

Paris, February 23, 2017

**2016 revenues of €10.819 bn (+0.5%),  
EBIT of €1.194 bn (-2.9%),  
earnings attributable to Vivendi SA shareowners of €1.256 bn (-35%),  
earnings from continuing operations attributable to Vivendi SA  
shareowners of €1.236 bn (+77%)**

- **Universal Music Group: continued strong performance**
- **Canal+ Group: strong international performance and the turnaround in France underway**
- **Successful integration of Gameloft**

<b>2016 key figures<sup>1</sup></b>		Change year-on- year	Change at constant currency and perimeter <sup>2</sup> year-on-year
• <b>Revenues</b>	<b>€10,819 M</b>	<b>+0.5%</b>	-0.2%
<b>IFRS measures</b>			
• EBIT <sup>3</sup>	€1,194 M	-2.9%	
• <b>Earnings from continuing operations attributable to Vivendi SA shareowners</b>	<b>€1,236 M</b>	<b>+77.0%</b>	
• Earnings attributable to Vivendi SA shareowners <sup>3</sup>	€1,256 M	-35.0%	
<b>Adjusted measures<sup>4</sup></b>			
• Income from operations <sup>3</sup>	€853 M	-19.6%	-18.5%
• EBITA <sup>3</sup>	€724 M	-23.2%	-21.5%
• <b>Adjusted net income<sup>3</sup></b>	<b>€755 M</b>	<b>+8.4%</b>	
<b>Cash</b>			
• Net cash position <sup>4</sup>	€1.1bn		
• Cash flow from operations (CFFO) <sup>4</sup>	€729M	-18.3%	
• <b>Cash flow from operations after interests and taxes (CFAIT)<sup>4</sup></b>	<b>-€69 M in 2015 and +€341 M in 2016</b>		
<b>Return to shareholders</b>	<b>€4.2bn</b>		
• Dividends paid	€2.6bn		
• Share buyback	€1.6bn		

Vivendi's Supervisory Board met today under the chairmanship of Vincent Bolloré and reviewed the Group's Consolidated Financial Statements for the year ended December 31, 2016, which were approved by the Management Board on February 16, 2017.

In the Financial Statements:

- **Revenues remained relatively stable** at €10.8 billion, reflecting the contrasting results in the Group's business segments:

- Strong increase in Universal Music Group's (UMG) revenues (+4.4% at constant rate and perimeter). UMG's revenues continued to grow (+3.4%) in the fourth quarter of 2016, despite an unfavorable seasonality effect.
- Decrease in Canal Group's revenues (-4.2% at constant rate and perimeter) due to the decline of the performances of the pay-TV segment in France and Studiocanal, even though international operations continued to grow strongly (+6.8%), particularly in Africa (+19.9%).

- EBIT of €1,194 million, down 2.9%.

- Earnings attributable to Vivendi SA shareowners of €1,256 million, down 35%, of which **earnings attributable to Vivendi SA shareowners from continuing operations, after non-controlling interests** of €1,236 million, up **77.0%**.

As of December 31, 2016, **the net cash position** amounted to €1.1 billion, bearing in mind that the return to shareholders was particularly large in 2016, amounting to €4.2 billion.

## **Vivendi strategy**

Vivendi is building a global content and media group, a very attractive business sector in the 3<sup>rd</sup> millennium. It owns powerful and complementary assets in this industry, which it gets to work together in order to extract greater value from them. The Group owns the three most widely consumed forms of content in the world: music, video games and audiovisual, and holds leading positions in the three most dynamic sectors of the creative industries: music with Universal Music Group, video games with Gameloft and audiovisual with Canal+ Group.

Alongside its content creation capacity, Vivendi has its own distribution capabilities and, to ensure its content gets maximum exposure, establishes partnerships with telecom operators and invests in digital and physical distribution networks.

The Group therefore relies on two growth drivers: creation and distribution. Producing and distributing relevant content requires in-depth consumer knowledge, data leveraging and supporting the shift to mobile advertising.

This ambitious strategy is made possible thanks to its main shareholder, the family-owned Bolloré Group (it will hold 29% of voting rights in April 2017), which provides the long-term stability that is needed.

## **Outlook**

In 2017, revenues should increase by more than 5% and, thanks to the measures taken in 2016, EBITA should increase by around 25%.

## **Dividend and share repurchases**

The Management Board confirmed to the Supervisory Board that this year it would propose the distribution of an ordinary dividend of €0.40 per share with respect to 2016. While building a group creating high long-term value, the cash flow generated by Vivendi allows the Group to provide a 2% yield on its shares (2.35% with the closing stock price of February 22, 2017).

