vivendi

Financial Report and Unaudited Condensed Financial Statements for the First Quarter Ended March 31, 2010

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €6,761,407,229.50

Head Office: 42 avenue de Friedland – 75380 PARIS CEDEX 08 – FRANCE

IMPORTANT NOTICE: READERS ARE STRONGLY ADVISED TO READ THE IMPORTANT DISCLAIMERS AT THE END OF THIS FINANCIAL REPORT.

Selected key consolidated financial data

Consolidated data	1st Quarter ended March 31, (unaudited)		Year ended December 31,			
	2010	2009	2009	2008	2007	2006
Revenues	6,924	6,530	27,132	25,392	21,657	20,044
EBITA (a)	1,590	1,393	5,390	4,953	4,721	4,370
Earnings attributable to Vivendi shareowners (b)	598	493	830	2,603	2,625	4,033
Adjusted net income (a)	736	649	2,585	2,735	2,832	2,614
Financial Net Debt (a) (c)	9,496	8,340	9,566	8,349	5,186	4,344
Total equity (b)	27,961	27,319	25,988	26,626	22,242	21,864
of which Vivendi shareowners' equity (b)	23,561	23,098	22,017	22,515	20,342	19,912
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	1,737	1,698	7,799	7,056	6,507	6,111
Capital expenditures, net (capex, net) (d)	(907)	(770)	(2,562)	(2,001)	(1,626)	(1,645)
Cash flow from operations (CFFO) (a)	830	928	5,237	5,055	4,881	4,466
Financial investments (b)	(340)	(52)	(3,050)	(3,947)	(846)	(3,881)
Financial divestments	99	10	97	352	456	1,801
Dividends paid in respect to previous fiscal year	na* (e)	na*	1,639	1,515	1,387	1,152
Per share amounts						
Weighted average number of shares outstanding	1,228.8	1,170.2	1,203.2	1,167.1	1,160.2	1,153.4
Adjusted net income per share	**0.60**	**0.55**	**2.15**	**2.34**	**2.44**	**2.27**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,228.8	1,170.2	1,228.8	1,170.1	1,164.7	1,155.7
Equity per share, attributable to Vivendi shareowners	19.17	19.74	17.92	19.24	17.47	17.23
Dividends per share paid in respect to previous fiscal year	**na*** (e)	**na***	**1.40**	**1.30**	**1.20**	**1.00**

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

na*: not applicable.

a. Vivendi considers that the non-GAAP measures 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 the notes to the Condensed Financial Statements for the first quarter ended March 31, 2010. These indicators should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performances as disclosed in the Condensed Financial Statements and the related notes, or described in the Financial Report. Moreover, it should be emphasized that other companies may define and calculate these indicators differently than Vivendi, thereby affecting comparability.

b. As a reminder, Vivendi voluntarily opted for the early application, with retroactive effect from January 1, 2009, of revised standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements) the effects of which are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 185 to 202 of the 2009 Annual Report). As a result, certain reclassifications have been made in the Condensed Financial Statements for the first quarter ended March 31, 2009. Please refer to Note 1 to the Condensed Financial Statements for the first quarter ended March 31, 2010.

c. As a reminder, as of December 31, 2009, Vivendi changed the definition of Financial Net Debt to include certain cash management financial assets the characteristics of which do not strictly comply with the definition of cash equivalents as defined by the Recommendation of the AMF and IAS 7. In particular, such 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 of presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the previous fiscal years from 2006 to 2008, is therefore consistent. Please refer to Section 5 of the 2009 Financial Report (pages 164 to 169 of the 2009 Annual Report).

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

e. The dividend for fiscal year 2009 was set at €1.40 per share, representing a total distribution of approximately €1.7 billion and was paid on May 11, 2010.

I – Financial Report for the first quarter ended March 31, 2010

Preliminary comments:

The Financial Report and the Unaudited Condensed Financial Statements for the first quarter ended March 31, 2010 were approved by Vivendi's Management Board on May 11, 2010.

The Financial Report for the first quarter ended March 31, 2010 should be read in conjunction with the Financial Report for the year ended December 31, 2009, as published in the 2009 "Rapport annuel - Document de référence" that was filed under number D.10-0118 with the "Autorité des marchés financiers" (AMF) on March 17, 2010 (the "Document de référence"). Please also refer to pages 139 through 173 of the English translation[1] of the "Document de Référence" (the "2009 Annual Report") which is provided on our website (www.vivendi.com) for informational purposes.

1 Major developments

1.1 Major developments for the first quarter of 2010

Completion of the acquisition of 100% of GVT (Holding) S.A. in Brazil

As a reminder, on November 13, 2009, Vivendi took over GVT (Holding) S.A. (GVT), the leading alternative telecommunications operator in Brazil, which has been fully consolidated by Vivendi since that date. As of December 31, 2009, Vivendi held an 82.45% controlling interest in GVT. For a detailed description of this transaction and the related impacts on Vivendi's financial statements, please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 203 to 204 of the 2009 Annual Report). During the first quarter of 2010, Vivendi acquired 6.3 million additional GVT shares on the market (representing an additional 4.59% controlling interest in GVT) for a total price of €144 million, hence Vivendi held an aggregate 87.04% controlling interest in GVT as of March 31, 2010.

On March 26, 2010, the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliàros*, "CVM") has authorized the registration of the public tender offer for the acquisition of 17.8 million GVT shares (the "Tender Offer"), not held yet by Vivendi. The acquisition price of each share in the Tender Offer amounted to BRL56 per share (the "Offer Price"), adjusted in accordance with the variation of the SELIC Rate (*Taxa Referencial do Sistema Especial de Liquidação e Custódia*) over the period between November 13, 2009 and April 30, 2010, the Tender Offer settlement date. At the close of the auction held on April 27, 2010, Vivendi acquired another 16.6 million supplemental common shares of GVT for a total amount of €416 million and, since that date, holds a total 99.17% controlling interest in GVT. In addition, as a result of the acceptance of the Tender Offer by shareholders representing more than two thirds of the shares qualified for the auction, GVT's registration as a public company will be cancelled, following the CVM's authorization. As the number of shares of GVT owned by Vivendi represents more than 95% of GVT's share capital, GVT will convene a shareholders' special meeting in order to approve the redemption of the remaining shares at the same price as the Tender Offer (adjusted by the SELIC interest rate incurred from the settlement date of the offer to the effective redemption payment date).

