequent events, please refer to Notes 2 and 12 to the Unaudited Condensed Financial Statements for the first nine months of 2016, respectively.*

Overview

Universal Music Group signs agreements with leading streaming players

In music, the kind of strong growth exhibited by subscription and ad-supported streaming is made possible by a competitive and healthy market.

Universal Music Group (UMG) plays an active role in fostering the continued development of new digital services and consumer offerings. For example, in the third quarter alone, it signed agreements with streaming players ranging from Pandora (a pure-play independent digital music company) to iHeartMedia (a leading U.S. media and entertainment company) to Amazon (a global leader in e-commerce and cloud-computing). With the addition of these agreements, UMG has now licensed more than 400 digital services around the world.

As a result of the continued expansion of streaming, UMG is developing new opportunities in a number of emerging markets, including China, Russia, Brazil and Africa. In these territories, UMG is working closely with Vivendi to grow its presence and improve the monetization of its library of music-based entertainment content.

The transformation plan at Canal+ in France is well underway

To boost its subscriber base, Canal+ Group has redesigned its offers and its distribution model in France.

It has entered into strategic partnerships with Free and Orange to offer a bouquet of themed channels to be included in their triple-play packages. This new distribution strategy enables Canal+ Group to considerably expand its subscriber base in France while increasing the exposure of the channels being distributed.

Canal+ Group also introduced completely overhauled offers to be launched on November 15, 2016. The Canal+ channel will become the gateway to all new Canal offers. Subscribers will be able to modularly add themed packages to the Canal+ channel, including movies and series channels, sports channels and/or the Canal+ channels. All of these offers will be available with or without commitment. Canal+ Group will also launch a commitment-free premium offer available only on PCs, tablets and smartphones.

In parallel, Canal+ Group is pursuing the implementation of its €300 million cost optimization plan for Canal+ in France. The full effects of the plan are expected to be realized in 2018, with savings of around €60 to €80 million to be achieved in 2016.

The new Gameloft strategy is in place

Vivendi successfully completed its public tender offer for Gameloft shares this summer. An action plan was quickly implemented in collaboration with Gameloft's existing teams to maximize the creative potential of the mobile video games company. An internal call for projects was opened, resulting in the submission of about 90 proposals. The selected projects will receive the necessary resources and be allotted the appropriate time to ensure their development.

[1] This free translation of the "Rapport Annuel - Document de reference 2015" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.

Vivendi, which has a long term strategic perspective for Gameloft, also implemented the practice of "soft launching" the company's games. This phase of testing prior to a full-launch is essential to ensuring that the game will deliver the best possible user experience.

Gameloft's strength relies on its large catalog of games, including approximately 20 titles that account for close to 90% of smartphone revenues and provide strong resilience in terms of financial results. Internal licenses as a percentage of sales continue to grow. The goal is to keep creating new brands every year and, at the same time, to strengthen the appeal of the company's existing brands.

The pace of game releases should accelerate starting in the fourth quarter of 2016, which should lead to greater sales growth. In particular, Gameloft recently launched two new games: *Zombie Anarchy* and *Asphalt Xtreme*, at the end of October and early November, respectively.

A leading European content and media group with strong positions in France and in Southern Europe, and with worldwide ambitions

In recent months, Vivendi has strengthened its positions in content production and distribution by making acquisitions through Studiocanal of interests in several fiction production companies in Spain and in the United Kingdom (33% in Bambu Producciones, 20% in Urban Myth Films and 20% in SunnyMarchTV), in non-scripted television production companies (50% in Kissman Productions), and in distribution companies (100% in Alterna'TV). In February 2016, the group completed its acquisition of a 26.2% interest in Banijay Group, one of the world's largest producers and distributors of television programs. In addition, Vivendi recently purchased the companies which own and manage all Paddington Bear intellectual property rights, except for the publishing rights.

In France, Vivendi holds a minority interest of 11% in Fnac Darty as part of a cooperation project dedicated to cultural activities.

1 Earnings analysis: group and business segments

Preliminary comments:

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

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

  - *The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations, and "other income" and "other charges" included in EBIT, as defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2015 (page 205 of the 2015 Annual Report).*
  - *As defined by Vivendi, income from operations is calculated as EBITA as presented in the Adjusted Statement of Earnings, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.*

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

- *As a reminder, GVT (sold in 2015) has been reported as a discontinued operation in compliance with IFRS 5. In practice, income and charges from this business have been reported as follows:*

  - *GVT's contribution, until its effective divestiture on May 28, 2015, to each line of Vivendi's Consolidated Statement of Earnings, as well as the capital gain recognized as a result of the divestiture have been reported on the line "Earnings from discontinued operations"; and*
  - *the share of net income and the capital gain recognized as a result of the divestiture have been excluded from Vivendi's adjusted net income.*

1.1 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,		
	2016	2015	2016	2015	
Revenues	**2,668**	**2,520**	**2,668**	**2,520**	**Revenues**
Cost of revenues	(1,629)	(1,527)	(1,629)	(1,527)	Cost of revenues
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(748)	(738)	(749)	(736)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
			290	**257**	**Income from operations**
Restructuring charges	(14)	(36)	(14)	(36)	Restructuring charges
			1	(2)	Other operating charges and income
Amortization of intangible assets acquired through business combinations	(58)	(101)			
Impairment losses on intangible assets acquired through business combinations	-	(1)			
Other income	-	(7)			
Other charges	(3)	(34)			
EBIT	**216**	**76**	**277**	**219**	**EBITA**
Income from equity affiliates	76	-	102	-	Income from equity affiliates
Interest	(10)	(10)	(10)	(10)	Interest
Income from investments	6	14	6	14	Income from investments
Other financial income	6	(20)			
Other financial charges	(13)	(48)			
Earnings from continuing operations before provision for income taxes	**281**	**12**	**375**	**223**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(15)	(159)	(31)	(37)	Provision for income taxes
Earnings from continuing operations	**266**	**(147)**			
Earnings from discontinued operations	-	(43)			
Earnings	**266**	**(190)**	**344**	**186**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**264**	**(201)**	**339**	**172**	**Adjusted net income**
continuing operations	**264**	**(158)**			
discontinued operations	-	(43)			
Non-controlling interests	2	11	5	14	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.21	(0.15)	0.27	0.13	Adjusted net income per share - basic (in euros)
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.18	(0.15)	0.23	0.13	Adjusted net income per share - diluted (in euros)

FIRST NINE MONTHS

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Nine months ended September 30,		Nine months ended September 30,		
	2016	2015	2016	2015	
Revenues	**7,712**	**7,615**	**7,712**	**7,615**	**Revenues**
Cost of revenues	(4,717)	(4,596)	(4,717)	(4,596)	Cost of revenues
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,269)	(2,219)	(2,265)	(2,262)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
			730	**757**	**Income from operations**
Restructuring charges	(62)	(65)	(62)	(65)	Restructuring charges
			(4)	43	Other operating charges and income
Amortization of intangible assets acquired through business combinations	(168)	(304)			
Impairment losses on intangible assets acquired through business combinations	-	(1)			
Reversal of reserve related to the Liberty Media litigation in the United States	240	-			
Other income	657	711			
Other charges	(115)	(38)			
EBIT	**1,278**	**1,103**	**664**	**735**	**EBITA**
Income from equity affiliates	88	(7)	140	(7)	Income from equity affiliates
Interest	(27)	(24)	(27)	(24)	Interest
Income from investments	28	35	28	35	Income from investments
Other financial income	23	15			
Other financial charges	(40)	(82)			
Earnings from continuing operations before provision for income taxes	**1,350**	**1,040**	**805**	**739**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(150)	(441)	(149)	(184)	Provision for income taxes
Earnings from continuing operations	**1,200**	**599**			
Earnings from discontinued operations	(2)	1,236			
Earnings	**1,198**	**1,835**	**656**	**555**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,175**	**1,790**	**625**	**501**	**Adjusted net income**
continuing operations	**1,177**	**554**			
discontinued operations	(2)	1,236			
Non-controlling interests	23	45	31	54	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.92	1.31	0.49	0.37	Adjusted net income per share - basic (in euros)
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.89	1.31	0.45	0.37	Adjusted net income per share - diluted (in euros)

In millions of euros, except per share amounts.

1.2 Earnings analysis: group

1.2.1 Changes in Earnings

For the first nine months of 2016, **adjusted net income** amounted to a profit of €625 million (or €0.49 per share), compared to €501 million for the same period in 2015 (or €0.37 per share), a €124 million increase (+24.8%). The decline in EBITA (-€71 million) was offset by the increase in income from equity affiliates (+€147 million), the decrease in income taxes (+€35 million) and the decrease in minority interests (+€23 million).

Adjusted net income per share

	Nine months ended September 30,			
	2016		2015	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	625	570 (a)	501	501
Number of shares (in millions)				
Weighted average number of shares outstanding (b)	1,277.1	1,277.1	1,361.3	1,361.3
Potential dilutive effects related to share-based compensation	-	2.8	-	5.6
Adjusted weighted average number of shares	1,277.1	1,279.9	1,361.3	1,366.9
Adjusted net income per share (in euros)	**0.49**	**0.45**	**0.37**	**0.37**

a. Included only the impact for Vivendi of Telecom Italia's dilutive instruments, calculated based on the financial information for the first half of 2016 disclosed by Telecom Italia.

b. Net of the weighted average number of treasury shares: 59.4 million shares for the first nine months of 2016, compared to 0.04 million for the same period in 2015.

Excluding earnings from discontinued operations, **earnings attributable to Vivendi SA shareowners from continuing operations, after non-controlling interests** amounted to a profit of €1,177 million, compared to a profit of €554 million for the same period in 2015, a €623 million increase. For the first nine months of 2016, these earnings notably included the capital gain on the sale of the remaining interest in Activision Blizzard in January 2016 (€576 million, before taxes) and the net reversal of reserve related to the Liberty Media litigation (€240 million, before taxes). For the first nine months of 2015, they primarily included the capital gain on the sale of the 20% interest in Numericable-SFR (€651 million, before taxes). In addition, income from equity affiliates increased by €95 million, and provision for income taxes decreased by €291 million.

For the first nine months of 2016, **earnings attributable to Vivendi SA shareowners** amounted to a profit of €1,175 million (or €0.92 per share), compared to €1,790 million (or €1.31 per share) for the same period in 2015, an unfavorable change of €615 million. In 2015, earnings attributable to Vivendi SA shareowners included the capital gain on the sale of GVT on May 28, 2015 (+€1,818 million, before taxes of €395 million paid in Brazil) offset by the capital loss on the sale of Telefonica Brasil shares (-€294 million).

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

	Nine months ended September 30,	
(in millions of euros)	2016	2015
Earnings attributable to Vivendi SA shareowners (a)	**1,175**	**1,790**
Adjustments		
Amortization of intangible assets acquired through business combinations	168	304
Impairment losses on intangible assets acquired through business combinations (a)	-	1
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-
Other income (a)	(657)	(711)
Other charges (a)	115	38
Amortization of intangible assets related to equity affiliates	52	-
Other financial income (a)	(23)	(15)
Other financial charges (a)	40	82
Earnings from discontinued operations (a)	2	(1,236)
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	4	104
Income taxes related to the sale of the 20% interest in Numericable-SFR	-	124
Non-recurring items related to provision for income taxes	46	131
Provision for income taxes on adjustments	(49)	(102)
Non-controlling interests on adjustments	(8)	(9)
Adjusted net income	**625**	**501**

a. As reported in the Consolidated Statement of Earnings.

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

Revenues amounted to €7,712 million, compared to €7,615 million for the first nine months of 2015 (i.e., +1.3% and +0.6% at constant currency and perimeter[2]).

Income from operations amounted to €730 million, compared to €757 million for the first nine months of 2015, an unfavorable change of €27 million (-3.6%). At constant currency and perimeter, income from operations decreased by €10 million (-1.4%). The growth at Universal Music Group (+€118 million) was more than offset by the increased losses suffered by the Canal+ channels[3] in France (-€71 million), as well as the development costs incurred by Vivendi Village and New Initiatives (notably by Vivendi Content). **EBITA** amounted to €664 million, compared to €735 million for the first nine months of 2015, a €71 million decrease (-9.7%). At constant currency and perimeter, EBITA decreased by €51 million (-6.9%). This decline reflected the unfavorable change in income from operations and in other operating charges and income. EBITA notably included:

- **restructuring charges** for €62 million, compared to €65 million for the first nine months of 2015. They were primarily incurred by Universal Music Group (€41 million, compared to €37 million for the first nine months of 2015) and Canal+ Group (€16 million, compared to €25 million for the first nine months of 2015); and
- **other operating charges and income** excluded from income from operations, which amounted to a net charge of €4 million, compared to a net income of €43 million for the first nine months of 2015. For the first nine months of 2015, they notably comprised litigation settlement proceeds in the United States at Universal Music Group (+€22 million), as well as reversals of reserve at Canal+ Group (+€22 million) and at Corporate (+€14 million).

EBIT amounted to €1,278 million, compared to €1,103 million for the first nine months of 2015, a €175 million increase (+15.9%). It included:

- **the reversal of reserve related to the Liberty Media litigation** representing a net profit of €240 million. As of December 31, 2012, on the basis of the verdict rendered on June 25, 2012 regarding the Liberty Media Corporation litigation in the United States, Vivendi accrued for a provision for the total amount of the final judgment (€945 million), including damages and pre-judgment interest. On February 23, 2016, Vivendi agreed with Liberty Media on a settlement and paid Liberty Media $775 million (€705 million) to settle this lawsuit. In addition, the provision recorded in relation to the securities class action in the United States remained unchanged at €100 million. Please refer to Note 11 to the Condensed Financial Statements for the first nine months of 2016;
- **other income and charges** representing a €542 million net income, compared to a €673 million net income for the first nine months of 2015. For the first nine months of 2016, they primarily included the net capital gain on the sale of the remaining interest in Activision Blizzard in January 2016 (€576 million, before taxes). For the first nine months of 2015, EBIT's other income primarily included a capital gain on the divestiture of the 20% interest in Numericable-SFR for €651 million (before taxes) and the reversal of reserve for €53 million related to the impairment of Canal+ Group's interest in TVN in Poland, sold on July 1, 2015; and
- **amortization and depreciation of intangible assets acquired through business combinations** for €168 million, compared to €305 million for the first nine months of 2015. This decrease resulted from the expiration of the amortization period (15 years) for Polygram's catalogs.