Furthermore, the Group may continue to undertake share repurchases depending on market conditions.

## **Comments on Business Key Financials**

### **Universal Music Group**

Universal Music Group's (UMG) revenues amounted to €5,267 million, up 4.4% at constant currency compared to 2015 (+3.1% on an actual basis), driven by growth across all divisions.

Recorded music revenues grew 2.9% at constant currency thanks to the growth in subscription and streaming revenues (+57.9 %), which more than offset the decline in both download and physical sales.

Music publishing revenues grew 6.7% at constant currency, also driven by increased subscription and streaming revenues, as well as growth in synchronization and performance income.

Merchandising and other revenues were up 16.1% at constant currency thanks to stronger touring activity. Recorded music best sellers for the year included new releases from Drake, Rihanna, Ariana Grande and The Rolling Stones, as well as carryover sales from Justin Bieber.

UMG's income from operations amounted to €687 million, up 10.7% at constant currency compared to 2015 (+9.8% on an actual basis). This favorable performance reflected the benefit of both revenue growth and cost savings.

UMG's EBITA amounted to €644 million, up 9.1% at constant currency compared to 2015 (+8.4% on an actual basis). EBITA included legal settlement income and restructuring charges in 2016 and 2015.

In recent months, UMG entered into several agreements with the estate of the late artist Prince and NPG Records Inc., becoming the home for Prince's music publishing, merchandise and much of his recorded music. UMG is now the exclusive worldwide publishing administrator for all of the artist's released and unreleased songs and the exclusive worldwide branding and licensing partner. It also holds the exclusive licensing rights

to certain of his NPG recordings, including some Grammy-winning songs, as well as the right to compile and release albums from his unreleased recordings.

### **Canal+ Group**

Canal+ Group revenues amounted to €5,253 million, down 4.7% compared to 2015.

Revenues from pay-TV operations in mainland France were down 6.1% year-on-year. This change was primarily due to a decline of the individual subscriber base (down 492,000 year-on-year to 5.25 million subscribers), despite a strong improvement in business performance towards the end of the year following the launch of the new Canal offers in mid-November 2016. Moreover, Canal+ Group entered into agreements with Free and Orange during the fourth quarter of 2016 pursuant to which the Canal TV offer can be included in the set-top boxes of these operators (only the fiber offer for Orange).

Revenues from pay-TV international operations grew by 5.7% compared to 2015, thanks to continued growth in the subscriber base, particularly in Africa where the year-on-year increase amounted to 692,000 to reach nearly 2.8 million subscribers at the end of December 2016.

At the end of December 2016, Canal+ Group had increased its subscriber base to approximately 11.5 million individual subscribers and 2.9 million Free and Orange customers under the aforementioned partnerships.

Advertising revenues from free-to-air channels in mainland France were up 6.9% year-on-year, notably thanks to C8, which was the most watched DTT channel in France and the fifth most watched channel overall at the end of 2016. Among its primary target audience of 25-49 year old, C8 was the fourth most watched French channel with an average share of 4.4% in 2016.

Studiocanal's revenues amounted to €416 million, down 26.1% compared to the record high achieved in 2015, which benefited from exceptional performances with the success of several movies, including *Paddington*, *Shaun the Sheep*, *Imitation Game*, *Legend* and *Hunger Games*.

Canal+ Group's income from operations amounted to €303 million, compared to €542 million in 2015, and EBITA amounted to €240 million, compared to €454 million in 2015. This change was mainly due to the decline in the individual subscriber base in mainland France (excluding wholesale agreements) and content investments.

EBITA from Canal+ channels in France<sup>5</sup> amounted to a €399 million loss, compared to a €264 million loss in 2015.

### **Gameloft**

Gameloft's revenues amounted to €132 million for the second half of 2016. As a reminder, Vivendi has fully consolidated Gameloft since June 29, 2016; Gameloft's revenues amounted to €125 million for the first half of 2016.

Gameloft's dynamic growth accelerated compared to the first half of 2016. Gameloft's operations in the second half of the year were notably driven by the strong development of its mobile advertising agency, Gameloft Advertising Solutions. The continued long-term success of games such as *Asphalt 8: Airborne*, *Dungeon Hunter 5*, *Dragon Mania Legends*, *March of Empires* and *Modern Combat 5: Blackout* and the successful launch of *Disney Magic Kingdoms* in 2016 also contributed to a strong second half performance. Gameloft benefited from improved monetization of services for existing games and from a more efficient and targeted user acquisition policy. Year-end was especially dynamic for Gameloft, with sales reaching a historic high of €69 million for the fourth quarter of 2016.