In accordance with applicable accounting standards, these additional acquisitions of shares do not impact Vivendi's financial net debt. Indeed, Vivendi's commitment to purchase all tendered shares, i.e., a maximum of 17.55% of GVT's outstanding voting shares as of December 31, 2009, was recorded as a current financial liability for an amount of €571 million, which was included in Vivendi's Financial Net Debt as of December 31, 2009. As of March 31, 2010, as a result of the purchase of shares and foreign exchange hedging impacts realized during the first quarter 2010, as well as the adjustment to the financial liability recorded in respect of the commitment to purchase GVT shares not owned by Vivendi after March 31, 2010, Vivendi recorded a financial liability of €428 million (of which €416 million paid out as of April 30, 2010) in its Statement of Financial Position. Moreover, considering all of these aspects and the purchase of shares after March 31, 2010, the purchase price of the 100% in GVT by Vivendi is a total amount estimated at €3,037 million.

New borrowings set up by Vivendi SA: 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".*

Acquisition of Canal+ France's minority interests

As part of the combination of the Canal+ Group and TPS pay-TV activities in France finalized in January 2007, the present value of the option granted to M6 by Vivendi on its 5.1% interest in the share capital of Canal+ France amounted to €384 million as of December 31, 2009. On February 22, 2010, M6 exercised its put option and thus exited from the share capital of Canal+ France. In accordance with applicable accounting standards, since the put option initially granted to M6 was recognized as financial liabilities in Vivendi's Financial Net Debt, this transaction does not have any impact on Vivendi's Financial Net Debt. As a result of this transaction and the one concluded with TF1 (please refer to Section 1.1.1 of the 2009 Annual Report, page 142), Canal+ Group (wholly owned by Vivendi) holds an 80% controlling interest in Canal+ France.

In addition, on April 15, 2010, Vivendi and Canal+ Group were informed of Lagardère's intention to exercise its liquidity right regarding its 20% stake in Canal+ France, under the procedure provided in the shareholders' agreement concluded on January 4, 2007. For more details, please refer to Note 26.5 to the Consolidated Financial Statements for the year ended December 31, 2009 (page 279 of the 2009 Annual Report).

Stock repurchase program of Activision Blizzard

On February 10, 2010, Activision Blizzard announced that its Board of Directors had authorized a new stock repurchase program under which Activision Blizzard can repurchase shares of its outstanding common stock up to an amount of $1 billion. During the first quarter ended March 31, 2010, Activision Blizzard repurchased approximately 8.5 million shares of its common stock in connection with this program, for a total amount of $92 million. In addition, Activision Blizzard settled a $15 million purchase in January 2010 of 1.3 million shares of its common stock that was agreed to repurchase in December 2009 pursuant to the previous $1.25 billion stock repurchase program, completing that program. In total, Activision Blizzard repurchased approximately 10.0 million shares of its common stock during the first quarter ended March 31, 2010, for an amount of $107 million (€77 million). As of March 31, 2010, Vivendi held an approximate 58% interest (non-diluted) in Activision Blizzard (compared to an approximate 57% as of December 31, 2009).
Moreover, in connection with the approval of its financial statements as of December 31, 2009, Activision Blizzard's Board of Directors declared a cash dividend of $0.15 per common share, payable on April 2, 2010 to shareholders of record at the close of business on February 22, 2010, which represented a cash payment of $108 million from Activision Blizzard to Vivendi.

Dividend paid by SFR: Please refer to Section 5.2 of this Financial Report.

1.2 Major developments since March 31, 2010

Dividend paid with respect to fiscal year 2009

At the Annual Shareholders' Meeting held on April 29, 2010, the shareholders of Vivendi approved the Management Board's recommendations relating to the allocation of distributable earnings for the fiscal year 2009. As a result, the dividend payment was set at €1.40 per share, representing a total distribution of approximately €1.7 billion and was paid on May 11, 2010.

2 Earnings for the first quarter ended March 31, 2010

2.1 Consolidated earnings and adjusted net income

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	1st Quarter ended March 31,		1st Quarter ended March 31,		
	2010	2009	2010	2009	
Revenues	**6,924**	**6,530**	**6,924**	**6,530**	**Revenues**
Cost of revenues	(3,416)	(3,189)	(3,416)	(3,189)	Cost of revenues
Margin from operations	**3,508**	**3,341**	**3,508**	**3,341**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,894)	(1,918)	(1,894)	(1,918)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(24)	(30)	(24)	(30)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(134)	(148)			
Impairment losses of intangible assets acquired through business combinations	-	-			
EBIT	**1,456**	**1,245**	**1,590**	**1,393**	**EBITA**
Income from equity affiliates	15	26	15	26	Income from equity affiliates
Interest	(118)	(108)	(118)	(108)	Interest
Income from investments	-	1	-	1	Income from investments
Other financial charges and income	(69)	(77)			
Earnings from continuing operations before provision for income taxes	**1,284**	**1,087**	**1,487**	**1,312**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(261)	(225)	(298)	(185)	Provision for income taxes
Earnings from continuing operations	**1,023**	**862**			
Earnings from discontinued operations	-	-			
Earnings	**1,023**	**862**	**1,189**	**1,127**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi shareowners	**598**	**493**	**736**	**649**	**Adjusted net income**
Non-controlling interests	425	369	453	478	Non-controlling interests
Earnings attributable to Vivendi shareowners per share - basic (in euros)	**0.49**	**0.42**	**0.60**	**0.55**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi shareowners per share - diluted (in euros)	**0.48**	**0.42**	**0.60**	**0.55**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

Nota: As a reminder, as of June 30, 2009, Vivendi voluntarily opted for the early application, with retroactive effect from January 1, 2009, of revised standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements). Please refer to Note 1 to the Condensed Financial Statements for the first quarter ended March 31, 2010.

2.2 Earnings review

For the first quarter of 2010, **adjusted net income** was €736 million (or €0.60 per share), compared to €649 million (or €0.55 per share) in 2009.

The €87 million increase (+13.4%) in adjusted net income was primarily due to the impact of the following items:

- a €197 million increase in EBITA to a total of €1,590 million. This increase reflected the respective performance of Activision Blizzard (+€199 million) and SFR (+€24 million), as well as the consolidation of GVT since November 13, 2009 (+€43 million), partially offset by a decline in the performance of Universal Music Group (-€42 million) and Canal+ Group (-€24 million), while Maroc Telecom Group remained stable (-€2 million);
- a €25 million decrease in earnings attributable to non-controlling interests;
- a €113 million increase in income tax expense;
- a €11 million decrease in income from equity affiliates; and
- a €10 million increase in interest expense.

Breakdown of the main items from the Statement of Earnings

Revenues were €6,924 million, compared to €6,530 million for the first quarter of 2009, an increase of €394 million (+6.0%, or +6.0% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 "Business segment performance analysis".