Reconciliation of EBIT to EBITA and to income from operations

	Nine months ended September 30,	
(in millions of euros)	2016	2015
EBIT (a)	**1,278**	**1,103**
Adjustments		
Amortization of intangible assets acquired through business combinations	168	304
Impairment losses on intangible assets acquired through business combinations (a)	-	1
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-
Other income (a)	(657)	(711)
Other charges (a)	115	38
EBITA	**664**	**735**
Adjustments		
Restructuring charges (a)	62	65
Charges related to equity-settled share-based compensation plans	9	13
Other non-current operating charges and income	(5)	(56)
Income from operations	**730**	**757**

a. As reported in the Consolidated Statement of Earnings.

[2] *Constant perimeter reflects the impacts of the acquisitions of Alterna'TV on April 7, 2016, Gameloft on June 29, 2016, Radionomy on December 17, 2015 and Dailymotion on June 30, 2015.*
[3] *Relates to the six premium channels: Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.*

In the Adjusted Statement of Earnings, **income from equity affiliates** amounted to a €140 million profit, compared to a €7 million loss for the first nine months of 2015. For the first nine months of 2016, it primarily included Vivendi's share of Telecom Italia's net earnings (+€142 million) for the period from December 15, 2015 to June 30, 2016, calculated based on the financial information disclosed by Telecom Italia[4]. In the Consolidated Statement of Earnings, **income from equity affiliates** amounted to a €88 million profit, compared to a €7 million loss for the first nine months of 2015. For the first nine months of 2016, in addition to the income from equity affiliates recorded in the Adjusted Statement of Earnings, it included the amortization of intangible assets related to the purchase price allocation for Telecom Italia (-€52 million; please refer to Note 7 to the Condensed Financial Statements for the first nine months of 2016).

Interest was an expense of €27 million, compared to €24 million for the first nine months of 2015, a €3 million increase. It included:

- interest expense on borrowings for €44 million, compared to €45 million for the first nine months of 2015. This change reflected the decrease in the average interest rates on borrowings to 2.16% (compared to 2.89% for the first nine months of 2015), partially offset by the slight increase in the average outstanding borrowings to €2.7 billion (compared to €2.3 billion for the first nine months of 2015). For the first nine months of 2015, interest expense included interest received by Vivendi SA (€4 million) from financing provided to GVT; and
- interest income earned on the investment of cash surpluses for €17 million, compared to €21 million for the first nine months of 2015. This change reflected the decrease in the average outstanding cash investments to €6.8 billion (compared to €8.6 billion for the first nine months of 2015); the average interest rate on cash investments remained stable at 0.33%.

Income from investments amounted to €28 million, compared to €35 million for the first nine months of 2015. For the first nine months of 2016, it primarily included dividends received from Telefonica and Telefonica Brasil (€23 million). For the first nine months of 2015, €26 million was attributable to interest income generated between May 6 and August 19, 2015 by the €1,948 million receivable from Altice related to the deferred payment for the sale of the 10% interest in Numericable-SFR, and €8 million to dividends received from Activision Blizzard.

Other financial charges and income amounted to a net charge of €17 million, compared to a net charge of €67 million for the first nine months of 2015. In 2015, this amount included a €30 million charge related to the unfavorable change in time value of the collar hedge on Vivendi's remaining interest in Activision Blizzard denominated in USD.

Provision for income taxes in the Adjusted Statement of Earnings amounted to a net charge of €149 million, compared to a net charge of €184 million for the first nine months of 2015, a €35 million improvement. This change notably reflected the anticipated decrease in the taxable income of the Canal+ channels. The effective tax rate reported to adjusted net income was 22.3% for the first nine months of 2016, compared to 24.7% for the first nine months of 2015. For the first nine months of 2016, income taxes included the non-recurring negative impact (-€41 million) related to the reversal of reserve with respect to the Liberty Media litigation (taxable income of €240 million, before utilization of up to 50% of Vivendi SA's tax losses carried forward). For the first nine months of 2015, income taxes notably included a non-recurring negative impact (-€17 million) related to an adjustment to prior years' tax expense. Excluding these non-recurring impacts, the effective tax rate reported to adjusted net income would be 16.9% for the first nine months of 2016, compared to 22.3% for the first nine months of 2015. This improvement notably reflected the increase in the expected current tax savings resulting from the utilization of the group's tax losses carried forward in the United States (+€56 million) due to the anticipated growth in Universal Music Group's taxable income, partially offset by the impact of losses incurred by businesses under development in France.

In addition, **provision for income taxes in the Consolidated Statement of Earnings** amounted to a net charge of €150 million, compared to a net charge of €441 million for the first nine months of 2015, a €291 million improvement. For the first nine months of 2015, it mainly included income taxes payable by Vivendi SA in France related to the sale of the 20% interest in Numericable-SFR (-€124 million, net of tax savings related to Vivendi SA's Tax Group System), as well as the income tax incurred by Vivendi SA in France related to the capital gain on the sale of GVT, net of the tax savings resulting from the capital loss on the sale of the interest in Telefonica Brasil (-€63 million, net of tax savings related to Vivendi SA's Tax Group System). In addition, the 3% tax on Vivendi SA's dividends represented a charge of €38 million for the first nine months of 2016 (compared to €122 million for the first nine months of 2015).

Earnings from discontinued operations amounted to €1,236 million for the first nine months of 2015 and included (i) the capital gain on the sale of GVT on May 28, 2015 for €1,818 million, before taxes of €395 million paid in Brazil, (ii) the capital loss on Telefonica Brasil shares (-€294 million), and (iii) GVT's net earnings until its sale for €179 million, including the impact of the discontinuation of amortization of tangible and intangible assets since September 1, 2014, in compliance with IFRS 5 (+€153 million in 2015). They also comprised the remaining impact of the sale of the 80% interest in SFR to Numericable (-€66 million).

Earnings attributable to non-controlling interests amounted to €23 million, compared to €45 million for the first nine months of 2015, a €22 million decrease. They primarily included the non-controlling interests of Canal+ Overseas and nc+ in Poland. For the first nine months of 2015, they also included the non-controlling interests of Société d'Edition de Canal Plus (SECP; prior to their full acquisition by Vivendi between mid-August and the end of September 2015). **Adjusted net income attributable to non-controlling interests** amounted to €31 million, compared to €54 million for the first nine months of 2015.

[4] *On March 17, 2016 (Financial Statements for the year ended December 31, 2015) and on July 27, 2016 (Financial Statements for the first half of 2016), respectively.*

1.3 Performance analysis: business segments

THIRD QUARTER

	Three months ended September 30,				
(in millions of euros)	2016	2015	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	1,308	1,181	+10.8%	+11.2%	+11.2%
Canal+ Group	1,263	1,300	-2.9%	-2.1%	-2.3%
Gameloft	63	-	na	na	na
Vivendi Village	24	22	+5.8%	+12.1%	-0.9%
New Initiatives	18	17			
Elimination of intersegment transactions	(8)	-			
Total Vivendi	**2,668**	**2,520**	**+5.9%**	**+6.6%**	**+3.8%**
Income from operations					
Universal Music Group	174	99	+77.0%	+74.7%	+74.7%
Canal+ Group	142	186	-23.5%	-23.4%	-23.5%
Gameloft	4	-	na	na	na
Vivendi Village	(1)	1	na	na	na
New Initiatives	(8)	(9)			
Corporate	(21)	(20)			
Total Vivendi	**290**	**257**	**+12.8%**	**+11.8%**	**+10.7%**
EBITA					
Universal Music Group	176	88	+98.8%	+95.6%	+95.6%
Canal+ Group	139	162	-14.5%	-14.2%	-14.4%
Gameloft	2	-	na	na	na
Vivendi Village	(5)	-	na	na	na
New Initiatives	(11)	(9)			
Corporate	(24)	(22)			
Total Vivendi	**277**	**219**	**+26.5%**	**+25.2%**	**+25.0%**

FIRST NINE MONTHS

	Nine months ended September 30,				
(in millions of euros)	2016	2015	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	3,623	3,492	+3.8%	+4.8%	+4.8%
Canal+ Group	3,902	4,034	-3.3%	-2.6%	-2.7%
Gameloft	63	-	na	na	na
Vivendi Village	78	73	+6.6%	+9.4%	-1.8%
New Initiatives	76	18			
Elimination of intersegment transactions	(30)	(2)			
Total Vivendi	**7,712**	**7,615**	**+1.3%**	**+2.2%**	**+0.6%**
Income from operations					
Universal Music Group	391	278	+40.8%	+42.4%	+42.4%
Canal+ Group	439	554	-20.8%	-20.4%	-20.5%
Gameloft	4	-	na	na	na
Vivendi Village	(9)	9	na	na	na
New Initiatives	(25)	(10)			
Corporate	(70)	(74)			
Total Vivendi	**730**	**757**	**-3.6%**	**-2.8%**	**-1.4%**
EBITA					
Universal Music Group	353	259	+36.1%	+37.4%	+37.4%
Canal+ Group	427	550	-22.4%	-22.0%	-22.1%
Gameloft	2	-	na	na	na
Vivendi Village	(9)	8	na	na	na
New Initiatives	(35)	(10)			
Corporate	(74)	(72)			
Total Vivendi	**664**	**735**	**-9.7%**	**-8.9%**	**-6.9%**

na: not applicable.

a. Constant perimeter reflects the impacts of the following acquisitions:

- Alterna'TV by Canal+ Group (April 7, 2016);
- Gameloft (June 29, 2016);
- Radionomy within Vivendi Village (December 17, 2015); and
- Dailymotion within New Initiatives (June 30, 2015).

1.3.1 Universal Music Group (UMG)

Universal Music Group's (UMG) revenues amounted to €3,623 million, up 4.8% at constant currency compared to the first nine months of 2015 (+3.8% on an actual basis), driven by growth across all divisions.

Recorded music revenues grew 3.8% at constant currency thanks to the growth in subscription and streaming revenues (+64.3%), which more than offset the decline in both download and physical sales.

Music publishing revenues grew 5.4% at constant currency, also driven by increasing subscription and streaming revenues, as well as growth in synchronization and performance income. Merchandising and other revenues were up 10.8% at constant currency thanks to stronger touring activity.

Recorded Music best sellers in the first nine months of 2016 included new releases from Drake, Rihanna and Ariana Grande, as well as carryover sales from Justin Bieber and The Weeknd.

UMG's income from operations amounted to €391 million, up 42.4% at constant currency compared to the first nine months of 2015 (+40.8% on an actual basis). This favorable performance reflected the benefit of both revenue growth and overhead cost savings, as well as a timing-related decline in expenses, which will pick up with the release schedule.

UMG's EBITA amounted to €353 million, up 37.4% at constant currency compared to the first nine months of 2015 (+36.1% on an actual basis). EBITA included legal settlement income and restructuring charges in the first nine months of 2016 and 2015.

1.3.2 Canal+ Group

Canal+ Group revenues amounted to €3,902 million, down 3.3% compared to the first nine months of 2015 (-2.7% at constant currency and perimeter). Canal+ Group had a total of 11 million individual subscribers, a year-on-year decrease of 19,000. The international subscriber base continued to grow strongly, notably in Africa. In mainland France, the number of subscribers continued to decline to 5.4 million as of September 30, 2016.

Revenues from pay-TV operations in mainland France were impacted by the lower subscriber base, despite a slight increase in ARPU. International pay-TV revenues increased thanks to the growth in the individual subscriber base, notably in Africa where Canal+ Group added 505,000 subscribers since September 30, 2015.

Advertising revenues from free-to-air channels, up 9.2% compared to the first nine months of 2015, benefited from the strong audiences of C8 (formerly D8) and CStar (formerly D17). At the end of September 2016, C8 was once again the fourth most watched French channel with an average share of 4.4% of its primary target audience of 25-49 year olds.

Studiocanal's revenues were down compared to the first nine months of 2015, which notably benefited from the successful theatrical and video releases of *Paddington*, *Shaun the Sheep* and *The Imitation Game*. *Bridget Jones's Baby*, which has been showing in theaters in the United Kingdom since September 14, 2016, is expected to be the country's biggest box-office movie of 2016.

Canal+ Group's income from operations amounted to €439 million, compared to €554 million for the first nine months of 2015, and EBITA amounted to €427 million (including restructuring charges for €16 million), compared to €550 million for the first nine months of 2015. This decline was notably due to the difficulties faced by the pay-TV operations in mainland France. EBITA from the Canal+ channels[5] in France amounted to a €151 million loss, compared to €68 million for the first nine months of 2015.

1.3.3 Gameloft

As a reminder, Vivendi has fully consolidated Gameloft since June 29, 2016.

Gameloft's revenues amounted to €63 million for the third quarter of 2016 and break down as follows: 32% in the EMEA region (Europe, the Middle East, and Africa), 31% in Asia Pacific, 25% in North America and 12% in Latin America. As a reminder, Gameloft's revenues amounted to €125 million for the first half of 2016.

Gameloft's sales were up despite the launch of only two new smartphone games since January 2016: *Disney Magic Kingdoms* and *The Blacklist Conspiracy*. This solid performance illustrates the resilience of the business. *Disney Magic Kingdoms* in particular has been a stand out since its launch by Gameloft in March 2016, notably in Japan where the game, which was distributed in partnership with GungHo, was the most downloaded game on iOS and Google Play upon its release.

For the third quarter of 2016, Gameloft's back-catalogue represented 90% of its sales and benefited from better monetization of services for existing games and from a more efficient and more targeted user acquisition policy.

For the third quarter of 2016, Gameloft's advertising revenues amounted to €4 million, income from operations amounted to €4 million and EBITA amounted to €2 million.

1.3.4 Vivendi Village

Revenues generated by Vivendi Village amounted to €78 million, an increase of 6.6% compared to the first nine months of 2015 (+9.4% at constant currency and -1.8% at constant currency and perimeter). Over the same period, Vivendi Village's income from operations and EBITA amounted to a loss of €9 million. Vivendi Village aims to serve as an outlet for experimentation and a launch pad for new projects for the entire Group thanks in particular to the flexibility offered by small organizational structures.