The games released in 2016 accounted for 14% of Gameloft's sales during the second half of 2016. *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 is distributed in partnership with GungHo, was the most downloaded game on iOS and Google Play upon its release.

During the second half of 2016, two thirds of Gameloft's sales were generated by internally developed franchises which continue to grow as a percentage of sales. Gameloft franchises represented 57% of sales in 2013, 60% in 2014, 64% in 2015, and 67% in the second half of 2016. The goal is to continue to create new franchises every year and, at the same time, to strengthen the appeal of the existing franchises.

Gameloft's income from operations amounted to €10 million for the second half of 2016 thanks to a sharp increase in revenues and fewer operating costs. The income from operations' margin stood at 7.6%, a level that Gameloft had not achieved since the second half of 2013.

Gameloft's EBITA amounted to €7 million for the second half of 2016.

### **Vivendi Village**

Vivendi Village's revenues amounted to €111 million, a 10.9% increase compared to 2015 (+14.7% at constant currency and +3.8% at constant currency and perimeter). Over the same period, Vivendi Village's income from operations and EBITA amounted to losses of €7 million and €9 million, respectively. Vivendi Village continues to serve as a lab for experimentation and a launch pad for new projects for the entire Group thanks in particular to the flexibility offered by small organizational structures.

Vivendi Ticketing generated revenues of €52 million in 2016 and significantly improved its income from operations (+11.8% compared to 2015).

MyBestPro (web-based expert counseling) continued to perform well in 2016 with an 11.3% increase in revenues and a 23.5% increase in income from operations compared to 2015.

Despite a difficult environment following the November 2016 Paris bombings, L'Olympia almost maintained the same level of revenues in 2016 as the year before by increasing its initiatives, in particular partnerships and events. The Théâtre de L'Œuvre in Paris was re-launched in October 2016 with an original program line-up.

Since early 2017, Olympia Production has coproduced the ambitious tour of Slimane, the 2016 winner of the The Voice France. CanalOlympia has successfully opened three new cinema and entertainment venues in Africa since the beginning of the year and will open a fourth one in Burkina Faso on February 24, 2017.

### **New Initiatives: Dailymotion and Vivendi Content**

Revenues generated by New Initiatives, which groups together Dailymotion (since June 30, 2015) and Vivendi Content, amounted to €103 million, compared to €43 million in 2015.

Dailymotion, a global video platform with 300 million unique users per month and 3 billion video views, began a major transformation plan in 2016. Over the past few months, Dailymotion has strengthened its technical infrastructure, optimized its monetization tools, improved the quality of its audience and taken measures to remove explicit content incompatible with its new premium positioning. Dailymotion intends to offer its users a new experience allowing them to better discover and watch videos, including live videos, directly related to their individual interests and desires. To do this, Dailymotion will rely on the content provided by the hundreds of contributors (publishers, media groups) around the world with whom it has established partnerships. This new experience will be available in the second quarter of 2017, with the worldwide launch of a completely revamped user interface for all screen types, particularly mobile screens, which will mark an important step in Dailymotion's transformation.

Vivendi Content is a business dedicated to developing new content formats aimed at an international audience in close collaboration with the Group's other businesses. It includes Studio+, an offer of short premium digital series specifically designed for mobile devices which was launched in Latin America and Europe during the fourth quarter of 2016, and Vivendi Entertainment which produces original formats for television shows. Vivendi Content also includes the Group's initiatives in the field of e-sports.

New Initiatives' income from operations amounted to a €44 million loss in 2016, compared to an €18 million loss in 2015.

EBITA amounted to a €56 million loss, compared to a €20 million loss in 2015.

#### **Notes**

*1 In compliance with IFRS 5, GVT (sold in 2015), has been reported as a discontinued operation. 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 has 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.*

*2 Constant perimeter reflects the impacts of the acquisitions of Dailymotion on June 30, 2015, Radionomy on December 17, 2015, Alterna TV (Thema America) on April 7, 2016, Gameloft on June 29, 2016 and the licence of the Paddington Bear on June 30, 2016.*

*3 A reconciliation of EBIT to EBITA and to income from operations, as well as a reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income, are presented in Appendix IV.*

*4 Non-GAAP measures.*

*5 Relates to the six premium channels: Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.*

**Note:** *This press release contains audited consolidated earnings established under IFRS, which were approved by Vivendi's Management Board on February 16, 2017, reviewed by the Vivendi Audit Committee February 20, 2017, and by Vivendi's Supervisory Board on February 23, 2017.*

For additional information, please refer to the “Financial Report and audited Consolidated Financial Statements for the year ended December 31, 2016” which will be released later online on Vivendi’s website ([www.vivendi.com](http://www.vivendi.com)).