Restructuring charges and other operating charges and income amounted to a charge of €24 million, compared to a charge of €30 million for the first quarter of 2009, a decrease of €6 million. In the first quarter of 2010, it primarily included restructuring charges incurred by UMG (€16 million, compared to €23 million for the first quarter of 2009).

EBITA was €1,590 million, compared to €1,393 million for the first quarter of 2009, an increase of €197 million (+14.1%, or +14.7% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 "Business segment performance analysis".

Amortization of intangible assets acquired through business combinations was €134 million, compared to €148 million for the first quarter of 2009, a decrease of €14 million, notably due to the €24 million decrease in amortization of Activision Blizzard's intangible assets. This decrease was partially offset by the amortization of GVT's customer base acquired in November 2009 (€14 million for the first quarter of 2010).

EBIT was €1,456 million, compared to €1,245 million for the first quarter of 2009, an increase of €211 million (+16.9%).

Income from equity affiliates was €15 million, compared to €26 million for the first quarter of 2009. Vivendi's share of income earned by NBC Universal was €15 million, compared to €29 million for the first quarter of 2009.

Interest was an expense of €118 million, compared to €108 million for the first quarter of 2009, an increase of €10 million.
Interest expense on borrowings amounted to €128 million for the first quarter of 2010, compared to €121 million for the first quarter of 2009, a €7 million increase. This evolution was due to an increase in average outstanding borrowings to €12.5 billion for the first quarter of 2010 (compared to €10.5 billion for the first quarter of 2009), primarily resulting from the financing of the acquisition of GVT for €2.5 billion at year-end 2009, partially offset by the decrease in the average interest rate on borrowings to 4.09% for the first quarter of 2010 (compared to 4.62% for the first quarter of 2009).
Interest income earned on cash and cash equivalents was €10 million for the first quarter of 2010, compared to €13 million for the first quarter of 2009, a decrease of €3 million. This evolution was mainly due to the decrease in the average interest income rate to 1.12% for the first quarter of 2010, compared to 1.63% for the first quarter of 2009, slightly offset by the increase in average cash and cash equivalents to €3.6 billion for the first quarter of 2010, compared to €3.3 billion for the first quarter of 2009. The amount of cash and cash equivalents on a consolidated basis included Activision Blizzard's cash position. For more information, please refer to Section 5 "Treasury and capital resources".

Other financial charges and income was a net charge of €69 million, compared to €77 million for the first quarter of 2009, a €8 million decrease. For more information, please refer to Note 3 to the Condensed Financial Statements for the first quarter ended March 31, 2010.

Provision for income taxes was a net charge of €261 million, compared to a net charge of €225 million for the first quarter of 2009, an increase of €36 million. This increase was notably due to the increase in tax expense at Activision Blizzard and SFR, resulting from the increase in their taxable earnings, partially offset by the €14 million increase in expected tax savings from the Consolidated Global Profit Tax System in respect of fiscal year 2011. The effective tax rate reported to earnings was 20.6%, compared to 21.2% for the first quarter of 2009.

Income taxes reported to adjusted net income was a net charge of €298 million for the first quarter of 2010, compared to a net charge of €185 million for the same period in 2009, a €113 million increase. The effective tax rate reported to adjusted net income was 20.2%, compared to 14.4% for the first quarter of 2009. The change in rate was primarily due to the share attributable to SFR's non-controlling interests in the savings realized as a result of the utilization of Neuf Cegetel's ordinary losses. Excluding the impact of the share attributable to SFR's non-controlling interests in the savings realized as a result of the utilization of Neuf Cegetel's ordinary losses, the effective tax rate reported to adjusted net income was stable at 20.8%, compared to 20.6% for the first quarter of 2009.

Earnings attributable to non-controlling interests amounted to €425 million, compared to €369 million for the first quarter of 2009. The €56 million increase was primarily due to the increase in earnings attributable to non-controlling interests in Activision Blizzard.
Adjusted net income attributable to non-controlling interests amounted to €453 million, compared to €478 million for the first quarter of 2009. The increase in adjusted net income attributable to non-controlling interests in Activision Blizzard (+€46 million) was notably offset by the decrease in the share attributable to SFR's non-controlling interests in the current tax savings realized as a result of the utilization of Neuf Cegetel's ordinary losses carried forward (€9 million, compared to €80 million for the first quarter of 2009).

For the first quarter of 2010, **earnings attributable to Vivendi shareowners** amounted to €598 million (or €0.49 per share), compared to €493 million (or €0.42 per share) for the first quarter of 2009, resulting in an increase of €105 million (+21.3%).

The reconciliation of earnings attributable to Vivendi shareowners with adjusted net income is further described in Note 5 to the Condensed Financial Statements for the first quarter ended March 31, 2010. For the first quarter of 2010, this reconciliation primarily included the amortization of intangible assets acquired through business combinations (€79 million, after tax and non-controlling interests) and the impact of reversing the deferred tax asset (€20 million) related to the expected utilization by SFR of Neuf Cegetel's residual ordinary tax losses. For the first quarter of 2009, this reconciliation notably included the impact of reversing the deferred tax asset (€182 million) related to the expected utilization by SFR of Neuf Cegetel's ordinary tax losses carried forward and the amortization of intangible assets acquired through business combinations (€80 million, after tax and non-controlling interests).

2.3 Vivendi outlook for 2010

Depending on the achievement of each business's financial objectives, as described below, Vivendi confirms its outlook for 2010: Vivendi forecasts a slight increase in EBITA and high dividend maintained. Moreover, Vivendi confirms its commitment to maintain its long term debt rating at BBB stable (Standard & Poor's/Fitch) and Baa2 stable (Moody's).

- Activision Blizzard slightly upgrades financial objectives for 2010: Activision Blizzard is expected to report EBITA above €620 million (compared to above €600 million).
- Universal Music Group (UMG) confirms financial objectives for 2010: UMG is expected to maintain a double digit EBITA margin.
- SFR confirms financial objectives for Mobile and slightly upgrades financial objectives of Broadband Internet and fixed: forecasts for SFR mobile and broadband Internet and fixed businesses for 2010 are as follows:
    - Mobile: slight decrease in EBITDA; and
    - Broadband Internet and fixed: increase in EBITDA (compared to slight increase).
- Maroc Telecom Group confirms financial objectives for 2010: Maroc Telecom Group is expected to report moderate growth in revenues in Dirhams, and to maintain profitability at high levels.
- GVT upgrades financial objectives for 2010: in local Brazilian accounting standards and local currency, revenues are expected to be up 29% (compared to +26%) and Adjusted EBITDA up 35% (compared to +30%).
- Canal+ Group confirms financial objectives for 2010: Canal+ Group is expected to report a slight increase in EBITA.

