2011 HALF YEAR FINANCIAL REPORT

Financial Report and Unaudited[1] Condensed Financial Statements for the Half Year Ended June 30, 2011

1. The Condensed Financial Statements for the half year ended June 30, 2011 have been subjected to a limited review by Vivendi's Statutory Auditors. The Statutory Auditors' Review Report on the 2011 half year financial information is presented after the Condensed Financial Statements.

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €6,858,590,436.50

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Selected key consolidated financial data

	Six months ended June 30, (unaudited)		Year ended December 31,			
	2011	2010	2010	2009	2008	2007
Consolidated data						
Revenues	14,253	13,982	28,878	27,132	25,392	21,657
EBITA (a)	3,363	3,243	5,726	5,390	4,953	4,721
Earnings attributable to Vivendi SA shareowners	2,558	1,267	2,198	830	2,603	2,625
Adjusted net income (a)	1,834	1,526	2,698	2,585	2,735	2,832
Financial Net Debt (a) (b)	13,968	11,460	8,073	9,566	8,349	5,186
Total equity (c)	20,857	28,010	28,173	25,988	26,626	22,242
of which Vivendi SA shareowners' equity (c)	18,608	23,664	24,058	22,017	22,515	20,342
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	3,439	3,549	8,569	7,799	7,056	6,507
Capital expenditures, net (capex, net) (d)	(1,592)	(1,877)	(3,357)	(2,562)	(2,001)	(1,626)
Cash flow from operations (CFFO) (a)	1,847	1,672	5,212	5,237	5,055	4,881
Financial investments	(364)	(991)	(1,397)	(3,050)	(3,947)	(846)
Financial divestments	4,465	268	1,982	97	352	456
Dividends paid with respect to previous fiscal year	1,731	1,721	1,721	1,639 (e)	1,515	1,387
Per share amounts						
Weighted average number of shares outstanding	1,236.2	1,228.9	1,232.3	1,203.2	1,167.1	1,160.2
Adjusted net income per share	**1.48**	**1.24**	**2.19**	**2.15**	**2.34**	**2.44**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,236.5	1,229.2	1,237.3	1,228.8	1,170.1	1,164.7
Equity per share, attributable to Vivendi SA shareowners	15.05	19.25	19.44	17.92	19.24	17.47
Dividends per share paid with respect to previous fiscal year	**1.40**	**1.40**	**1.40**	**1.40**	**1.30**	**1.20**

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

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

b. As of December 31, 2009, Vivendi revised its definition of Financial Net Debt to include certain cash management financial assets whose features do not strictly comply with the definition of cash equivalents as defined by AMF Recommendations and by IAS 7 (in particular, these financial assets may have a maturity of up to 12 months). Considering that no investment in such assets was made prior to 2009, the retroactive application of this change in presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the 2007 and 2008 fiscal years is therefore consistent.

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

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

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

I – Financial Report for the first half of 2011

Preliminary comments:

On August 30, 2011, this Financial Report and the Unaudited Condensed Financial Statements for the half year ended June 30, 2011 were approved by Vivendi's Management Board and submitted to the Audit Committee.

The Condensed Financial Statements for the half year ended June 30, 2011 have been subjected to a limited review by Vivendi's Statutory Auditors. Their Report on the 2011 half year financial information is presented after the Condensed Financial Statements.

The Financial Report for the half year ended June 30, 2011 should be read in conjunction with the Financial Report for the year ended December 31, 2010, as published in the 2010 "Rapport annuel - Document de référence" filed on March 21, 2011 with the "Autorité des marchés financiers" (AMF) under number D11-0155 (the "Document de référence 2010"). Please also refer to pages 129 through 164 of the English translation[1] of the "Document de référence 2010" (the "2010 Annual Report") which is made available on Vivendi's website (www.vivendi.com) for informational purposes.

1 Major events

1.1 Major events for the first half of 2011

1.1.1 Acquisition of Vodafone's 44% interest in SFR

In accordance with the agreement entered into on April 3, 2011, Vivendi acquired on June 16, 2011, a 44% interest in SFR from Vodafone for a total amount of €7,950 million, entirely paid in cash. This transaction valued the 44% interest in SFR at €7,750 million as of January 1, 2011 to which was added a lump sum of €200 million related to the amount of cash generated by SFR between January 1 and June 30, 2011, paid as an interim dividend by SFR. Additionally, SFR and Vodafone have agreed to extend their commercial cooperation for a further 3-year period.

This acquisition is expected to have a +15% to +18% accretive impact on Vivendi's adjusted net income in 2011, which should enable Vivendi to increase the amount of dividend to its shareholders as of 2012. The acquisition was funded by new borrowings, with no impact on Vivendi's credit rating, which is expected to remain at BBB Stable (Standard & Poor's and Fitch) and Baa2 Stable (Moody's). Following this transaction, Vivendi's Financial Net Debt is expected to amount to approximately €13.5 billion as of December 31, 2011.

In accordance with IAS 27 revised, this transaction was accounted for as a purchase of non-controlling interests and accordingly the consideration paid was fully recognized as a deduction from equity. The difference between the consideration paid and the carrying value of non-controlling interests acquired as of June 16, 2011, i.e., a net amount of €6,049 million, has been recorded as a deduction from equity attributable to Vivendi shareowners.

1.1.2 New financings

- On May 16, 2011, Vivendi signed a new bank credit facility with 17 banks for a total amount of €5 billion. This facility, announced on April 18, 2011, enabled Vivendi to optimize the management of its bank debt at the time of the acquisition of the 44% interest in SFR.
- On July 4, 2011, Vivendi raised €1,750 million through a bond issue comprised of two tranches. This transaction is consistent with Vivendi's policy of maintaining a constant balance between its bank credit facilities and its bonds.

For a detailed description of these financings, please refer to Section 5.4 of this Financial Report.

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

1.1.3 Sale of the remaining 12.34% interest in NBC Universal

Beginning in May 2004, Vivendi held an equity interest in NBC Universal of 20%, and General Electric (GE) owned the remaining 80%. In December 2009, Vivendi agreed that it would sell its 20% interest in NBC Universal to GE under an agreement (as amended, the "2009 Agreement"), entered into in connection with GE's concurrent agreement with Comcast Corporation ("Comcast") to form a new joint venture that would own 100% of NBC Universal and certain Comcast assets (the "Comcast Transaction"). Pursuant to the 2009 Agreement, Vivendi agreed to sell its 20% interest in NBC Universal to GE for $5.8 billion, in two transactions, the second of which was contingent upon the completion of the Comcast Transaction:

- On September 26, 2010, Vivendi sold a 7.66% interest in NBC Universal to GE for $2.0 billion. The remainder of Vivendi's interest, or 12.34% of NBC Universal, was sold to GE on January 25, 2011 for $3.8 billion, in advance of the closing of the Comcast Transaction.
- In addition, Vivendi received its pro rata share of dividends for the period from January 1, 2010 to January 25, 2011 (the date of sale), totaling $408 million, of which $95 million was paid by GE to Vivendi on January 25, 2011.

For a detailed description of the sale of Vivendi's interest in NBC Universal and of its accounting treatment, please refer to Note 2.2 to the Condensed Financial Statements for the half year ended June 30, 2011.

1.1.4 Agreements to settle litigation over the share ownership of PTC in Poland

On December 14, 2010, Vivendi, Deutsche Telekom, Mr. Solorz-Zak (Elektrim's main shareholder) and Elektrim's creditors, including the Polish State and Elektrim's bondholders, entered into various agreements to put an end to the litigation surrounding the PTC share capital ownership. Due to the litigation proceedings which opposed Vivendi and its subsidiary Elektrim Telekomunikacja (Telco) against Deutsche Telekom and Elektrim, the legal uncertainty surrounding the ownership of Telco's interest in Polska Telefonia Cyfrowa (PTC), a mobile telecommunication operator, prevented Telco from exercising joint control over PTC, in accordance with PTC's by-laws. As a result, Vivendi did not consolidate its interest in PTC, whose carrying value was decreased to zero as from the year ended December 31, 2006.
On January 14, 2011, upon satisfaction of the conditions precedent set forth in these agreements, Vivendi collected €1,254 million and waived any rights to the shares of PTC, consequently settling all litigation surrounding PTC's share capital ownership.

1.1.5 Other

Call for tender results for the French Professional Soccer League 1 broadcasting rights

On June 23, 2011, after having completed a bidding process, Canal+ Group was awarded four lots that it bid for out of the nine television lots offered for League 1 broadcasting rights by the French Professional Soccer League (from 2012-2013 to 2015-2016). Canal+ Group will pay €420 million per season for these rights, representing a total commitment of €1,680 million for the four seasons. As a reminder, in 2008, Canal+ Group was awarded nine out of the ten television lots offered for the four seasons 2008-2009 to 2011-2012 at €465 million per season.

Dividend paid by Vivendi SA to its shareholders with respect to fiscal year 2010

At the Annual Shareholders' Meeting held on April 21, 2011, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2010. As a result, the dividend payment was set at €1.40 per share, representing a total distribution of €1,731 million, which was paid in cash on May 10, 2011.

SFR

Dividends paid
At SFR's Shareholders' Meeting, held on March 30, 2011, the shareholders approved the payment of a €1 billion dividend with respect to fiscal year 2010 (of which €440 million was paid to Vodafone), paid as an interim dividend in January 2011. Thus, considering the €200 million paid to Vodafone on June 16, 2011 as part of Vivendi's acquisition of its non-controlling interest in SFR (please refer to Section 1.1.1 above), the total amount of dividends paid by SFR to Vodafone during the first half of 2011 amounted to €640 million.

Launch of La Poste Mobile
Following approval of the Competition Authority on January 28, 2011, SFR and La Poste formed a joint venture, La Poste Telecom, held at 49% and 51%, respectively. This joint venture, which is a new mobile virtual network operator on the mobile retail market, has been offering a full set of mobile telephony services for individuals and professionals, which have been sold since May 23, 2011 under its own brand "La Poste Mobile", benefiting from La Poste's sales point network.

Activision Blizzard

Repurchase by Activision Blizzard of its common stock

During the first half of 2011, Activision Blizzard repurchased shares of its common stock for €361 million ($501 million, of which $479 million under the stock repurchase program up to an amount of $1.5 billion authorized by the Activision Blizzard's Board of Directors on February 3, 2011). As of June 30, 2011, Vivendi's interest in Activision Blizzard amounted to approximately 63% non-diluted, compared to approximately 61% as of December 31, 2010.

Dividend with respect to fiscal year 2010

On May 11, 2011, Activision Blizzard paid a cash dividend of $0.165 per common share to shareholders with respect to fiscal year 2010, representing $119 million (€87 million) for Vivendi.

Lagardère's liquidity right regarding its non-controlling interest in Canal+ France

On April 15, 2010, Lagardère decided to exercise its liquidity right regarding its 20% interest in Canal+ France. As Lagardère and Vivendi had not reached an agreement regarding the sale of its interest, Lagardère decided on July 2, 2010, in accordance with the shareholders agreement signed on January 4, 2007, to launch the Initial Public Offering (IPO) process for its 20% interest in Canal+ France. On February 16, 2011, Canal+ France filed the IPO Prospectus with the French Autorité des Marchés Financiers (AMF). On March 16, 2011, Lagardère decided to postpone the IPO relating to its interest in Canal+ France and on the same date reasserted its intention to sell such interest. On April 15, 2011, Lagardère informed Vivendi about its intention to exercise its liquidity right for 2011 regarding its 20% interest in Canal+ France. As a result, this terminates the process initiated in 2010. On July 25, 2011, Lagardère has again decided to launch the IPO process for its interest in Canal+ France in accordance with the shareholders agreement although the schedule for the IPO has not yet been determined.

1.2 Major events since June 30, 2011

The major events that have occurred since June 30, 2011 were as follows:

- On July 4, 2011, Vivendi raised €1,750 million through a bond issue comprised of two tranches: please refer to Section 5.4 of this Financial Report;
- On July 15, 2011, Canal+ Group and Orange announced the completion of their strategic partnership project, under which Canal+ Group would acquire a 33.33% non-controlling interest in Orange Cinema Series; and
- On August 23, 2011, Vivendi acquired a 100% interest in See Tickets, a British ticketing company, for a purchase price of approximately €96 million (£83 million with an enterprise value of £94 million).

1.3 Related party transactions

Please refer to Note 15 to the Condensed Financial Statements for the half year ended June 30, 2011.

2 Earnings analysis

2.1 Consolidated statement of earnings and adjusted statement of earnings

SECOND QUARTER

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	Three months ended June 30,		Three months ended June 30,		
	2011	2010	2011	2010	
Revenues	**7,069**	**7,058**	**7,069**	**7,058**	**Revenues**
Cost of revenues	(3,372)	(3,370)	(3,372)	(3,370)	Cost of revenues
Margin from operations	**3,697**	**3,688**	**3,697**	**3,688**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,006)	(2,031)	(2,006)	(2,031)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(33)	(4)	(33)	(4)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(118)	(138)			
Impairment losses of intangible assets acquired through business combinations	-	(8)			
Other income	-	6			
Other charges	(10)	(23)			
EBIT	**1,530**	**1,490**	**1,658**	**1,653**	**EBITA**
Income from equity affiliates	(11)	60	(11)	60	Income from equity affiliates
Interest	(106)	(127)	(106)	(127)	Interest
Income from investments	3	4	3	4	Income from investments
Other financial income	2	3			
Other financial charges	(27)	(30)			
Earnings from continuing operations before provision for income taxes	**1,391**	**1,400**	**1,544**	**1,590**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(239)	(337)	(321)	(385)	Provision for income taxes
Earnings from continuing operations	**1,152**	**1,063**			
Earnings from discontinued operations	-	-			
Earnings	**1,152**	**1,063**	**1,223**	**1,205**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi shareowners	**824**	**669**	**884**	**790**	**Adjusted net income**
Non-controlling interests	328	394	339	415	Non-controlling interests
Earnings attributable to Vivendi shareowners per share - basic (in euros)	**0.67**	**0.54**	**0.72**	**0.64**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi shareowners per share - diluted (in euros)	**0.66**	**0.54**	**0.71**	**0.64**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

HALF YEAR

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	Six months ended June 30,		Six months ended June 30,		
	2011	2010	2011	2010	
Revenues	**14,253**	**13,982**	**14,253**	**13,982**	**Revenues**
Cost of revenues	(6,833)	(6,786)	(6,833)	(6,786)	Cost of revenues
Margin from operations	**7,420**	**7,196**	**7,420**	**7,196**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,979)	(3,925)	(3,979)	(3,925)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(78)	(28)	(78)	(28)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(241)	(272)			
Impairment losses of intangible assets acquired through business combinations	-	(8)			
Other income	1,289	8			
Other charges	(459)	(41)			
EBIT	**3,952**	**2,930**	**3,363**	**3,243**	**EBITA**
Income from equity affiliates	(13)	75	(13)	75	Income from equity affiliates
Interest	(207)	(245)	(207)	(245)	Interest
Income from investments	74	4	74	4	Income from investments
Other financial income	5	5			
Other financial charges	(62)	(85)			
Earnings from continuing operations before provision for income taxes	**3,749**	**2,684**	**3,217**	**3,077**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(437)	(598)	(612)	(683)	Provision for income taxes
Earnings from continuing operations	**3,312**	**2,086**			
Earnings from discontinued operations	-	-			
Earnings	**3,312**	**2,086**	**2,605**	**2,394**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi shareowners	**2,558**	**1,267**	**1,834**	**1,526**	**Adjusted net income**
Non-controlling interests	754	819	771	868	Non-controlling interests
Earnings attributable to Vivendi shareowners per share - basic (in euros)	**2.07**	**1.03**	**1.48**	**1.24**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi shareowners per share - diluted (in euros)	**2.06**	**1.03**	**1.48**	**1.24**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

Nota: In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made a change in presentation of its consolidated statement of earnings as of January 1, 2011. Please refer to Appendix 1 of the Financial Statements for a detailed description of the change in presentation and for the reconciliation with the previously published elements.

2.2 Earnings review

For the first half of 2011, **adjusted net income** was €1,834 million (or €1.48 per share[2]), compared to €1,526 million (or €1.24 per share[2]) for the first half of 2010. This €308 million increase (+20.2%) in adjusted net income resulted primarily from:

- a €120 million **increase in EBITA** to a total of €3,363 million. This increase reflected the operating performance of Activision Blizzard (+€213 million), GVT (+€89 million) and Canal+ Group (+€9 million), which was partially offset by a decline in the performance of SFR (-€127 million), Maroc Telecom Group (-€65 million), and Universal Music Group (-€27 million);
- a €88 million decrease in income from equity affiliates, following the sale to General Electric (GE) of the interest in NBC Universal from which Vivendi's share of income was €78 million for the first half of 2010;
- a €70 million increase in income from investments, which was attributable to the balance of the contractual dividend paid by GE to Vivendi as part of the completion of the sale by Vivendi of its interest in NBC Universal;
- a €38 million decrease in interest expense;

[2] *For a detailed description of adjusted net income per share, please refer to Appendix 2 of this Financial Report.*

- a €71 million decrease in income tax expense, including in particular the €142 million increase in current tax savings under the Consolidated Global Profit Tax System, which primarily included the impact as of January 1, 2011 of the acquisition of Vodafone's 44% interest in SFR (€139 million for the first half of 2011); and
- a €97 million decrease in adjusted net income attributable to non-controlling interests, primarily attributable to the decline in the performance of SFR and Maroc Telecom Group.

Breakdown of the main items from the statement of earnings

Revenues were €14,253 million, compared to €13,982 million for the first half of 2010, an increase of €271 million (+1.9%, or +2.4% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

Restructuring charges and other operating charges and income amounted to a net charge of €78 million, compared to €28 million for the first half of 2010, an increase of €50 million. They primarily included restructuring charges incurred by UMG (€37 million for the first half of 2011, compared to €22 million for the first half of 2010) and Activision Blizzard (€16 million, compared to €3 million for the first half of 2010).

EBITA was €3,363 million, compared to €3,243 million for the first half of 2010, an increase of €120 million (+3.7%, or +4.6% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

Amortization of intangible assets acquired through business combinations was €241 million, compared to €272 million for the first half of 2010, a decrease of €31 million (-11.4%). This change notably resulted from a decrease in amortization of Activision Blizzard's and SFR's intangible assets.

Other income amounted to €1,289 million, compared to €8 million for the first half of 2010. For the first half of 2011, it primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland.

Other charges amounted to €459 million, compared to €41 million for the first half of 2010. For the first half of 2011, they primarily included the capital loss incurred from the sale on January 25, 2011, of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004). For more information, please refer to Note 2.2 to the Condensed Financial Statements for the half year ended June 30, 2011.

EBIT was €3,952 million, compared to €2,930 million for the first half of 2010, an increase of €1,022 million (+34.9%).