### **About Vivendi**

*Vivendi is an integrated media and content group. The company operates businesses throughout the media value chain, from talent discovery to the creation, production and distribution of content. Universal Music Group is engaged in recorded music, music publishing and merchandising. It owns more than 50 labels covering all genres. Canal+ Group is engaged in pay-TV in France, as well as in Africa, Poland and Vietnam. Its subsidiary Studiocanal is a leading European player in production, sales and distribution of movies and TV series. Gameloft is a worldwide leader in mobile games, with 2 million games downloaded per day. Vivendi Village, groups together Vivendi Ticketing (in the United Kingdom, the United States and France), MyBestPro (expert counseling), Watchever (subscription streaming services), Radionomy (digital radio), the venues L’Olympia and Théâtre de L’Œuvre in Paris, and CanalOlympia in Africa, as well as Olympia Production. With 3 billion videos viewed each month, Dailymotion is one of the biggest video content aggregation and distribution platforms in the world. [www.vivendi.com](http://www.vivendi.com), [www.cultureswithvivendi.com](http://www.cultureswithvivendi.com)*

### **Important Disclaimers**

*Cautionary Note Regarding Forward-Looking Statements. This press release contains forward-looking statements with respect to the 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 our control, including, but not limited to, the risks related to antitrust and other regulatory approvals as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents of the Group filed by Vivendi with the Autorité des Marchés Financiers (the French securities regulator), which are also available in English on Vivendi’s website ([www.vivendi.com](http://www.vivendi.com)). Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des Marchés Financiers at [www.amf-france.org](http://www.amf-france.org), or directly from Vivendi. Accordingly, we caution readers against relying on such forward looking statements. These forward-looking statements are made as of the date of this press release. 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.*

*Un-sponsored ADRs. Vivendi does not sponsor an American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is “un-sponsored” and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.*

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## **ANALYST CONFERENCE CALL**

### **Speakers:**

#### **Arnaud de Puyfontaine**

Chief Executive Officer

#### **Hervé Philippe**

Member of the Management Board and Chief Financial Officer

**Date:** Thursday February 23, 2017

6:00pm Paris time – 5:00pm London time – 12:00pm New York time

**Media invited on a listen-only basis.**

**The conference will be held in English.**

**Internet:** The conference can be followed on the Internet at: [www.vivendi.com](http://www.vivendi.com) (audiocast)

### **Numbers to dial:**

UK +44 (0)330 336 9105  
US +1 719-457-2086  
France +33 (0) 1 76 77 22 74  
Access code : 727 93 21 (EN) / 427 42 74 (FR)

### **Numbers for replay:**

UK +44 (0) 207 984 7568  
US +1 719-457-0820  
France +33 (0) 1 70 48 00 94  
Access code : 727 93 21(EN) / 427 42 74 (FR)

On our website **[www.vivendi.com](http://www.vivendi.com)** will be available dial-in numbers for the conference call and for replay (14 days), an audio webcast and the slides of the presentation.