The 2010 outlook above regarding revenues, EBITA, EBITA margin rates and EBITDA 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 2009 Annual Report could have an impact on the group's operations and its capacity to achieve its forecasts for 2010.

In addition Vivendi considers that the non-GAAP measures, 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 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 Condensed Financial Statements.*

For the first quarter of 2010, cash flow from operations before capital expenditures (CFFO before capex, net) generated by business operations amounted to €1,737 million (compared to €1,698 million for the first quarter of 2009), a €39 million increase (+2.3%). This evolution was notably driven by the integration of GVT in November 2009 and by the decrease over the period in content investments (-€47 million) and restructuring charges paid (-€27 million), partially offset by the evolution of EBITDA after changes in net working capital (-€24 million) and by the decrease in dividends received from equity affiliates (-€11 million). For the first quarter of 2010, dividends received from NBC Universal amounted to €122 million, compared to €134 million for the same period in 2009.

For the first quarter of 2010, capital expenditures, net amounted to €907 million, compared to €770 million for the first quarter of 2009, a €137 million increase (+17.8%), notably due to the integration of GVT in November 2009 (+€69 million) and the increase in capital expenditures at Maroc Telecom Group (+€67 million). As a result, cash flow from operations (CFFO) generated by business operations amounted to €830 million, compared to €928 million for the first quarter of 2009, a €98 million decrease (-10.6%).

For the first quarter of 2010, cash flow from operations after interest and income taxes paid (CFAIT) was €558 million, compared to €598 million for the first quarter of 2009, a €40 million decrease (-6.7%). The decrease in CFFO was notably offset by the decrease in income taxes paid (-€107 million), mainly due to the absence of tax installment for SFR for the first quarter of 2010. In addition, the evolution of CFAIT also included an increase in interest paid, net (-€10 million) and, in the first quarter 2009, the favorable effect of foreign currency translation gains (€49 million).

		1st Quarter ended March 31,			
(in millions of euros)		2010	2009	V€	V%
Revenues		6,924	6,530	+394	+6.0%
Operating expenses excluding depreciation and amortization		(4,716)	(4,566)	-150	-3.3%
EBITDA	(a)	*2,208*	*1,964*	*+244*	*+12.4%*
Restructuring charges paid		(21)	(48)	+27	+56.3%
Content investments, net		(95)	(142)	+47	+33.1%
Neutralization of change in provisions included in EBITDA		(140)	(78)	-62	-79.5%
Other cash operating items excluded from EBITDA		(3)	(13)	+10	+76.9%
Other changes in net working capital		(335)	(119)	-216	x 2.8
Net cash provided by operating activities before income tax paid	(b)	***1,614***	***1,564***	***+50***	***+3.2%***
Dividends received from equity affiliates	(c)	123	134	-11	-8.2%
of which NBC Universal		*122*	*134*	*-12*	*-9.0%*
Dividends received from unconsolidated companies	(c)	-	-	-	na*
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**1,737**	**1,698**	**+39**	**+2.3%**
Capital expenditures, net (capex, net)	(d)	(907)	(770)	-137	-17.8%
of which SFR		*(547)*	*(530)*	*-17*	*-3.2%*
Maroc Telecom Group		*(203)*	*(136)*	*-67*	*-49.3%*
GVT		*(69)*	*na**	*na**	*na**
Cash flow from operations (CFFO)		**830**	**928**	**-98**	**-10.6%**
Interest paid, net	(e)	(118)	(108)	-10	-9.3%
Other cash items related to financial activities	(e)	(35)	4	-39	na*
Financial activities cash payments		***(153)***	***(104)***	***-49***	***-47.1%***
Income tax (paid)/received, net	(b)	(119)	(226)	+107	+47.3%
Cash flow from operations after interest and income tax paid (CFAIT)		**558**	**598**	**-40**	**-6.7%**

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).

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

	1st Quarter ended March 31,			
(in millions of euros)	2010	2009	% Change	% Change at constant rate
Revenues				
Activision Blizzard	945	731	+29.3%	+33.4%
Universal Music Group	889	1,026	-13.4%	-12.6%
SFR	3,085	3,028	+1.9%	+1.9%
Maroc Telecom Group	660	640	+3.1%	+4.4%
GVT	214	na*	na*	na*
Canal+ Group	1,145	1,119	+2.3%	+1.7%
Non-core operations and others, and elimination of intersegment transactions	(14)	(14)	-	-
Total Vivendi	**6,924**	**6,530**	**+6.0%**	**+6.0%**
EBITA				
Activision Blizzard	377	178	x 2.1	x 2.2
Universal Music Group	68	110	-38.2%	-37.7%
SFR	634	610	+3.9%	+3.9%
Maroc Telecom Group	284	286	-0.7%	+0.6%
GVT	43	na*	na*	na*
Canal+ Group	230	254	-9.4%	-9.9%
Holding & Corporate	(38)	(37)	-2.7%	-2.1%
Non-core operations and others	(8)	(8)	-	-
Total Vivendi	**1,590**	**1,393**	**+14.1%**	**+14.7%**

na*: not applicable.

The information presented above takes into account the consolidation of the following entities from the reported dates:

- at Maroc Telecom Group: Sotelma (August 1, 2009); and
- GVT (November 13, 2009).

4.2 Comments on operating performance for controlled business segments

Preliminary comment: *Vivendi Management evaluates the performance of Vivendi's controlled business segments and allocates necessary resources to them based on certain operating indicators, notably non-GAAP measures EBITA and EBITDA:*

- *The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations and the impairment of goodwill and other intangibles acquired through business combinations that are included in EBIT. Please refer to Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2009 (page 186 of the 2009 Annual Report).*
- *As defined by Vivendi, EBITDA corresponds to EBITA as presented in the Consolidated 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 Condensed Statement of Earnings by each operating segment - Please refer to Note 2 to the Condensed Financial Statements for the first quarter ended March 31, 2010).*

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

Activision Blizzard (approximately 58% Vivendi economic interest, non-diluted, as of March 31, 2010)

Once again, Activision Blizzard's reported results were significantly better than expected. First quarter performance was driven by strong global consumer demand for *Call of Duty* and *World of Warcraft*. *Call of Duty: Modern Warfare 2*, launched on November 10, 2009, was the #1 title overall in the U.S. and Europe in the first quarter of 2010, illustrating the continued momentum of Activision Blizzard's catalogue. Additionally, during the quarter, Activision Blizzard launched DreamWork's *How to Train Your Dragon* and the *Call of Duty: Modern Warfare 2 Stimulus Package*, which shattered Xbox LIVE records with more than one million downloaded during the first 24 hours of its release.