Watchever launched WatchMusic, a premium music video service for mobiles, in Brazil on October 6, 2016. It also developed the app used by Studio+, the first global offer of short premium series for mobiles operated by Vivendi Content, which was launched in Brazil on October 17. These two services illustrate the reorientation of Watchever's operations towards the development of new global paid streaming services after the decision was taken to close its video-on-demand service in Germany by December 31, 2016.

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[5] *Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.*

1.3.5 New Initiatives

Revenues generated by New Initiatives, which includes Dailymotion since June 30, 2015, as well as Vivendi Content, a business whose purpose is to develop new content formats, amounted to €76 million, compared to €18 million in the first nine months of 2015. New Initiatives recorded income from operations amounting to a loss of €25 million and EBITA amounting to a loss of €35 million.

Following its integration into the group, the year 2016 marked a new start for Dailymotion. During the first nine months of 2016, the focus was on the implementation of various strategic projects that will continue throughout the year. Dailymotion expects to start launching some of these projects in 2017, including:

- an editorial repositioning and a revamping of the user experience, thereby enabling Dailymotion to increase its global user base, which already stands at close to 400 million monthly users;
- the strengthening of Dailymotion's technical advertising platform in order to continue to transform the growing market for digital video advertising; and
- the pursuit of further international development, which is already well advanced. In the first half of 2016, Dailymotion opened its first office in the city of Abidjan, in Africa, in partnership with Canal+ Overseas and from there it will be able to develop its activities on the continent.

This relaunch is accompanied by a strengthening of the management team, with a particular focus on Dailymotion's three strategic pillars: content and marketing, advertising monetization and technology.

1.3.6 Corporate

Corporate's income from operations amounted to a net charge of €70 million, compared to a net charge of €74 million for the first nine months of 2015, a €4 million improvement, primarily related to the decrease in fees. Corporate's EBITA amounted to a net charge of €74 million, compared to a net charge of €72 million for the first nine months of 2015. In addition to the items included in income from operations, this €2 million increase in the net charge in EBITA was notably linked to fewer non-recurring positive items (related to litigation in 2015).

2 Treasury and capital resources

2.1 Net Cash Position and equity portfolio

Preliminary comment: *Net Cash Position should be considered in addition to, and not as a substitute for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as any other measures of indebtedness reported in accordance with GAAP, and Vivendi considers it to be a relevant indicator of treasury and capital resources of the group: please refer to Section 2 of the 2015 Financial Report (page 185 of the 2015 Annual Report). Vivendi Management uses this indicator for reporting, management, and planning purposes, as well as to comply with certain covenants.*

2.1.1 Net Cash Position

(in millions of euros)	September 30, 2016	December 31, 2015
Cash and cash equivalents (a)	5,633	8,225
of which Vivendi SA's money market funds	*3,505*	*5,550*
Vivendi SA's term deposits, interest-bearing current accounts, and MTN	*1,759*	*2,372*
Cash management financial assets	755	581
Cash position	**6,388**	**8,806**
Derivative financial instruments in assets	111	115
Cash deposits	-	439 (b)
Borrowings and other financial liabilities	(4,016)	(2,938)
of which long-term (a)	*(2,390)*	*(1,555)*
short-term (a)	*(1,626)*	*(1,383)*
Borrowings and other financial items	**(3,905)**	**(2,384)**
Net Cash Position	**2,483**	**6,422**

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

b. Corresponded to the cash deposit related to the hedge of Activision Blizzard shares recovered as part of the unwinding of the hedge in January 2016.

As of September 30, 2016, Vivendi's Net Cash Position amounted to €2,483 million. It included the group's cash position of €6,388 million, of which €6,023 million was held by Vivendi SA and primarily invested as follows:

- €3,505 million invested in money market funds and classified as "cash and cash equivalents";
- €2,301 million invested in term deposits, interest-bearing current accounts and Medium Term Notes (MTN), of which €1,759 million is classified as "cash and cash equivalents" and the remaining balance (€542 million) as "financial assets"; and
- €213 million invested in bond funds and classified as "financial assets".

As of September 30, 2016, Vivendi's borrowings and other financial liabilities amounted to €4,016 million, compared to €2,938 million as of December 31, 2015, a €1,078 million increase. This change was notably attributable to the following:

- +€1,500 million, related to the two new bonds issued in May 2016;
- +€100 million, incurred by the issuance of commercial papers;
- +€129 million, related to the financial liability recorded with respect to put options attached to the ORAN 1 and ORAN 2 bonds issued by Banijay Group and Lov Banijay, respectively, pursuant to which they have the option of redeeming their borrowings in shares (please refer to Note 2.2 to the Condensed Financial Statements for the first nine months of 2016);
- -€483 million, incurred by the reversal of the financial liability recorded as of December 31, 2015 with respect to the collar hedge on the value of Vivendi's interest in Activision Blizzard denominated in USD, unwound in January 2016, concomitantly with the sale of the remaining interest in Activision Blizzard; and
- -€193 million, incurred by the reversal of the financial liability recorded as of December 31, 2015 with respect to the share repurchase program in progress as of the closing date on December 31, 2015.

Vivendi SA has a €2 billion bank credit facility, undrawn as of September 30, 2016. Given the commercial papers backed by this bank credit facility and issued for €100 million, this facility was available for €1.9 billion as of September 30, 2016. On October 30, 2016, the maturity date of this credit facility was extended by one year, to October 29, 2021.
In addition, as a result of the settlement agreement entered into with Liberty Media on February 23, 2016 regarding the lawsuit filed by Liberty Media in March 2003, the letter of credit issued to guarantee the amounts awarded by the jury was terminated and the related cash deposit was returned to Vivendi (€974 million).

Moreover, the depreciation of the British pound (GBP) against the euro, following the referendum held on June 23, 2016 endorsing the United Kingdom's exit from the European Union ("Brexit"), mainly impacted Universal Music Group's revenues. In addition, Vivendi has thoroughly reviewed the impact of interest and foreign exchange rate changes on the group's debt and financial assets, as well as on pension funds, and a report was submitted to Vivendi's Audit Committee to that effect. As of the date of this report, no significant impact on Vivendi's consolidated financial position has been recognized. Other potential effects that could impact the group as a result of the Brexit are currently being assessed.

2.1.2 Equity portfolio

As of September 30, 2016, Vivendi held a portfolio of listed and unlisted non-controlling equity interests, mainly in Telecom Italia, Telefonica, Ubisoft, Banijay Group and Fnac Darty. As of that date, this equity portfolio represented an aggregate market value of approximately €4.7 billion (before taxes): please refer to Notes 7 and 8 to the Condensed Financial Statements for the first nine months of 2016.

2.2 Changes in Net Cash Position

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Net Cash Position
Net Cash Position as of December 31, 2015	**8,225**	**(1,803)**	**6,422**
Outflows/(inflows):			
Operating activities	434	-	434
Investing activities	(401)	(247)	(648)
Financing activities	(2,607)	(1,114)	(3,721)
Foreign currency translation adjustments	(18)	14	(4)
Net Cash Position as of September 30, 2016	**5,633**	**(3,150)**	**2,483**

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

As of September 30, 2016, Vivendi's Net Cash Position was €2,483 million, compared to €6,422 million as of December 31, 2015, a €3,939 million decrease which notably reflected:

- dividends paid to Vivendi SA shareowners for €2,588 million (€1,318 million, paid on February 3, 2016, related to the second interim dividend with respect to fiscal year 2015, and €1,270 million, paid on April 28, 2016, related to the remaining balance of the dividend with respect to fiscal year 2015);
- the purchase of treasury shares for €1,623 million;
- investments made during the first nine months of 2016, representing an aggregate outflow of €2,056 million, mainly including acquisitions of shares of Gameloft (€499 million), Telecom Italia (€408 million), Ubisoft (€296 million) and Fnac Darty (€159 million), as well as the investment in Banijay Group (€290 million); and
- capital expenditures for €155 million;

partially offset by:

- cash proceeds from the sale of the remaining interest in Activision Blizzard in January 2016 (€1,459 million, of which €483 million attributable to the unwinding of the hedge on Activision Blizzard shares);
- net proceeds received as a result of the settlement agreement with Liberty Media (€269 million); and
- cash flow from operations (after income taxes) generated for €434 million.

2.3 Cash flow from operations analysis

Preliminary comments:

- *The non-GAAP measures cash flow from operations (CFFO) and cash flow from operations after interest and taxes (CFAIT) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.*
- *As a reminder, GVT (sold in 2015) has been reported as a discontinued operation in compliance with IFRS 5. In practice, cash flows from this business have been reported as follows:*
  - *GVT's contribution, until its effective sale on May 28, 2015, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations"; and*
  - *its cash flow from operations (CFFO) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO and CFAIT, as presented below.*

	Nine months ended September 30,		
(in millions of euros)	2016	2015	% Change
Revenues	7,712	7,615	+1.3%
Operating expenses excluding depreciation and amortization	(6,762)	(6,608)	-2.3%
	950	*1,007*	*-5.7%*
Restructuring charges paid	(72)	(52)	-39.0%
Content investments, net	(122)	4	na
of which content investments paid	*(1,809)*	*(1,704)*	*-6.1%*
recoupments of advances/consumption of rights	*1,687*	*1,708*	*-1.2%*
Neutralization of change in provisions included in operating expenses	(50)	(83)	+40.3%
Other cash operating items	9	(7)	na
Other changes in net working capital	(33)	(328)	+90.0%
Net cash provided by/(used for) operating activities before income tax paid	***682***	***541***	***+26.0%***
Dividends received from equity affiliates and unconsolidated companies	28	12	x 2.3
Capital expenditures, net (capex, net)	(155)	(174)	+11.0%
Cash flow from operations (CFFO)	**555**	**379**	**+46.3%**
Interest paid, net	(27)	(24)	-13.3%
Other cash items related to financial activities	(87)	73	na
Income tax (paid)/received, net	(248)	(794)	+68.8%
Cash flow from operations after interest and income tax paid (CFAIT)	**193**	**(366)**	**na**

na: not applicable.

2.3.1 Changes in cash flow from operations (CFFO)

For the first nine months of 2016, cash flow from operations (CFFO) generated by the business segments amounted to €555 million (compared to €379 million for the same period in 2015), a €176 million increase (+46.3%). This change mainly reflected Universal Music Group's performance driven by the net growth of its digital operations, partially offset by the decline in the performance of the Canal+ channels and the impact from businesses under development, in particular the launch of Studio+ by Vivendi Content, as well as by the increase in restructuring charges (€20 million). In addition, dividends received increased by €16 million. For the first nine months of 2016, they included the dividends received from Telefonica and Telefonica Brasil (€23 million). For the first nine months of 2015, they mainly included the dividend received from Activision Blizzard (€8 million).

2.3.2 Changes in cash flow from operations after interest and income tax paid (CFAIT)

For the first nine months of 2016, cash flow from operations after interest and income tax paid (CFAIT) represented a €193 million net inflow, compared to a €366 million net outflow for the first nine months of 2015, a €559 million improvement. Besides the change in CFFO (+€176 million), this change mainly reflected the decrease in outflows for income taxes (+€546 million), partially offset by the unfavorable change in net cash flow from financial activities (-€160 million).

Cash flow related to income taxes amounted to a €248 million net outflow, compared to a €794 million net outflow for the first nine months of 2015. For the first nine months of 2016, it notably included tax installments paid in France under the French Tax Group System for fiscal year 2016 (€104 million) and the 3% tax on the dividends paid by Vivendi SA in February and April 2016 (€78 million). For the first nine months of 2015, it notably included taxes and fees paid by Vivendi SA in Brazil for an aggregate amount of €395 million, related to the capital gain on the sale of GVT on May 28, 2015, as well as the payment made on March 31, 2015 by Vivendi SA in France for €321 million, related to an ongoing litigation with tax authorities for the final assessment of the income tax payable by Vivendi SA with respect to fiscal year 2012. This payment was partially offset by the receipt on January 16, 2015 by Vivendi SA of moratorium interest for €43 million, related to the refund received on December 23, 2014 with respect to the Consolidated Global Profit Tax System for the year ended December 31, 2011. In addition, for the first nine months of 2015, income taxes paid included the 3% tax on the dividends paid by Vivendi SA in April and June 2015 (€82 million).

For the first nine months of 2016, financial activities generated a €87 million net outflow, compared to a €73 million net inflow for the same period in 2015. For the first nine months of 2016, they mainly included cash outflows generated by foreign exchange risk hedging instruments as a result of the depreciation of the British pound (GBP) and the U.S. dollar (USD) against the euro (-€66 million). For the first nine months of 2015, they mainly included cash inflows generated by foreign exchange risk hedging instruments as a result of the appreciation of the U.S. dollar (USD) against the euro (+€55 million), as well as the interest (+€26 million) received between May 6 and August 19, 2015 on the €1,948 million receivable from Altice related to the deferred payment for the sale of the 10% interest in Numericable-SFR.

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

	Nine months ended September 30,	
(in millions of euros)	2016	2015
Cash flow from operations after interest and income tax paid (CFAIT)	**193**	**(366)**
Adjustments		
Capital expenditures, net (capex, net)	155	174
Dividends received from equity affiliates and unconsolidated companies	(28)	(12)
Interest paid, net	27	24
Other cash items related to financial activities	87	(73)
Net cash provided by/(used for) operating activities of continuing operations (a)	**434**	**(253)**

a. As presented in the Consolidated Statement of Cash Flows.

2.4 Analysis of investing and financing activities

2.4.1 Investing activities

(in millions of euros)	Nine months ended September 30, 2016
Financial investments	
Acquisitions of Telecom Italia ordinary shares	(408)
Acquisition of Gameloft shares	(499)
Investment in Banijay Group (February 2016)	(290)
Acquisition of Ubisoft shares	(296)
Acquisition of cash management financial assets	(277)
Subscription to Groupe Fnac's reserved capital increase (May 2016)	(159)
Other	(127)
Total financial investments	**(2,056)**
Financial divestments	
Net proceeds received from the sale of the remaining interest in Activision Blizzard (January 2016)	976
Recovery of the deposit related to the hedge of Activision Blizzard shares (January 2016)	439
Net proceeds received from the settlement agreement with Liberty Media (February 2016)	269
Cash management financial assets	100
Other	(1)
Total financial divestments	**1,783**
Dividends received from equity affiliates and unconsolidated companies	27
Capital expenditures, net	(155)
Net cash provided by/(used for) investing activities (a)	**(401)**

a. As presented in the Consolidated Statement of Cash Flows.