Income from equity affiliates was a net charge of €13 million, compared to a net income of €75 million for the first half of 2010. This decrease was due to the sale of interest in NBC Universal. For the first half of 2010, Vivendi's share of income earned by NBC Universal was €78 million. For more information, please refer to Note 2.2 to the Condensed Financial Statements for the half year ended June 30, 2011.

Interest was an expense of €207 million, compared to €245 million for the first half of 2010, a decrease of €38 million (-15.5%), notably resulting from the impact on the average outstanding Financial Net Debt of the cash proceeds of $5.8 billion received from the sale of the interest in NBC Universal which was finalized on January 25, 2011, and €1.25 billion received on January 14, 2011 in order to end the litigation over the share ownership of PTC in Poland.
For the first half of 2011, interest expense on borrowings amounted to €234 million, compared to €261 million for the first half of 2010, a €27 million decrease (-10.3%). This change was attributable to the decrease in average outstanding borrowings to €11.8 billion for the first half of 2011 (compared to €12.9 billion for the first half of 2010), and to the decrease in the average interest rate on borrowings to 3.97% for the first half of 2011 (compared to 4.06% for the first half of 2010).
Interest income earned on cash and cash equivalents was €27 million for the first half of 2011, compared to €16 million for the first half of 2010, an increase of €11 million. This change was mainly due to the increase in average cash and cash equivalents to €5.3 billion for the first half of 2011 (compared to €3.3 billion for the first half of 2010) and to the increase in the average income rate to 1.03% for the first half of 2011 (compared to 0.96% for the first half of 2010).
For more information, please refer to Section 5 of this Financial Report.

Income from investments amounted to €74 million, compared to €4 million for the first half of 2010, and was attributable to the balance of the contractual dividend paid by GE to Vivendi for €70 million on January 25, 2011 following the sale of Vivendi's remaining interest in NBC Universal to GE.

Other financial income and charges amounted to a net charge of €57 million, compared to €80 million for the first half of 2010.

Provision for income taxes was a net charge of €437 million, compared to €598 million for the first half of 2010, a decrease of €161 million. This change mainly reflected the positive impact of the Consolidated Global Profit Tax System (€214 million for the first half of 2011), as a result of the increase in current tax savings (€142 million as regards expected tax savings for the 2011 fiscal year) and in deferred tax savings (€72 million as regards expected tax savings for the 2012 fiscal year), which notably included the impact as of January 1, 2011 of the acquisition of Vodafone's 44% interest in SFR. This positive impact was partially offset by the increase in the taxable income of business segments for the first half of 2011, particularly Activision Blizzard and GVT.

In addition, **income taxes reported to adjusted net income** was a net charge of €612 million, compared to a net charge of €683 million for the first half of 2010, a €71 million decrease. The effective tax rate reported to adjusted net income was 18.9%, compared to 22.7% for the first half of 2010, a decrease of 3.8 percentage points. This change mainly reflected the impact as of January 1, 2011 of the acquisition of Vodafone's 44% interest in SFR on current tax savings with respect to fiscal year 2011 under the Consolidated Global Profit Tax System (€139 million for the first half 2011). Excluding this impact, the effective tax rate in the adjusted net income was stable, at 23.2%.

Earnings attributable to non-controlling interests amounted to €754 million, compared to €819 million for the first half of 2010, a €65 million decrease. **Adjusted net income attributable to non-controlling interests** amounted to €771 million, compared to €868 million for the first half of 2010, a decrease of €97 million. This decrease was primarily attributable to the decline in the performance of SFR and Maroc Telecom Group, partially offset by the improvement of Activision Blizzard's results.

For the first half of 2011, **earnings attributable to Vivendi shareowners** amounted to €2,558 million (or €2.07 per share), compared to €1,267 million (or €1.03 per share) for the first half of 2010, an increase of €1,291 million (+101.9%).

The reconciliation of earnings attributable to Vivendi shareowners with adjusted net income is further described in Appendix 2 of this Financial Report. For the first half of 2011, this reconciliation primarily included a net gain of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred from the sale of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004) completed on January 25, 2011. The reconciliation also included the amortization of intangible assets acquired through business combinations (-€149 million, after taxes and non-controlling interests), and the change in the deferred tax asset related to the Consolidated Global Profit Tax System (+€112 million). For the first half of 2010, this reconciliation primarily included the amortization of intangible assets acquired through business combinations (-€168 million, after taxes and non-controlling interests), the change in the deferred tax asset related to the Consolidated Global Profit Tax System (+40 million), and the impact of reversing the deferred tax asset (-€42 million) related to the expected utilization by SFR of the remainder of Neuf Cegetel's prior years' ordinary tax losses carried forward.

2.3 2011 Outlook

Despite a troubled economic and financial environment, Vivendi confirms its outlook for 2011 and expects an adjusted net income above €3 billion, reflecting the acquisition of the 44% interest in SFR, and a slight increase in adjusted net income, excluding NBC Universal and before the impact of the acquisition of the 44% interest in SFR, allowing an increase in the dividend per share.

This outlook is based on the achievement of each business's financial objectives, as described and updated (vs. March 1, 2011), as the case may be, below:

- Activision Blizzard upgrades its financial objectives for 2011: Activision Blizzard expects further improvement in EBITA margin with a 2011 EBITA above €800 million (compared to an EBITA close to that of 2010 for €692 million, as previously announced).
- Universal Music Group (UMG) confirms its financial objectives for 2011: UMG expects to maintain a double digit EBITA margin, despite restructuring charges.
- SFR confirms its financial objectives for 2011:
    - Mobile: decrease in EBITDA in a tough competitive, tax and regulatory environment; and
    - Broadband Internet and Fixed: increase in EBITDA, excluding 2010 favorable non-recurring items (€58 million).
- Maroc Telecom Group revises its financial objectives for 2011: Maroc Telecom Group expects a slight decline in revenues in Dirhams (compared to slight growth, as previously announced) and an EBITA margin comparable to that of the first half of 2011 (compared to the maintaining of profitability at high levels, as previously announced).
- GVT upgrades its financial objectives for 2011: in IFRS and in euros at constant currency, GVT expects to report a growth in revenues close to 40% (compared to mid to high thirties, as previously announced) and an EBITDA margin around 40% (in spite of Pay-TV business launch).
- Canal+ Group confirms its financial objectives for 2011: Canal+ Group expects to report a slight increase in EBITA.

The 2011 outlook above regarding revenues, EBITA, EBITA margin rates, as well as EBITDA and EBITDA margin is based on data, assumptions and estimates considered as reasonable by Vivendi management. They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and/or regulatory environment. Moreover, the materialization of certain risks described in Chapter 2 of the 2010 Annual Report could have an impact on the group's operations and its capacity to achieve its forecasts for 2011.

In addition Vivendi considers that the non-GAAP measures adjusted net income (ANI), EBITA and EBITDA are relevant indicators of the group's operating performance. Each of these indicators is defined in the appropriate section of this Financial Report.

3 Cash flow from operations analysis

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

For the first half of 2011, **cash flow from operations (CFFO)** generated by business segments amounted to €1,847 million (compared to €1,672 million for the first half of 2010), a €175 million increase (+10.5%). **Cash flow from operations before capital expenditures (CFFO before capex, net)** generated by business segments amounted to €3,439 million (compared to €3,549 million for the first half of 2010), a €110 million decrease (-3.1%). This change notably reflected a lower dividend amount received from NBC Universal, which amounted to €70 million received on January 25, 2011 with respect to the balance of the contractual dividend paid by GE as part of the completion of the sale of Vivendi's interest in NBC Universal, compared to €151 million received from NBC Universal for the first half of 2010. This change also reflected the decline in EBITDA after changes in net working capital of SFR and Maroc Telecom Group, almost offset by the performance of Canal+ Group, GVT and UMG.

For the first half of 2011, **capital expenditures, net** amounted to €1,592 million (compared to €1,877 million for the first half of 2010), a €285 million decrease (-15.2%). As a reminder, during the first half of 2010, SFR acquired an additional band of 3G mobile telephony frequencies for €300 million. Excluding this impact, the increase in capital expenditures of GVT due to acceleration of network rollout (+€150 million) was partially offset by reduced capital expenditures of Maroc Telecom Group (-€70 million) and SFR (-€64 million).

For the first half of 2011, **cash flow from operations after interest and income taxes paid (CFAIT)** amounted to €1,099 million (compared to €1,045 million for the first half of 2010), a €54 million increase (+5.2%). The €175 million improvement in CFFO and the €93 million decrease in financial activities cash payments, mainly due to the improvement in interest expense (€38 million) and to the impact during the first half of 2010 of foreign exchange transactions (losses of approximately €40 million), were partially offset by the €214 million increase in income taxes paid, net. This change mainly reflected the change from one fiscal year to another of the amount of income tax installments for the current fiscal year and final installments for the previous fiscal year paid by the group's entities. It also included the €404 million increase in the first half of 2011 in the payment received as part of the Consolidated Global Profit Tax System, as a result of the low refund amount received in 2010 due to the utilization by SFR in 2009 of Neuf Cegetel's prior years' ordinary tax losses.

(in millions of euros)		Six months ended June 30, 2011	2010		V€	V%
Revenues		14,253	13,982		+271	+1.9%
Operating expenses excluding depreciation and amortization		(9,637)	(9,459)		-178	-1.9%
EBITDA	(a)	*4,616*	*4,523*		*+93*	*+2.1%*
Restructuring charges paid		(60)	(40)		-20	-50.0%
Content investments, net		(102)	(231)		+129	+55.8%
Neutralization of change in provisions included in EBITDA		(74)	(140)		+66	+47.1%
Other operating items		(1)	(5)		+4	+80.0%
Other changes in net working capital on operating activities		(1,014)	(712)		-302	-42.4%
Net cash provided by operating activities before income tax paid	(b)	***3,365***	***3,395***		***-30***	***-0.9%***
Dividends received from equity affiliates	(c)	71	151		-80	-53.0%
of which NBC Universal		-	*151*		*-151*	*-100.0%*
Balance of the contractual dividend paid by GE		*70*	-		*+70*	*na**
Dividends received from unconsolidated companies	(c)	3	3		-	-
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**3,439**	**3,549**		**-110**	**-3.1%**
Capital expenditures, net (capex, net)	(d)	(1,592)	(1,877)		+285	+15.2%
of which SFR		*(832)*	*(1,196)*	(f)	*+364*	*+30.4%*
Maroc Telecom Group		*(260)*	*(330)*		*+70*	*+21.2%*
GVT		*(336)*	*(186)*		*-150*	*-80.6%*
Cash flow from operations (CFFO)		**1,847**	**1,672**		**+175**	**+10.5%**
Interest paid, net	(e)	(207)	(245)		+38	+15.5%
Other cash items related to financial activities	(e)	(21)	(76)		+55	+72.4%
Financial activities cash payments		***(228)***	***(321)***		***+93***	***+29.0%***
Payment received from the French State Treasury as part of the Consolidated Global Profit Tax System		586	182		+404	x 3.2
Other taxes paid		(1,106)	(488)		-618	x 2.3
Income tax (paid)/received, net	(b)	**(520)**	**(306)**		**-214**	**-69.9%**
Cash flow from operations after interest and income tax paid (CFAIT)		**1,099**	**1,045**		**+54**	**+5.2%**

na*: not applicable.

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

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

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

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

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

f. Notably includes the acquisition of 3G spectrum for €300 million in June 2010.

(in millions of euros)	Six months ended June 30, 2011	2010	V%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)			
Activision Blizzard	240	217	+10.6%
Universal Music Group	80	14	x 5.7
SFR	1,781	2,020	-11.8%
Maroc Telecom Group	680	822	-17.3%
GVT	260	176	+47.7%
Canal+ Group	404	247	+63.6%
NBC Universal dividends	70	151	-53.6%
Holding & Corporate	(66)	(81)	+18.5%
Non-core operations and others	(10)	(17)	na*
Total Vivendi	**3,439**	**3,549**	**-3.1%**
Cash flow from operations (CFFO)			
Activision Blizzard	222	186	+19.4%
Universal Music Group	58	1	x 58.0
SFR	949	824	+15.2%
Maroc Telecom Group	420	492	-14.6%
GVT	(76)	(10)	x 7.6
Canal+ Group	283	127	x 2.2
NBC Universal dividends	70	151	-53.6%
Holding & Corporate	(67)	(81)	+17.3%
Non-core operations and others	(12)	(18)	na*
Total Vivendi	**1,847**	**1,672**	**+10.5%**

na*: not applicable.

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

SECOND QUARTER

	Three months ended June 30,			
(in millions of euros)	2011	2010	% Change	% Change at constant rate
Revenues				
Activision Blizzard	796	758	+5.0%	+18.5%
Universal Music Group	982	1,011	-2.9%	+0.6%
SFR	3,064	3,163	-3.1%	-3.1%
Maroc Telecom Group	689	722	-4.6%	-2.7%
GVT	353	230	+53.5%	+50.9%
Canal+ Group	1,200	1,182	+1.5%	+1.5%
Non-core operations and others, and elimination of intersegment transactions	(15)	(8)	na*	na*
Total Vivendi	**7,069**	**7,058**	**+0.2%**	**+2.2%**
EBITA				
Activision Blizzard	331	243	+36.2%	+53.8%
Universal Music Group	86	91	-5.5%	-3.5%
SFR	675	734	-8.0%	-8.0%
Maroc Telecom Group	265	312	-15.1%	-12.9%
GVT	97	55	+76.4%	+72.4%
Canal+ Group	230	256	-10.2%	-10.4%
Holding & Corporate	(22)	(27)	+18.5%	+19.9%
Non-core operations and others	(4)	(11)	na*	na*
Total Vivendi	**1,658**	**1,653**	**+0.3%**	**+3.2%**

HALF YEAR

	Six months ended June 30,			
(in millions of euros)	2011	2010	% Change	% Change at constant rate
Revenues				
Activision Blizzard	1,857	1,703	+9.0%	+14.2%
Universal Music Group	1,863	1,900	-1.9%	-2.0%
SFR	6,120	6,248	-2.0%	-2.0%
Maroc Telecom Group	1,361	1,382	-1.5%	-0.7%
GVT	682	444	+53.6%	+45.0%
Canal+ Group	2,392	2,327	+2.8%	+2.7%
Non-core operations and others, and elimination of intersegment transactions	(22)	(22)	na*	na*
Total Vivendi	**14,253**	**13,982**	**+1.9%**	**+2.4%**
EBITA				
Activision Blizzard	833	620	+34.4%	+40.1%
Universal Music Group	132	159	-17.0%	-17.0%
SFR	1,241	1,368	-9.3%	-9.3%
Maroc Telecom Group	531	596	-10.9%	-10.1%
GVT	187	98	+90.8%	+79.7%
Canal+ Group	495	486	+1.9%	+1.8%
Holding & Corporate	(42)	(65)	+35.4%	+36.0%
Non-core operations and others	(14)	(19)	na*	na*
Total Vivendi	**3,363**	**3,243**	**+3.7%**	**+4.6%**

na*: not applicable.

4.2 Comments on operating performance of business segments

Preliminary comments:

- *Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably non-GAAP measures of EBITA (Adjusted Earnings Before Interest and Income Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):*
  - *The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations and "other charges" and "other income" as defined in Appendix 1 of this Financial Report, and that are included in EBIT. Please refer to Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2010.*
  - *As defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets and other non-recurring items (as presented in the Consolidated Statement of Earnings by each operating segment - Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2010).*

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

- *As a reminder, the Vivendi group operates through six businesses at the heart of the worlds of content, platforms and interactive networks. As of June 30, 2011, Vivendi's ownership interest in each of these businesses were as follows: Activision Blizzard: 63%, Universal Music Group (UMG): 100%, SFR: 100% (please refer to section 1.1 related to the acquisition of Vodafone's 44% interest in SFR, completed in June 2011), Maroc Telecom Group: 53%, GVT: 100%, and Canal+ Group: 100% (Canal+ Group holds an 80% interest in Canal+ France).*

Activision Blizzard

For the first half, Activision Blizzard's revenues were €1,857 million, a 9.0% increase (+14.2% at constant currency) compared to the first half of 2010. EBITA reached €833 million, a 34.4% increase (+40.1% at constant currency). These results benefited from the accounting principles requiring that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period. The balance of the deferred operating margin was €378 million as of June 30, 2011, compared to €318 million as of June 30, 2010.

This performance was driven by record digital sales of Activision Blizzard's online-enabled franchises, which increased by more than 20% in the first half, driving record operating margin.

Looking to the balance of the year, Activision Blizzard has numerous releases and its audiences will be especially excited by three key properties: Call of Duty: Modern Warfare 3™, the new online service Call of Duty Elite and Skylanders Spyro's Adventure™. As of August 3, 2011, pre-orders for Modern Warfare 3 (launch expected on November 8, 2011) have significantly exceeded the pre-orders for Black Ops at this time last year.

Universal Music Group (UMG)

For the first half, Universal Music Group's (UMG) revenues were €1,863 million, a 1.9% decrease compared to the first half of 2010 (-2.0% at constant currency) with a 13.5% increase in digital recorded music sales, higher license income and strong growth in merchandising, offset by falling demand for physical product. Revenues in the second quarter increased by 0.6% at constant currency.

Recorded music best sellers included new releases from Lady Gaga and Jennifer Lopez and strong carryover sales from Rihanna. Regional best sellers included Girls' Generation in Japan and *Bretonne*, the latest release of Nolwenn Leroy in France.

UMG's EBITA was €132 million, a 17.0% decrease compared to the first half of 2010 (also -17.0% at constant currency). Changes in the sales mix and restructuring charges associated with the reorganization plan announced last year were offset by operating cost savings and a favorable legal settlement with LimeWire. EBITA before restructuring charges declined 6.5% at constant currency in the first half. As a result of a rebound in the US, the EBITA increased by 7.7% before restructuring charges and at constant currency in the second quarter.

Upcoming releases will feature new titles from Lil Wayne, Justin Bieber, Andrea Bocelli, Louise Attaque, Snow Patrol, Roberto Alagna, Rihanna, GReeeeN and the latest American Idol winner, Scotty McCreery, among others.

SFR

For the first half, SFR's revenues[3] were €6,120 million, a 2.0% decrease compared to the first half of 2010. In a highly competitive market, the beginning of the year was impacted by the implementation on January 1, 2011 of the VAT rise that SFR refused to apply to its mobile phone clients. Excluding the new VAT standard and regulated price cut impacts[4], revenues increased by 2.7%.

Mobile revenues[5] decreased by 3.9% compared to the first half of 2010 to €4,257 million. Mobile service revenues[6] decreased by 5.1% to €4,008 million. Excluding the new VAT standard and regulated price cut impacts mobile service revenues increased by 1.5%.

For the first half, SFR added 220,000 net new mobile postpaid. 34% of SFR customers were equipped with a *smartphone* by the end of June 2011 (compared to 21% at the end of June 2010), allowing a 30% data mobile revenue growth during the same period in 2010. At the end of June 2011, SFR's postpaid mobile customer base[3] reached 16.041 million, improving the customer mix by 1.6 percentage point year-on-year to 76.2%. SFR's total mobile customer base[3] reached 21.059 million.