Activision Blizzard's revenues were €945 million, a 29.3% increase with EBITA of €377 million more than double the prior year. 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 €464 million on March 31, 2010 versus €733 million on December 31, 2009 and €379 million on March 31, 2009.

Activision Publishing recently announced a 10-year alliance with Bungie, one of the premier studios in the games industry and the developer of blockbuster game franchises including *Halo, Myth* and *Marathon*. This alliance will allow Activision Blizzard to broaden its product portfolio with a new franchise from one of the industry's most creative, successful and proven studios.

Moreover, Blizzard Entertainment recently confirmed the highly anticipated real-time strategy game *StarCraft II: Wings of Liberty* will arrive in stores on July 27, 2010.

On April 15, 2010, Activision Blizzard increased their US GAAP and US non-GAAP[2] EPS guidance for the 2010 calendar year that was provided on February 10, 2010. The company still expects US GAAP net revenues of $4.2 billion and US non-GAAP net revenues of $4.4 billion. For the 2010 calendar year, the company now expects US GAAP earnings per diluted share of $0.49 (versus $0.09 in 2009). On a US non-GAAP basis, the company expects earnings per diluted share to be $0.72 for the 2010 calendar year (versus $0.69 in 2009).

Universal Music Group (UMG) (100% Vivendi economic interest)

Universal Music Group's (UMG) revenues were €889 million, a 13.4% decrease compared to the same period last year (-12.6% at constant currency). The decline is due to a fall in recorded music sales, particularly in Europe and Asia, as a result of fewer major local and international releases and reduced demand for physical product.
Despite strong music download growth, particularly outside North America, digital sales decreased 1.7% at constant currency due to weak ringtone sales.
Major sales in the period included titles from Lady Gaga, Black Eyed Peas, Justin Bieber and Stromae.

UMG's EBITA was €68 million (-38.2% and -37.7% at constant currency compared to the same period last year). The gross margin lost on lower revenues was only partially offset by cost management initiatives.

[2] *For the definition of non-GAAP basis, please refer to the Appendix to this Financial Report.*

SFR (56% Vivendi economic interest)

SFR's revenues increased by 1.9% to €3,085 million compared to the first quarter of 2009, despite a market that remains very competitive and substantial tariff cuts resulting from national and European regulations. The strategy to invest in mobile and broadband Internet customer bases (acquisitions, retentions and migrations) and the growth in mobile Internet more than offset the impacts of regulators' decisions.

Mobile revenues[3] reached €2,185 million, a 0.2% increase compared to the first quarter of 2009. Mobile service revenues[4] decreased by 1.2% to €2,079 million. Excluding the impact of the 31% mobile voice termination regulated price cut made as of July 1, 2009 and of the 33% SMS voice termination regulated price cut made as of February 1, 2010, mobile service revenues increased by 4.3%.
For the first quarter of 2010, SFR achieved good commercial results, adding almost 225,000 new postpaid net adds. The iPhone's success was confirmed with 227,000 new customers. SFR's postpaid mobile customer base reached 15.032 million at the end of March 2010, which improved the customer mix by 4.2 percentage points year-on-year to reach 73.8%. Data revenues represented 26.5% of the mobile revenues at the end of March 2010, compared to 21.9% for the same period in 2009, due to the popularity of "smartphones".

Broadband Internet and fixed revenues[3] were €981 million, a 5.0% increase compared to the same period in 2009. More specifically, broadband Internet mass market' revenues increased by 14.6% to €471 million.
SFR's broadband Internet segment continues its excellent commercial performance. During the first quarter 2010, SFR added 148,000 net new active customers. At end March 2010, SFR's broadband Internet customer base totalled 4.592 million, a 13.6% increase compared to the same period in 2009. Thanks to its organic growth, SFR has returned to second place in the broadband Internet market.

SFR's EBITDA was €985 million, a 2.6% increase compared to first quarter 2009.
SFR's mobile EBITDA was €834 million, a 0.8% increase compared to first quarter 2009. The growth in the customer bases and in the SMS usage and data usage offset the voice and SMS termination price cuts.
SFR's broadband Internet and fixed EBITDA was €151 million, a 13.5% increase compared to the same period in 2009. The growth is due to the positive effects of broadband Internet growth.

SFR's EBITA was €634 million, a 3.9% increase compared to the first quarter of 2009.

Maroc Telecom Group (53% Vivendi economic interest)

Maroc Telecom Group achieved revenues of €660 million, a 3.1% increase compared to the first quarter of 2009 (up 0.5% at constant currency and constant perimeter[5]).
The company's customer base stood at 22.4 million on March 31, 2010, a 14% increase compared to end March 2009, as a result of the continued growth in the mobile businesses both in Morocco and among all the subsidiaries in Africa.

Maroc Telecom Group's EBITDA was of €380 million, a 4.0% increase at constant currency and constant perimeter (+0.4% at actual currency and perimeter) and an EBITA of €284 million, a 6.3% increase at constant currency and constant perimeter compared to the first quarter of 2009 (-0.7% at actual currency and perimeter).
The EBITA growth was due to the combined impact of the rise in revenues, tight control of operating expenses and the marked improvement in the overall margin of the subsidiaries.

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

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

[5] Constant perimeter includes the consolidation of Sotelma, as if this transaction had occurred on January 1, 2009 and the withdrawal in the accounts of Mobisud France. For your information, Sotelma's revenues were €27 million for the first quarter of 2009.

GVT (approximately 87% Vivendi economic interest, as of March 31, 2010[6])

As included in Vivendi's Statement of Earnings, GVT's revenues and EBITA, for first quarter 2010, reached €214 million and €43 million respectively (as a reminder, on November 13, 2009, Vivendi took control of GVT, which was fully consolidated from then on).

In accordance with local Brazilian accounting standards, GVT's net revenues reached BRL 513 million, an increase of 36.5%. With the rise in Brazilian real, the increase in euro amounts to 70%.
Net revenue growth for the first quarter of 2010 was mainly driven by a 65.9% increase in broadband service revenues and a 31.6% increase in voice service revenues. Net additions were 301,400 lines in service, an increase of 59.9% compared to the first quarter of last year. This growth reflects GVT's competitive value proposition.