**APPENDIX I**  
**VIVENDI**  
**CONSOLIDATED STATEMENT OF EARNINGS**  
**(IFRS, audited)**

Three months ended December 31,		% Change		Year ended December 31,		% Change
2016	2015			2016	2015	
<b>3,107</b>	<b>3,147</b>	<b>- 1.2%</b>	<b>Revenues</b>	<b>10,819</b>	<b>10,762</b>	<b>+ 0.5%</b>
(2,112)	(1,959)		Cost of revenues	(6,829)	(6,555)	
			Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,172)	(3,163)	
(903)	(944)		Restructuring charges	(94)	(102)	
(32)	(37)		Amortization of intangible assets acquired through business combinations	(223)	(408)	
(55)	(104)		Impairment losses on intangible assets acquired through business combinations	(23)	(3)	
(23)	(2)		Reversal of reserve related to the Liberty Media litigation in the United States	240	-	
-	-		Other income	661	745	
4	34		Other charges	(185)	(45)	
(70)	(7)					
<b>(84)</b>	<b>128</b>	<b>na</b>	<b>EBIT</b>	<b>1,194</b>	<b>1,231</b>	<b>- 2.9%</b>
81	(3)		Income from equity affiliates	169	(10)	
(13)	(6)		Interest	(40)	(30)	
19	17		Income from investments	47	52	
8	1		Other financial income	31	16	
(29)	9		Other financial charges	(69)	(73)	
<b>(18)</b>	<b>146</b>	<b>na</b>	<b>Earnings from continuing operations before provision for income taxes</b>	<b>1,332</b>	<b>1,186</b>	<b>+ 12.3%</b>
73	-		Provision for income taxes	(77)	(441)	
<b>55</b>	<b>146</b>	<b>- 62.2%</b>	<b>Earnings from continuing operations</b>	<b>1,255</b>	<b>745</b>	<b>+ 68.4%</b>
22	(3)		Earnings from discontinued operations	20	1,233	
<b>77</b>	<b>143</b>	<b>- 46.8%</b>	<b>Earnings</b>	<b>1,275</b>	<b>1,978</b>	<b>- 35.6%</b>
4	(1)		Non-controlling interests	(19)	(46)	
<b>81</b>	<b>142</b>	<b>- 43.4%</b>	<b>Earnings attributable to Vivendi SA shareowners</b>	<b>1,256</b>	<b>1,932</b>	<b>- 35.0%</b>
<b>59</b>	<b>145</b>	<b>- 59.1%</b>	<b>of which earnings from continuing operations attributable to Vivendi SA shareowners</b>	<b>1,236</b>	<b>699</b>	<b>+ 77.0%</b>
0.06	0.10		Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.99	1.42	
0.05	0.10		Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.95	1.41	

In millions of euros, except per share amounts.

na: not applicable.

**Nota:**

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 has 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 any capital gain recognized has been reported on the line "Earnings from discontinued operations"; and
- the share of net income and the capital gain recognized as a result of such divestiture have been excluded from Vivendi's adjusted net income.

For any additional information, please refer to the "Financial Report and Audited Consolidated Financial Statements for the year ended December 31, 2016", which will be released online later on Vivendi's website ([www.vivendi.com](http://www.vivendi.com)).

**APPENDIX II**  
**VIVENDI**  
**ADJUSTED STATEMENT OF EARNINGS**  
**(IFRS, audited)**

Three months ended December 31,			Year ended December 31,		
2016	2015	% Change	2016	2015	% Change
<b>3,107</b>	<b>3,147</b>	<b>- 1.2%</b>	<b>10,819</b>	<b>10,762</b>	<b>+ 0.5%</b>
<b>123</b>	<b>304</b>	<b>- 59.7%</b>	<b>853</b>	<b>1,061</b>	<b>- 19.6%</b>
<b>60</b>	<b>207</b>	<b>- 71.4%</b>	<b>724</b>	<b>942</b>	<b>- 23.2%</b>
74	(3)		214	(10)	
(13)	(6)		(40)	(30)	
19	17		47	52	
140	215	- 34.9%	945	954	- 1.0%
(13)	(15)		(162)	(199)	
127	200	- 36.9%	783	755	+ 3.6%
3	(4)		(28)	(58)	
<b>130</b>	<b>196</b>	<b>- 33.8%</b>	<b>755</b>	<b>697</b>	<b>+ 8.4%</b>
0.10	0.14		0.59	0.51	
0.10	0.14		0.54	0.51	

In millions of euros, except per share amounts.

The reconciliation of EBIT to EBITA and to income from operations, as well as of earnings attributable to Vivendi SA shareowners to adjusted net income is presented in the Appendix IV.