Broadband Internet and fixed revenues[5] were €2,001 million, a 1.3% increase compared to the first half of 2010. Excluding regulated price cuts and new VAT standard impacts, broadband Internet and fixed revenues increased by 2.4%, of which 4.7% on broadband Internet mass market. SFR added 96,000 net new active broadband Internet residential customers during the first half of 2011. At the end of June 2011, the broadband Internet residential customer base totaled 4.983 million, a 6.4% increase year-on-year. Between November 16, 2010 and end of August 2011, the new Neufbox Evolution offer has attracted around 415,000 customers.

SFR's EBITDA was €1,945 million, an 8.0% decrease compared to the first half of 2010 and a 6.1% decrease excluding €42 million of 2010 ("non-cash") non-recurring items, related to the termination by third parties of some indefeasible right of use (IRU) of SFR's fixed network.

SFR's mobile EBITDA was €1,556 million, an 8.8% decrease compared to the first half of 2010. Growth in the customer bases, the expansion of mobile Internet and the tight control of costs did not offset the very negative impacts of the regulation, VAT and French market's strong competition.

SFR's broadband Internet and fixed EBITDA was €389 million. Excluding €42 million of 2010 non-recurring items, EBITDA growth was 6.3%.

SFR's EBITA was €1,241 million, a 9.3% decrease compared to the first half of 2010 and a 6.4% decrease excluding €42 million of 2010 non-recurring items.

During the second quarter, SFR entered into three major partnerships, promising for the future (they will have impacts during fiscal year 2012). SFR and Virgin Mobile announced on June 6, 2011 an agreement to use SFR's mobile and fixed networks and the first unbundled Mobile Virtual Network Operator (full-MVNO) contract in France. Since May 23, 2011, La Poste Mobile, a MVNO owned at 49% by SFR, has successfully launched its offers in more than 1,000 post offices. On June 16, 2011, SFR has entered into a partnership with Fnac to obtain dedicated commercial space in 83 French Fnac stores, all located in top-choice areas.

Maroc Telecom Group

For the first half, Maroc Telecom Group's revenues were €1,361 million, a 1.5% decrease compared to the first half of 2010 (-0.7% at constant currency). This change was due to the slight decline of 2.2% in revenues in Morocco (-1.7% at constant currency) in an intensely competitive environment, partly offset by the 3.2% increase in revenues of subsidiaries (+5.4% at constant currency).

Maroc Telecom Group's customer base reached over 27.5 million, a 16.5% increase compared to June 30, 2010. This expansion reflected a continuing growth in Morocco (+6.4%) and a strong marketing momentum among the subsidiaries, where the total mobile customer base grew by almost 49%.

In Morocco, mobile prices decreased by 24% in one year, while outbound usage increased by 22% in one year. The mobile churn rate reached 21.7% in one year, an improvement of 5.7 points. The postpaid customer base grew by 27.7% compared to June 30, 2010, to 934,000 subscribers and the ADSL customer base amounted to 528,000, an increase of 10.2% compared to June 30, 2010. In Sub-Saharan Africa, Sotelma delivered a strong performance with a 39% rise in its revenues in one year.

EBITDA amounted to €729 million, a 9.3% decrease compared to the first half of 2010 (-8.7% at constant currency), due to a slight decline in revenues in Morocco. Despite this decline, the EBITDA margin remained at a high level, at approximately 54%.

EBITA was €531 million, a 10.9% decrease compared to the first half of 2010 (-10.1% at constant currency) due to a lower EBITDA.

[3] Following the disposal of 100% of Débitel France SA to La Poste Télécom SAS, Débitel France SA has been excluded from the consolidation perimeter from March 1, 2011, with a customer base of 290,000.
[4] Tariff cuts decided by regulatory decision: 33% decrease in mobile voice termination regulated price on July 1, 2010, 33% decrease in SMS termination regulated price on February 1, 2010, roaming tariff cuts and 28% decrease in fixed voice termination regulated price on October 1, 2010.
[5] Mobile revenues, broadband Internet and fixed revenues are determined as revenues before elimination of intersegment operations within SFR.
[6] Mobile service revenues are determined as mobile revenues excluding revenues from equipment sales.

GVT

For the first half, GVT's revenues were €682 million, a 53.6% increase compared to the first half of 2010 (+45.0% at constant currency). Broadband service revenues increased by 88.3% (+78.0% at constant currency) and voice service revenues increased by 40.9% (+33.0% at constant currency).

During the first half of 2011, GVT expanded its coverage with 5 additional cities. GVT ended June operating in 102 cities.

As a result of GVT's geographical network expansion and its excellent commercial performance, its customer base reached 5.253 million lines in service (LIS), a 51.7% increase year-on-year. Due to GVT's competitive value proposition, the net new additions of LIS totaled approximately 1,020,900 for the first half of 2011, compared to 646,900 for the first half of 2010.

GVT's EBITDA was €285 million, a 54.9% increase compared to the first half of 2010 (+46.1% at constant currency). EBITDA margin was 41.8% and excluding the cost related to the forthcoming launch of the pay-TV service, it reached 42.2% representing a 0.8 percentage point increase compared to the first half of 2010.

GVT's EBITA was €187 million, a 90.8% increase compared to the first half of 2010 (+79.7% at constant currency and + 64% on a like-for-like basis[7]).

GVT concluded the migration of its retail broadband customers to its 5 Mbps offer, which is now the minimum speed provided. As a result of GVT's strategy to maintain the edge in its core offer with ultrafast broadband speeds for very competitive prices, the sales of offers with speed equal to or higher than 15 Mbps reached 53% compared to 6% for the first half of 2010.

GVT also launched new paid services providing online protection and technical support on its Internet portal POP and received three awards from F-Secure Corporation[8] for its online security service called "Protect": Best growth in customers, Audience Favorite marketing activity and the Grand Prize.

During the first half of 2011, GVT launched a new slogan, a new logo and a new corporate identity, which symbolize GVT's efforts to satisfy its customers and its employees. The company was recognized as the number one telecom operator in the ranking of companies with the best customer relations in Brazil for the second consecutive year according to IBRC (Brazilian Customers Relationship Institute).

GVT's capital expenditures amounted to €336 million for the first half of 2011 (compared to €186 million for the first half of 2010), a 70.3% increase at constant currency.

Canal+ Group

For the first half, Canal+ Group's revenues were €2,392 million, a 2.8% increase compared to the first half of 2010.

Canal+ France's revenues, which include all pay-TV operations of Canal+ Group in mainland France, French overseas territories and Africa, increased by 1.7% to €2,018 million, notably driven by an increase in subscription portfolio revenue per subscriber (ARPU) and advertising revenues.

Over the past twelve months, Canal+ France's average portfolio recorded a net increase of 96,000 subscriptions. ARPU in mainland France increased driven by the growth of cross-selling between Canal+ and CanalSat offerings, as well as the improved penetration service and program options. Canal+ France's advertising revenues mainly benefited from Canal+'s good audience ratings.

At the closing of the call for tender for the football Ligue 1 (results announced on June 23, 2011), Canal+ Group was awarded 4 lots that it bid for, thus securing and reinforcing its offer until 2016.

Revenues from other Canal+ Group's activities have also improved, in particular StudioCanal which benefited from successful theatrical and video releases of several films.

Canal+ Group's EBITA was €495 million, a 1.9% increase compared to the first half of 2010. This growth was driven by pay-TV operations in mainland France and French overseas territories.

Holding & Corporate

Holding & Corporate EBITA was -€42 million (compared to -€65 million for the first half of 2010), notably due to timing effects of certain charges.

[7] Excluding the impact related to extended useful lives of certain assets recognized in the fourth quarter of 2010 (+€16 million for the first half of 2010).
[8] F-Secure Corporation: antivirus and computer security software company.

5 Treasury and capital resources

Preliminary comment: *Vivendi considers Financial Net Debt, a non-GAAP measure, to be a relevant indicator in measuring Vivendi's indebtedness. Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain debt covenants of Vivendi. Please refer to Section "Treasury and capital resources" of the 2010 Financial Report (pages 154 to 159 of the 2010 Annual Report).*

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

The main factors to be considered in assessing Vivendi's financial position are as follows:

- As of June 30, 2011, the group's Financial Net Debt amounted to €14.0 billion, notably due to the acquisition by Vivendi of Vodafone's non-controlling interest in SFR for a total amount of €7.95 billion.
  - At that date, borrowings and other financial liabilities amounted to €17.3 billion (compared to €11.9 billion as of December 31, 2010) and included bonds for €7.1 billion (compared to €7.2 billion as of December 31, 2010) and bank credit facilities drawn for €7.0 billion (compared to €1.8 billion as of December 31, 2010).
  - As of June 30, 2011, Vivendi SA's bank credit facilities drawn amounted to €6.0 billion out of up to €9.0 billion, which included the new €5.0 billion line finalized in May 2011 to finance the acquisition of Vodafone's non-controlling interest in SFR (please refer to Section 5.4 below). This new line also resulted in the cancellation of SFR lines for €1.3 billion.
  - The acquisition of Vodafone's non-controlling interest in SFR on June 16, 2011, enabled Vivendi SA to set up a cash pooling agreement with SFR, under which from July 1, 2011, Vivendi SA centralizes the entire cash surpluses from SFR on a daily basis. The three intercompany loans granted by Vivendi SA to SFR for up to €3.5 billion were drawn for €3.3 million as of August 30, 2011 (please refer to Note 14.6 to the Condensed Financial Statements for the half year ended June 30, 2011).
  - As of June 30, 2011, Activision Blizzard's net cash position amounted to €2.1 billion (compared to €2.6 billion as of December 31, 2010). For the first half of 2011, Activision Blizzard repurchased shares of its common stock for €0.4 billion ($501 million, of which $479 million under the new stock repurchase program up to $1,500 million authorized in February 2011).
  - Vivendi's credit rating is BBB Stable (Standard & Poor's and Fitch) and Baa2 Stable (Moody's), maintained after the announcement of the acquisition by Vivendi of Vodafone's 44% interest in SFR, and the "economic" average term[9] of the group's debt is 3.8 years (compared to 4.0 years as of December 31, 2010).
- As of August 30, 2011, the date of Vivendi's Management Board meeting that approved the Financial Statements for the half year ended June 30, 2011, the aggregate amount of bonds issued by Vivendi SA and SFR amounted to €8.9 billion (compared to €7.2 billion as of December 31, 2010), considering notably the €1,750 million bond issued by Vivendi on July 4, 2011 (please refer to Section 5.4 below). The average term of the group's debt was 4.1 years, compared to 4.0 years as of December 31, 2010. Considering the amount of commercial paper issued at this date, the bank credit facilities were available in an aggregate amount of €5.7 billion (please refer to Section 5.5 below).
- In summary, the acquisition of the interest in SFR was funded under favorable terms and Vivendi has assured stable and inexpensive funding, enabling the group's funding to be secured from the current troubles in the markets.

[9] Considers that all undrawn amounts on available medium-term credit lines may be used to repay group borrowings with the shortest term.

5.2 Financial Net Debt changes

As of June 30, 2011, Vivendi's Financial Net Debt amounted to €13,968 million, compared to €8,073 million as of December 31, 2010, a €5,895 million increase. This change notably reflected the €7,750 million payment on June 16, 2011 pursuant to the acquisition of Vodafone's 44% interest in SFR, partially offset by the cash inflows of $3,800 million (€2,883 million) from the sale of the remaining interest in NBC Universal on January 25, 2011 and of €1,254 million received on January 14, 2011 to end the litigation over the share ownership of PTC in Poland. This change also included €2,847 million related to the dividend notably paid to shareowners of Vivendi SA (€1,731 million), of SFR SA (€640 million, of which €200 million was paid to Vodafone on June 16, 2011 pursuant to the completion of the acquisition of Vodafone's 44% interest in SFR) and of Maroc Telecom SA (€384 million).

As of June 30, 2011, Vivendi's Financial Net Debt included Activision Blizzard's net cash position for €2,075 million (compared to €2,632 million as of December 31, 2010), which included US treasuries and government agency securities with a maturity exceeding three months for $596 million (compared to $672 million as of December 31, 2010) included in the current short-term Financial Assets items of the Consolidated Statement of Financial Position.

Finally, during the second quarter of 2011, Vivendi partially hedged in advance ("pre-hedge swaps") the interest rate risk associated with its 2011 bond refinancing program for a notional amount of €1 billion. Since Vivendi had not issued any bonds as of June 30, 2011, this hedging was extended until July 4, 2011, at which date the bond issuance was completed.

(in millions of euros)	June 30, 2011	December 31, 2010
Borrowings and other financial liabilities	17,373	12,003
of which long-term (a)	*12,906*	*8,573*
short-term (a)	*4,467*	*3,430*
Derivative financial instruments in assets (b)	(68)	(91)
Cash deposits backing borrowings (b)	(15)	(21)
Cash management financial assets (b) (c)	(422)	(508)
	16,868	**11,383**
Cash and cash equivalents (a)	(2,900)	(3,310)
of which Activision Blizzard's cash and cash equivalents	*(1,653)*	*(2,124)*
Financial Net Debt	**13,968**	**8,073**

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

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

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

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2010	**(3,310)**	**11,383**	**8,073**
Outflows/(inflows) generated by:			
Operating activities	(2,845)	-	(2,845)
Investing activities	(2,583)	67	(2,516)
Financing activities	5,736	5,475	11,211
Foreign currency translation adjustments	102	(57)	45
Change in Financial Net Debt over the period	410	5,485	5,895
Financial Net Debt as of June 30, 2011	**(2,900)**	**16,868**	**13,968**

a. "Other financial items" mainly include derivative financial instruments (assets and liabilities), cash deposits backing borrowings as well as cash management financial assets.

5.3 Analysis of Financial Net Debt changes

(in millions of euros)		Refer to section	Six months ended June 30, 2011 – Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT		2	**(3,952)**	**-**	**(3,952)**
Adjustments			(529)	-	(529)
Content investments, net			102	-	102
Gross cash provided by operating activities before income tax paid			***(4,379)***	***-***	***(4,379)***
Other changes in net working capital			1,014	-	1,014
Net cash provided by operating activities before income tax paid		3	***(3,365)***	***-***	***(3,365)***
Income tax paid, net		3	520	-	520
Operating activities	**A**		**(2,845)**	**-**	**(2,845)**
Financial investments					
Purchases of consolidated companies, after acquired cash			93	7	100
Investments in equity affiliates			39	-	39
Increase in financial assets			232	(213)	19
Total financial investments			***364***	***(206)***	***158***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			(35)	(1)	(36)
Disposal of equity affiliates			(2,877)	-	(2,877)
of which sale of the remaining 12.34% interest in NBC Universal for $3.8 billion		1.1.3	*(2,883)*	-	*(2,883)*
Decrease in financial assets			(1,553)	274	(1,279)
of which cash consideration received related to the final settlement of the litigation over the share ownership of PTC in Poland		1.1.4	*(1,254)*	-	*(1,254)*
Total financial divestments			***(4,465)***	***273***	***(4,192)***
Financial investment activities			**(4,101)**	**67**	**(4,034)**
Dividends received from equity affiliates		3	(71)	-	(71)
Dividends received from unconsolidated companies			(3)	-	(3)
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**(4,175)**	**67**	**(4,108)**
Capital expenditures			1,601	-	1,601
Proceeds from sales of property, plant, equipment and intangible assets			(9)	-	(9)
Capital expenditures, net		3	***1,592***	***-***	***1,592***
Investing activities	**B**		**(2,583)**	**67**	**(2,516)**
Transactions with shareowners					
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans			(7)	-	(7)
Other transactions with shareowners			7,738	(2)	7,736
of which acquisition of Vodafone's non-controlling interest in SFR		1.1	*7,750*	-	*7,750*
(Sales)/purchases of treasury shares			398	-	398
of which stock repurchase program of Activision Blizzard		1.1	*361*	-	*361*
stock repurchase program of Vivendi SA			*37*	-	*37*
Dividends paid by Vivendi SA (€1.40 per share)		1.1	1,731	-	1,731
Dividends paid by consolidated companies to their non-controlling interests			1,116	-	1,116
of which SFR SA (a)		1.1	*640*	-	*640*
Maroc Telecom SA			*384*	-	*384*
Total transactions with shareowners			***10,976***	***(2)***	***10,974***
Transactions on borrowings and other financial liabilities					
Setting up of long-term borrowings and increase in other long-term financial liabilities			(6,298)	6,298	-
of which Vivendi SA		5.4	*(6,000)*	*6,000*	-
SFR			*(245)*	*245*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities			1,194	(1,194)	-
of which Vivendi SA		5.4	*750*	*(750)*	-
SFR			*430*	*(430)*	-
Principal payments on short-term borrowings			813	(813)	-
of which Vivendi SA			*258*	*(258)*	-
SFR			*418*	*(418)*	-
Other changes in short-term borrowings and other financial liabilities			(1,177)	1,177	-
of which SFR			*(492)*	*492*	-
Maroc Telecom SA			*(395)*	*395*	-
Non-cash transactions			-	9	9
Interest paid, net		3	207	-	207
Other cash items related to financial activities		3	21	-	21
Total transactions on borrowings and other financial liabilities			***(5,240)***	***5,477***	***237***
Financing activities	**C**		**5,736**	**5,475**	**11,211**
Foreign currency translation adjustments	D		102	(57)	45
Change in Financial Net Debt	**A+B+C+D**		**410**	**5,485**	**5,895**

a. Includes €200 million paid as an interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR.

5.4 New financings

Bank credit facility

On May 16, 2011, Vivendi finalized a new syndicated bank credit facility of €5 billion, negotiated in April 2011. This new facility consists of the following three tranches:

- tranche A: €1.5 billion, maturing in December 2012, available upon satisfaction of the conditions precedent to the acquisition by Vivendi of Vodafone's 44% interest in SFR;
- tranche B: €1.5 billion, maturing in May 2014, available upon satisfaction of the conditions precedent to the acquisition by Vivendi of Vodafone's 44% interest in SFR and the cancellation of SFR's revolving facilities for €450 million with an initial scheduled maturity of November 2012 and for €850 million with an initial scheduled maturity of May 2013; and
- tranche C: €2.0 billion, maturing in May 2016, available upon cancellation of Vivendi SA's revolving facility for €2.0 billion with an initial scheduled maturity of April 2012.

The other main terms (excluding tariffs) are similar to those of the €1 billion credit facility that was put into place in September 2010.

Bond

On July 4, 2011, Vivendi issued a €1,750 million bond comprised of two tranches:

- the first tranche, in the amount of €1,000 million, with a 4 year maturity and a 3.5% coupon issued at a price of 99.637%, corresponding to a 3.599% yield; and
- the second tranche, in the amount of €750 million, with a 10 year maturity and a 4.75% coupon issued at a price of 99.145%, corresponding to a 4.86% yield.

Following the acquisition of the 44% interest in SFR, this transaction is consistent with Vivendi's policy of maintaining a constant balance between its bank credit facilities and its bonds.