Adjusted EBITDA[7] was BRL207 million, an increase of 46.8%. With the rise in Brazilian real, the increase in euro amounts to 83%. As a result, adjusted EBITDA margin was 40.3%, compared to 37.5% in the first quarter of 2009, an increase of 2.8 percentage points. These increases are a result of GVT's focus on expansion in markets with higher margins and better products mix to the final customer combined with a continued focus on cost and expense optimization.

For the first quarter of 2010, GVT announced the expansion of its coverage in the Northeast region, with operations in three new cities: Fortaleza (State of Ceara), Joao Pessoa and Campina Grande (State of Paraiba).
Since the arrival of Vivendi, GVT has increased investments in geographical expansion. For 2010, GVT has decided an additional BRL205 million in capital expenditures, leading to a total capital expenditures of BRL1.1 billion. GVT will accelerate, in particular, its expansion in Northeast and Southeast regions launching twelve to fifteen new cities until December.

As a result of this better than expected performance, GVT increased its annual guidance in local Brazilian accounting standards and local currency: for 2010, adjusted EBITDA is now expected to increase by 35% and revenues by 29%.

Canal+ Group (100% Vivendi economic interest; Vivendi economic interest in Canal+ France: 80%, as of March 31, 2010[6])

Canal+ Group revenues were €1,145 million, a 2.3% increase year-on-year.

Over the past twelve months, Canal+ France's subscriber base (Metropolitan France, French Overseas territories and Africa) recorded a net growth of +315,000 subscriptions. In metropolitan France, subscriber additions increased year-on-year and digital subscriber churn decreased to 12% compared to 13.3% at the end of March 2009. Subscriber growth was also driven by strong results from Canal+ and CanalSat in territories operated by Canal Overseas (French overseas territories and Africa, including North African countries). Canal+ in Poland continued to grow despite tough competition and StudioCanal revenues were temporarily impacted by a timing shift in film sales outside France.

Canal+ Group's EBITA was €230 million compared to €254 million in the same period last year. This change was due to a temporary Ligue 1 football broadcasting schedule, with one additional match day compared to the first quarter of 2009. Continued investments in growing the group's subscriber base have led to strong sales over the first quarter in metropolitan France. As a result of increased migration of Canal+ subscribers from analog to digital, the channel's analog subscriber base fell below the 200,000 mark at the end of March 2010 and now represents less than 5% of total Canal+ subscribers.

Canal+ Group has continued its investments in international operations, particularly with the successful launch in early 2010 of its K+ multi-channel offer in Vietnam.

Holding & Corporate

EBITA

Holding & Corporate EBITA was -€38 million, compared to -€37 million for the first quarter of 2009.

[6] Please refer to Section 1.1 of this Financial Report.
[7] Adjusted EBITDA, a performance measurement used by GVT's management, is defined as net income (loss) for the period excluding income and social contribution taxes, financial income and expenses, depreciation, amortization, results of sale and transfer of fixed assets / extraordinary items and stock option expense.

5 Treasury and capital resources

Preliminary comments:

Vivendi considers Financial Net Debt, a non-GAAP measure, to be an important indicator in measuring Vivendi's indebtedness. As of December 31, 2009, Vivendi changed the definition of Financial Net Debt to include certain cash management financial assets the characteristics of which do not strictly comply with the definition of cash equivalents as defined by the Recommendation of the AMF and IAS 7. In particular, such financial assets may have a maturity of up to 12 months. Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Condensed 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 of Vivendi's debt covenants. Please refer to Section "Treasury and capital resources" of the 2009 Financial Report (pages 164 to 169 of the 2009 Annual Report).

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

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

- As of March 31, 2010, the group's Financial Net Debt amounted to €9.5 billion.
  - This amount included SFR's Financial Net Debt of €6.6 billion, which includes €3.4 billion revolving facilities granted to SFR by Vivendi SA under market terms. The group's Financial Net Debt also included the net cash position of Activision Blizzard for €2.4 billion as of March 31, 2010 (including US government agency securities), compared to €2.2 billion as of December 31, 2009). Please refer to Section 5.2 below;
  - The total amount of bonds issued by Vivendi SA and SFR was €8.1 billion, (including the €750 million bond issued in March 2010 with a 7 year maturity) representing approximately 64% of gross borrowings, compared to 62% as of December 31, 2009. The "economic" average term of the bonds issued by the group was 4.2 years, compared to 4.1 years as of December 31, 2009.
- As of May 11, 2010, the date of the Management Board meeting which approved the Financial Statements for the first quarter ended March 31, 2010:
  - The available undrawn facilities of Vivendi SA, net of commercial paper, amounted to €2.6 billion, and available credit lines of SFR, net of commercial paper, amounted to approximately €1.9 billion. Under the terms of their bank facilities, Vivendi SA and SFR are required to comply with certain financial covenants computed on June 30, and December 31, of each year. In the event of non-compliance with such financial covenants, the lenders could require the cancellation or early repayment of the bank facilities. As of December 31, 2009, Vivendi SA and SFR were in compliance with their financial covenants. Please refer to Note 22.6 to the 2009 Financial Report (pages 256 and 257 of the 2009 Annual Report).
  - Vivendi's credit rating is BBB Stable (Standard & Poor's and Fitch) and Baa2 Stable (Moody's) and the "economic" average term[8] of the group's debt was 4.1 years, compared to 3.9 years at year-end 2009. SFR's credit rating is BBB+ (Fitch) and the "economic" average term[9] of SFR's debt was 2.2 years, compared to 2.3 years at year-end 2009.
  - The total amount of bonds issued by Vivendi SA and SFR was €7.5 billion, representing approximately 59% of gross borrowings (after the redemption of a €630 million bond that matured in April 2010), compared to 62% as of December 31, 2009. The "economic" average term of the bonds issued by the group was 4.4 years.

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

5.2 Financial Net Debt changes

As of March 31, 2010, Vivendi's Financial Net Debt amounted to €9,496 million (compared to €9,566 million as of December 31, 2009), of which 70% is attributable to SFR, compared to 62% on December 31, 2009. Please note that, in January 2010, SFR paid a €1 billion interim dividend to its shareholders (€441 million to Vodafone) with respect to fiscal year 2009.

Vivendi's Financial Net Debt also included Activision Blizzard's net cash position for €2,441 million, of which €420 million ($560 million) was invested in US government agency securities with a maturity exceeding three months, included in the short-term Financial Assets items of the Consolidated Statement of Financial Position.