## APPENDIX III

### VIVENDI

#### REVENUES, INCOME FROM OPERATIONS AND EBITA BY BUSINESS SEGMENT (IFRS, audited)

Three months ended December 31,					
(in millions of euros)	2016	2015	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
<b>Revenues</b>					
Universal Music Group	1,644	1,616	+1.7%	+3.4%	+3.4%
Canal+ Group	1,351	1,479	-8.6%	-8.0%	-8.2%
Gameloft	69	-	na	na	na
Vivendi Village	33	27	+22.9%	+29.3%	+19.2%
New Initiatives	27	25	+4.3%	+4.3%	+4.3%
Elimination of intersegment transactions	(17)	-			
<b>Total Vivendi</b>	<b>3,107</b>	<b>3,147</b>	<b>-1.2%</b>	<b>+0.1%</b>	<b>-2.4%</b>
<b>Income from operations</b>					
Universal Music Group	296	348	-15.0%	-14.6%	-14.6%
Canal+ Group	(136)	(12)	x 11.1	x 11.2	x 11.2
Gameloft	6	-	na	na	na
Vivendi Village	2	1	x 2.2	x 3.1	x 3.4
New Initiatives	(19)	(8)	x 2.2	x 2.2	x 2.2
Corporate	(26)	(25)	-8.5%	-8.1%	-8.1%
<b>Total Vivendi</b>	<b>123</b>	<b>304</b>	<b>-59.7%</b>	<b>-58.8%</b>	<b>-61.4%</b>
<b>EBITA</b>					
Universal Music Group	291	334	-13.0%	-12.9%	-12.9%
Canal+ Group	(187)	(96)	-94.4%	-95.9%	-96.5%
Gameloft	5	-	na	na	na
Vivendi Village	-	1	na	na	na
New Initiatives	(21)	(10)	x 2.1	x 2.1	x 2.1
Corporate	(28)	(22)	-29.4%	-28.9%	-28.9%
<b>Total Vivendi</b>	<b>60</b>	<b>207</b>	<b>-71.4%</b>	<b>-70.6%</b>	<b>-73.5%</b>

**APPENDIX III (Cont'd)**

**VIVENDI**

**REVENUES, INCOME FROM OPERATIONS AND EBITA**

**BY BUSINESS SEGMENT**

**(IFRS, audited)**

	Year ended December 31,				
(in millions of euros)	2016	2015	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
<b>Revenues</b>					
Universal Music Group	5,267	5,108	+3.1%	+4.4%	+4.4%
Canal+ Group	5,253	5,513	-4.7%	-4.1%	-4.2%
Gameloft	132	-	na	na	na
Vivendi Village	111	100	+10.9%	+14.7%	+3.8%
New Initiatives	103	43	x 2.4	x 2.4	+51.6%
Elimination of intersegment transactions	(47)	(2)			
<b>Total Vivendi</b>	<b>10,819</b>	<b>10,762</b>	<b>+0.5%</b>	<b>+1.5%</b>	<b>-0.2%</b>
<b>Income from operations</b>					
Universal Music Group	687	626	+9.8%	+10.7%	+10.7%
Canal+ Group	303	542	-44.1%	-44.0%	-44.2%
Gameloft	10	-	na	na	na
Vivendi Village	(7)	10	na	na	na
New Initiatives	(44)	(18)	x 2.4	x 2.4	-78.0%
Corporate	(96)	(99)	+2.3%	+2.3%	+2.3%
<b>Total Vivendi</b>	<b>853</b>	<b>1,061</b>	<b>-19.6%</b>	<b>-18.8%</b>	<b>-18.5%</b>
<b>EBITA</b>					
Universal Music Group	644	593	+8.4%	+9.1%	+9.1%
Canal+ Group	240	454	-47.1%	-46.9%	-47.1%
Gameloft	7	-	na	na	na
Vivendi Village	(9)	9	na	na	na
New Initiatives	(56)	(20)	x 2.8	x 2.8	x 2.2
Corporate	(102)	(94)	-8.4%	-8.4%	-8.4%
<b>Total Vivendi</b>	<b>724</b>	<b>942</b>	<b>-23.2%</b>	<b>-22.5%</b>	<b>-21.5%</b>

na: not applicable.

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

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

The reconciliation of EBIT to EBITA and to income from operations is presented in the Appendix IV.

**APPENDIX IV**

**VIVENDI**

**RECONCILIATION OF NON-GAAP MEASURES**

**IN STATEMENT OF EARNINGS**

**(IFRS, audited)**

Income from operations, adjusted earnings before interest and income taxes (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. 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.

(in millions of euros)	Year ended December 31,	
	2016	2015
<b>EBIT (a)</b>	<b>1,194</b>	<b>1,231</b>
<i>Adjustments</i>		
Amortization of intangible assets acquired through business combinations	223	408
Impairment losses on intangible assets acquired through business combinations (a)	23	3
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-
Other income (a)	(661)	(745)
Other charges (a)	185	45
<b>EBITA</b>	<b>724</b>	<b>942</b>
<i>Adjustments</i>		
Restructuring charges (a)	94	102
Charges related to equity-settled share-based compensation plans	14	16
Other non-current operating charges and income	21	1
<b>Income from operations</b>	<b>853</b>	<b>1,061</b>