5.5 Available bank credit facilities as of August 30, 2011

As of August 30, 2011, the date of Vivendi's Management Board meeting that approved the Financial Statements for the half year ended June 30, 2011, the group had available committed bank credit facilities in the amount of €11.2 billion, of which €4.2 billion were drawn. Considering the amount of commercial paper issued at this date, and backed on bank credit facilities for €1.3 billion, these facilities were available for an aggregate amount of €5.7 billion.

6 Forward looking statements - Major risks and uncertainties

Forward looking statements

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including expectations regarding the payment of dividends as well as the impact of certain transactions. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including but not limited to the risks described in the 2010 "Rapport annuel - Document de référence" filed with the Autorité des Marchés Financiers (AMF) (the French securities regulator) and which are also available in English on Vivendi's website (www.vivendi.com). 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.

Major risks and uncertainties for the remaining six months of the fiscal year

Vivendi is not aware of any risks or uncertainties other than the above-mentioned for the last six months of the fiscal year. For a description of Vivendi's 2011 outlook, please refer to Section 2.3 "2011 Outlook" of this Financial Report.

7 Other disclaimers

Unsponsored ADRs

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

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

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

1. Change in presentation of the consolidated statement of earnings

In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its consolidated statement of earnings as of January 1, 2011:

- the impacts related to financial investing transactions, which were previously reported in "other financial charges and income" are reclassified to other charges and income in "Earnings Before Interest and Income Taxes" (EBIT). They include losses and gains recognized through business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as consolidation gains or losses incurred from the gain or loss of control in a business. The reclassified amounts represented a net charge of €17 million, €33 million, and €305 million for the second quarter of 2010, the first half of 2010, and the 2010 fiscal year, respectively;
- the impacts related to transactions with shareowners (except if directly recognized in equity), which were previously reported in "other financial charges and income" are similarly reclassified to "EBIT", in particular the €450 million reversal of reserve recognized as of December 31, 2010 as part of the Securities Class Action in the United States; and
- moreover, both charges and income related to financial investing transactions as well as other financial charges and income are no longer offset on the face of the consolidated statement of earnings.

In accordance with IAS 1, Vivendi has applied this change in presentation for all periods previously published:

	2011	2010			
(in millions of euros)	Three months ended March 31,	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,	Year ended December 31,
Earnings before interest and income taxes (EBIT) (as previously published)	**1,582**	**1,456**	**1,507**	**2,963**	**4,871**
Reclassification					
Reversal of reserve regarding the Securities Class Action in the United States	-	-	-	-	450
Other income	1,289	2	6	8	53
Other charges	(449)	(18)	(23)	(41)	(358)
Earnings before interest and income taxes (EBIT) (new definition)	**2,422**	**1,440**	**1,490**	**2,930**	**5,016**

2. Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi Management uses adjusted net income because it illustrates the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. Adjusted net income is defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2010.

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

	Three months ended June 30,		Six months ended June 30,	
(in millions of euros)	2011	2010	2011	2010
Earnings attributable to Vivendi SA shareowners (a)	**824**	**669**	**2,558**	**1,267**
Adjustments				
Amortization of intangible assets acquired through business combinations	118	138	241	272
Impairment losses of intangible assets acquired through business combinations (a)	-	8	-	8
Other income (a)	-	(6)	(1,289)	(8)
Other charges (a)	10	23	459	41
Other financial income (a)	(2)	(3)	(5)	(5)
Other financial charges (a)	27	30	62	85
Change in deferred tax asset related to the Consolidated Global Profit Tax System	(56)	(20)	(112)	(40)
Non-recurring items related to provision for income taxes	10	27 (b)	19	58 (b)
Provision for income taxes on adjustments	(36)	(55)	(82)	(103)
Non-controlling interests on adjustments	(11)	(21)	(17)	(49)
Adjusted net income	**884**	**790**	**1,834**	**1,526**

a. As presented in the consolidated statement of earnings.

b. Mainly relates to the reversal of the deferred tax asset related to the utilization by SFR of Neuf Cegetel's ordinary tax losses carried forward from prior years.

Adjusted net income per share

	Three months ended June 30,				Six months ended June 30,			
	2011		2010		2011		2010	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	884	883 (a)	790	789 (a)	1,834	1,831 (a)	1,526	1,523 (a)
Number of shares (in millions)								
Weighted average number of shares outstanding restated (b)	1,236.2	1,236.2	1,229.1	1,229.1	1,236.2	1,236.2	1,228.9	1,228.9
Potential dilutive effects related to share-based compensation	-	2.5	-	2.0	-	3.0	-	2.1
Adjusted weighted average number of shares	**1,236.2**	**1,238.7**	**1,229.1**	**1,231.1**	**1,236.2**	**1,239.2**	**1,228.9**	**1,231.0**
Adjusted net income per share (in euros)	0.72	0.71	0.64	0.64	1.48	1.48	1.24	1.24

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

b. Net of treasury shares (1.3 million shares as of June 30, 2011).

3. Reconciliation of Activision Blizzard's U.S. GAAP revenues and EBITA to IFRS[1]

As reported below, the reconciliation of Activision Blizzard's U.S. GAAP revenue and EBITA to IFRS as of June 30, 2011, June 30, 2010 and December 31, 2010 is based on:

- Activision Blizzard's data prepared in compliance with U.S. GAAP standards, in US dollars, contained in its Form 10-Q for the half year ended June 30, 2011, available on Activision Blizzard's website (www.activisionblizzard.com), and non-GAAP measures, published by Activision Blizzard in its earnings release on August 3, 2011; and
- data relating to Activision Blizzard established in accordance with IFRS standards, in euros, as published by Vivendi in its Unaudited Condensed Financial Statements for the half year ended June 30, 2011.

Non-GAAP measures of Activision Blizzard

Activision Blizzard provides net revenues, net income, earnings per share, operating margin data and guidance both including (in accordance with U.S. GAAP) and excluding (non-GAAP) the impact of:

i. the change in deferred income and related costs of sales, resulting from the deferral of net revenues associated with the company's significant online-enabled games;

ii. expenses related to equity-based compensation;

iii. restructuring charges;

iv. impairment of intangibles acquired through business combinations;

v. the amortization of intangibles and the associated changes in cost of sales resulting from purchase price accounting adjustments; and

vi. the associated tax benefits.

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

Reconciliation of Activision Blizzard's U.S. GAAP revenues and EBITA to IFRS

Reconciliation of U.S. GAAP revenues to IFRS:

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)		Year ended December 31, 2010
	2011	2010	2011	2010	
Non-GAAP Measurement (U.S. GAAP basis):					
Non-GAAP Net Revenues (in millions of dollars)	**699**	**683**	**1,454**	**1,397**	**4,803**
Eliminate non-GAAP adjustments:					
Changes in deferred net revenues (a)	447	284	1,141	878	(356)
U.S. GAAP Measurement:					
Net Revenues in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**1,146**	**967**	**2,595**	**2,275**	**4,447**
Eliminate U.S. GAAP vs. IFRS differences:	*na**	*na**	*na**	*na**	*na**
IFRS Measurement:					
Net Revenues in IFRS (in millions of dollars)	**1,146**	**967**	**2,595**	**2,275**	**4,447**
Translate from dollars to euros:					
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**796**	**758**	**1,857**	**1,703**	**3,330**
of which					
Activision	483	484	1,154	1,151	2,002
Blizzard	269	234	604	460	1,046
Distribution	44	40	99	92	282

Reconciliation of U.S. GAAP EBITA to IFRS:

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)		Year ended December 31, 2010
	2011	2010	2011	2010	
Non-GAAP Measurement (U.S. GAAP basis):					
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**165**	**101**	**384**	**266**	**1,371**
Eliminate non-GAAP adjustments:					
Changes in deferred net revenues and related cost of sales (a)	332	227	838	637	(319)
Equity-based compensation expense	(20)	(17)	(43)	(60)	(131)
Restructuring charges (b)	(3)	(1)	(22)	(4)	(3)
Impairment of intangibles acquired through business combinations	-	-	-	-	(326)
Amortization of intangibles acquired through business combinations and purchase price accounting related adjustments	(7)	(10)	(16)	(28)	(123)
U.S. GAAP Measurement:					
Operating Income/(Loss) in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**467**	**300**	**1,141**	**811**	**469**
Eliminate U.S. GAAP vs. IFRS differences:					
Equity-based compensation expense	-	2	1	3	7
Impairment of intangibles acquired through business combinations	-	-	-	-	31
Amortization of intangibles acquired through business combinations	-	-	-	-	6
Other	7	(3)	6	(10)	(6)
IFRS Measurement:					
Operating Income/(Loss) in IFRS (in millions of dollars)	**474**	**299**	**1,148**	**804**	**507**
Eliminate items excluded from EBITA:					
Impairment of intangible assets acquired through business combinations	-	-	-	-	295
Amortization of intangible assets acquired through business combinations (c)	7	11	16	28	123
Other	(5)	-	(2)	-	-
EBITA in IFRS (in millions of dollars)	**476**	**310**	**1,162**	**832**	**925**
Translate from dollars to euros:					
EBITA in IFRS (in millions of euros), as published by Vivendi	**331**	**243**	**833**	**620**	**692**
of which					
Activision	193	126	552	389	187
Blizzard	138	118	281	232	498
Distribution	-	(1)	-	(1)	7

na*: not applicable.

a. Relates to the impact of the change in deferred net revenues, and related costs of sales associated with the company's online-enabled games:

- For the first half of 2011, in both U.S. GAAP and IFRS, the net revenue recognition amounted to $1,141 million (€819 million) and, after taking into account related costs of sales, the net margin recognition from operations amounted to $838 million (€601 million).
- As of June 30, 2011, in both U.S. GAAP and IFRS, the deferred net revenues balance in the Statement of Financial Position amounted to $601 million (€425 million), compared to $1,726 million (€1,303 million) as of December 31, 2010. After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $533 million (€378 million) as of June 30, 2011, compared to $1,356 million (€1,024 million) as of December 31, 2010 and $392 million (€318 million) as of June 30, 2010.

b. In 2011, restructuring charges includes severance costs and facility exit costs of Activision operations. In 2010, restructuring charges are related to the business combination of Activision with Vivendi Games which included severance costs, facility exit costs, balance sheet write downs and exit costs from the cancellation of projects.

c. Reflects amortization of intangible assets and the increase in the fair value of inventories and associated cost of sales, all of which relate to purchase price accounting adjustments. Increases in the fair value of inventories and associated cost of sales are not excluded from EBITA.

4. Revenues and EBITA by business segment - 2011 and 2010 quarterly data

(in millions of euros)	2011 1st Quarter ended March 31	2011 2nd Quarter ended June 30
Revenues		
Activision Blizzard	1,061	796
Universal Music Group	881	982
SFR	3,056	3,064
Maroc Telecom Group	672	689
GVT	329	353
Canal+ Group	1,192	1,200
Non-core operations and others, and elimination of intersegment transactions	(7)	(15)
Total Vivendi	**7,184**	**7,069**
EBITA		
Activision Blizzard	502	331
Universal Music Group	46	86
SFR	566	675
Maroc Telecom Group	266	265
GVT	90	97
Canal+ Group	265	230
Holding & Corporate	(20)	(22)
Non-core operations and others	(10)	(4)
Total Vivendi	**1,705**	**1,658**

(in millions of euros)	2010 1st Quarter ended March 31	2010 2nd Quarter ended June 30	2010 3rd Quarter ended Sept. 30	2010 4th Quarter ended Dec. 31
Revenues				
Activision Blizzard	945	758	577	1,050
Universal Music Group	889	1,011	1,027	1,522
SFR	3,085	3,163	3,131	3,198
Maroc Telecom Group	660	722	744	709
GVT	214	230	288	297
Canal+ Group	1,145	1,182	1,137	1,248
Non-core operations and others, and elimination of intersegment transactions	(14)	(8)	(17)	(15)
Total Vivendi	**6,924**	**7,058**	**6,887**	**8,009**
EBITA				
Activision Blizzard	377	243	66	6
Universal Music Group	68	91	85	227
SFR	634	734	614	490
Maroc Telecom Group	284	312	346	342
GVT	43	55	71	108
Canal+ Group	230	256	274	(70)
Holding & Corporate	(38)	(27)	(22)	(40)
Non-core operations and others	(8)	(11)	(7)	(7)
Total Vivendi	**1,590**	**1,653**	**1,427**	**1,056**

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III - Condensed Financial Statements for the half year ended June 30, 2011

Condensed Statement of Earnings

	Note	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)		Year ended December 31,
		2011	2010	2011	2010	2010
Revenues	3	**7,069**	**7,058**	**14,253**	**13,982**	**28,878**
Cost of revenues		(3,372)	(3,370)	(6,833)	(6,786)	(14,561)
Selling, general and administrative expenses		(2,124)	(2,169)	(4,220)	(4,197)	(9,059)
Restructuring charges and other operating charges and income		(33)	(4)	(78)	(28)	(135)
Impairment losses of intangible assets acquired through business combinations		-	(8)	-	(8)	(252)
Reversal of reserve regarding the Securities Class Action in the United States		-	-	-	-	450
Other income	4	-	6	1,289	8	53
Other charges	4	(10)	(23)	(459)	(41)	(358)
Earnings before interest and income taxes (EBIT)		**1,530**	**1,490**	**3,952**	**2,930**	**5,016**
Income from equity affiliates		(11)	60	(13)	75	195
Interest	5	(106)	(127)	(207)	(245)	(492)
Income from investments		3	4	74	4	7
Other financial income		2	3	5	5	16
Other financial charges		(27)	(30)	(62)	(85)	(178)
Earnings from continuing operations before provision for income taxes		**1,391**	**1,400**	**3,749**	**2,684**	**4,564**
Provision for income taxes	6	(239)	(337)	(437)	(598)	(1,042)
Earnings from continuing operations		**1,152**	**1,063**	**3,312**	**2,086**	**3,522**
Earnings from discontinued operations		-	-	-	-	-
Earnings		**1,152**	**1,063**	**3,312**	**2,086**	**3,522**
Of which						
Earnings attributable to Vivendi shareowners		**824**	**669**	**2,558**	**1,267**	**2,198**
Non-controlling interests		328	394	754	819	1,324
Earnings from continuing operations attributable to Vivendi shareowners per share - basic	7	0.67	0.54	2.07	1.03	1.78
Earnings from continuing operations attributable to Vivendi shareowners per share - diluted	7	0.66	0.54	2.06	1.03	1.78
Earnings attributable to Vivendi shareowners per share - basic	7	**0.67**	**0.54**	**2.07**	**1.03**	**1.78**
Earnings attributable to Vivendi shareowners per share - diluted	7	0.66	0.54	2.06	1.03	1.78

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

Nota: In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its Consolidated Statement of Earnings as of January 1, 2011: please refer to Note 1.2.

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

Condensed Statement of Comprehensive Income

(in millions of euros)	Note	Three months ended June 30, (unaudited) 2011	Three months ended June 30, (unaudited) 2010	Six months ended June 30, (unaudited) 2011	Six months ended June 30, (unaudited) 2010	Year ended December 31, 2010
Earnings		**1,152**	**1,063**	**3,312**	**2,086**	**3,522**
Foreign currency translation adjustments		**80**	**1,423**	**(180)**	**2,559**	**1,794**
of which transferred to profit or loss as part of the sale of NBC Universal interest	2.2	-	-	*477*	-	*281*
Assets available for sale		-	-	2	-	2
Valuation gains/(losses) taken to equity		-	-	*2*	-	*2*
Cash flow hedge instruments		(10)	15	16	13	41
Valuation gains/(losses) taken to equity		*(10)*	*15*	*16*	*13*	*41*
Net investment hedge instruments		-	(121)	21	(196)	(20)
Valuation gains/(losses) taken to equity		-	*(121)*	-	*(196)*	*(20)*
Transferred to profit or loss of the period		-	-	*21*	-	-
Tax		(3)	(3)	(10)	(1)	(9)
Unrealized gains/(losses)		**(13)**	**(109)**	**29**	**(184)**	**14**
Other impacts, net		**-**	**-**	**13**	**(7)**	**(6)**
Charges and income directly recognized in equity		**67**	**1,314**	**(138)**	**2,368**	**1,802**
Total comprehensive income		**1,219**	**2,377**	**3,174**	**4,454**	**5,324**
of which						
Total comprehensive income attributable to Vivendi shareowners		**888**	**1,879**	**2,467**	**3,436**	**3,880**
Total comprehensive income attributable to non-controlling interests		331	498	707	1,018	1,444

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

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2011 (unaudited)	December 31, 2010
ASSETS			
Goodwill	8	24,901	25,345
Non-current content assets	9	2,523	2,784
Other intangible assets		4,216	4,408
Property, plant and equipment		8,398	8,217
Investments in equity affiliates	10	135	2,906
Non-current financial assets	11	335	496
Deferred tax assets		2,115	1,836
Non-current assets		**42,623**	**45,992**
Inventories		555	750
Current tax receivables		86	576
Current content assets	9	739	1,032
Trade accounts receivable and other		6,068	6,711
Current financial assets	11	493	622
Cash and cash equivalents		2,900	3,310
Current assets		**10,841**	**13,001**
TOTAL ASSETS		**53,464**	**58,993**
EQUITY AND LIABILITIES			
Share capital		6,807	6,805
Additional paid-in capital		8,131	8,128
Treasury shares		(28)	(2)
Retained earnings and other		3,698	9,127
Vivendi SA shareowners' equity		**18,608**	**24,058**
Non-controlling interests		2,249	4,115
Total equity		**20,857**	**28,173**
Non-current provisions	12	1,334	1,477
Long-term borrowings and other financial liabilities	14	12,906	8,573
Deferred tax liabilities		819	956
Other non-current liabilities		945	1,074
Non-current liabilities		**16,004**	**12,080**
Current provisions	12	585	552
Short-term borrowings and other financial liabilities	14	4,467	3,430
Trade accounts payable and other		11,378	14,451
Current tax payables		173	307
Current liabilities		**16,603**	**18,740**
Total liabilities		**32,607**	**30,820**
TOTAL EQUITY AND LIABILITIES		**53,464**	**58,993**