2.4.2 Financing activities

(in millions of euros)	Nine months ended September 30, 2016
Transactions with shareowners	
Distribution to Vivendi SA's shareowners (February and April 2016)	(2,588)
Sales/(purchases) of Vivendi SA's treasury shares	(1,623)
Capital increase subscribed by employees as part of the Stock Purchase Plan (July 2016)	71
Exercise of stock options by executive management and employees	8
Other	(30)
Total transactions with shareowners	**(4,162)**
Transactions on borrowings and other financial liabilities	
Issuance of two bonds (May 2016)	1,500
Issuance of commercial papers	100
Interest paid, net	(27)
Other	(18)
Total transactions on borrowings and other financial liabilities	**1,555**
Net cash provided by/(used for) financing activities (a)	**(2,607)**

a. As presented in the Consolidated Statement of Cash Flows.

3 Outlook

Outlook maintained

Universal Music Group's strong performance over the first nine months of 2016 enables the confirmation of the outlook announced at the beginning of the year. The trend toward greater consumption on streaming and subscription services could lead to a lower seasonality effect than observed in the past, the impact of which could be seen in the fourth quarter of 2016.

The important measures undertaken to turn around the Canal+ channels[6] in France (cost optimization plan, launch of new offers on November 15, 2016) should allow for the attainment of the objectives set for the channels at the beginning of 2016. The successfulness of the new offers will be effectively evaluated in the first half of 2017.

Returns to shareholders

Vivendi's Management Board has made a commitment to return an additional €1.3 billion to shareholders by mid-2017 at the latest, specifying that it would likely take the form of an ordinary dividend of €1 per share or share repurchases, depending on the overall economic environment.

Considering the level of share repurchases made between February 18, 2016, to date (41.3 million shares for a total of €722.8 million), the Management Board notified the Supervisory Board that in 2017 it would propose the payment of an ordinary dividend of approximately €0.40 per share with respect to 2016, depending on the overall business performance achieved in 2016. The group may undertake share repurchases depending on the overall economic environment.

[6] *Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.*

4 Forward-Looking Statements

Cautionary note

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

5 Other Disclaimers

Unsponsored ADRs

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

Translation

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

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

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

	2016		
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended September 30,
Revenues			
Universal Music Group	1,119	1,196	1,308
Canal+ Group	1,328	1,311	1,263
Gameloft	-	-	63
Vivendi Village	25	29	24
New Initiatives	30	28	18
Elimination of intersegment transactions	(11)	(11)	(8)
Total Vivendi	**2,491**	**2,553**	**2,668**
Income from operations			
Universal Music Group	102	115	174
Canal+ Group	164	133	142
Gameloft	-	-	4
Vivendi Village	(4)	(4)	(1)
New Initiatives	(9)	(8)	(8)
Corporate	(25)	(24)	(21)
Total Vivendi	**228**	**212**	**290**
EBITA			
Universal Music Group	79	98	176
Canal+ Group	169	119	139
Gameloft	-	-	2
Vivendi Village	-	(4)	(5)
New Initiatives	(10)	(14)	(11)
Corporate	(25)	(25)	(24)
Total Vivendi	**213**	**174**	**277**

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

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III - Condensed Financial Statements for the first nine months of 2016

Condensed Statement of Earnings

	Note	Three months ended September 30, (unaudited) 2016	Three months ended September 30, (unaudited) 2015	Nine months ended September 30, (unaudited) 2016	Nine months ended September 30, (unaudited) 2015	Year ended December 31, 2015
Revenues	3	**2,668**	**2,520**	**7,712**	**7,615**	**10,762**
Cost of revenues		(1,629)	(1,527)	(4,717)	(4,596)	(6,555)
Selling, general and administrative expenses		(806)	(839)	(2,437)	(2,523)	(3,571)
Restructuring charges	3	(14)	(36)	(62)	(65)	(102)
Impairment losses on intangible assets acquired through business combinations		-	(1)	-	(1)	(3)
Reversal of reserve related to the Liberty Media litigation in the United States	11	-	-	240	-	-
Other income	2	-	(7)	657	711	745
Other charges		(3)	(34)	(115)	(38)	(45)
Earnings before interest and income taxes (EBIT)		**216**	**76**	**1,278**	**1,103**	**1,231**
Income from equity affiliates	7	76	-	88	(7)	(10)
Interest	4	(10)	(10)	(27)	(24)	(30)
Income from investments		6	14	28	35	52
Other financial income		6	(20)	23	15	16
Other financial charges		(13)	(48)	(40)	(82)	(73)
Earnings from continuing operations before provision for income taxes		**281**	**12**	**1,350**	**1,040**	**1,186**
Provision for income taxes	5	(15)	(159)	(150)	(441)	(441)
Earnings from continuing operations		**266**	**(147)**	**1,200**	**599**	**745**
Earnings from discontinued operations		-	(43)	(2)	1,236	1,233
Earnings		**266**	**(190)**	**1,198**	**1,835**	**1,978**
Of which						
Earnings attributable to Vivendi SA shareowners		**264**	**(201)**	**1,175**	**1,790**	**1,932**
of which **earnings from continuing operations attributable to Vivendi SA shareowners**		**264**	**(158)**	**1,177**	**554**	**699**
earnings from discontinued operations attributable to Vivendi SA shareowners		-	(43)	(2)	1,236	1,233
Non-controlling interests		2	11	23	45	46
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	6	0.21	(0.11)	0.92	0.41	0.51
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	6	0.18	(0.11)	0.89	0.41	0.51
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	6	-	(0.04)	-	0.90	0.91
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	6	-	(0.04)	-	0.90	0.90
Earnings attributable to Vivendi SA shareowners per share - basic	6	**0.21**	**(0.15)**	**0.92**	**1.31**	**1.42**
Earnings attributable to Vivendi SA shareowners per share - diluted	6	0.18	(0.15)	0.89	1.31	1.41

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

As a reminder, in compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT (sold on May 28, 2015) has been reported as a discontinued operation.

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) 2016	2015	Nine months ended September 30, (unaudited) 2016	2015	Year ended December 31, 2015
Earnings	**266**	**(190)**	**1,198**	**1,835**	**1,978**
Actuarial gains/(losses) related to employee defined benefit plans, net	-	-	-	-	(21)
Comprehensive income from equity affiliates, net	(14)	-	(15)	-	-
Items not reclassified to profit or loss	**(14)**	**-**	**(15)**	**-**	**(21)**
Foreign currency translation adjustments	(158)	(2)	(383)	1,372 (a)	1,513
Unrealized gains/(losses), net	147	4	(363)	(536)	(371)
of which hedging instruments	*32*	*36*	*155*	*(78)*	*(79)*
assets available for sale	*115*	*(32)*	*(518)* (c)	*(458)* (b)	*(292)*
Comprehensive income from equity affiliates, net	99	-	132 (d)	-	-
Other impacts, net	(5)	15	16	35	31
Items to be subsequently reclassified to profit or loss	**83**	**17**	**(598)**	**871**	**1,173**
Charges and income directly recognized in equity	**69**	**17**	**(613)**	**871**	**1,152**
Total comprehensive income	**335**	**(173)**	**585**	**2,706**	**3,130**
Of which					
Total comprehensive income attributable to Vivendi SA shareowners	**321**	**(180)**	**549**	**2,666**	**3,089**
Total comprehensive income attributable to non-controlling interests	14	7	36	40	41

a. Mainly related to the reclassification to profit or loss of foreign currency translation adjustments following the sale of GVT on May 28, 2015 (€933 million), as well as foreign currency translation adjustments due to fluctuations in exchange rates at UMG (€562 million).

b. Mainly related to the reclassification to profit or loss of the capital gain on the sale of the 20% interest in Numericable-SFR on May 6, 2015 (-€651 million, before taxes), partially offset by the change in fair value of the equity portfolio (+€200 million).

c. Notably related to the reclassification to profit or loss of the capital gain on the sale of the remaining interest in Activision Blizzard in January 2016 (-€586 million, before taxes).

d. Included €135 million representing Vivendi's share of Telecom Italia's comprehensive income, calculated based on the financial information for the first half of 2016 disclosed by Telecom Italia.

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

Condensed Statement of Financial Position

(in millions of euros)	Note	September 30, 2016 (unaudited)	December 31, 2015
ASSETS			
Goodwill		10,633	10,177
Non-current content assets		2,084	2,286
Other intangible assets		298	224
Property, plant and equipment		671	737
Investments in equity affiliates	7	4,213	3,435
Non-current financial assets	8	2,325	4,132
Deferred tax assets		716	622
Non-current assets		**20,940**	**21,613**
Inventories		132	117
Current tax receivables		524	653
Current content assets		1,402	1,088
Trade accounts receivable and other		2,023	2,139
Current financial assets	8	873	1,111
Cash and cash equivalents	9	5,633	8,225
Current assets		**10,587**	**13,333**
TOTAL ASSETS		**31,527**	**34,946**
EQUITY AND LIABILITIES			
Share capital		7,076	7,526
Additional paid-in capital		4,235	5,343
Treasury shares		(473)	(702)
Retained earnings and other		7,960	8,687
Vivendi SA shareowners' equity		**18,798**	**20,854**
Non-controlling interests		252	232
Total equity		**19,050**	**21,086**
Non-current provisions		1,698	2,679
Long-term borrowings and other financial liabilities		2,390	1,555
Deferred tax liabilities		689	705
Other non-current liabilities		105	105
Non-current liabilities		**4,882**	**5,044**
Current provisions		333	363
Short-term borrowings and other financial liabilities		1,626	1,383
Trade accounts payable and other		5,491	6,737
Current tax payables		145	333
Current liabilities		**7,595**	**8,816**
Total liabilities		**12,477**	**13,860**
TOTAL EQUITY AND LIABILITIES		**31,527**	**34,946**

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) 2016	2015	Year ended December 31, 2015
Operating activities				
EBIT		1,278	1,103	1,231
Adjustments		(441)	(238)	(38)
Content investments, net		(122)	4	157
Gross cash provided by operating activities before income tax paid		***715***	***869***	***1,350***
Other changes in net working capital		(33)	(328)	(226)
Net cash provided by operating activities before income tax paid		***682***	***541***	***1,124***
Income tax (paid)/received, net		(248)	(794)	(1,037)
Net cash provided by operating activities of continuing operations		***434***	***(253)***	***87***
Net cash provided by operating activities of discontinued operations		***-***	***153***	***153***
Net cash provided by operating activities		**434**	**(100)**	**240**
Investing activities				
Capital expenditures		(155)	(175)	(247)
Purchases of consolidated companies, after acquired cash		(554)	(293)	(359)
Investments in equity affiliates	7	(553)	(1)	(19)
Increase in financial assets	8	(949)	(2,875)	(3,549)
Investments		***(2,211)***	***(3,344)***	***(4,174)***
Proceeds from sales of property, plant, equipment and intangible assets		-	1	1
Proceeds from sales of consolidated companies, after divested cash		(17)	4,030	4,032
Disposal of equity affiliates	7	1	273	268
Decrease in financial assets	8	1,799	4,704	4,713
Divestitures		***1,783***	***9,008***	***9,014***
Dividends received from equity affiliates		3	3	5
Dividends received from unconsolidated companies		24	9	9
Net cash provided by/(used for) investing activities of continuing operations		***(401)***	***5,676***	***4,854***
Net cash provided by/(used for) investing activities of discontinued operations		***-***	***(262)***	***(262)***
Net cash provided by/(used for) investing activities		**(401)**	**5,414**	**4,592**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		79	272	273
Sales/(purchases) of Vivendi SA's treasury shares		(1,623)	-	(492)
Distributions to Vivendi SA's shareowners		(2,588)	(2,727)	(2,727)
Other transactions with shareowners		(4)	(531)	(534)
Dividends paid by consolidated companies to their non-controlling interests		(26)	(38)	(46)
Transactions with shareowners		***(4,162)***	***(3,024)***	***(3,526)***
Setting up of long-term borrowings and increase in other long-term financial liabilities		1,501	9	8
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		-	(1)	(2)
Principal payment on short-term borrowings		(42)	(127)	(126)
Other changes in short-term borrowings and other financial liabilities		210	14	6
Interest paid, net	4	(27)	(24)	(30)
Other cash items related to financial activities		(87)	73	106
Transactions on borrowings and other financial liabilities		***1,555***	***(56)***	***(38)***
Net cash provided by/(used for) financing activities of continuing operations		***(2,607)***	***(3,080)***	***(3,564)***
Net cash provided by/(used for) financing activities of discontinued operations		***-***	***69***	***69***
Net cash provided by/(used for) financing activities		**(2,607)**	**(3,011)**	**(3,495)**
Foreign currency translation adjustments of continuing operations		(18)	(1)	3
Foreign currency translation adjustments of discontinued operations		-	(8)	(8)
Change in cash and cash equivalents		**(2,592)**	**2,294**	**1,332**
Reclassification of discontinued operations' cash and cash equivalents		**-**	**48**	**48**
Cash and cash equivalents				
At beginning of the period	9	**8,225**	**6,845**	**6,845**
At end of the period	9	**5,633**	**9,187**	**8,225**

As a reminder, in compliance with IFRS 5, GVT (sold on May 28, 2015) has been reported as a discontinued operation.