(in millions of euros)	Year ended December 31,	
	2016	2015
<b>Earnings attributable to Vivendi SA shareowners (a)</b>	<b>1,256</b>	<b>1,932</b>
<i>Adjustments</i>		
Amortization of intangible assets acquired through business combinations	223	408
Impairment losses on intangible assets acquired through business combinations (a)	23	3
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-
Other income (a)	(661)	(745)
Other charges (a)	185	45
Amortization of intangible assets related to equity affiliates	45	-
Other financial income (a)	(31)	(16)
Other financial charges (a)	69	73
Earnings from discontinued operations (a)	(20)	(1,233)
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	(33)	42
Income taxes related to the sale of the 20% interest in Numericable-SFR	-	124
Net income taxes related to the sales of GVT and Telefonica Brasil shares	-	63
Non-recurring items related to provision for income taxes	16	145
Provision for income taxes on adjustments	(68)	(132)
Non-controlling interests on adjustments	(9)	(12)
<b>Adjusted net income</b>	<b>755</b>	<b>697</b>

a. As reported in the Consolidated Statement of Earnings.

**APPENDIX V**

**VIVENDI**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(IFRS, audited)**

(in millions of euros)	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
Goodwill	10,987	10,177
Non-current content assets	2,169	2,286
Other intangible assets	310	224
Property, plant and equipment	671	737
Investments in equity affiliates	4,416	3,435
Non-current financial assets	3,900	4,132
Deferred tax assets	752	622
<b>Non-current assets</b>	<b>23,205</b>	<b>21,613</b>
Inventories	123	117
Current tax receivables	536	653
Current content assets	1,054	1,088
Trade accounts receivable and other	2,273	2,139
Current financial assets	1,102	1,111
Cash and cash equivalents	4,072	8,225
<b>Current assets</b>	<b>9,160</b>	<b>13,333</b>
<b>TOTAL ASSETS</b>	<b>32,365</b>	<b>34,946</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	7,079	7,526
Additional paid-in capital	4,238	5,343
Treasury shares	(473)	(702)
Retained earnings and other	8,539	8,687
<b>Vivendi SA shareowners' equity</b>	<b>19,383</b>	<b>20,854</b>
Non-controlling interests	229	232
<b>Total equity</b>	<b>19,612</b>	<b>21,086</b>
Non-current provisions	1,785	2,679
Long-term borrowings and other financial liabilities	2,977	1,555
Deferred tax liabilities	726	705
Other non-current liabilities	126	105
<b>Non-current liabilities</b>	<b>5,614</b>	<b>5,044</b>
Current provisions	356	363
Short-term borrowings and other financial liabilities	1,104	1,383
Trade accounts payable and other	5,614	6,737
Current tax payables	65	333
<b>Current liabilities</b>	<b>7,139</b>	<b>8,816</b>
<b>Total liabilities</b>	<b>12,753</b>	<b>13,860</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,365</b>	<b>34,946</b>

**APPENDIX VI**  
**VIVENDI**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(IFRS, audited)**

(in millions of euros)