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

Condensed Statement of Cash Flows

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2011	2010	Year ended December 31, 2010
Operating activities				
EBIT		3,952	2,930	5,016
Adjustments		529	1,408	3,065
Including amortization and depreciation of tangible and intangible assets		*1,435*	*1,512*	*3,338*
other income		*(1,289)*	*(8)*	*(53)*
other charges		*459*	*41*	*358*
Content investments, net	9	(102)	(231)	(137)
Gross cash provided by operating activities before income tax paid		***4,379***	***4,107***	***7,944***
Other changes in net working capital		(1,014)	(712)	387
Net cash provided by operating activities before income tax paid		***3,365***	***3,395***	***8,331***
Income tax paid, net		(520)	(306)	(1,365)
Net cash provided by operating activities		**2,845**	**3,089**	**6,966**
Investing activities				
Capital expenditures		(1,601)	(1,949)	(3,437)
Purchases of consolidated companies, after acquired cash		(93)	(661)	(742)
Investments in equity affiliates	10	(39)	(9)	(15)
Increase in financial assets	11	(232)	(321)	(640)
Investments		***(1,965)***	***(2,940)***	***(4,834)***
Proceeds from sales of property, plant, equipment and intangible assets		9	72	80
Proceeds from sales of consolidated companies, after divested cash		35	(1)	(43)
Disposal of equity affiliates	10	2,877	(1)	1,458
Decrease in financial assets	4	1,553	270	567
Divestitures		***4,474***	***340***	***2,062***
Dividends received from equity affiliates	2	71	151	235
Dividends received from unconsolidated companies		3	3	3
Net cash provided by/(used for) investing activities		**2,583**	**(2,446)**	**(2,534)**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		7	1	112
Other transactions with shareowners		(7,738)	(362)	(356)
Sales/(purchases) of treasury shares		(398)	(267)	(726)
Dividends paid by Vivendi SA to its shareowners		(1,731)	(1,721)	(1,721)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their non-controlling interests		(1,116)	(902)	(953)
Transactions with shareowners		***(10,976)***	***(3,251)***	***(3,644)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	14	6,298	3,174	2,102
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	14	(1,194)	(196)	(879)
Principal payment on short-term borrowings	14	(813)	(1,784)	(1,911)
Other changes in short-term borrowings and other financial liabilities	14	1,177	566	310
Interest paid, net	5	(207)	(245)	(492)
Other cash items related to financial activities		(21)	(76)	(247)
Transactions on borrowings and other financial liabilities		***5,240***	***1,439***	***(1,117)***
Net cash provided by/(used for) financing activities		**(5,736)**	**(1,812)**	**(4,761)**
Foreign currency translation adjustments		(102)	336	293
Change in cash and cash equivalents		**(410)**	**(833)**	**(36)**
Cash and cash equivalents				
At beginning of the period		**3,310**	**3,346**	**3,346**
At end of the period		**2,900**	**2,513**	**3,310**

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

Condensed Statements of Changes in Equity

Six months ended June 30, 2011

(in millions of euros, except number of shares)	Note	Capital: Common shares: Number of shares (in thousands)	Capital: Common shares: Amount	Capital: Additional paid-in capital	Capital: Treasury Shares	Capital: Sub-total	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Sub-total	Total equity
BALANCE AS OF DECEMBER 31, 2010		***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners		***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests		**-**	**-**	**-**	**-**	**-**	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners		***308***	***2***	***3***	***(26)***	***(21)***	***(1,705)***	**-**	**-**	***(1,705)***	***(1,726)***
Vivendi SA's stock repurchase program		-	-	-	(37)	(37)	-	-	-	-	(37)
Dividends paid by Vivendi SA (€1.4 per share)		-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA share-based compensation plans		*308*	2	3	11	16	26	-	-	26	42
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	***(6,180)***	***(11)***	**-**	***(6,191)***	***(6,191)***
of which acquisition of Vodafone's non-controlling interest in SFR	2.1	-	-	-	-	-	(6,038)	(11)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program		-	-	-	-	-	(167)	-	-	(167)	(167)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		***308***	**2**	**3**	**(26)**	**(21)**	**(7,885)**	**(11)**	**-**	**(7,896)**	**(7,917)**
Contributions by/distributions to non-controlling interests		**-**	**-**	**-**	**-**	**-**	***(711)***	**-**	**-**	***(711)***	***(711)***
of which dividends paid by subsidiaries to non-controlling interests		-	-	-	-	-	(511)	-	-	(511)	(511)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	2.1	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control		**-**	**-**	**-**	**-**	**-**	***14***	**-**	**-**	***14***	***14***
Changes in non-controlling interests that do not result in a gain/(loss) of control		**-**	**-**	**-**	**-**	**-**	***(1,887)***	***11***	**-**	***(1,876)***	***(1,876)***
of which acquisition of Vodafone's non-controlling interest in SFR	2.1	-	-	-	-	-	(1,712)	11	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program		-	-	-	-	-	(194)	-	-	(194)	(194)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		**-**	**-**	**-**	**-**	**-**	**(2,584)**	**11**	**-**	**(2,573)**	**(2,573)**
Earnings		**-**	**-**	**-**	**-**	**-**	***3,312***	**-**	**-**	***3,312***	***3,312***
Charges and income directly recognized in equity		**-**	**-**	**-**	**-**	**-**	***13***	***29***	***(180)***	***(138)***	***(138)***
TOTAL COMPREHENSIVE INCOME (C)		**-**	**-**	**-**	**-**	**-**	**3,325**	**29**	**(180)**	**3,174**	**3,174**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***308***	***2***	***3***	***(26)***	***(21)***	***(7,144)***	***29***	***(180)***	***(7,295)***	***(7,316)***
Attributable to Vivendi SA shareowners		*308*	*2*	*3*	*(26)*	*(21)*	*(5,316)*	*10*	*(123)*	*(5,429)*	*(5,450)*
Attributable to non-controlling interests		-	-	-	-	-	*(1,828)*	*19*	*(57)*	*(1,866)*	*(1,866)*
BALANCE AS OF JUNE 30, 2011		***1,237,645***	**6,807**	**8,131**	**(28)**	**14,910**	**6,451**	**(38)**	**(466)**	**5,947**	**20,857**
Attributable to Vivendi SA shareowners		***1,237,645***	***6,807***	***8,131***	***(28)***	***14,910***	***4,304***	***(37)***	***(569)***	***3,698***	***18,608***
Attributable to non-controlling interests		**-**	**-**	**-**	**-**	**-**	***2,147***	***(1)***	***103***	***2,249***	***2,249***

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

Six months ended June 30, 2010

(in millions of euros, except number of shares)	Capital: Common shares: *Number of shares* (in thousands)	Capital: Common shares: Amount	Capital: Additional paid-in capital	Capital: Treasury Shares	Capital: Sub-total	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Sub-total	Total equity
BALANCE AS OF DECEMBER 31, 2009	***1,228,859***	**6,759**	**8,059**	**(2)**	**14,816**	**13,333**	**(81)**	**(2,080)**	**11,172**	**25,988**
Attributable to Vivendi SA shareowners	***1,228,859***	***6,759***	***8,059***	***(2)***	***14,816***	***9,379***	***(55)***	***(2,123)***	***7,201***	***22,017***
Attributable to non-controlling interests	-	-	-	-	-	***3,954***	***(26)***	***43***	***3,971***	***3,971***
Contributions by/distributions to Vivendi SA shareowners	***488***	***2***	***2***	***(2)***	***2***	***(1,697)***	-	-	***(1,697)***	***(1,695)***
Dividends paid by Vivendi SA (€1.4 per share)	-	-	-	-	-	(1,721)	-	-	(1,721)	(1,721)
Capital increase related to Vivendi SA share-based compensation plans	*488*	2	2	(2)	2	24	-	-	24	26
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(94)***	-	-	***(94)***	***(94)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(112)	-	-	(112)	(112)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***488***	**2**	**2**	**(2)**	**2**	**(1,791)**	-	-	**(1,791)**	**(1,789)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(509)***	-	-	***(509)***	***(509)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(509)	-	-	(509)	(509)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	***(4)***	-	-	***(4)***	***(4)***
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(130)***	-	-	***(130)***	***(130)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(156)	-	-	(156)	(156)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(643)**	-	-	**(643)**	**(643)**
Earnings	-	-	-	-	-	***2,086***	-	-	***2,086***	***2,086***
Charges and income directly recognized in equity	-	-	-	-	-	***(7)***	***(184)***	***2,559***	***2,368***	***2,368***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**2,079**	**(184)**	**2,559**	**4,454**	**4,454**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***488***	***2***	***2***	***(2)***	***2***	***(355)***	***(184)***	***2,559***	***2,020***	***2,022***
Attributable to Vivendi SA shareowners	*488*	*2*	*2*	*(2)*	*2*	*(522)*	*(187)*	*2,354*	*1,645*	*1,647*
Attributable to non-controlling interests	-	-	-	-	-	*167*	*3*	*205*	*375*	*375*
BALANCE AS OF JUNE 30, 2010	***1,229,347***	**6,761**	**8,061**	**(4)**	**14,818**	**12,978**	**(265)**	**479**	**13,192**	**28,010**
Attributable to Vivendi SA shareowners	***1,229,347***	***6,761***	***8,061***	***(4)***	***14,818***	***8,857***	***(242)***	***231***	***8,846***	***23,664***
Attributable to non-controlling interests	-	-	-	-	-	***4,121***	***(23)***	***248***	***4,346***	***4,346***

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

Year ended December 31, 2010

(in millions of euros, except number of shares)	Capital: Common shares – Number of shares (in thousands)	Capital: Common shares – Amount	Capital: Additional paid-in capital	Capital: Treasury Shares	Capital: Sub-total	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Sub-total	Total equity
BALANCE AS OF DECEMBER 31, 2009	**1,228,859**	**6,759**	**8,059**	**(2)**	**14,816**	**13,333**	**(81)**	**(2,080)**	**11,172**	**25,988**
Attributable to Vivendi SA shareowners	***1,228,859***	***6,759***	***8,059***	***(2)***	***14,816***	***9,379***	***(55)***	***(2,123)***	***7,201***	***22,017***
Attributable to non-controlling interests	-	-	-	-	-	***3,954***	***(26)***	***43***	***3,971***	***3,971***
Contributions by/distributions to Vivendi SA shareowners	***8,478***	***46***	***69***	-	***115***	***(1,682)***	-	-	***(1,682)***	***(1,567)***
Dividends paid by Vivendi SA (€1.4 per share)	-	-	-	-	-	(1,721)	-	-	(1,721)	(1,721)
Capital increase related to Vivendi SA share-based compensation plans	*8,478*	46	69	-	115	39	-	-	39	154
of which Vivendi Employee Stock Purchase Plans (July 29, 2010)	*7,141*	*39*	*59*	-	*98*	-	-	-	-	*98*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(272)***	-	-	***(272)***	***(272)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(318)	-	-	(318)	(318)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***8,478***	**46**	**69**	-	**115**	**(1,954)**	-	-	**(1,954)**	**(1,839)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(952)***	-	-	***(952)***	***(952)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(952)	-	-	(952)	(952)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	***3***	-	-	***3***	***3***
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(351)***	-	-	***(351)***	***(351)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(409)	-	-	(409)	(409)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(1,300)**	-	-	**(1,300)**	**(1,300)**
Earnings	-	-	-	-	-	***3,522***	-	-	***3,522***	***3,522***
Charges and income directly recognized in equity	-	-	-	-	-	***(6)***	***14***	***1,794***	***1,802***	***1,802***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**3,516**	**14**	**1,794**	**5,324**	**5,324**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***8,478***	***46***	***69***	-	***115***	***262***	***14***	***1,794***	***2,070***	***2,185***
Attributable to Vivendi SA shareowners	*8,478*	*46*	*69*	-	*115*	*241*	*8*	*1,677*	*1,926*	*2,041*
Attributable to non-controlling interests	-	-	-	-	-	*21*	*6*	*117*	*144*	*144*
BALANCE AS OF DECEMBER 31, 2010	**1,237,337**	**6,805**	**8,128**	**(2)**	**14,931**	**13,595** (a)	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	-	-	-	-	-	***3,975***	***(20)***	***160***	***4,115***	***4,115***

a. Mainly includes previous years' earnings which were not distributed and 2010 comprehensive income.

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

Notes to the Condensed Financial Statements

On August 30, 2011, during a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the unaudited Condensed Financial Statements for the half year ended June 30, 2011. They were submitted to the Audit Committee.

The unaudited Condensed Financial Statements for the half year ended June 30, 2011 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2010, as published in the 2010 "Rapport annuel - Document de référence" filed on March 21, 2011 with the "Autorité des marchés financiers" (AMF) under number D.11-0155 (the "Document de référence 2010"). Please also refer to pages 166 to 270 of the English translation[1] of the "Document de référence 2010" (the "2010 Annual Report") which is made available on Vivendi's website (www.vivendi.com) for informational purposes.

Note 1 Accounting policies and valuation methods

1.1 Interim financial statements

The Condensed Financial Statements of Vivendi for the first half of 2011 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, 2010 (please refer to Note 1 "Accounting policies and valuation methods" presented in the financial statements from pages 174 to 189 of the 2010 Annual Report) and the following provisions were applied:

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

1.2 Change in presentation of the consolidated statement of earnings

In view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its Consolidated Statement of Earnings as of January 1, 2011:

- the impacts related to financial investing transactions, which were previously reported in "other financial charges and income" are reclassified to other charges and income in "Earnings Before Interest and Income Taxes" (EBIT). They include losses and gains recognized through business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as consolidation gains or losses incurred from the gain or loss of control in a business. The reclassified amounts represented a net charge of €17 million, €33 million, and €305 million for the second quarter of 2010, the first half of 2010, and the 2010 fiscal year, respectively;
- the impacts related to transactions with shareowners (except if directly recognized in equity), which were previously reported in "other financial charges and income" are similarly reclassified to EBIT, in particular the €450 million reversal of reserve recognized as of December 31, 2010 as part of the Securities Class Action in the United States; and
- moreover, both charges and income related to financial investing transactions as well as other financial charges and income are no longer offset on the face of the Consolidated Statement of Earnings.

In accordance with IAS 1, Vivendi has applied this change in presentation for all periods previously published. Given these reclassifications, EBIT amounted to €1,490 million (compared to €1,507 million as published in 2010), €2,930 million (compared to €2,963 million as published in 2010) and €5,016 million (compared to €4,871 million as published in 2010) for the second quarter of 2010, the first half of 2010, and the 2010 fiscal year, respectively.

1.3 New IFRS applicable as of January 1, 2011

The new IFRS effective from January 1, 2011, as described in Note 1.5 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" of the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2010 (page 189 of the 2010 Annual Report), which were applicable to the first half of 2011, had no material impact on Vivendi's Financial Statements.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2010".*

Note 2 Major transactions related to financial investments

2.1 Acquisition of Vodafone's 44% interest in SFR

In accordance with the agreement entered into on April 3, 2011, Vivendi acquired on June 16, 2011, a 44% interest in SFR from Vodafone for a total amount of €7,950 million, paid entirely in cash. This transaction valued the 44% interest in SFR at €7,750 million as of January 1, 2011 to which was added a lump sum of €200 million related to the amount of cash generated by SFR between January 1 and June 30, 2011, paid as an interim dividend by SFR. In addition, SFR and Vodafone have agreed to extend their commercial cooperation for a further 3-year period.

In accordance with IAS 27 revised, this transaction was accounted for as a purchase of non-controlling interests and accordingly the consideration paid was fully recognized as a deduction from equity. The difference between the consideration paid and the carrying value of non-controlling interests acquired on June 16, 2011, i.e., a net amount of €6,049 million, has been recorded as a deduction from equity attributable to Vivendi shareowners.

2.2 Sale of the remaining 12.34% interest in NBC Universal

At the conclusion of the NBC Universal transaction completed in May 2004, Vivendi held an equity interest in NBC Universal of 20%, and General Electric (GE) owned the remaining 80%. Pursuant to the agreements entered into between Vivendi and GE, Vivendi and GE shared governance rights and each had a right to receive any dividends paid by NBC Universal pro rata to its then-current interest. In December 2009, Vivendi agreed that it would sell its 20% interest in NBC Universal to GE under an agreement (as amended, the "2009 Agreement"), entered into in connection with GE's concurrent agreement with Comcast Corporation ("Comcast") to form a new joint venture that would own 100% of NBC Universal and certain Comcast assets (the "Comcast Transaction"). Pursuant to the 2009 Agreement, Vivendi agreed to sell its 20% interest in NBC Universal to GE for $5.8 billion, in two transactions, the second of which was contingent upon the completion of the Comcast Transaction and the accounting treatment was as follows:

- On September 26, 2010, Vivendi sold a 7.66% interest in NBC Universal to GE for $2.0 billion (with an additional $222 million amount remaining to be paid upon the sale of the remaining interest). This sale resulted in a capital loss of €232 million, mostly comprised of foreign currency translation adjustments reclassified to earnings for €281 million, representing the foreign exchange loss attributable to the decline of the US dollar since January 1, 2004.
- The remainder of Vivendi's interest, or 12.34% of NBC Universal, was sold to GE on January 25, 2011 for $3.8 billion (which includes an additional $222 million received in relation to the previously sold 7.66% interest). This sale resulted in a capital loss of €421 million, mostly comprised of foreign currency translation adjustment reclassified to earnings for €477 million.
- In parallel, starting in December 2009, Vivendi gradually hedged its investment in NBC Universal using currency forward sales contracts denominated in US dollars, at an average exchange rate of 1.33 US dollar/Euro. From an accounting perspective, these forward contracts were qualified as net investment hedges in NBC Universal. On September 26, 2010, forward sales contracts for a nominal value of $2,000 million were unwound for €1,425 million. On January 25, 2011, forward sales contracts for a nominal value of $3,800 million were unwound for €2,921 million, of which €2,883 million was received at this date and €38 million was received during 2010.

In total, Vivendi sold its 20% interest in NBC Universal for $5,800 million, which was exchanged for €4,346 million according to hedging transactions, and recognized a capital loss of €653 million, mostly comprised of foreign currency translation adjustments reclassified to earnings for €758 million, representing a foreign exchange loss primarily attributable to the decline of the US dollar since January 1, 2004.

In addition, Vivendi received its pro rata share of dividends for the period from January 1, 2010 to January 25, 2011 (the date of sale), totaling $408 million. This amount included the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal for $95 million, recognized as income from financial investments.