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

Condensed Statements of Changes in Equity

Nine months ended September 30, 2016 (unaudited) (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	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2015	***1,368,323***	**7,526**	**5,343**	**(702)**	**12,167**	**8,014**	**905**	**8,919**	**21,086**
Attributable to Vivendi SA shareowners	***1,368,323***	***7,526***	***5,343***	***(702)***	***12,167***	***7,764***	***923***	***8,687***	***20,854***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***250***	***(18)***	***232***	***232***
Contributions by/distributions to Vivendi SA shareowners	***(81,707)***	**(450)**	**(1,108)**	**229**	**(1,329)**	**(1,272)**	**-**	**(1,272)**	**(2,601)**
Capital reduction through cancellation of treasury shares	*(86,875)*	(478)	(1,154)	1,632	-	(4)	-	(4)	(4)
Sales/(purchases) of treasury shares	-	-	-	(1,409)	(1,409)	-	-	-	(1,409)
Distribution to shareowners (balance of the dividend paid on April 28, 2016 with respect to fiscal year 2015)	-	-	-	-	-	(1,270)	-	(1,270)	(1,270)
Capital increase related to share-based compensation plans	5,168	28	46	6	80	2	-	2	82
of which employee Stock Purchase Plans (July 28, 2016)	*4,870*	*27*	*44*	-	*71*	-	-	-	*71*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**(5)**	**-**	**(5)**	**(5)**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***(81,707)***	**(450)**	**(1,108)**	**229**	**(1,329)**	**(1,277)**	**-**	**(1,277)**	**(2,606)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(26)	-	(26)	(26)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	11	-	11	11
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(15)**	**-**	**(15)**	**(15)**
Earnings	-	-	-	-	-	1,198	-	1,198	1,198
Charges and income directly recognized in equity	-	-	-	-	-	16	(629)	(613)	(613)
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**1,214**	**(629)**	**585**	**585**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***(81,707)***	***(450)***	***(1,108)***	***229***	***(1,329)***	***(78)***	***(629)***	***(707)***	***(2,036)***
Attributable to Vivendi SA shareowners	*(81,707)*	*(450)*	*(1,108)*	*229*	*(1,329)*	*(103)*	(624)	*(727)*	*(2,056)*
Attributable to non-controlling interests	-	-	-	-	-	*25*	*(5)*	*20*	*20*
BALANCE AS OF SEPTEMBER 30, 2016 (a)	***1,286,616***	**7,076**	**4,235**	**(473)**	**10,838**	**7,936**	**276**	**8,212**	**19,050**
Attributable to Vivendi SA shareowners	***1,286,616***	***7,076***	***4,235***	***(473)***	***10,838***	***7,661***	***299***	***7,960***	***18,798***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***275***	***(23)***	***252***	***252***

a. As of September 30, 2016, Vivendi held 27,614 thousand treasury shares, representing 2.15% of the share capital.

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

Nine months ended September 30, 2015 (unaudited)

(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	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2014	***1,351,601***	**7,434**	**5,160**	**(1)**	**12,593**	**10,634**	**(239)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	***1,351,601***	***7,434***	***5,160***	***(1)***	***12,593***	***10,185***	***(172)***	***10,013***	***22,606***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***449***	***(67)***	***382***	***382***
Contributions by/distributions to Vivendi SA shareowners	***16,074***	**88**	**176**	**-**	**264**	**(4,080)**	**-**	**(4,080)**	**(3,816)**
Distribution to shareowners	-	-	-	-	-	(4,090)	-	(4,090)	(4,090)
Dividend paid on April 23, 2015 with respect to fiscal year 2014 (€1 per share)	-	-	-	-	-	*(1,363)*	-	*(1,363)*	*(1,363)*
First interim dividend paid on June 29, 2015 with respect to fiscal year 2015 (€1 per share)	-	-	-	-	-	*(1,364)*	-	*(1,364)*	*(1,364)*
Second interim dividend paid on February 3, 2016 with respect to fiscal year 2015 (€1 per share)	-	-	-	-	-	*(1,364)*	-	*(1,364)*	*(1,364)*
Capital increase related to share-based compensation plans	16,074	88	176	-	264	10	-	10	274
of which Vivendi Employee Stock Purchase Plans (July 16, 2015)	*3,914*	*22*	*53*	-	*75*	-	-	-	*75*
exercise of stock-options by executive management and employees	*10,330*	*57*	*133*	-	*190*	-	-	-	*190*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**(393)**	**-**	**(393)**	**(393)**
Of which acquisition of SECP's non-controlling interests	-	-	-	-	-	*(375)*	-	*(375)*	*(375)*
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***16,074***	**88**	**176**	**-**	**264**	**(4,473)**	**-**	**(4,473)**	**(4,209)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(34)**	**-**	**(34)**	**(34)**
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(34)	-	(34)	(34)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**	**1**
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(150)**	**-**	**(150)**	**(150)**
Acquisition of SECP's non-controlling interests	-	-	-	-	-	(150)	-	(150)	(150)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(183)**	**-**	**(183)**	**(183)**
Earnings	-	-	-	-	-	1,835	-	1,835	1,835
Charges and income directly recognized in equity	-	-	-	-	-	35	836	871	871
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**1,870**	**836**	**2,706**	**2,706**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***16,074***	***88***	***176***	**-**	***264***	***(2,786)***	***836***	***(1,950)***	***(1,686)***
Attributable to Vivendi SA shareowners	*16,074*	*88*	*176*	-	*264*	*(2,640)*	*833*	*(1,807)*	*(1,543)*
Attributable to non-controlling interests	-	-	-	-	-	*(146)*	*3*	*(143)*	*(143)*
BALANCE AS OF SEPTEMBER 30, 2015	***1,367,675***	**7,522**	**5,336**	**(1)**	**12,857**	**7,848**	**597**	**8,445**	**21,302**
Attributable to Vivendi SA shareowners	***1,367,675***	***7,522***	***5,336***	***(1)***	***12,857***	***7,545***	***661***	***8,206***	***21,063***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***303***	***(64)***	***239***	***239***

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

Year ended December 31, 2015

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

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

Notes to the Condensed Financial Statements

On November 7, 2016, at 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, 2016. Upon the recommendation of the Audit Committee which met on November 8, 2016, the Supervisory Board, at its meeting held on November 9, 2016, reviewed the Financial Report and Unaudited Condensed Financial Statements for the nine months ended September 30, 2016, as previously approved by the Management Board on November 7, 2016.

The Unaudited Condensed Financial Statements for the nine months ended September 30, 2016 should be read in conjunction with Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2015, as published in the "Rapport Annuel - Document de reference 2015" filed on March 15, 2016 with the French *Autorité des marchés financiers* (AMF) and the unaudited Condensed Financial Statements for the half-year ended June 30, 2016. Please also refer to pages 194 to 279 of the English translation[7] of the "Rapport Annuel - Document de référence 2015" (the "2015 Annual Report") which is available on Vivendi's website (www.vivendi.com).

Note 1 Accounting policies and valuation methods

Vivendi's interim Condensed Financial Statements for the first nine months of 2016 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, 2015 (please refer to Note 1 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2015, pages 204 to 215 of the 2015 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 pre-tax earnings. 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 share-based compensation plans, employee benefits and profit-sharing have been included on a pro-rata basis of the estimated cost for the year, adjusted, if necessary, for any non-recurring events which occurred over the period.

Among the new IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC and described in Note 1.6 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" to Vivendi's Consolidated Financial Statements for the year ended December 31, 2015 (page 215 of the 2015 Annual Report), the amendments to IAS 38 – *Intangible Assets* apply mandatorily from January 1, 2016. These amendments, related to clarification of acceptable methods of depreciation and amortization, were issued by the IASB on May 12, 2014, endorsed by the EU on December 2, 2015, and published in the Official Journal of the EU on December 3, 2015.

Their application had no significant impact for Vivendi. Indeed, in respect of its film production and television rights activities, Vivendi considers that using the amortization method based on revenues generated by these activities, according to the estimated revenue method described in Note 1.3.5.3 to Vivendi's Consolidated Financial Statements for the year ended December 31, 2015 (page 209 of the 2015 Annual Report), is appropriate because revenue and the consumption of the economic benefits embodied in the intangible assets are highly correlated.

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

2.1 Acquisition of Gameloft

On February 18, 2016, Vivendi filed a proposed public tender offer ("the offer") with the *Autorité des marchés financiers* ("AMF") for all the shares of Gameloft S.E. ("Gameloft"), following its crossing of the 30% threshold in Gameloft's share capital. As of that date, Vivendi held 25,649,006 Gameloft shares[8] representing 30.01% of the share capital and 26.72% of the voting rights of this company[9].

The offer period ran from March 21 until May 27, 2016, and then from June 2 until June 15, 2016, at a price of €8.00 per share (compared to the prices initially announced of €6.00, and then €7.20). Following completion of the offer, Vivendi held 83,611,458 Gameloft shares, representing 95.93% of the share capital and 95.80% of the voting rights as of June 30, 2016.

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[7] This free translation of the "Rapport Annuel - Document de reference 2015" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.

[8] Of which 225,000 Gameloft shares borrowed and considered as owned by Vivendi, in accordance with Article L. 233-9 I, 6° of the French Commercial Code (Code de commerce).

[9] Based on a share capital comprised of 85,465,122 shares representing 95,995,288 voting rights (information as of January 31, 2016, as disclosed on Gameloft's website).

On June 29, 2016, at Gameloft General Shareholders' Meeting, Gameloft's Board of Directors was reconstituted with the appointment of five members proposed by Vivendi. Following the Shareholders' Meeting, the Board of Directors appointed Stéphane Roussel, a member of Vivendi's Management Board, as Chairman and Chief Executive Officer of Gameloft.

On July 18, 2016, the Paris Court of Appeal acknowledged the withdrawal of Gameloft's appeal against the AMF's conformity clearance decision with respect to Vivendi's offer. Given that the conditions required by Article L. 433-4 III of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 237-14 to 237-16 of the AMF General Regulations (*Règlement général*) for the implementation of a squeeze-out procedure had been met, Vivendi, as it had reserved the right to do in its offer documentation (*note d'information*) relating to the public tender offer, requested from the AMF the implementation of a squeeze-out for the remaining Gameloft shares not held by Vivendi.

In its notice published on July 20, 2016, the AMF stated that the squeeze-out for the 3,550,064 Gameloft shares not held by Vivendi would be implemented on July 26, 2016. On that date, Gameloft shares were transferred to Vivendi in exchange for the payment of compensation to the holders and delisted from Euronext Paris. The squeeze-out was made at the same price as the public tender offer, i.e., a cash payment of €8 for each Gameloft share.

Consolidation of Gameloft by Vivendi

Between September 2015 and July 2016, Vivendi acquired 100% of Gameloft's share capital for an aggregate amount of €621 million (of which €499 million was paid in 2016).

Vivendi has consolidated Gameloft under the full goodwill method since June 29, 2016, and has performed a preliminary allocation of the purchase price for 100% of Gameloft, based on a full enterprise value of €697 million. The allocation of the purchase price will be finalized within the 12-month period following the acquisition date, as required by accounting standards. The provisional goodwill amounted to €609 million. The final amount of goodwill may differ from the amount initially recorded.

2.2 Acquisition of an interest in Banijay Group

On February 23, 2016, Vivendi completed the acquisition of a 26.2% interest in Banijay Group, born out of the combination between Banijay and Zodiak Media. Vivendi's investment in Banijay Group represented a cash payment of €290 million, including €100 million for a 26.2% interest in the new combined entity. In addition, Vivendi subscribed to two bonds:

i. a €100 million bond redeemable in shares or cash ("ORAN1") issued by Banijay Group. Upon maturity of ORAN1, Banijay Group will have the option of either redeeming the bond in cash or converting it into a number of Banijay Group shares which, in addition to the shares already held by Vivendi, would bring Vivendi's interest in Banijay Group to a maximum of 49.9%; and

ii. a €90 million bond redeemable in shares or cash ("ORAN2") issued by Lov Banijay, a holding company controlled by Financière Lov. Upon maturity of ORAN2, Lov Banijay will have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay.

Both bonds have a 7-year maturity.

In addition, on October 14, 2016, Vivendi subscribed to a €50 million bond redeemable in cash issued by Lov Banijay, maturing on February 23, 2023.

Vivendi has two representatives on Banijay Group's Board of Directors, and certain veto and liquidity rights. Since February 23, 2016, the interest in Banijay Group has been accounted for under the equity method, in accordance with IAS 28.

2.3 Acquisition of an interest in Groupe Fnac as part of a strategic partnership

On May 24, 2016, the Extraordinary General Shareholders' Meeting of Groupe Fnac approved the implementation of a strategic partnership between Vivendi and Groupe Fnac. Vivendi notably acquired a minority interest in Groupe Fnac through a reserved capital increase for €159 million, i.e., €54.00 per share. Following completion of the transaction, Vivendi held 15% of Groupe Fnac's share capital and voting rights. In addition, the General Shareholders' Meeting approved the appointment of two representatives of Vivendi as new members of Groupe Fnac's Board of Directors. On August 2, 2016, Groupe Fnac completed the acquisition of Darty and issued 6,471 thousand new shares. Following completion of this transaction, Vivendi held 11.3% of the share capital and voting rights of the new combined entity Fnac Darty.

As part of a strategic partnership dedicated to cultural activities, the two companies intend to develop an innovative project creating long-term value and focusing on several key areas:

- enhancement of cultural content, which could take the form of distribution partnerships;
- increased co-operation in live events, a sector in which Vivendi has implemented several initiatives, and in ticketing in certain countries by teaming up with Vivendi Ticketing;

- privileged access to extended digital services for the customers of the two groups; and
- acceleration of Groupe Fnac's international development, in particular in Southern Europe, as well as in Africa where Vivendi has been operating for over 20 years.

On July 11, 2016, Vivendi and Groupe Fnac launched their first joint initiative to enhance their respective subscription programs.

Since May 24, 2016, Vivendi's interest in Fnac Darty has been accounted for as "available-for-sale-securities" in Vivendi's Consolidated Statement of Financial Position and, in accordance with IAS 39, it is revalued at the stock market price at each reporting date, as the unrealized capital gains or losses are directly recognized in equity. As of September 30, 2016, the interest in Fnac Darty is valued at €192 million (please refer to Note 8).

2.4 Redeployment in audiovisual production and new content formats

In recent months, Vivendi has strengthened its position in content production and distribution, notably through the acquisition of interests in several fiction production companies in Spain and the United Kingdom (33% in Bambu Producciones, 20% in Urban Myth Films, and 20% in SunnyMarchTV), in non-scripted television production companies (50% in Kissman Productions), and in distribution companies (100% in Alterna'TV). Moreover, Vivendi and its subsidiaries have granted or received put and call options on the shares of some of these companies.

In addition, Studiocanal purchased 100% of the companies which own and manage all Paddington Bear intellectual property rights, except for the publishing rights, and SeeTickets acquired the assets of Flavorus, a ticketing company in the United States.

Investments in content production and distribution represented an aggregate payment of approximately €104 million during the first nine months of 2016.