	March 31, 2010		December 31, 2009	
(in millions of euros)	Vivendi	*of which SFR*	Vivendi	*of which SFR*
Borrowings and other financial liabilities	13,390	*7,179*	13,262	*6,482*
of which long-term (a)	*9,019*	*2,013*	*8,355*	*2,211*
short-term (a)	*4,371*	*1,766*	*4,907*	*1,621*
revolving facilities granted to SFR by Vivendi SA	-	*3,400*	-	*2,650*
Derivative financial instruments in assets (b)	(55)	*(4)*	(30)	*(2)*
Cash deposits backing borrowings (b)	(41)	-	(49)	-
Cash management financial assets (b) (c)	(420)	-	(271)	-
	12,874	***7,175***	**12,912**	***6,480***
Cash and cash equivalents (a)	(3,378)	*(567)*	(3,346)	*(545)*
of which Activision Blizzard's cash and cash equivalents	*(2,021)*	*na**	*(1,925)*	*na**
Financial Net Debt	**9,496**	***6,608***	**9,566**	***5,935***

na*: not applicable.

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. Includes US government agency securities, with a maturity exceeding three months, at Activision Blizzard.

For the first quarter of 2010, Financial Net Debt decreased by €70 million: net cash increased by €32 million and borrowings and other derivative instruments decreased by €38 million.

Net cash used for investing activities amounted to €1,025 million, and primarily included capital expenditures, net (€907 million) and the acquisition of additional GVT shares (€144 million). Financial investments were partially offset by dividends received from NBC Universal (€122 million).

Net cash used for financing activities amounted to €608 million, mainly including the dividend payment made by SFR to its non-controlling interest (€441 million), the payments related to the exercise by M6 of the put option on its Canal+ France shares (€384 million) and the stock repurchase program of Activision Blizzard (€77 million), partially offset by the €750 million bond issued by Vivendi SA (please refer to Section 5.4 *supra*).

These net cash outflows were primarily financed by the net cash provided by operating activities (€1,495 million). For further information about net cash provided by operating activities, please refer to Section 3 "Cash flow from operations analysis" *supra*.

(in millions of euros)	Cash and cash equivalents	Borrowings and other (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2009	**(3,346)**	**12,912**	**9,566**
Outflows/(inflows) generated by:			
Operating activities	(1,495)	-	(1,495)
Investing activities	1,025	(255)	770
Financing activities	608	131	739
Foreign currency translation adjustments	(170)	86	(84)
Change in Financial Net Debt over the period	(32)	(38)	(70)
Financial Net Debt as of March 31, 2010	**(3,378)**	**12,874**	**9,496**

a. "Other" includes commitments to purchase non-controlling interests, derivative financial instruments, 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	1st Quarter ended March 31, 2010 Impact on cash and cash equivalents	Impact on borrowings and other	Impact on Financial Net Debt
EBIT		2	**(1,456)**	**-**	**(1,456)**
Adjustments			(588)	-	(588)
Content investments, net			95	-	95
Gross cash provided by operating activities before income tax paid			***(1,949)***	***-***	***(1,949)***
Other changes in net working capital			335	-	335
Net cash provided by operating activities before income tax paid		3	***(1,614)***	***-***	***(1,614)***
Income tax paid, net		3	119	-	119
Operating activities	**A**		**(1,495)**	**-**	**(1,495)**
Financial investments					
Purchases of consolidated companies, after acquired cash			175	(140)	35
of which acquisition of GVT		1.1	*133*	*(131)*	*2*
- Purchase of GVT's shares on the market			*144*	*(144)*	*-*
- Payments related to shares acquired before December 31, 2009			*19*	*-*	*19*
- Foreign exchange hedging gain on GVT shares acquired			*(30)*	*30*	*-*
- Adjustment in estimate of the purchase price			*-*	*(17)*	*(17)*
payment to the beneficiaries of Neuf Cegetel restricted stock plans			*26*	*-*	*26*
Investments in equity affiliates			2	-	2
Increase in financial assets			163	(143)	20
Total financial investments			***340***	***(283)***	***57***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			1	-	1
Disposal of equity affiliates			1	-	1
Decrease in financial assets			(101)	28	(73)
Total financial divestments			***(99)***	***28***	***(71)***
Financial investment activities			**241**	**(255)**	**(14)**
Dividends received from equity affiliates		3	(123)	-	(123)
Dividends received from unconsolidated companies			-	-	-
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**118**	**(255)**	**(137)**
Capital expenditures			933	-	933
Proceeds from sales of property, plant, equipment and intangible assets			(26)	-	(26)
Capital expenditures, net		3	***907***	***-***	***907***
Investing activities	**B**		**1,025**	**(255)**	**770**
Transactions with shareowners					
Net proceeds from issuance of common shares in connection with Vivendi SA's share based compensation plans			(1)	-	(1)
Other transactions with shareowners			373	(384)	(11)
of which exercise by M6 of its put option on its Canal+ France shares		1.1	*384*	*(384)*	*-*
(Sales)/purchases of treasury shares			77	-	77
of which stock repurchase program of Activision Blizzard		1.1	*77*	*-*	*77*
Dividends paid by consolidated companies to their non-controlling interests			441	-	441
of which SFR			*441*	*-*	*441*
Total dividends and other transactions with shareowners			***890***	***(384)***	***506***
Transactions on borrowings and other financial liabilities					
Setting up of long-term borrowings and increase in other long-term financial liabilities			(1,052)	1,052	-
of which Vivendi SA		5.4	*(750)*	*750*	-
SFR			*(300)*	*300*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities			372	(372)	-
of which Vivendi SA			*150*	*(150)*	-
SFR			*215*	*(215)*	-
Principal payments on short-term borrowings			606	(606)	-
of which GVT		5.4	*137*	*(137)*	-
Other changes in short-term borrowings and other financial liabilities			(361)	361	-
of which Vivendi SA's commercial paper			*(304)*	*304*	-
Non-cash transactions			-	80	80
Interest paid, net		3	118	-	118
Other cash items related to financial activities		3	35	-	35
Total transactions on borrowings and other financial liabilities			***(282)***	***515***	***233***
Financing activities	**C**		**608**	**131**	**739**
Foreign currency translation adjustments	D		(170)	86	(84)
Change in Financial Net Debt	**A+B+C+D**		**(32)**	**(38)**	**(70)**

5.4 Borrowings put into place/redeemed in 2010

Vivendi SA

In March 2010, Vivendi placed a €750 million bond issue. This bond is denominated in euros with a 7 year maturity and a 4% coupon. It was issued at a price of 99.378%, corresponding to a 4.10% yield.

This bond issue was primarily aimed at refinancing a €630 million bond maturing on April 6, 2010.

GVT

The $200 million bond issued by GVT in June 2006 at a 12% nominal interest rate with an initial scheduled maturity of September 2011 was redeemed in full in January and February 2010 thanks to GVT's cash and cash equivalents. The nominal value of this borrowing recorded in Vivendi's short-term borrowings as of December 31, 2009, amounted to €137 million.