Note 3 Segment data

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

Statement of Earnings

Three months ended June 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	797	979	3,062	677	353	1,195	-	6	-	7,069
Intersegment revenues	(1)	3	2	12	-	5	-	1	(22)	-
Revenues	**796**	**982**	**3,064**	**689**	**353**	**1,200**	**-**	**7**	**(22)**	**7,069**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(414)	(865)	(2,024)	(321)	(205)	(912)	(20)	(10)	22	(4,749)
Charges related to stock options and other share-based compensation plans	(15)	(3)	(18)	-	(1)	(6)	(2)	(1)	-	(46)
EBITDA	**367**	**114**	**1,022**	**368**	**147**	**282**	**(22)**	**(4)**	**-**	**2,274**
Restructuring charges	(2)	(16)	(4)	-	-	-	(2)	-	-	(24)
Gains/(losses) on sales of tangible and intangible assets	-	1	2	-	(1)	(2)	-	-	-	-
Other non-recurring items	-	(1)	-	-	-	1	2	-	-	2
Depreciation of tangible assets	(13)	(12)	(213)	(79)	(45)	(32)	-	-	-	(394)
Amortization of intangible assets excluding those acquired through business combinations	(21)	-	(132)	(24)	(4)	(19)	-	-	-	(200)
Adjusted earnings before interest and income taxes (EBITA)	**331**	**86**	**675**	**265**	**97**	**230**	**(22)**	**(4)**	**-**	**1,658**
Amortization of intangible assets acquired through business combinations	(5)	(67)	(17)	(6)	(15)	(8)	-	-	-	(118)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										-
Other charges										(10)
Earnings before interest and income taxes (EBIT)										**1,530**
Income from equity affiliates										(11)
Interest										(106)
Income from investments										3
Other financial income										2
Other financial charges										(27)
Provision for income taxes										(239)
Earnings from discontinued operations										-
Earnings										**1,152**
Of which										
Earnings attributable to Vivendi shareowners										**824**
Non-controlling interests										328

Three months ended June 30, 2010

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	758	1,008	3,163	712	230	1,180	-	7	-	7,058
Intersegment revenues	-	3	-	10	-	2	-	2	(17)	-
Revenues	**758**	**1,011**	**3,163**	**722**	**230**	**1,182**	**-**	**9**	**(17)**	**7,058**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(464)	(901)	(2,024)	(298)	(128)	(869)	(29)	(15)	17	(4,711)
Charges related to stock options and other share-based compensation plans	(12)	(3)	(10)	-	(1)	(4)	(1)	(1)	-	(32)
EBITDA	**282**	**107**	**1,129**	**424**	**101**	**309**	**(30)**	**(7)**	**-**	**2,315**
Restructuring charges	(1)	(6)	(6)	-	-	-	(1)	-	-	(14)
Gains/(losses) on sales of tangible and intangible assets	(1)	-	(15)	(3)	-	-	-	-	-	(19)
Other non-recurring items	-	-	-	3	1	-	4	(2)	-	6
Depreciation of tangible assets	(11)	(10)	(249)	(87)	(45)	(35)	-	(1)	-	(438)
Amortization of intangible assets excluding those acquired through business combinations	(26)	-	(125)	(25)	(2)	(18)	-	(1)	-	(197)
Adjusted earnings before interest and income taxes (EBITA)	**243**	**91**	**734**	**312**	**55**	**256**	**(27)**	**(11)**	**-**	**1,653**
Amortization of intangible assets acquired through business combinations	(8)	(77)	(25)	(6)	(14)	(8)	-	-	-	(138)
Impairment losses of intangible assets acquired through business combinations	-	(8)	-	-	-	-	-	-	-	(8)
Other income										6
Other charges										(23)
Earnings before interest and income taxes (EBIT)										**1,490**
Income from equity affiliates										60
Interest										(127)
Income from investments										4
Other financial income										3
Other financial charges										(30)
Provision for income taxes										(337)
Earnings from discontinued operations										-
Earnings										**1,063**
Of which										
Earnings attributable to Vivendi shareowners										**669**
Non-controlling interests										394

Six months ended June 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	1,857	1,859	6,117	1,341	682	2,385	-	12	-	14,253
Intersegment revenues	-	4	3	20	-	7	-	2	(36)	-
Revenues	**1,857**	**1,863**	**6,120**	**1,361**	**682**	**2,392**	**-**	**14**	**(36)**	**14,253**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(900)	(1,663)	(4,155)	(631)	(396)	(1,792)	(38)	(26)	36	(9,565)
Charges related to stock options and other share-based compensation plans	(31)	(7)	(20)	(1)	(1)	(7)	(4)	(1)	-	(72)
EBITDA	**926**	**193**	**1,945**	**729**	**285**	**593**	**(42)**	**(13)**	**-**	**4,616**
Restructuring charges	(16)	(37)	(9)	-	-	-	(2)	-	-	(64)
Gains/(losses) on sales of tangible and intangible assets	-	1	2	-	(1)	(2)	-	-	-	-
Other non-recurring items	-	(1)	-	3	-	1	2	-	-	5
Depreciation of tangible assets	(26)	(24)	(414)	(154)	(89)	(66)	-	-	-	(773)
Amortization of intangible assets excluding those acquired through business combinations	(51)	-	(283)	(47)	(8)	(31)	-	(1)	-	(421)
Adjusted earnings before interest and income taxes (EBITA)	**833**	**132**	**1,241**	**531**	**187**	**495**	**(42)**	**(14)**	**-**	**3,363**
Amortization of intangible assets acquired through business combinations	(11)	(137)	(34)	(13)	(30)	(16)	-	-	-	(241)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										1,289
Other charges										(459)
Earnings before interest and income taxes (EBIT)										**3,952**
Income from equity affiliates										(13)
Interest										(207)
Income from investments										74
Other financial income										5
Other financial charges										(62)
Provision for income taxes										(437)
Earnings from discontinued operations										-
Earnings										**3,312**
Of which										
Earnings attributable to Vivendi shareowners										**2,558**
Non-controlling interests										754

Six months ended June 30, 2010

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	1,703	1,895	6,246	1,362	444	2,322	-	10	-	13,982
Intersegment revenues	-	5	2	20	-	5	-	2	(34)	-
Revenues	**1,703**	**1,900**	**6,248**	**1,382**	**444**	**2,327**	**-**	**12**	**(34)**	**13,982**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(942)	(1,698)	(4,122)	(577)	(259)	(1,736)	(66)	(27)	34	(9,393)
Charges related to stock options and other share-based compensation plans	(43)	(2)	(12)	(1)	(1)	(5)	(1)	(1)	-	(66)
EBITDA	**718**	**200**	**2,114**	**804**	**184**	**586**	**(67)**	**(16)**	**-**	**4,523**
Restructuring charges	(3)	(22)	(10)	-	-	-	(1)	-	-	(36)
Gains/(losses) on sales of tangible and intangible assets	(1)	-	(10)	(3)	-	-	-	-	-	(14)
Other non-recurring items	-	-	-	(1)	1	-	3	(1)	-	2
Depreciation of tangible assets	(22)	(19)	(454)	(157)	(83)	(69)	-	(1)	-	(805)
Amortization of intangible assets excluding those acquired through business combinations	(72)	-	(272)	(47)	(4)	(31)	-	(1)	-	(427)
Adjusted earnings before interest and income taxes (EBITA)	**620**	**159**	**1,368**	**596**	**98**	**486**	**(65)**	**(19)**	**-**	**3,243**
Amortization of intangible assets acquired through business combinations	(20)	(147)	(49)	(12)	(28)	(16)	-	-	-	(272)
Impairment losses of intangible assets acquired through business combinations	-	(8)	-	-	-	-	-	-	-	(8)
Other income										8
Other charges										(41)
Earnings before interest and income taxes (EBIT)										**2,930**
Income from equity affiliates										75
Interest										(245)
Income from investments										4
Other financial income										5
Other financial charges										(85)
Provision for income taxes										(598)
Earnings from discontinued operations										-
Earnings										**2,086**
Of which										
Earnings attributable to Vivendi shareowners										**1,267**
Non-controlling interests										819

As of June 30, 2010, income from equity affiliates was mainly comprised of the group's share in NBC Universal's earnings for €63 million in the second quarter of 2010 and €78 million in the first half of 2010. This investment, whose sale was finalized in January 2011, was allocated to the Holding & Corporate business segment (please refer to Note 2.2).

Statement of Financial Position

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	**Total Vivendi**
June 30, 2011									
Segment assets (a)	3,497	6,966	19,698	6,036	4,685	7,249	136	97	48,364
Unallocated assets (b)									5,100
Total Assets									**53,464**
Segment liabilities (c)	906	2,379	5,991	1,571	466	2,380	536	13	14,242
Unallocated liabilities (d)									18,365
Total Liabilities									**32,607**
Increase in tangible and intangible assets	14	24	669	179	300	101	1	2	1,290
Net industrial investments (capex, net) (e)	18	22	832	260	336	121	1	2	1,592

Additional operating segment data is presented in Note 8 “Goodwill” and Note 9 “Content assets and commitments”.

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. Unallocated assets include deferred tax assets, current tax receivables as well as cash and cash equivalents.

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

d. Unallocated liabilities include borrowings and other financial liabilities, deferred tax liabilities and current tax payables.

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

Note 4 EBIT

Other charges and income

For the first half of 2011, other charges and income related to financial investing transactions primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred from the sale of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million) completed on January 25, 2011.

Note 5 Interest

(in millions of euros)	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010	Year ended December 31, 2010
Interest expense on borrowings	121	133	234	261	521
Interest income from cash and cash equivalents	(15)	(6)	(27)	(16)	(29)
Interest	**106**	**127**	**207**	**245**	**492**
Premium related to early redemption of borrowings and fees related to issuance or cancellation of credit lines	*2*	*1*	*4*	*6*	*43*
	108	***128***	***211***	***251***	***535***

Note 6 Income taxes

(in millions of euros)	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010	Year ended December 31, 2010
(Charge)/Income					
Impact of the Consolidated Global Profit Tax System	258 (a)	144	504 (a)	290	574
Other components of the provision for income taxes	(497)	(481)	(941)	(888)	(1,616) (b)
Provision for income taxes	**(239)**	**(337)**	**(437)**	**(598)**	**(1,042)**

a. Includes 25% and 50% of the expected tax savings for the 2012 fiscal year, respectively. On July 6, 2011, Vivendi applied to the French Ministry of Finance for the renewal of its authorization to use the Consolidated Global Profit Tax System for a three year period from 2012 to 2014.

b. Includes -€76 million related to the utilization of Neuf Cegetel's ordinary tax losses carried forward.

Note 7 Earnings per share

	Three months ended June 30, 2011 Basic	2011 Diluted	2010 Basic	2010 Diluted	Six months ended June 30, 2011 Basic	2011 Diluted	2010 Basic	2010 Diluted	Year ended December 31, 2010 Basic	Diluted
Earnings attributable to Vivendi shareowners (in millions of euros)	824	823 (a)	669	668 (a)	2,558	2,555 (a)	1,267	1,264 (a)	2,198	2,196 (a)
Number of shares (in millions)										
Weighted average number of shares outstanding restated (b)	1,236.2	1,236.2	1,229.1	1,229.1	1,236.2	1,236.2	1,228.9	1,228.9	1,232.3	1,232.3
Potential dilutive effects related to share-based compensation	-	2.5	-	2.0	-	3.0	-	2.1	-	2.2
Adjusted weighted average number of shares	**1,236.2**	**1,238.7**	**1,229.1**	**1,231.1**	**1,236.2**	**1,239.2**	**1,228.9**	**1,231.0**	**1,232.3**	**1,234.5**
Earnings attributable to Vivendi shareowners per share (in euros)	0.67	0.66	0.54	0.54	2.07	2.06	1.03	1.03	1.78	1.78

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

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

b. Net of treasury shares (1.3 million shares as of June 30, 2011).

Note 8 Goodwill

(in millions of euros)	June 30, 2011	December 31, 2010
Goodwill, gross	36,592	37,518
Impairment losses	(11,691)	(12,173)
Goodwill	**24,901**	**25,345**

Changes in goodwill

(in millions of euros)	December 31, 2010	Business combinations	Divestitures, changes in foreign currency translation adjustments and other	June 30, 2011
Activision Blizzard	2,257	2	(138)	2,121
of which Activision	*2,209*	*2*	*(138)*	*2,073*
Blizzard	*44*	-	-	*44*
Universal Music Group	4,011	-	(253)	3,758
SFR	9,170	-	(18)	9,152
of which Mobile	*6,982*	-	*(18)*	*6,964*
Broadband Internet and fixed	*2,188*	-	-	*2,188*
Maroc Telecom Group	2,409	-	(20)	2,389
of which Maroc Telecom SA	*1,792*	-	*(18)*	*1,774*
subsidiaries	*617*	-	*(2)*	*615*
GVT	2,423	-	(37)	2,386
Canal+ Group	4,992	24	(1)	5,015
of which Canal+ France	*4,689*	-	-	*4,689*
StudioCanal	*149*	*24*	*(1)*	*172*
Non-core operations and others	83	(3)	-	80
Total	**25,345**	**23**	**(467)**	**24,901**

Goodwill impairment test

As a reminder, no goodwill impairment test of GVT was undertaken as of December 31, 2010, given that the purchase price allocation date was close to the closing date, and considering that no triggering event had occurred between those dates. As of June 30, 2011, Vivendi tested the value of goodwill allocated to GVT, on the basis of an internal valuation of the recoverable amount of GVT. The latter was determined as the higher of the value in use determined by the discounted value of future cash flows (discounted cash flow method (DCF)) and the fair value (less costs to sell), determined on the basis of market data (stock market prices, comparable listed companies, comparison with the value attributed to similar assets or companies in recent transactions). The discounted value of future cash flows was determined by using cash flow projections consistent with the most recent forecasts prepared by GVT. For a description of the methods used for the impairment test, please refer to Note 1.3.5.7 to the Consolidated Financial Statements for the year ended December 31, 2010 (see pages 183 and 184 of 2010 Annual Report). As a result, Vivendi's management concluded that the recoverable amount of GVT exceeded its carrying value as of June 30, 2011.

The following table presents the changes in the discount rate and in the perpetual growth rate used for the goodwill impairment test of GVT as of June 30, 2011 that would have been required in order for the recoverable amount of GVT to equal the carrying value.

	June 30, 2011			
	Discount Rate		Perpetual Growth Rate	
	Applied Rate (in %)	Change in the discount rate in order for the recoverable amount to be equal to the carrying amount (in points)	Applied Rate (in %)	Change in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in points)
GVT	11.54%	+1.64 point	4.00%	-3.41 points

Besides, Vivendi assessed whether as of June 30, 2011, there was any indication that another Cash Generating Unit (CGU) or group of CGU may be impaired at that date. Vivendi management concluded that there was no indication of reduction in the value of any CGU or group of CGU, compared to December 31, 2010. In addition, Vivendi will perform an annual impairment test of the carrying value of goodwill and intangible assets during the fourth quarter of 2011.

Note 9 Content assets and commitments

9.1 Content assets

(in millions of euros)	June 30, 2011 Content assets, gross	June 30, 2011 Accumulated amortization and impairment losses	June 30, 2011 Content assets	December 31, 2010 Content assets
Internally developed franchises and other games content assets	456	(257)	199	227
Games advances	95	-	95	101
Music catalogs and publishing rights	5,905	(4,232)	1,673	1,917
Advances to artists and repertoire owners	487	-	487	485
Merchandising contracts and artists services	50	(32)	18	21
Film and television costs	5,034	(4,291)	743	753
Sports rights	47	-	47	312
Content assets	**12,074**	**(8,812)**	**3,262**	**3,816**
Deduction of current content assets	(752)	13	(739)	(1,032)
Non-current content assets	**11,322**	**(8,799)**	**2,523**	**2,784**

9.2 Contractual content commitments

Commitments given recorded in the Statement of Financial Position: content liabilities

(in millions of euros)	Minimum future payments as of June 30, 2011	Minimum future payments as of December 31, 2010
Games royalties	18	43
Music royalties to artists and repertoire owners	1,253	1,417
Film and television rights	191	213
Sports rights (a)	42	379
Creative talent, employment agreements and others	49	56
Total content liabilities	**1,553**	**2,108**

a. The decrease in the amount recorded for sports rights in the Statement of Financial Position is mainly due to the consumption of the broadcasting rights related to the French professional Soccer League 1 for the 2010-2011 season.

Off balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of June 30, 2011	Minimum future payments as of December 31, 2010
Film and television rights (a)	1,952	2,011
Sports rights	2,567 (b)	730
Creative talent, employment agreements and others	886	918
Total given	**5,405**	**3,659**
Film and television rights	(78)	(70)
Sports rights	(20)	(22)
Creative talent, employment agreements and others	not available	
Other	(88)	(131)
Total received	**(186)**	**(223)**
Total net	**5,219**	**3,436**

a. In connection with these rights, the amount of provisions recorded was €170 million as of June 30, 2011 (compared to €184 million as of December 31, 2010).

b. Notably includes the rights to broadcast the French professional Soccer League 1 awarded to Canal+ Group for the 2012-2013 to 2015-2016 seasons (€1,680 million) and for the 2011-2012 season (€465 million): please refer to Section 1.1.5 of the Financial Report. These commitments will be recognized in the Statement of Financial Position upon the start of every season or upon initial payment.

Note 10 Investments in equity affiliates

(in millions of euros)	Voting interest		Value of equity affiliates	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
NBC Universal (a)	-	12.34%	-	2,779
Other	na*	na*	135	127
			135	**2,906**

na*: not applicable.

Changes in value of equity affiliates

(in millions of euros)	December 31, 2010	Changes in scope of consolidation	Impairment losses	Income from equity affiliates	Changes in foreign currency translation adjustments and other	June 30, 2011
NBC Universal (a)	2,779	(2,771)	-	-	(8)	-
Other	127	31	(2)	(13)	(8)	135
	2,906	**(2,740)**	**(2)**	**(13)**	**(16)**	**135**

a. A detailed description of the sale of Vivendi's interest in NBC Universal and its accounting treatment is described in Note 2.2.

Note 11 Financial assets

(in millions of euros)	June 30, 2011	December 31, 2010
Cash management financial assets (a)	422	508
Available-for-sale securities	53	50
Derivative financial instruments	68	91
Other financial assets at fair value through profit or loss	34	35
Financial assets at fair value	**577**	**684**
Other loans and receivables	236	412
Cash deposits backing borrowings	15	22
Financial assets at amortized cost	**251**	**434**
Financial assets	**828**	**1,118**
Deduction of current financial assets	(493)	(622)
Non-current financial assets	**335**	**496**

a. Relates to US treasuries and government agency securities, with a maturity exceeding three months, held by Activision Blizzard for $596 million as of June 30, 2011 (compared to $672 million as of December 31, 2010).

Note 12 Provisions

(in millions of euros)	Note	December 31, 2010	Addition	Utilization	Reversal	Divestitures, changes in foreign currency translation adjusments and other	June 30, 2011
Employee benefit plans		*432*	*14*	*(24)*	*-*	*(6)*	*416*
Share-based compensation plans		*16*	*4*	*(2)*	*(1)*	*(1)*	*16*
Other employee provisions		*63*	*9*	*(12)*	*-*	*6*	*66*
Employee benefits		511	27	(38)	(1)	(1)	498
Restructuring costs		42	54	(48)	-	(2)	46
Litigations	17	443	23	(7)	(17)	21	463
Losses on onerous contracts		394	4	(65)	(46)	3	290
Contingent liabilities due to disposal		50	-	-	-	(1)	49
Cost of dismantling and restoring site		63	-	(1)	-	1	63
Other		526	45	(28)	(21)	(12)	510
Provisions		**2,029**	**153**	**(187)**	**(85)**	**9**	**1,919**
Deduction of current provisions		(552)	(53)	41	24	(45)	(585)
Non-current provisions		**1,477**	**100**	**(146)**	**(61)**	**(36)**	**1,334**

Note 13 Share-based compensation plans

13.1 Impacts on the Consolidated Statement of Earnings

(in millions of euros) **Charge/(Income)**	Note	Six months ended June 30, 2011	Six months ended June 30, 2010	Year ended December 31, 2010
Stock options, restricted stocks and performance shares		13	13	27
"Stock appreciation rights" and "restricted stock units"		(1)	(11)	(5)
Employee stock purchase plans		25	14	15
Vivendi stock instruments	13.2	**37**	**16**	**37**
Activision Blizzard stock instruments	13.3	**36**	**28**	**69**
UMG employee equity unit plan		**4**	**3**	**7**
Subtotal (including Activision Blizzard's capitalized costs)		**77**	**47**	**113**
of which				
equity-settled instruments		*74*	*54*	*110*
cash-settled instruments		*3*	*(7)*	*3*
(-) Activision Blizzard's capitalized costs (a)		**(5)**	**19**	**26**
Charges/(Income) related to stock options and other share-based compensation plans		**72**	**66**	**139**

a. During the first half of 2011, €10 million were capitalized (compared to €15 million for the first half of 2010), and €5 million were amortized (compared to €34 million for the first half of 2010), representing a net impact of €5 million (compared to -€19 million for the first half of 2010).