2.5 Mediaset

The agreement Vivendi entered into with Mediaset on April 8, 2016, which provided for a swap of a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, is the subject of litigation: please refer to Note 11 for details.

2.6 Sale of interest in Activision Blizzard

On January 13, 2016, Vivendi unwound the hedge of the value of the 41.5 million Activision Blizzard shares denominated in USD that it held, and sold its entire interest. The capital gain on the sale amounted to €576 million (before taxes), classified as "other income" in EBIT and the net proceeds received from these transactions amounted to $1,063 million, i.e., €976 million. The completion of these transactions also enabled Vivendi to recover a cash deposit of $480 million (€439 million).

Note 3 Segment data

Main aggregates of the Statement of Earnings

(in millions of euros)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015	Year ended December 31, 2015
Revenues					
Universal Music Group	1,308	1,181	3,623	3,492	5,108
Canal+ Group	1,263	1,300	3,902	4,034	5,513
Gameloft	63	-	63	-	-
Vivendi Village	24	22	78	73	100
New Initiatives	18	17	76	18	43
Elimination of intersegment transactions	(8)	-	(30)	(2)	(2)
	2,668	**2,520**	**7,712**	**7,615**	**10,762**
Income from operations					
Universal Music Group	174	99	391	278	626
Canal+ Group	142	186	439	554	542
Gameloft	4	-	4	-	-
Vivendi Village	(1)	1	(9)	9	10
New Initiatives	(8)	(9)	(25)	(10)	(18)
Corporate	(21)	(20)	(70)	(74)	(99)
	290	**257**	**730**	**757**	**1,061**
Restructuring charges					
Universal Music Group	(7)	(10)	(41)	(37)	(51)
Canal+ Group	(2)	(25)	(16)	(25)	(47)
Gameloft	-	-	-	-	-
Vivendi Village	(3)	(1)	(2)	(1)	(1)
New Initiatives	(1)	-	(2)	-	-
Corporate	(1)	-	(1)	(2)	(3)
	(14)	**(36)**	**(62)**	**(65)**	**(102)**
Charges related to equity-settled share-based compensation plans					
Universal Music Group	(1)	(1)	(2)	(4)	(5)
Canal+ Group	-	(1)	(2)	(2)	(3)
Gameloft	(2)	-	(2)	-	-
Vivendi Village	-	-	-	-	-
New Initiatives	-	-	-	-	-
Corporate	(1)	(1)	(3)	(7)	(8)
	(4)	**(3)**	**(9)**	**(13)**	**(16)**
Other non-current operating charges and income					
Universal Music Group	10	-	5	22	23
Canal+ Group	(1)	2	6	23	(38)
Gameloft	-	-	-	-	-
Vivendi Village	(1)	-	2	-	-
New Initiatives	(2)	-	(8)	-	(2)
Corporate	(1)	(1)	-	11	16
	5	**1**	**5**	**56**	**(1)**
Adjusted earnings before interest and income taxes (EBITA)					
Universal Music Group	176	88	353	259	593
Canal+ Group	139	162	427	550	454
Gameloft	2	-	2	-	-
Vivendi Village	(5)	-	(9)	8	9
New Initiatives	(11)	(9)	(35)	(10)	(20)
Corporate	(24)	(22)	(74)	(72)	(94)
	277	**219**	**664**	**735**	**942**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015	Year ended December 31, 2015
EBIT (a)	**216**	**76**	**1,278**	**1,103**	**1,231**
Adjustments					
Amortization of intangible assets acquired through business combinations	58	101	168	304	408
Impairment losses on intangible assets acquired through business combinations (a)	-	1	-	1	3
Reversal of reserve related to the Liberty Media litigation in the United States (a)	-	-	(240)	-	-
Other income (a)	-	7	(657)	(711)	(745)
Other charges (a)	3	34	115	38	45
EBITA	**277**	**219**	**664**	**735**	**942**
Adjustments					
Restructuring charges (a)	14	36	62	65	102
Charges related to equity-settled share-based compensation plans	4	3	9	13	16
Other non-current operating charges and income	(5)	(1)	(5)	(56)	1
Income from operations	**290**	**257**	**730**	**757**	**1,061**

a. As reported in the Consolidated Statement of Earnings.

Consolidated Statement of Financial Position

(in millions of euros)	September 30, 2016	December 31, 2015
Segment assets (a)		
Universal Music Group	8,774	9,242
Canal+ Group	7,832	7,575
Gameloft	713	-
Vivendi Village	205	216
New Initiatives	553	387
Corporate	6,578	8,026
of which investments in equity affiliates	*3,958*	*3,319*
listed equity securities	*1,487*	*2,520*
	24,655	**25,446**
Segment liabilities (b)		
Universal Music Group	3,349	3,552
Canal+ Group	2,868	2,615
Gameloft	49	-
Vivendi Village	102	117
New Initiatives	59	50
Corporate	1,201	3,550
	7,628	**9,884**

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

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

Depreciation and amortization

(in millions of euros)	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015	Year ended December 31, 2015
Depreciation of tangible assets					
Universal Music Group	15	16	44	44	67
Canal+ Group	31	41	115	122	163
Gameloft	2	-	2	-	-
Vivendi Village	-	-	2	1	2
New Initiatives	1	2	4	2	2
Corporate	-	-	-	-	-
	49	**59**	**167**	**169**	**234**
Amortization of intangible assets excluding those acquired through business combinations					
Universal Music Group	-	-	-	-	-
Canal+ Group	23	15	52	49	70
Gameloft	1	-	1	-	-
Vivendi Village	2	-	3	-	-
New Initiatives	-	-	1	-	1
Corporate	-	-	-	-	-
	26	**15**	**57**	**49**	**71**
Amortization of intangible assets acquired through business combinations					
Universal Music Group	52	99	155	297	398
Canal+ Group	5	2	9	6	8
Gameloft	-	-	-	-	-
Vivendi Village	1	-	2	1	2
New Initiatives	-	-	2	-	-
Corporate	-	-	-	-	-
	58	**101**	**168**	**304**	**408**

Note 4 Interest

(in millions of euros) (Charge)/Income	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015	Year ended December 31, 2015
Interest expense on borrowings	(16)	(16)	(44)	(45)	(61)
Interest income from cash, cash equivalents and investments	6	6	17	21	31
Interest	**(10)**	**(10)**	**(27)**	**(24)**	**(30)**
Fees and premium on borrowings and credit facilities issued	*(1)*	*(1)*	*(3)*	*(3)*	*(4)*
	(11)	**(11)**	**(30)**	**(27)**	**(34)**

In 2015, interest expense on borrowings included interest received by Vivendi SA from financing provided to GVT until its effective sale on May 28, 2015 (€4 million).

Note 5 Income taxes

(in millions of euros)	Three months ended September 30,		Nine months ended September 30,		Year ended December 31, 2015
(Charge)/Income	2016	2015	2016	2015	
Impact of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	23	(137)	26 (a)	(168) (b)	(129) (b)
Other components of the provision for income taxes (c)	(38)	(22)	(176)	(273)	(312)
Provision for income taxes	**(15)**	**(159)**	**(150)**	**(441)**	**(441)**

a. Notably included the non-recurring negative impact (-€41 million) related to the reversal of reserve with respect to the Liberty Media litigation (taxable income of €240 million, before utilization of up to 50% of Vivendi SA's tax losses carried forward).

b. Mainly included the income tax payable by Vivendi SA in France related to the sale of the interests in Numericable-SFR, GVT and Telefonica Brasil (-€187 million, net of the tax savings related to Vivendi SA's Tax Group System).

c. Notably included the 3% tax on Vivendi SA's dividends for -€38 million for the first nine months of 2016 and -€122 million for the first nine months of 2015.

Note 6 Earnings per share

	Three months ended September 30,				Nine months ended September 30,				Year ended December 31, 2015	
	2016		2015		2016		2015			
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)										
Earnings from continuing operations attributable to Vivendi SA shareowners	264	229 (a)	(158)	(158)	1,177	1,142 (a)	554	554	699	699
Earnings from discontinued operations attributable to Vivendi SA shareowners	-	-	(43)	(43)	(2)	(2)	1,236	1,236	1,233	1,233
Earnings attributable to Vivendi SA shareowners	264	229	(201)	(201)	1,175	1,140	1,790	1,790	1,932	1,932
Number of shares (in millions)										
Weighted average number of shares outstanding (b)	1,257.9	1,257.9	1,367.3	1,367.3	1,277.1	1,277.1	1,361.3	1,361.3	1,361.5	1,361.5
Potential dilutive effects related to share-based compensation	-	2.6	-	5.8	-	2.8	-	5.6	-	5.3
Adjusted weighted average number of shares	**1,257.9**	**1,260.5**	**1,367.3**	**1,373.1**	**1,277.1**	**1,279.9**	**1,361.3**	**1,366.9**	**1,361.5**	**1,366.8**
Earnings per share (in euros)										
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.21	0.18	(0.11)	(0.11)	0.92	0.89	0.41	0.41	0.51	0.51
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	-	-	(0.04)	(0.04)	-	-	0.90	0.90	0.91	0.90
Earnings attributable to Vivendi SA shareowners per share	0.21	0.18	(0.15)	(0.15)	0.92	0.89	1.31	1.31	1.42	1.41

a. Included only the impact for Vivendi of Telecom Italia's dilutive instruments, calculated based on the financial information for the first half of 2016 disclosed by Telecom Italia.

b. Net of the weighted average number of treasury shares: 59.4 million shares for the first nine months of 2016, compared to 0.04 million shares for the same period in 2015, and 1.6 million shares in fiscal year 2015.

Note 7 Investments in equity affiliates

As of September 30, 2016, the main companies accounted for by Vivendi under the equity method were as follows:

- Telecom Italia: fixed and mobile telephony operator in Italy and Brazil;
- Banijay Group: producer and distributor of television programs; and
- VEVO: premium music video and entertainment platform.

	Voting interest		Net carrying value of equity affiliates	
(in millions of euros)	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Telecom Italia (a)	24.68%	21.4%	3,924	3,319
Banijay Group (b)	26.20%	na	138	-
VEVO	49.30%	48.7%	88	76
Other	na	na	63	40
			4,213	**3,435**

na: not applicable.

a. As of September 30, 2016, Vivendi held 3,331.48 million (24.68%) Telecom Italia ordinary shares with voting rights (i.e., 17.06% of the total share capital). At the stock market price as of September 30, 2016, the market value of this interest amounted to €2,462 million. Vivendi will examine the value of its interest in Telecom Italia in connection with the preparation of its Consolidated Financial Statements ended December 31, 2016.

b. On February 23, 2016, Vivendi completed the acquisition of a 26.2% interest in Banijay Group (please refer to Note 2.2).

Change in value of investments in equity affiliates

(in millions of euros)	Nine months ended September 30, 2016	Year ended December 31, 2015
Opening balance	**3,435**	**306**
Acquisitions (a)	549	3,343
Sales	-	(209) (b)
Income from equity affiliates	88 (c)	(10)
Change in other comprehensive income	116	9
Dividends received	(4)	(5)
Other	29	1
Closing balance	**4,213**	**3,435**

a. For the first nine months of 2016, acquisitions included the net purchase of 443 million Telecom Italia ordinary shares. In 2015, they primarily included the purchase of Telecom Italia shares for €3,319 million, pursuant to the following transactions:
   - on June 24, 2015, pursuant to the agreement entered into with Telefonica for the sale of GVT, Vivendi swapped a 4.5% interest in Telefonica Brasil with Telefonica in exchange for a block of 1,110 million shares, representing 8.24% of Telecom Italia ordinary shares;
   - between June 10 and June 18, 2015, Vivendi acquired 1.90% of Telecom Italia ordinary shares directly on the stock market (256 million shares) and, on June 22, 2015, Vivendi acquired a block of 642 million shares, representing 4.76% of Telecom Italia ordinary shares from a financial institution; and
   - during the second half of 2015, Vivendi acquired 880 million Telecom Italia ordinary shares directly on the stock market.

b. Related to the sale of the interest in N-Vision B.V. by Canal+ Group on July 1, 2015.

c. Notably included Vivendi's share of Telecom Italia's profit for €91 million (please refer below).

Telecom Italia

Equity accounting of Telecom Italia

On December 15, 2015, Telecom Italia's Extraordinary General Shareholders' Meeting appointed four members to Telecom Italia's Board of Directors who were nominated by Vivendi (including three representatives of Vivendi and one independent member). As from that date, Vivendi has the power to participate in Telecom Italia's financial and operating policy decisions, according to IAS 28, and, consequently, it is deemed to exercise a significant influence over Telecom Italia. In addition, on April 27, 2016, Mr. Arnaud de Puyfontaine, Chairman of Vivendi's Management Board, was appointed as Vice Chairman of Telecom Italia's Board of Directors.

Since December 15, 2015, the interest in Telecom Italia has been accounted for under the equity method, in accordance with IAS 28. As of that date, Vivendi held 2,772 million (20.5%) Telecom Italia ordinary shares with voting rights (i.e., 14.2% of the total capital): this interest was revalued at the stock market price on that date, i.e., €3,185 million, and the change in value resulted in a gain of €30 million reclassified to the Statement of Earnings in 2015.

Purchase price allocation of Telecom Italia shares

Where an interest is accounted for under the equity method, the purchase price for the shares is allocated to the identifiable assets and liabilities recognized at their fair value, based on analyses and estimates prepared with the assistance of an independent expert. The goodwill, included in the carrying value of the shares, is the difference between the purchase price and the group's share of identifiable assets and liabilities at fair value.

As of December 15, 2015, identifiable intangible assets were measured for a net amount of €11,424 million, based on a full enterprise value, representing an annual amortization expense estimated at approximately €852 million, before taxes, based on a full enterprise value. Vivendi's share of the annual amortization expense was estimated at approximately €100 million, after taxes.