	Year ended December 31,	
	2016	2015
<b>Operating activities</b>		
EBIT	1,194	1,231
Adjustments	(203)	(38)
Content investments, net	(55)	157
<b>Gross cash provided by operating activities before income tax paid</b>	<b>936</b>	<b>1,350</b>
Other changes in net working capital	(7)	(226)
<b>Net cash provided by operating activities before income tax paid</b>	<b>929</b>	<b>1,124</b>
Income tax (paid)/received, net	(271)	(1,037)
<b>Net cash provided by operating activities of continuing operations</b>	<b>658</b>	<b>87</b>
<b>Net cash provided by operating activities of discontinued operations</b>	<b>-</b>	<b>153</b>
<b>Net cash provided by operating activities</b>	<b>658</b>	<b>240</b>
<b>Investing activities</b>		
Capital expenditures	(235)	(247)
Purchases of consolidated companies, after acquired cash	(553)	(359)
Investments in equity affiliates	(772)	(19)
Increase in financial assets	(2,759)	(3,549)
<b>Investments</b>	<b>(4,319)</b>	<b>(4,174)</b>
Proceeds from sales of property, plant, equipment and intangible assets	2	1
Proceeds from sales of consolidated companies, after divested cash	3	4,032
Disposal of equity affiliates	1	268
Decrease in financial assets	1,967	4,713
<b>Divestitures</b>	<b>1,973</b>	<b>9,014</b>
Dividends received from equity affiliates	8	5
Dividends received from unconsolidated companies	25	9
<b>Net cash provided by/(used for) investing activities of continuing operations</b>	<b>(2,313)</b>	<b>4,854</b>
<b>Net cash provided by/(used for) investing activities of discontinued operations</b>	<b>-</b>	<b>(262)</b>
<b>Net cash provided by/(used for) investing activities</b>	<b>(2,313)</b>	<b>4,592</b>
<b>Financing activities</b>		
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	81	273
Sales/(purchases) of Vivendi SA's treasury shares	(1,623)	(492)
Distributions to Vivendi SA's shareholders	(2,588)	(2,727)
Other transactions with shareowners	(3)	(534)
Dividends paid by consolidated companies to their non-controlling interests	(34)	(46)
<b>Transactions with shareowners</b>	<b>(4,167)</b>	<b>(3,526)</b>
Setting up of long-term borrowings and increase in other long-term financial liabilities	2,101	8
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(16)	(2)
Principal payment on short-term borrowings	(557)	(126)
Other changes in short-term borrowings and other financial liabilities	260	6
Interest paid, net	(40)	(30)
Other cash items related to financial activities	(77)	106
<b>Transactions on borrowings and other financial liabilities</b>	<b>1,671</b>	<b>(38)</b>
<b>Net cash provided by/(used for) financing activities of continuing operations</b>	<b>(2,496)</b>	<b>(3,564)</b>
<b>Net cash provided by/(used for) financing activities of discontinued operations</b>	<b>-</b>	<b>69</b>
<b>Net cash provided by/(used for) financing activities</b>	<b>(2,496)</b>	<b>(3,495)</b>
Foreign currency translation adjustments of continuing operations	(2)	3
Foreign currency translation adjustments of discontinued operations	-	(8)
<b>Change in cash and cash equivalents</b>	<b>(4,153)</b>	<b>1,332</b>
<b>Reclassification of discontinued operations' cash and cash equivalents</b>	<b>-</b>	<b>48</b>
<b>Cash and cash equivalents</b>		
At beginning of the period	<b>8,225</b>	<b>6,845</b>
At end of the period	<b>4,072</b>	<b>8,225</b>

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

## APPENDIX VII

### VIVENDI

#### SELECTED KEY CONSOLIDATED FINANCIAL DATA FOR THE LAST FIVE YEARS (IFRS, audited)

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 the relevant periods as set out in the table of selected key consolidated financial data below in respect of data reflected in the Consolidated Statement of Earnings and Consolidated Statement of Cash Flows.

	Year ended December 31,				
	2016	2015	2014	2013	2012
<b>Consolidated data</b>					
Revenues	10,819	10,762	10,089	10,252	9,597
EBIT	1,194	1,231	736	637	(1,131)
Earnings attributable to Vivendi SA shareowners	1,256	1,932	4,744	1,967	179
of which earnings from continuing operations attributable to Vivendi SA shareowners	1,236	699	(290)	43	(1,565)
Income from operations (a)	853	1,061	1,108	1,131	na
EBITA (a)	724	942	999	955	1,074
Adjusted net income (a)	755	697	626	454	318
Net Cash Position/(Financial Net Debt) (a)	1,068	6,422	4,637	(11,097)	(13,419)
Total equity	19,612	21,086	22,988	19,030	21,291
of which Vivendi SA shareowners' equity	19,383	20,854	22,606	17,457	18,325
Cash flow from operations (CFFO) (a)	729	892	843	894	846
Cash flow from operations after interest and income tax paid (CFAIT) (a)	341	(69)	421	503	772
Financial investments	(4,084)	(3,927)	(1,244)	(107)	(1,689)
Financial divestments	1,971	9,013	17,807	3,471	201
Dividends paid by Vivendi SA to its shareholders	2,588 (b)	2,727 (c)	1,348 (d)	1,325	1,245
Purchases/(sales) of Vivendi SA's treasury shares	1,623	492	32	-	18
<b>Per share data</b>					
Weighted average number of shares outstanding	1,272.6	1,361.5	1,345.8	1,330.6	1,298.9
<b>Adjusted net income per share</b>	<b>0.59</b>	<b>0.51</b>	<b>0.46</b>	<b>0.34</b>	<b>0.24</b>
Number of shares outstanding at the end of the period (excluding treasury shares)	1,259.5	1,342.3	1,351.6	1,339.6	1,322.5
Equity per share, attributable to Vivendi SA shareowners	15.39	15.54	16.73	13.03	13.86
<b>Dividends per share paid</b>	<b>2.00 (b)</b>	<b>2.00 (c)</b>	<b>1.00 (d)</b>	<b>1.00</b>	<b>1.00</b>

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

na: not applicable.

- 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.
- 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.
- 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).
- 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.