13.2 Plans granted by Vivendi

Information on plans granted by Vivendi during the first half of 2011

During the first half of 2011, Vivendi set up equity settled stock option and performance share plans, irrespective of the tax residence of the employee, as well as stock purchase plans for its employees and retirees (employee stock purchase and leveraged plans). For a detailed description of the plans and their respective accounting treatment, please refer to Notes 1.3.10 and 21 to the Consolidated Financial Statements for the year ended December 31, 2010 contained in the 2010 Annual Report (pages 188 through 189 and 228 through 237, respectively).

Stock option and performance share plans

Similarly to plans granted in 2010, the main features of the plans granted during the first half of 2011 were as follows:

- stock options vest at the end of a three-year period and expire at the end of a ten-year period (with a 6.5 year expected term); and
- performance shares vest at the end of a two-year period and become available at the end of a four-year period.

On April 13, 2011, 2,527 thousand options and 1,679 thousand performance shares were granted:

- with a 3.21% risk-free interest rate, the fair value of each option granted was €2.16; and
- after taking into account a 4.5% discount for non-transferability of the share price at grant date, the fair value of each granted performance share was €16.84.

Grant date	April 13, 2011
Data at grant date:	
Option strike price (in euros)	19.93
Share price (in euros)	20.56
Expected volatility (a)	25%
Expected dividend yield	7.30%
Performance conditions achievement rate (b)	100%

a. The volatility corresponds to the weighted average of (a) 75% of the historical volatility of Vivendi shares computed on a 6.5-year period (compared to a 5-year period as of December 31, 2010) and (b) 25% of the implied volatility based on Vivendi put and call options traded on a liquid market with a maturity of 6 months or more.

b. The final grant of stock options and performance shares is subject to the satisfaction of performance conditions. These performances are weighted beginning in 2011, as follows:
   - adjusted net income (45%);
   - cash flow from operations (CFFO) (25%); and
   - the performance of Vivendi shares compared to two trading indices (30%): Stoxx Europe 600 Telecommunications index (60%) and a Media index composed of a representative panel of companies involved in the media, video games and music sectors (40%).

   In addition, the assessment period for stock option performance criteria has been aligned with the performance share criteria, i.e., two years (compared to one year, previously).

Employee stock purchase and leveraged plans

Under the June 2011 employee stock purchase and leveraged plans, the number of subscribed shares was 1,841 thousand and 7,320 thousand, respectively:

- After taking into account a 10.0% discount for non-transferability of the share price at grant date, the fair value per subscribed share was €1.3 under the employee stock purchase plan.
- After taking into account a 1.0% discount for non-transferability following the leveraged impact, the fair value per subscribed share was €2.9 under the leveraged plan. Under the leveraged plans, virtually all employees and retirees of Vivendi and its French and foreign subsidiaries are entitled to subscribe to Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plans) corresponding to 10 shares for one subscribed share. A financial institution mandated by Vivendi hedges this transaction.

Given the amount of subscriptions made through the traditional employee share purchase plans and the leveraged plans, the share capital (including issue premium) increased by €143 million on July 21, 2011.

Grant date	June 23, 2011
Subscription price (in euros)	15.27
Maturity (in years)	5
Data at grant date:	
Share price (in euros)	18.39
Discount to face value	16.97%
Expected dividend yield	8.16%
Risk-free interest rate	2.44%
5-year interest rate	6.15%
Repo rate	0.36%

Activity since January 1, 2011 under active plans

Equity-settled instruments

	Stock options			Performance shares	
	Number of stock options outstanding		Weighted average strike price of stock options outstanding	Number of performance shares outstanding	
	(in thousands)		(in euros)	(in thousands)	
Balance as of December 31, 2010	**48,922**		**21.4**	**1,827**	
Granted	2,527		19.9	1,754	
Exercised	(526)	(a)	13.9	(507)	
Cancelled	(909)		19.7	(87)	
Balance as of June 30, 2011	**50,014**	(b)	**21.5**	**2,987**	(c)
Exercisable as of June 30, 2011	**35,768**		**22.6**	**-**	
Acquired as of June 30, 2011	**35,980**		**22.5**	**142**	

a. The weighted average share price for Vivendi shares on the date the options were exercised was €20.15.

b. As of June 30, 2011, the total intrinsic value of outstanding stock options was €26 million and their weighted average remaining contractual life amounted to 5.6 years.

c. As of June 30, 2011, the weighted-average remaining period before issuing shares under performance shares was 1.8 year.

Cash-settled instruments

	SAR (including former ADS converted into SAR in May 2006)			RSU	
	Number of SAR outstanding		Weighted average strike price of SAR outstanding	Number of restricted stock units outstanding	
	(in thousands)		(in US dollars)	(in thousands)	
Balance as of December 31, 2010	**5,102**		**30.2**	**99**	
Exercised	(20)	(a)	17.1	(99)	(c)
Forfeited	(4)		17.4	-	
Balance as of June 30, 2011	**5,078**	(b)	**30.2**	**-**	
Exercisable as of June 30, 2011	**5,078**		**30.2**	**-**	
Acquired as of June 30, 2011	**5,078**		**30.2**	**-**	

a. The weighted average share price for Vivendi shares on the date the SAR were exercised was $29.14.

b. As of June 30, 2011, the total intrinsic value of the SAR amounted to $7 million and their weighted average remaining contractual life amounted to 4.2 years.

c. In April 2011, the beneficiaries of the last RSU plan that was granted in April 2007 received a cash payment, based on Vivendi's share price, for a total amount of €2 million.

13.3 Plans granted by Activision Blizzard

Information on plans granted by Activision Blizzard during the first half of 2011

	Stock option plans
Number of instruments granted (in thousands)	744
Maturity (in years)	10
Weighted-average data at grant date: (a)	
Options strike price (in US dollars)	11.01
Expected term (in years)	5.67
Share price (in US dollars)	11.01
Expected volatility	42%
Risk-free interest rate	3.67%
Expected dividend yield	1.45%
Performance conditions achievement rate	na*
Weighted-average fair value of the option at grant date (in US dollars) (a)	**3.41**
Weighted-average fair value of the plan at grant date (in millions of US dollars) (a)	3

	Restricted stock plans
Number of instruments granted (in thousands)	1,479
Weighted-average data at grant date: (a)	
Vesting period (in years)	3
Share price (in US dollars)	11.01
Expected dividend yield	1.45%
Performance conditions achievement rate	na*
Weighted-average fair value of the instrument at grant date (in US dollars) (a)	**10.96**
Weighted-average fair value of the plan at grant date (in millions of US dollars) (a)	16

na*: not applicable.

a. Relates to the weighted-average by number of instruments for each attribution during the half year ended June 30, 2011.

Activity since January 1, 2011 under active plans

	Stock options			Restricted stocks	
	Number of stock options outstanding		Weighted average strike price of stock options outstanding	Number of restricted stocks outstanding	
	(in thousands)		(in US dollars)	(in thousands)	
Balance as of December 31, 2010	**61,175**		**10.5**	**16,572**	
Granted	744		11.0	1,479	
Exercised	(3,865)	(a)	7.5	(602)	
Forfeited/Expired	(980)		11.1	(546)	
Cancelled	(261)		13.3	-	
Balance as of June 30, 2011	**56,813**	(b)	**10.6**	**16,903**	(c)
Exercisable as of June 30, 2011	**35,719**		**9.7**	**-**	
Acquired as of June 30, 2011	**35,719**		**9.7**	**-**	

a. The weighted average share price for Activision Blizzard shares on the date the options were exercised was $11.48.

b. As of June 30, 2011, the total intrinsic value of outstanding stock options was $107 million and their weighted average remaining contractual life was 6.5 years.

c. As of June 30, 2011, under restricted stocks, the weighted average remaining period before issuing shares was 1.7 year.

Note 14 Borrowings and other financial liabilities

14.1 Analysis of long-term borrowings and other financial liabilities

(in millions of euros)	Nominal interest rate (%)	Effective interest rate (%)	Maturity	June 30, 2011		December 31, 2010
Bonds						
€750 million bond issue (March 2010) (a)	4.00%	4.15%	March 2017	750		750
€700 million bond issue (December 2009) (a)	4.88%	4.95%	December 2019	700		700
€500 million bond issue (December 2009) (a)	4.25%	4.39%	December 2016	500		500
€1.1 billion bond issue (January 2009) (a)	7.75%	7.69%	January 2014	894		894
€700 million bond issue (October 2006) (a)	4.50%	5.47%	October 2013	700		700
€600 million bond issue (February 2005) (a)	3.88%	3.94%	February 2012	-	(b)	600
$700 million bond issue (April 2008)	6.63%	6.85%	April 2018	496	(c)	529
$700 million bond issue (April 2008)	5.75%	6.06%	April 2013	496	(c)	529
Subtotal: Vivendi SA's bonds				*4,536*		*5,202*
€1.0 billion bond issue (July 2005) (a)	3.375%	4.14%	July 2012	1,000		1,000
€300 million bond issue (July 2009) (a)	5.00%	5.05%	July 2014	300		300
Subtotal: SFR's bonds				*1,300*		*1,300*
Facilities						
€2.0 billion revolving facility	Euribor +0.250%	-	August 2013	2,000	(d)	750
€2.0 billion revolving facility	Euribor +0.400%	-	February 2013	1,000		-
€1.0 billion revolving facility	Euribor +0.550%	-	September 2015	475		-
€5.0 billion revolving facility (e)						
tranche A: €1.5 billion	Euribor +0.350%	-	December 2012	1,250		-
tranche B: €1.5 billion	Euribor +0.450%	-	May 2014	725		-
tranche C: €2.0 billion	Euribor +0.550%	-	May 2016	550		-
Subtotal: Vivendi SA's facilities				*6,000*		*750*
€450 million revolving facility	Euribor +0.160%	-	November 2012	-		430
€1.2 billion revolving facility	Euribor +0.750%	-	June 2015	100		-
Securitization programs (f)	Euribor +0.400%	-	March 2016	455		310
Subtotal: SFR's facilities				*555*		*740*
GVT - BNDES notes (g)	-	-	2017	175		163
Maroc Telecom - MAD 3 billion note	5.05%	-	July 2014	120		148
Other	-	-	na*	205		214
Nominal value of borrowings				**12,891**		**8,517**
Cumulative effect of amortized cost and reevaluation due to hedge accounting	-	-	-	(23)		(6)
Borrowings				**12,868**		**8,511**
Commitments to purchase non-controlling interests				**2**		**1**
Other derivative instruments				**36**		**61**
Long-term borrowings and other financial liabilities				**12,906**		**8,573**

na*: not applicable.

a. The bonds, listed on the Luxembourg Stock Exchange, are subject to customary provisions on pari-passu ranking, negative pledge and events of default.

b. This line item was reclassified to "Short-term borrowings and other financial liabilities".

c. As of June 30, 2011, the nominal value of these dollar denominated bonds issued in April 2008 was calculated based on the exchange rate on the closing date, i.e., 1.41 euro/US dollar (compared to 1.32 euro/US dollar as of December 31, 2010).

d. Includes €271 million maturing in August 2012.

e. On May 16, 2011, Vivendi completed a new syndicated bank facility of €5 billion: for a detailed description, please refer to Note 14.3 below.

f. In March 2011, SFR refinanced its €310 million securitization program initially maturing in January 2015 and a Euribor +0.800% nominal interest rate, which was replaced by a €500 million securitization program maturing in March 2016 and a Euribor +0.400% nominal interest rate.

g. As of June 30, 2011, the average rate paid on the notes with the BNDES (*National Bank for Economic and Social Development*) was 11.25%.

14.2 Analysis of short-term borrowings and other financial liabilities

(in millions of euros)	Nominal interest rate (%)	Maturity	June 30, 2011	December 31, 2010
Bonds				
Vivendi SA - €700 million bond issue (October 2006)	Euribor 3 months +0.50%	October 2011	700	700
Vivendi SA - €600 million bond issue (February 2005)	3.88%	February 2012	600	-
Subtotal: bonds			*1,300*	*700*
Facilities				
SFR - Securitization programs	Euribor +0.750%	March 2011	-	283
SFR - Syndicated facility ("Club Deal") tranche B	Euribor +0.325%	March 2012	492	-
Maroc Telecom - Bank facitiy	4.50%	May 2012	436	42
GVT - BNDES notes	-	-	35	23
Subtotal: facilities			*963*	*348*
Commercial paper	-	-	1,305	1,697
Bank overdrafts	-	-	258	276
Other	-	-	583	370
Nominal value of borrowings			**4,409**	**3,391**
Cumulative effect of amortized cost and reevaluation due to hedge accounting	-	-	-	-
Borrowings			**4,409**	**3,391**
Commitments to purchase non-controlling interests			**3**	**5**
Other derivative instruments			**55**	**34**
Short-term borrowings and other financial liabilities			**4,467**	**3,430**

14.3 Available bank credit facilities and maturity date for bonds

The following table shows both Vivendi SA's and SFR's bonds and bank credit facilities, cumulated and due within the next five years. Amounts relating to bank credit facilities correspond to their maximum amount, i.e., available and drawn amount, excluding the amount backing commercial paper.

(in millions of euros)	June 30, 2011	Maturing before June 30,					Maturing after
		2012	2013	2014	2015	2016	June 30, 2016
Bonds							
Vivendi SA (a)	5,836	1,300	496	1,594	-	-	2,446
SFR	1,300	-	1,000	-	300	-	-
Sub-total	***7,136***	***1,300***	***1,496***	***1,594***	***300***	***-***	***2,446***
Bank credit facilities							
Vivendi SA	9,000	-	2,771	3,229	-	3,000	-
SFR	2,292	592	-	-	1,200	500	-
Sub-total	***11,292***	***592***	***2,771***	***3,229***	***1,200***	***3,500***	***-***
Vivendi SA	14,836	1,300	3,267	4,823	-	3,000	2,446
SFR	3,592	592	1,000	-	1,500	500	-
Total	**18,428**	**1,892**	**4,267**	**4,823**	**1,500**	**3,500**	**2,446**

a. On July 4, 2011, Vivendi issued a €1,750 million bond comprised of two tranches:

- the first tranche, in the amount of €1,000 million, with a 4-year maturity and a 3.5% coupon issued at a price of 99.637%, corresponding to a 3.599% yield; and
- the second tranche, in the amount of €750 million, with a 10-year maturity and a 4.75% coupon issued at a price of 99.145%, corresponding to a 4.86% yield.

As of June 30, 2011 and December 31, 2010, Vivendi SA and SFR notably had the following available bank credit facilities:

(in millions of euros)	Maturity	As of June 30, 2011 Maximum amount	Drawn amount	Available amount	As of December 31, 2010 Maximum amount	Drawn amount	Available amount
Vivendi SA							
€2.0 billion revolving facility (April 2005) (a)	-	-	-	-	2,000	-	2,000
€2.0 billion revolving facility (August 2006)							
of which initial credit line	August 2012	271	271	-	271	-	271
extended credit line	August 2013	1,729	1,729	-	1,729	750	979
€2.0 billion revolving facility (February 2008) - tranche 2	February 2013	1,000	1,000	-	1,000	-	1,000
€1.0 billion revolving facility (September 2010)	September 2015	1,000	475	525	1,000	-	1,000
€5.0 billion revolving facility (May 2011) (a)							
of which tranche A	December 2012	1,500	1,250	250	-	-	-
tranche B	May 2014	1,500	725	775	-	-	-
tranche C	May 2016	2,000	550	1,450	-	-	-
Sub-total		***9,000***	***6,000***	***3,000***	***6,000***	***750***	***5,250***
Commercial paper issued (b)				*(594)*			*(851)*
Total of Vivendi SA's available bank credit facilities, net of commercial paper				**2,406**			**4,399**
SFR							
€450 million revolving facility (November 2005) (a)	-	-	-	-	450	430	20
€850 million revolving facility (May 2008) (a)	-	-	-	-	850	-	850
€1.2 billion revolving facility (June 2010)	June 2015	1,200	100	1,100	1,200	-	1,200
€100 million revolving facility (November 2008)	February 2012	100	-	100	100	-	100
Syndicated loan "Club Deal" (July 2005) - tranche B	March 2012	492	492	-	492	-	492
Securitization program (March 2011)	March 2016	500	455	45	310	310	-
Securitization program (March 2006)	March 2011	-	-	-	300	283	17
Sub-total		***2,292***	***1,047***	***1,245***	***3,702***	***1,023***	***2,679***
Commercial paper issued (b)				*(720)*			*(854)*
Total of SFR's available bank credit facilities, net of commercial paper				**525**			**1,825**
Total Vivendi SA and SFR		**11,292**		**2,931**	**9,702**		**6,224**

a. On May 16, 2011, Vivendi completed a new syndicated bank credit facility comprised of €5 billion with 3 tranches, of which (i) tranche B, which replaced SFR's revolving facilities of €450 million initially maturing in November 2012 and of €850 million initially maturing in May 2013; and (ii) tranche C, which refinanced Vivendi SA's revolving facility of €2 billion, initially maturing in April 2012.

b. The short term commercial papers are backed to confirmed bank credit facilities, which can no longer be drawn for these amounts. They are recognized under short-term borrowing in the Consolidated Statement of Financial Position.

Available bank credit facilities as of August 30, 2011

As of August 30, 2011, the date of Vivendi's Management Board meeting that approved the Financial Statements for the half year ended June 30, 2011, the group had available committed bank credit facilities in the amount of €11.2 billion, of which €4.2 billion were drawn. Considering the amount of commercial paper issued at this date, and backed on bank credit facilities for €1.3 billion, these facilities were available for an aggregate amount of €5.7 billion.