Vivendi's share of Telecom Italia's earnings

For the first nine months of 2016, Vivendi's share of Telecom Italia's net earnings amounted to a profit of €91 million, composed of the following elements:

- -€11 million, attributable to Vivendi's share of Telecom Italia's earnings for the period from December 15 to December 31, 2015, calculated based on the financial information as of December 31, 2015, as disclosed by Telecom Italia on March 17, 2016;
- +€168 million, attributable to Vivendi's share of Telecom Italia's earnings for the first half of 2016, calculated based on the financial information for the first half of 2016, as disclosed by Telecom Italia on July 27, 2016;
- -€15 million, related to the impact, on a *prorata temporis* basis, of the payment of statutory dividends to the owners of savings shares, in the amount up to 5% of the savings shares' nominal value, i.e., €166 million; and
- -€51 million, excluded from the adjusted net income, related to the net amortization expense, on a *prorata temporis* basis (for the period from December 15, 2015 to June 30, 2016), of the revaluation of intangible assets, measured as part of the purchase price allocation of the shares (please refer above).

In addition, for the first nine months of 2016, Vivendi's share of Telecom Italia's charges and income directly recognized in equity amounted to €120 million. It notably included foreign currency translation adjustments for €146 million.

As a reminder, as disclosed on February 19, 2016 in the Consolidated Financial Statements for the year ended December 31, 2015 (please refer to Note 2.2), Vivendi relies on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method. Given Vivendi's and Telecom Italia's respective dates of publication, Vivendi always accounts for its share of Telecom Italia's net earnings with a three-month lag. Therefore, for the first nine months of 2016, Vivendi's earnings takes into account its share of Telecom Italia's net earnings for the fourth quarter ended December 31, 2015 (on a *prorata temporis* basis for the period from December 15 to December 31, 2015) and for the first half of 2016. Vivendi's earnings for the fourth quarter of 2016 will take into account its share of Telecom Italia's net earnings for the third quarter of 2016.

Financial information related to 100% of Telecom Italia

The main aggregates of the Consolidated Financial Statements, as disclosed by Telecom Italia, are as follows:

(in millions of euros)	Half Year Financial Statements as of June 30, 2016	Annual Financial Statements as of December 31, 2015
Date of publication by Telecom Italia	*July 27, 2016*	*March 17, 2016*
Non-current assets	57,841	56,402
Current assets	10,083	14,830
Total assets	67,924	71,232
Total equity	21,327	21,333
Non-current liabilities	34,817	33,922
Current liabilities	11,780	15,977
Total liabilities	67,924	71,232
of which net financial debt (a)	*28,070*	*28,475*
Revenues	9,096	19,718
EBITDA (a)	3,726	7,004
Earnings attributable to Telecom Italia shareowners	1,018	(72)
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	1,726	(827)

a. Non-GAAP measures (“Alternative Performance Measures”), as disclosed by Telecom Italia.

Note 8 Financial assets

	September 30, 2016			December 31, 2015		
(in millions of euros)	Total	Current	Non-current	Total	Current	Non-current
Financial assets at fair value						
Term deposits and interest-bearing current accounts (a)	542	542	-	266	266	-
Level 1						
Bond funds (a)	213	213	-	315	315	-
Listed equity securities	1,487	-	1,487	2,520	-	2,520
Other financial assets (b)	5	5	-	979	5	974
Level 2						
Unlisted equity securities	323	-	323	331	-	331
Derivative financial instruments	111	78	33	115	47	68
Level 3						
Other financial assets	124	-	124	71	1	70
Financial assets at amortized cost (c)	393	35	358	646	477	169
Financial assets	**3,198**	**873**	**2,325**	**5,243**	**1,111**	**4,132**

The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1 to the Consolidated Financial Statements for the year ended December 31, 2015 (page 206 of the 2015 Annual Report).

a. Related to cash management financial assets, included in the cash position: please refer to Note 9.

b. As of December 31, 2015, included a cash deposit of €974 million as part of the appeal against the Liberty Media judgment. On February 23, 2016, Vivendi agreed with Liberty Media on a settlement regarding the lawsuit filed by Liberty Media in March 2003 in the U.S. District Court for the Southern District of New York, related to the formation of Vivendi Universal Entertainment in May 2002 (please refer to Note 11). As a result of this settlement, the letter of credit issued to guarantee the amounts awarded by the jury was terminated and the related cash deposit was returned to Vivendi.

c. As of September 30, 2016, these financial assets mainly included:
   - the two bonds subscribed by Vivendi as part of the acquisition of a 26.2% interest in Banijay Group for an aggregate amount of €193 million (please refer to Note 2.2); and
   - a $55 million cash deposit (€49 million as September 30, 2016) made as part of the partial judgment entered in the securities class action (please refer to Note 11).

   In addition, the deposit of $480 million (€439 million as of December 31, 2015) related to the hedge of Activision Blizzard shares was recovered as part of the unwinding of the hedge in January 2016 (please refer below).

Listed equity portfolio

	Note	September 30, 2016						
		Number of shares held	Cumulated historical value (a)	Ownership interest	Stock market price	Carrying value	Change in value over the period (b)	Cumulative unrealized capital gain/(loss) (b)
		(in thousands)	(in millions of euros)		(€/share)	(in millions of euros)		
Telefonica		47,353	554	0.95%	9.02	427	(58)	(127)
Ubisoft (c)		25,828	650	22.82%	33.60	868	153	218
Fnac Darty	2.3	2,945	159	11.27%	65.32	192	33	33
Total						**1,487**	**128**	**124**

	Note	December 31, 2015						
		Number of shares held	Cumulated historical value (a)	Ownership interest	Stock market price	Carrying value	Change in value over the period (b)	Cumulative unrealized capital gain/(loss) (b)
		(in thousands)	(in millions of euros)		(€/share)	(in millions of euros)		
Telefonica		47,353	554	0.95%	10.24	485	(69)	(69)
Ubisoft (c)		15,659	352	13.98%	26.67	418	65	65
Gameloft	2.1	24,489	122	28.65%	6.06	148	26	26
Activision Blizzard (d)		41,500	416	5.7%	35.41	1,470	781	1,054
Total						**2,520**	**803**	**1,076**

a. Included acquisition fees and taxes.

b. In accordance with IAS 39, these amounts, before taxes, were accounted for as other charges and income directly recognized in equity, except for the re-measurement at fair value of the underlying instrument offsetting the intrinsic value of the hedge of Activision Blizzard shares as of December 31, 2015 (€467 million).

c. As of September 30, 2016, Vivendi held 25.8 million Ubisoft Entertainment ("Ubisoft") shares, i.e., 22.82% of the share capital, representing 20.2% of the voting rights[10].
On July 18, 2016, Vivendi notified the *Autorité des marchés financiers* ("AMF") that, on July 14, 2016, it had crossed the 20% legal threshold in Ubisoft's voting rights. In accordance with applicable laws and regulations, Vivendi announced the objectives that it intends to pursue over the six coming months:
- Vivendi's acquisitions were financed using its available cash;
- Vivendi is not acting in concert with any third party in connection with its investments in Ubisoft and has not entered into a temporary sale agreement for Ubisoft shares or voting rights;
- Vivendi does not hold instruments and is not a party to agreements such as those referred to in paragraphs 4° and 4° bis of Article L.233-9 of the French Commercial Code (*Code de commerce*);
- Vivendi contemplates continuing the acquisition of shares depending on market conditions;
- Vivendi does not contemplate filing a public tender offer for Ubisoft shares, nor acquiring control of the company;
- Vivendi continues to express its desire to establish a fruitful collaboration with Ubisoft;
- Vivendi intends to seek a restructuring of Ubisoft's Board of Directors, notably to obtain a representation consistent with its shareholder position; and
- Vivendi's investment in Ubisoft's business sector is part of a strategic vision of operational convergence between Vivendi's content and platforms, and Ubisoft's productions in video games. Since this strategy does not require any modification to Ubisoft's legal or financial organization, Vivendi does not contemplate implementing any of the transactions referred to in Article 223-17 I, 6° of the AMF's General Regulations (*Règlement Général*).

On September 29, 2016, Vivendi took part in Ubisoft's General Shareholders' Meeting, where it was, as of that date, the largest shareholder holding 22.8% of the share capital. Vivendi considers that it would be good corporate governance for it to be represented on the company's Board of Directors considering its level of equity interest. In the meantime, Vivendi abstained from the vote on the resolutions. As a result, resolutions 22, 23, 24 and 25 presented by the Board of Directors failed to pass.
Moreover, on November 4, 2016, Vivendi crossed the statutory threshold of 24% of Ubisoft's share capital. As of that date, Vivendi held 24.059% of Ubisoft's share capital and 21.296% of the voting rights[10].

d. On January 13, 2016, Vivendi unwound the hedge of the value of the 41.5 million Activision Blizzard shares denominated in USD that it held, and sold its entire interest. The completion of these transactions enabled Vivendi to recover the cash deposit of $480 million (€439 million).

[10] *Based on a share capital comprised of 113,177,809 shares, representing 127,866,570 voting rights (information as of September 30, 2016, as disclosed on Ubisoft's website).*

Note 9 Cash position

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

(in millions of euros)	September 30, 2016	December 31, 2015
Term deposits and interest-bearing current accounts	542	266
Bond funds	213	315
Cash management financial assets	**755**	**581**
Cash	306	256
Term deposits and interest-bearing current accounts	1,822	2,419
Money market funds	3,505	5,550
Cash and cash equivalents	**5,633**	**8,225**
Cash position	**6,388**	**8,806**

Note 10 Contractual obligations and other commitments

Contractual content commitments

On May 12, 2016, Canal+ Group was awarded the broadcasting rights for the National French Rugby Championship "TOP 14", on an exclusive basis, for the four seasons 2019/2020 to 2022/2023.

Contractual obligations and commercial commitments

On February 18, 2016, Vivendi's Supervisory Board authorized the Management Board to enter into an exclusive distribution agreement with beIN Sports. On June 9, 2016, Vivendi acknowledged the French Competition Authority's decision not to authorize the exclusive distribution of beIN Sports channels within Canal+ Group's offerings. On July 11, 2016, Canal+ Group renewed its distribution agreement with beIN Sports for a four-year period.

Note 11 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in the 2015 Annual Report: Note 23 to the Consolidated Financial Statements for year ended December 31, 2015 (pages 268 through 275). The following paragraphs update such disclosure through November 7, 2016, the date of the Management Board meeting held to approve Vivendi's Financial Statements for the first nine months ended September 30, 2016.

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a significant effect on the company and on its group's financial position, profit, business and property, other than those described herein.

Securities Class Action in the United States

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

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

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

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

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

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

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

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

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007.

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims have been processed and verified by an independent claims administrator and by the parties. Vivendi has the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order while Vivendi continued to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment. Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals on January 21, 2015, and the plaintiffs cross-appealed. This appeal was heard on March 3, 2016.

On August 11, 2015, the Court issued a decision whereby it excluded the claims filed by Southeastern Asset Management (SAM), concluding that Vivendi proved that SAM did not make investment decisions based on Vivendi's supposedly fraudulent statements ("lack of reliance"). On April 25, 2016, the Court issued a similar decision, under which it has excluded claims filed by Capital Guardian.

On July 14, 2016, the Court entered a final judgment covering the remaining claims whose validity had not been challenged and which were not included in the partial judgment entered on December 23, 2014. Vivendi has appealed against this final judgment and the plaintiffs have cross-appealed, challenging the final judgment as well as the summary judgment decisions rendered by the Court concerning the claims of SAM and Capital Guardian.

On September 27, 2016, the Second Circuit Court of Appeals affirmed the District Court's decision. The Court of Appeals rejected, however, the plaintiffs' arguments in their cross-appeal seeking to expand the class of plaintiffs and the scope of their claims. Vivendi has filed a petition for rehearing with the Second Circuit Court of Appeals.

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 year ended December 31, 2015, Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the "Morrison" case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

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

Complaint of Liberty Media Corporation

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

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

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

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believed it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the class action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the class action.

On February 23 2016, the parties entered into a settlement agreement pursuant to which Vivendi agreed to pay Liberty Media $775 million (€705 million) in return for the exchange of mutual releases of all claims related to this matter and the dismissal of all appeals before the Second Circuit. The parties have notified the Court of this settlement agreement. This agreement resulted in the recording of a reversal of provision in the amount of €240 million in Vivendi's Financial Statements as of March 31, 2016. This settlement should not be construed as a concession by Vivendi of the validity of any of Liberty Media's claims, or as an admission of any wrongdoing by Vivendi. Rather, despite the jury's verdict, Vivendi is convinced that it did not commit any wrongdoing and that this matter has been resolved on terms that it believes are in the interest of both the company and its shareholders.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds, former shareholders of GVT, filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange), seeking compensation amounting to the difference between the value of the shares sold by them before Vivendi's acquisition of GVT and BRL70.00 per share. According to Dynamo, the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting, first, that Dynamo had sold the vast majority of its stake in GVT before November 13, 2009 (the date on which Vivendi took control of GVT) and, second, that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber is expected to be scheduled to discuss the merits of the case. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. On December 17, 2014, the Rio de Janeiro Court of Appeal authorized the provision of the abovementioned information solely to the arbitral tribunal. On December 1, 2015, Dynamo filed a petition requesting access to this information, which, pursuant to a recent decision issued by the arbitral tribunal, was made available solely to the parties' external counsels on May 17 and 18, 2016.

Mediaset against Vivendi

On April 8, 2016, Vivendi entered into a strategic partnership agreement with Mediaset. This agreement provided for a swap of a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, a subsidiary of Mediaset.

Vivendi's purchase of Mediaset Premium was based on financial assumptions provided by Mediaset to Vivendi in March 2016. These assumptions raised some questions within Vivendi, which were communicated to Mediaset. The agreement signed on April 8, 2016 was subsequently subject to a "due diligence review" carried out by the audit firm Deloitte, as contractually agreed. It became clear from this audit and from Vivendi's analyses that the figures provided by Mediaset prior to signing were not realistic and were founded on an artificially-inflated base.

While Vivendi and Mediaset had been in discussions for several weeks in an effort to find an alternative transaction structure to the one provided for in the April 8, 2016 agreement, Mediaset terminated these discussions on July 26, 2016 by publicly releasing the proposal Vivendi submitted to it. This proposal consisted of a swap of 3.5% of Vivendi's share capital in exchange for 20% of Mediaset Premium's share capital and 3.5% of Mediaset's share capital and, for the balance, the issuance by Mediaset to Vivendi of bonds convertible into Mediaset shares.