14.4 Future minimum payments related to borrowings and other financial liabilities

The following table presents the net carrying values of borrowings and other financial liabilities as presented in the Statement of Financial Position ("carrying value") and contractual undiscounted cash flows as set forth in the relevant contracts ("nominal value"):

	June 30, 2011		December 31, 2010	
(in millions of euros)	Carrying value	Nominal value	Carrying value	Nominal value
Nominal value of borrowings (a)	*12,891*	*12,891*	*8,517*	*8,517*
Cumulative effect of amortized cost and reevaluation due to hedge accounting	*(23)*	*-*	*(6)*	*-*
Interest to be paid (b)	*-*	*1,704*	*-*	*1,663*
Borrowings	12,868	14,595	8,511	10,180
Commitments to purchase non-controlling interests	2	2	1	1
Other derivative instruments	36	43	61	70
Long-term borrowings and other financial liabilities	**12,906**	**14,640**	**8,573**	**10,251**
Nominal value of borrowings (a)	*4,409*	*4,409*	*3,391*	*3,391*
Cumulative effect of amortized cost and reevaluation due to hedge accounting	*-*	*-*	*-*	*-*
Interest to be paid (b)	*-*	*50*	*-*	*14*
Borrowings	4,409	4,459	3,391	3,405
Commitments to purchase non-controlling interests	3	3	5	5
Other derivative instruments	55	55	34	32
Short-term borrowings and other financial liabilities	**4,467**	**4,517**	**3,430**	**3,442**
Borrowings and other financial liabilities	**17,373**	**19,157**	**12,003**	**13,693**

a. Contractual undiscounted cash flows related to nominal value of borrowings in currency were estimated based on the applicable exchange rate as of June 30, 2011 and December 31, 2010, respectively.

b. The interest to be paid on floating rate borrowings was estimated based on the floating rate as of June 30, 2011 and December 31, 2010, respectively.

14.5 Description of the main financial covenants

Vivendi SA

Vivendi SA is subject to certain financial covenants pursuant to which Vivendi SA is required to comply with various financial ratios, as described hereunder. As of June 30, 2011, Vivendi SA was in compliance with its financial ratios.

Bank credit facilities

The syndicated bank credit facilities (please refer to Note 14.3 above) contain customary provisions related to events of default and covenants relating to negative pledge, divestiture and merger transactions. In addition, at the end of each half year, Vivendi SA is required to comply with a ratio of Proportionate Financial Net Debt[2] to Proportionate EBITDA[3] over a twelve-month rolling period not exceeding three for the duration of the facilities. Non-compliance with this ratio could result in the early repayment of the facilities if they were drawn, or their cancellation.

The renewal of bank credit lines when they are drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its obligations with respect to the contracts of the facilities.

Bonds

Bonds issued by Vivendi SA (totalling €5.8 billion as of June 30, 2011) contain customary provisions related to default, negative pledge and rights of payment (pari-passu ranking). In addition, bonds issued since 2006 by Vivendi SA for a total amount of €5.2 billion contain a change in control trigger if the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-) as a result of such an event.

[2] Defined as Vivendi's Financial Net Debt excluding cash management financial assets less the share of Financial Net Debt excluding cash management financial assets attributable to non-controlling interests in Activision Blizzard and Maroc Telecom Group.

[3] Defined as Vivendi modified EBITDA less modified EBITDA attributable to non-controlling interests in Activision Blizzard and Maroc Telecom Group plus the dividends received from non-consolidated entities.

SFR

SFR is subject to certain financial covenants pursuant to which SFR is required to comply with various financial ratios, as described hereunder. As of June 30, 2011, SFR was in compliance with its financial ratios.

Bank credit facilities

SFR's credit facilities (please refer to Note 14.3 above) contain customary default, negative pledge, and merger and divestiture covenants. These bank credit facilities are subject to a change in control provision. In addition, at the end of each half year, SFR must comply with the two following financial ratios: (i) a ratio of Financial Net Debt to consolidated EBITDA over a twelve-month rolling period not exceeding 3.5; and (ii) a ratio of consolidated earnings from operations (consolidated EFO) to consolidated net financing costs (interest) equal to or greater than 3. Non-compliance with these financial ratios would constitute an event of default that could among others result in the cancellation or the early repayment of the various bank credit facilities.

The renewal of bank credit facilities when they are drawn and the launch of securitization programs are contingent upon the issuer reiterating certain representations regarding its ability to comply with its financial obligations.

Bonds

Bonds issued by SFR (totalling €1.3 billion as of June 30, 2011) contain customary provisions related to default, negative pledge and rights of payment (pari-passu ranking).

GVT

The notes entered into by GVT with the BNDES (National Bank for Economic and Social Development) contain a change in control trigger and are subject to certain financial covenants pursuant to which GVT is required to comply, at the end of each half year, with at least three of the following financial ratios: (i) a ratio of equity to total assets equal to or greater than 0.40; (ii) a ratio of Financial Net Debt to consolidated EBITDA not exceeding 2.50; (iii) a ratio of current financial liabilities to EBITDA not exceeding 0.45; and (iv) a ratio of EBITDA to net financial expenses of at least 4.00. As of June 30, 2011, GVT was in compliance with these financial ratios.

14.6 Intercompany loans

(in millions of euros, except where noted)	Maturity	As of June 30, 2011			As of December 31, 2010		
		Maximum amount	Drawn amount	Available amount	Maximum amount	Drawn amount	Available amount
Loan facility granted by Vivendi SA to SFR							
€3 billion revolving facility (April 2008)							
of which tranche C	December 2012	1,000	1,000	-	1,000	1,000	-
€1.5 billion revolving facility (June 2009)	June 2013	1,500	1,500	-	1,500	1,450	50
€1 billion current account facility (January 2011)	January 2012	1,000	1,000	-	-	-	-
Total		**3,500**	**3,500**	**-**	**2,500**	**2,450**	**50**
Loan facility granted by Vivendi to GVT (March 2010)	March 2015	540	254	286	540	156	384
Loan facility granted by SPT to Maroc Telecom							
MAD 3,450 million short-term loan facility (June 2010)	March 2011	-	-	-	1,150	1,150	-
MAD 3,600 million short-term loan facility (May 2011) (a)	March 2012	3,600	3,600	-	-	-	-

a. The MAD 3,600 million loan facility granted in May 2011 (structured in three tranches of MAD 1,200 million each and maturing in September 2011, December 2011, and March 2012, respectively) has replaced the MAD 3,450 million loan facility granted in June 2010.

14.7 Average maturity of the financial debt

The average term of the instruments included in Vivendi's consolidated financial debt may be assessed using two methodologies:

- The "accounting" average term, pursuant to which a short-term draw-down on a medium-term credit line is only taken into account for the term of the short-term draw-down. As of June 30, 2011, the "accounting" average term of the group's financial debt was of 1.8 years (compared to 2.8 years at year-end 2010).
- The "economic" average term, pursuant to which all undrawn amounts on available medium-term credit lines may be used to reimburse group borrowings with the shortest term. As of June 30, 2011, the "economic" average term of the group's financial debt was of 3.8 years (compared to 4.0 years at year-end 2010).

14.8 Credit ratings

As of August 30, 2011, the date of the Management Board meeting which approved the Financial Statements for the half year ended June 30, 2011, the credit ratings of Vivendi were as follows:

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

In addition, SFR's credit rating was aligned to that of Vivendi, following the announcement of the acquisition of Vodafone's 44% interest in SFR.

14.9 Financial Net Debt of Maroc Telecom Group and net cash position of Activision Blizzard

As of June 30, 2011:

- Maroc Telecom Group's Financial Net Debt amounted to €1,006 million (compared to €388 million as of December 31, 2010); and
- Activision Blizzard had a positive net cash position of €2,075 million (compared to €2,632 million as of December 31, 2010).

Note 15 Related party transactions

As of June 30, 2011, Vivendi's major related parties were non-controlling shareholders who exercised significant influence on certain subsidiaries of the group: the Kingdom of Morocco, which owns a 30% interest in Maroc Telecom Group and Lagardère, which owns a 20% interest in Canal+ France.

During the first half of 2011, Vivendi completed the sale of its interest in NBC Universal and acquired Vodafone's 44% interest in SFR (please refer to Note 2 for further details regarding these two transactions). In addition, Lagardère informed Vivendi of its intention to exercise its liquidity right regarding its 20% interest in Canal+ France (please refer to Section 1.1.5 of the Financial Report).

Vivendi has neither concluded nor amended any other significant related party transactions during the half year ended June 30, 2011.

Note 16 Commitments

16.1 Contractual obligations and commercial commitments

(in millions of euros)	Note	June 30, 2011	December 31, 2010
Borrowings and other financial liabilities	14	19,157	13,693
Content liabilities	9	1,553	2,108
Subtotal - future minimum payments related to the consolidated statement of financial position items		**20,710**	**15,801**
Contractual content commitments	9	5,219	3,436
Commercial commitments		2,909	2,411
Operating leases and subleases		2,489	2,620
Subtotal - not recorded in the consolidated statement of financial position		**10,617**	**8,467**
Total contractual obligations and commercial commitments		**31,327**	**24,268**

Off balance sheet commercial commitments

	Minimum future payments as of	
(in millions of euros)	June 30, 2011	December 31, 2010
Satellite transponders	787	839
Investment commitments	1,816	1,373
Other	474	376
Given commitments	**3,077**	**2,588**
Satellite transponders	(75)	(79)
Other	(93)	(98)
Received commitments	**(168)**	**(177)**
Net total	**2,909**	**2,411**

Off balance sheet operating leases and subleases

	Minimum future leases as of	
(in millions of euros)	June 30, 2011	December 31, 2010
Buildings	2,320	2,379
Other	217	289
Leases	**2,537**	**2,668**
Buildings	(48)	(48)
Subleases	**(48)**	**(48)**
Net total	**2,489**	**2,620**

16.2 Share purchase and sale commitments

- Lagardère's liquidity right regarding its non-controlling interest in Canal+ France: please refer to Section 1.1.5 of the Financial Report.

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

- With respect to the agreements implemented on January 14, 2011 to end litigation over the share ownership of PTC in Poland (please refer to Section 1.1.4 of the Financial Report), Vivendi notably undertook the following commitments:
  - Vivendi granted to Deutsche Telekom a warrant over Carcom for a capped amount of €600 million maturing in August 2013;
  - Vivendi committed to compensate Elektrim SA (Elektrim) for the tax consequences of the transaction, within the limit of €20 million. This guarantee matured in July 2011 and claims have not yet been settled;
  - Vivendi committed to compensate Law Debenture Trust Company (LDTC) against any recourse for damages that could be brought against LDTC in connection with the completed transaction, for an amount up to 18.4% for the first €125 million, 46% between €125 and €288 million and 50% thereafter; and

- Vivendi committed to compensate Elektrim's official receiver for the consequences of any action for damages brought against it, in connection with the decisions that were agreed in order to end certain procedures.

- As a reminder, as part of the NBC-Universal transaction which occurred in May 2004, Vivendi and General Electric (GE) gave certain reciprocal commitments customary for this type of transaction (representations and warranties). The sale of Vivendi's interest in NBC Universal to GE completed on January 25, 2011, did not modify these commitments which are described in Note 26 to the Consolidated Financial Statements for the year ended December 31, 2010 (pages 259 and 260 of the Annual Report).

Note 17 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 27 to the Consolidated Financial Statements for the year ended December 31, 2010 and in Section 3, Chapter 2 contained in the 2010 Annual Report ((pages 262 to 267 and pages 56 to 61 respectively). The following paragraphs update such disclosure through August 30, 2011, the date of the Management Board meeting held to approve Vivendi's financial statements for the half year ended June 30, 2011.

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

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi, 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 in a single action under its jurisdiction 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.

On April 9, 2007, Vivendi filed an appeal against this decision. On May 8, 2007, the United States Court of Appeals for the Second Circuit denied Vivendi's petition seeking review of the District Court's decision with respect to class certification. On August 6, 2007, Vivendi filed a petition with the Supreme Court of the United States for a Writ of Certiori seeking to appeal the Second Circuit's decision on class certification. On October 9, 2007, the Supreme Court denied the petition.

On March 12, 2008, Vivendi filed a motion for reconsideration of the Court's class certification decision dated March 22, 2007, that included French shareholders in the plaintiff class. On March 31, 2009, the Court denied that motion.

Following the March 22, 2007 certification decision, 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. The Liberty Media and individual plaintiffs' actions remain pending against the company.

The trial of the class action lawsuit commenced on October 5, 2009, in New York.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000, and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements.

As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On March 26, 2010, Vivendi filed certain post-trial motions with the Court, challenging the jury's verdict.

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."

At a hearing that took place in New York on July 26, 2010, Vivendi petitioned the Court to apply the "Morrison" decision and therefore to exclude from the class shareholders who did not purchase or sell their shares on a U.S. exchange.

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 first take place. On March 8, 2011, plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. The Court of Appeals denied the petition, on July 20, 2011, and dismissed the purchasers who acquired their shares on the Paris stock exchange.

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

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

Vivendi considers that its provision and the assumptions on which it is based may have to be further amended as the proceedings progress, and consequently, the present amount of damages that Vivendi might have to pay the plaintiffs could differ. 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, Messrs. Messier and Hannezo in the District Court for the Southern District of New York for claims arising out of a merger agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Securities Act of 1933 and US Exchange Act of 1934. Liberty Media seeks rescission damages. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. On April 28, 2011, the Court set a trial date of January 23, 2012.

Tenor against Groupe SFR Cegetel, Groupe France Telecom and Bouygues Télécom

On March 3, 2009, the Supreme Court reversed the Court of Appeal's decision dated April 2, 2008, considering that "price scissoring" practices may not, as such, constitute anti-competitive practices. On January 27, 2011, The Paris Court of Appeal overruled the decision of the Competition Council stating that the grievances against SFR and France Telecom have not been proven. The Court ordered the amount of the fine imposed by the Competition Council to be reimbursed. On February 24, 2011, the Competition Authority appealed the decision to the French Supreme Court.

Complaint lodged with the Competition Authority by Orange Réunion, Orange Mayotte and Outre Mer Telecom against Société Réunionnaise du Radiotéléphone (SRR)

Orange Réunion and Orange Mayotte filed a complaint against SRR (an SFR subsidiary) for alleged discriminatory practices. On September 15, 2009, the French Competition Authority imposed temporary protective measures on SRR, requiring it to propose to its subscriber's offers which do not discriminate based on the network used, except to reflect the cost differences among the network operators. On August 18, 2011, the Competition Authority provided SRR with a report stating that SRR had not complied with the order. The investigation is ongoing.

Complaint of Bouygues Telecom against SFR and Orange in connection with the call termination and mobile markets

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices in the call termination and mobile markets ("price scissoring"). On May 15, 2009, the French Competition Authority ("the Authority") resolved to postpone its decision on the issue and remanded the case for further investigation. On December 13, 2010, SFR was heard on these allegations by the instructing magistrate. On August 18, 2011, SFR received a notification of grievances in which the Authority noted the existence of abusive tariff differentiation practices.

SFR against France Télécom

On August 10, 2011, France Télécom filed a claim against SFR before the Paris Commercial Court. France Telecom asked the Court to compel SFR to stop the overflow traffic at the point of interconnection of their respective networks.

Metro Goldwyn Mayer against Groupe Canal+ and others

In 1996, the TPS Group (TPS) entered into an output agreement with Metro Goldwyn Mayer Inc. (MGM), relating to the broadcasting rights of MGM's catalog. This agreement had an initial term of five years and was thereafter renewed for an additional five-year period before being terminated on December 31, 2006. The agreement provided MGM with the right to renew the contract for a new five-year period if TPS merged with another satellite operator before the termination of the agreement. Following the announcement of the merger between TPS and Canal+ France, MGM notified TPS that it would exercise its renewal option and extend the agreement through December 31, 2011. TPS challenged this renewal based on the fact that the merger effectively occurred in January 2007, after the termination of the agreement. In April 2007, MGM filed a complaint against Canal + France, Canal+ Distribution SAS, as successor to TPS, and Groupe Canal+, with the District Court of New York seeking, among other things, damages for breach of contract. On July 21, 2011, the parties entered into a settlement agreement.

Studio Infinity Ward, subsidiary of Activision Blizzard

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

On December 21, 2010, Activision Blizzard filed a consolidated cross complaint in order to add Electronic Arts as a party, the discovery having shown the complicity of Electronic Arts in the case. The Los Angeles Court, following Activision Blizzard's request, agreed to transfer the case to the Complex division.

Activision Blizzard does not expect these two lawsuits to have a material impact on the company.

Telefonica against Vivendi in Brazil

On May 2, 2011, TELESP, Telefonica's Brazilian subsidiary , filed a claim against Vivendi before the Civil Court of São Paulo (3ª Vara Cível do Foro Central da Comarca da Capital do Estado de São Paulo). The company is seeking damages for having been blocked from acquiring control of GVT and damages in the amount of 15 million brazilian reais (approximately 6.7 million Euros) corresponding to the expenses incurred by TELESP in connection with its offer for GVT. Vivendi will contest each of TELESP's claims in the response it will file with the Court.

Inquiries in Brazil

On July 19, 2011, the Public Prosecutor of the State of Paraná decided to close its inquiry into the acquisition of GVT by Vivendi in November 2009. In the decision, the Public Prosecutor particularly underlined that there was no element proving any loss for GVT's shareholders who obtained, on the contrary, a profit with the transaction.

Actions related to the ICMS tax

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

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

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

Note 18 Subsequent events

The major events that have occurred since June 30, 2011 were as follows:

- On July 4, 2011, Vivendi raised €1,750 million through a bond issue comprised of two tranches: please refer to Note 14.3;
- On July 15, 2011, Canal+ Group and Orange announced the completion of their strategic partnership project, under which Canal+ Group would acquire a 33.33% non-controlling interest in Orange Cinema Series; and
- On August 23, 2011, Vivendi acquired a 100% interest in See Tickets, a British ticketing company, for a purchase price of approximately €96 million (£83 million with an enterprise value of £94 million).

IV - Statement on 2011 half year Condensed Financial Statements

This is a free translation into English of the Statement on the 2011 half year Condensed Financial Statements issued in French and is provided solely for the convenience of English speaking readers.

I state, to my knowledge, that the Condensed Financial Statements for the first half year of 2011 were prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of Vivendi and all the companies included in its consolidation scope, and that the half year management report, contained in the first part of this Financial Report, presents a fair view of the significant events which occurred during the first six months of the fiscal year and their impact on the half year financial statements, of related parties and of the major risks and uncertainties for the remaining six months of the fiscal year.

Chairman of the Management Board

Jean-Bernard Lévy

V - Statutory auditors' review report on 2011 half year financial information

To the Shareholders,

Following our appointment as statutory auditors by your General Shareholders' Meetings and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Vivendi S.A for the period from January 1st to June 30, 2011, and
- the verification of information contained in the half-year financial report.

These condensed half-yearly consolidated financial statements are the responsibility of your Management Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying the conclusion expressed above, we draw attention to Note 1.2 to the condensed half-year consolidated financial statements, which provides a description of the change in presentation of the consolidated statement of earnings as of January 1, 2011.

II. Specific verification

We have also verified information given in the half-year financial report in respect of the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, August 30, 2011

KPMG Audit *A department of KPMG S.A.*	ERNST & YOUNG et Autres
Frédéric Quelin	Jean-Yves Jegourel