Subsequently, in separate filings made on August 10, 2016 and August 22, 2016, respectively, Mediaset together with its affiliate RTI, and Fininvest, Mediaset's majority shareholder, sued Vivendi before the Milan Commercial Court seeking to obtain specific performance of the April 8, 2016 agreement and the related shareholders' agreement. In particular, it is alleged that Vivendi has not filed its notification to the European Commission with respect to the transaction and thus has blocked the lifting of the last condition precedent to the completion of the transaction. Vivendi maintains that despite its timely completion of the pre-notification process with the Commission, the Commission would not accept a formal filing while the parties were discussing their differences. Mediaset, RTI and Fininvest are also seeking compensation from Vivendi for damages allegedly suffered by them, namely the damage caused by the delay in the performance of the agreement, for Mediaset and RTI, and of the shareholders' agreement envisaged to be signed, for Fininvest (estimated by each of the three parties at €50 million per month of delay starting July 25, 2016). Fininvest is also seeking compensation for the alleged damage linked to the change in the Mediaset share price between July 25 and August 2, 2016 plus the harm done to the decision-making procedures of Fininvest and to its image (total estimated damages of €570 million). The first hearing before the Milan Commercial Court will be held on March 21, 2017.

In addition, on October 5, 2016, Mediaset and RTI served Vivendi with a new complaint seeking a sequestration against 3.5% of Vivendi's share capital with a request for an ex parte decision from the Court. The judge in Milan denied the latter request and scheduled a hearing for November 23, 2016 in the presence of both parties.

Vivendi categorically denies all of the allegations made by Mediaset and its controlling shareholder as well as the corresponding demands, which it considers unfounded, and will assert its rights before the court.

Calling of the guarantee issued by Anjou Patrimoine to Unibail

Unibail has called its indemnification guarantee issued by Anjou Patrimoine (a former subsidiary of Vivendi) in connection with the sale of the CNIT offices in 1999. On July 3, 2007, the High Court of Nanterre (Tribunal de grande instance de Nanterre) ordered Anjou Patrimoine to indemnify Unibail for a tax liability arising from the creation of offices and rejected all other claims. On October 31, 2008, the Versailles Court of Appeal reversed the High Court's ruling, denied all of Unibail's claims and ordered it to reimburse Anjou Patrimoine for all sums paid under the first decision. On November 27, 2008, Unibail appealed this decision. On September 11, 2013, the French Supreme Court reversed the October 31, 2008 ruling of the Versailles Court of Appeal and remanded the case to the Paris Court of Appeal. The hearing was held on April 2, 2015. The Paris Court of Appeal rendered its decision on June 4, 2015. It ordered Anjou Patrimoine to pay approximately €5 million for building code related improvements. However, it denied all of Unibail's other claims. Unibail filed an appeal against the judgment of the Paris Court of Appeal, which was notified to Anjou Patrimoine on September 14, 2015. On October 13, 2016, French Supreme Court denied the appeal.

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

On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion and held, after noting that production of the TPS Foot channel had not stopped, that there was no need to replace this channel. Parabole Réunion filed a first appeal against this decision on April 11, 2013. On May 22, 2014, the Versailles Court of Appeal declared this appeal inadmissible due to Parabole Réunion's lack of representative capacity. On February 14, 2014, Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision. On April 9, 2015, the French Supreme Court overturned the May 22, 2014 decision of the Versailles Court of Appeal in which the appeal filed by Parabole Réunion on April 11, 2013 was declared inadmissible. The case was remanded to the Paris Court of Appeal, brought before the Court by Parabole Réunion on April 23, 2015. On May 12, 2016, the Paris Court of Appeal upheld the decision of the Court of First Instance and dismissed all of Parabole Réunion's claims.

At the same time, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance partially recognized the admissibility of Parabole Réunion's claim with respect to the period following June 19, 2008 and recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter. On November 14, 2014, Canal+ Group appealed against the decision of the Paris Tribunal of First Instance. The court appointed expert issued its report on December 18, 2015 and the case was argued before the Paris Court of Appeal on January 28, 2016. On June 3, 2016, the Paris Court of Appeal upheld the April 29, 2014 decision of the Paris Tribunal of First Instance. The proceedings before the Paris Tribunal of First Instance over expert damages analyses are ongoing. In an order issued on October 25, 2016, the Pre-Trial Judge held that the April 29, 2014 decision in which Canal+ Group was ordered to compensate Parabole Réunion established in principle a debt of the latter, even if the assessment of its amount was still to be finalized. The Judge ordered Canal+ Group to pay the sum of €4 million as an advance.

Pro D2

On July 8, 2015, Altice filed an application for interim measures and a referral on the merits with the French Competition Authority concerning the practices of Canal+ Group, Eurosport and the National Rugby League (the "NRL") during the allocation of Pro D2 broadcast rights. Altice is challenging the way the broadcasting rights to French Pro D2 Rugby for the 2015/2016 to 2019/2020 seasons were commercialized by the NRL during December 2014. The rights bidding process resulted in one portion of the rights being allocated to Eurosport and the other portion being allocated to Canal+ Group on April 3, 2015. On March 23, 2016 the French Competition Authority rejected Altice's request for interim measures and a referral on the merits.

Thirel against Canal+ Group

On December 23, 2015, Thirel filed a complaint against Canal+ Group seeking enforcement of a computer services contract, or, in the alternative, an order against Canal+ Group to pay damages. On June 8, 2016, the Paris Commercial Court issued its decision. It denied Thirel's request to have the contract enforced, but ordered Canal+ Group to pay €2.5 million in damages and interest in respect of the termination of the contract and €600,000 for unpaid invoices. Thirel did not appeal against the Court's ruling.

Harry Shearer and Century of Progress Productions against StudioCanal and Vivendi

A complaint was filed in California federal court against StudioCanal and Vivendi by Harry Shearer, through his company Century of Progress Productions, in his capacity as an author, actor and composer of the film "This Is Spinal Tap", an American film produced and financed in 1984 by Embassy Pictures (StudioCanal is the successor to Embassy's rights). Mr. Shearer is seeking damages for breach of contractual obligations to provide exploitation accounts, fraud, and failure to exploit the film's trademark, and is also seeking attribution of the trademark. This complaint has not yet been served on either StudioCanal or Vivendi.

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for online sales of music downloads and master ringtones. On April 14, 2015, a global transaction terminating the litigation was entered into. This settlement transaction was formally approved by the Court on April 13, 2016.

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

On July 11, 2013, the artist Mireille Porte (AKA "Orlan") filed a complaint against Interscope Records, Inc., Stefani Germanotta (AKA "Lady Gaga") and Universal Music France with the Paris Tribunal of First Instance for the alleged copyright infringement of several of Orlan's artistic works. On July 7, 2016, the Paris Tribunal of First Instance denied all of Mireille Porte's claims. Ms. Porter has filed an appeal against this decision.

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

On June 13, 2014, the artist James Clar filed a complaint against Rihanna Fenty, UMG Recordings, Inc. and Universal Music France before the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*) for the alleged infringement of his work. On October 6, 2016, the Tribunal dismissed Mr. Clar's claims.

Reti Televisive Italiane (RTI) against Dailymotion

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

Sony Music and certain of its labels against Radionomy

On February 26, 2016, Sony Music and certain of its labels filed a complaint against Radionomy Group, BV, its subsidiaries, and Radionomy's CEO, for copyright infringement and unfair competition, alleging that they did not have the exploitation rights to content owned by Sony Music and its labels which was made available users of the radionomy.com website. The discovery process is underway.

Tax audits

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

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the tax audit for fiscal years 2006, 2007 and 2008 is still ongoing and, likewise, the tax audits for fiscal years 2009 and 2010 are still ongoing. The audit of Vivendi SA's Tax Group System for fiscal years 2011 and 2012 began in July 2013. As of September 30, 2016, all of these tax audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit. In any event, Vivendi has accrued a provision for the impact of the Consolidated Global Profit Tax System in 2011 (€409 million), as well as a provision for the impact in relation to the use of tax credits in 2012 (€228 million).

- As Vivendi considers that its entitlement to use the Consolidated Global Profit Tax System was effective until the end of the authorization granted by the French Ministry of Finance, including fiscal year ending December 31, 2011, on November 30, 2012, Vivendi filed a request for a refund of €366 million with respect to the tax saving for fiscal year ended December 31, 2011. As this request was denied by the tax authorities, Vivendi accrued a €366 million provision for the associated risk in its Financial Statements for the year ended December 31, 2012. On October 6, 2014, the Administrative Court of Montreuil ruled in favor of Vivendi. On December 23, 2014, pursuant to this ruling, Vivendi received a €366 million refund and moratorium interest of €43 million, which was received on January 16, 2015. On December 2, 2014, the tax authorities lodged an appeal to this ruling. On July 5, 2016, the Versailles Administrative Court of Appeal ruled in favor of Vivendi. On October 28, 2016, the French Council of State (*Conseil d'Etat*) advised Vivendi that the Minister had filed an appeal against this ruling. In the meantime, in its Financial Statements for the nine months ended September 30, 2016, Vivendi maintained the provision related to the €366 million principal refund and increased it by €43 million to take into account the moratorium interest, for a total amount of €409 million.
- Moreover, considering that the Consolidated Global Profit Tax System permitted tax credits to be carried forward upon the end of the authorization on December 31, 2011, Vivendi requested a refund of taxes due, under the French Tax Group System for the year ended December 31, 2012, i.e., €208 million, increased to €221 million in 2013 at the time of the tax return filing with respect to fiscal year ended December 31, 2012. On May 8, 2013, Vivendi received a €201 million refund related to the tax installment paid in 2012. This position was challenged by the tax authorities in the context of an audit and Vivendi provisioned the associated risk for a principal amount of €208 million in its Financial Statements for the year ended December 31, 2012, increased to €221 million as of December 31, 2013. In its Financial Statements for the year ended December 31, 2014, Vivendi maintained the €221 million principal refund and increased it by €11 million (the amount of additional default interest), for a total amount of €232 million as of December 31, 2014, decreased to €228 million as of December 31, 2015 after deduction of ordinary tax credits, and maintained as of September 30, 2016. As part of this process, Vivendi made a payment of €321 million on March 31, 2015, comprising the payment of

taxes for €221 million due under the French Tax Group System for the year ended December 31, 2012, €11 million in default interest and additional penalties of €89 million. The audit being terminated, on June 29, 2015, Vivendi submitted a claim requesting a refund of the principal tax amount, the default interest, as well as penalties, for which no provision has been accrued, following the recommendation of the company's advisors.

In respect of the US Tax Group, the fiscal years 2008, 2009 and 2010 were under audit and the final outcome did not materially impact the amount of tax attributes reported. At the beginning of November 2016, Vivendi received a tax reimbursement of $6 billion, marking the end of the audit for these fiscal years. In June 2014, the US tax authorities began a tax audit for fiscal years 2011 and 2012, and in December 2014, they undertook a tax audit for fiscal year 2013. As of September 30, 2016, these audits were ongoing. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

Note 12 Subsequent events

The significant events that occurred between the closing date and November 7, 2016 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the nine months ended September 30, 2016) were as follows:

- Starting October 1, 2016, Canal+ Group and Free offer the "TV by Canal Panorama" bouquet of channels to Free's triple-play subscribers, pursuant to the distribution agreement entered into on September 26, 2016;
- Starting October 6, 2016, Canal+ Group and Orange offer the "Famille by Canal" bouquet of channels to Orange's fiber-optic subscribers, pursuant to the distribution agreement entered into on July 22, 2016.
- On October 7, 2016, Bolloré Group crossed the 20% thresholds in Vivendi's share capital and voting rights following the conclusion of a stock borrowing in respect of 34.7 million Vivendi shares (2.7% of the share capital) maturing on June 25, 2019, and the acquisition of call options that allow Bolloré Group to purchase at any time until June 25, 2019, 34.7 million additional shares (2.7% of the share capital). As of that date, taking into account the 34.7 million call options, Bolloré Group held 265.8 million Vivendi shares, representing 288.2 million voting rights, i.e., 20.66% of the share capital and 21.99% of the net voting rights.
  In accordance with applicable laws and regulations and as published by the *Autorité des marchés financiers* (AMF) on October 14, 2016 (reference code 216C2355), Bolloré Group made the following declaration of its intentions vis-a-vis Vivendi for the next six months:
  - the crossing of the 20% shareholding and voting rights thresholds resulted from the conclusion of an agreement for the temporary acquisition of Vivendi shares on one hand, and the purchase of call options on Vivendi shares on the other, with the two transactions having been financed from Bolloré Group's own funds;
  - the declarant has not entered into any agreement establishing concerted action with respect to Vivendi;
  - the declarant contemplates continuing to purchase Vivendi shares depending primarily on market opportunities;
  - without the intent of gaining control, the foreseeable change in its voting rights, all of which will double on April 20, 2017 (except for those on borrowed shares), could put the declarant in a position to determine decisions at General Shareholders' Meetings;
  - the investment in Vivendi reflects Bolloré Group's confidence in Vivendi's capacity to develop and its willingness to support Vivendi in its strategy;
  - with regard to the transactions referred to in Article 223-17 I, 6° of the AMF's General Regulations (*Règlement Général*), the declarant plans to explore with Vivendi synergies or possible rapprochements between their respective activities in the field of media and communication;
  - the declarant holds 34,700,000 call options that enables it to acquire at any time until June 25, 2019, 34,700,000 Vivendi shares, and it plans to exercise them based, in particular, on market conditions;
  - the declarant is party to a temporary sale agreement, as borrower, in respect of 34,700,000 Vivendi shares carrying an equal amount of voting rights; the declarant is not a party to any other temporary sale agreement; and
  - the declarant plans to request additional appointments to the company's Supervisory Board.
- On October 11, 2016, Vivendi, Canal+ Group and ESL, the world leader in the organization of eSports events, announced a major strategic partnership;
- On October 13, 2016, Canal+ Group announced that it will launch new offers on November 15, 2016;
- On October 17, 2016, Vivendi Content launched Studio+, a global offer of short premium series offer for mobiles, in Brazil;
- On October 19, 2016, Vivendi issued a statement on the litigation with Mediaset and Fininvest; and
- On November 4, 2016, Vivendi crossed the statutory threshold of 24% of Ubisoft's share capital. As of that date, Vivendi held 24.059% of Ubisoft's share capital and 21.296% of the voting rights, based on the number of shares and voting rights as of September 30, 2016, as disclosed on Ubisoft's website.