5.5 Available credit facilities and maturity of bonds

The following table shows bonds and facilities of Vivendi SA and SFR, cumulated and due within the next five years. In this table, facility amounts relate to maximum amount (available and issued amount, excluding amount backing commercial paper).

	March 31, 2010	Maturing before March 31,					Maturing after
		2011	2012	2013	2014	2015	March 31, 2015
Bonds							
Vivendi SA	6,750	630 (a)	1,300	-	2,345	-	2,475
SFR	1,300	-	-	1,000	-	300	-
Sub-total	***8,050***	***630***	***1,300***	***1,000***	***2,345***	***300***	***2,475***
Facilities							
Vivendi SA	6,000	1,000	-	3,271	1,729	-	-
SFR	4,020	788	1,652	450	850	280	-
Sub-total	***10,020***	***1,788***	***1,652***	***3,721***	***2,579***	***280***	***-***
Vivendi SA	12,750	1,630	1,300	3,271	4,074	-	2,475
SFR	5,320	788	1,652	1,450	850	580	-
Total	**18,070**	**2,418**	**2,952**	**4,721**	**4,924**	**580**	**2,475**

a. This bond was redeemed in April 2010 (please refer to Section 5.1).

Vivendi SA and SFR notably have available credit facilities as of March 31, 2010 and December 31, 2009.

(in millions of euros)	Maturity	As of March 31, 2010 Maximum amount	Drawn amount	Available amount	As of December 31, 2009 Maximum amount	Drawn amount	Available amount
Vivendi SA							
€2.0 billion revolving facility (April 2005)	April 2012	2,000	300	1,700	2,000	450	1,550
€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	-	1,729
€2.0 billion revolving facility (February 2008)							
of which tranche 1	February 2011	1,000	-	1,000	1,000	-	1,000
tranche 2	February 2013	1,000	-	1,000	1,000	-	1,000
Subtotal		***6,000***	***300***	***5,700***	***6,000***	***450***	***5,550***
Commercial paper issued (a)				*(947)*			*(643)*
Total of Vivendi SA's available credit facilities, net of commercial paper				**4,753**			**4,907**
SFR							
€1.2 billion revolving facility (July 2004)							
of which initial credit line	April 2010	40	-	40	40	-	40
extended credit line	April 2011	1,160	-	1,160	1,160	185	975
€450 million revolving facility (November 2005)	November 2012	450	260	190	450	290	160
€850 million revolving facility (May 2008)	May 2013	850	-	850	850	-	850
€100 million revolving facility (November 2008)	February 2011	100	-	100	100	-	100
Syndicated loan "Club Deal" (July 2005)							
of which tranche A	July 2010	248	248	-	248	248	-
tranche B - "revolver"	March 2012	492	-	492	492	-	492
Securitization program (January 2010)	January 2015	280	280	-	-	-	-
Securitization program (March 2006)	March 2011	300	300	-	280	280	-
Structured financing (UK Lease)	November 2010	100	100	-	100	100	-
Subtotal		***4,020***	***1,188***	***2,832***	***3,720***	***1,103***	***2,617***
Commercial paper issued (a)				*(938)*			*(933)*
Total of SFR's available credit facilities, net of commercial paper				**1,894**			**1,684**
Total Vivendi SA and SFR		**10,020**		**6,647**	**9,720**		**6,591**

a. Short-term commercial paper, backed by confirmed credit lines which are no longer available for these amounts, are included in short-term borrowings of the Consolidated Statement of Financial Position.

As of May 11, 2010, the date of Vivendi's Management Board meeting which approved the Financial Statements for the first quarter of 2010, Vivendi SA had available committed bank facilities in the amount of €6.0 billion, of which €2.4 billion was drawn. Considering the amount of commercial paper issued, and backed on bank facilities for €1.0 billion, these lines were available in an aggregate amount of €2.6 billion. SFR had available committed bank facilities in the amount of €3.7 billion, of which €1.0 billion was drawn. Considering the amount of commercial paper issued at this date and backed on bank facilities for €0.8 billion, these credit lines were available for an aggregate amount of €1.9 billion.

5.6 Intercompany loans

(in millions of euros, except where noted)	Maturity	As of March 31, 2010 Maximum amount	Drawn amount	Available amount	As of December 31, 2009 Maximum amount	Drawn amount	Available amount
Revolving facilities granted by Vivendi SA to SFR							
€3 billion revolving facility (April 2008)							
of which tranche A	July 2009	-	-	-	-	-	-
tranche B	July 2010	1,000	1,000	-	1,000	1,000	-
tranche C	December 2012	1,000	1,000	-	1,000	1,000	-
€1.5 billion revolving facility (June 2009)	June 2013	1,500	1,400	100	1,500	650	850
Total		**3,500**	**3,400**	**100**	**3,500**	**2,650**	**850**
Loan facility granted by Vivendi to GVT							
€250 million credit facility (March 2010)	March 2015	250	-	250	-	-	-
Loan facility granted by Vivendi SA to VTB (a)							
€4 billion revolving facility (November 2009)	November 2010	4,000	-	4,000	4,000	-	4,000
Loan facility granted by Vivendi SA to Activision Blizzard (in millions of dollars)							
$475 million loan facility (July 2008)	March 2011	475	-	475	475	-	475

a. VTB, a wholly-owned subsidiary of Vivendi organized under Brazilian law in 2009, was initially created in order to acquire 100% of the GVT shares, which acquisition was intended to be financed with this facility. Since the purchase of GVT was ultimately and primarily concluded by Vivendi SA directly and the April 2010 tender offer was concluded by VTB, financed with a capital increase, this €4 billion revolving facility is not needed anymore and is in the process of being cancelled (for a description of the tender offer, please refer to the Section 1.1 of this Financial Report).

5.7 Vivendi and SFR credit ratings

As of May 11, 2010, the date of the Management Board meeting which approved the Financial Statements for the first quarter of 2010, 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

As of May 11, 2010, the credit ratings of SFR were as follows:

Rating agency	Rating date	Type of debt	Ratings	Outlook
Fitch Ratings	June 8, 2009	Long-term debt	BBB+	Stable
	June 8, 2009	Short-term debt	F2	Stable

6 Forward looking statements

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy and plans as well as expectations regarding the payment of dividends. 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 these forward-looking statements as a result of a number of risks and uncertainties, many of which are outside of Vivendi's control, including but not limited to, the risks described in the 2009 "Rapport annuel - Document de référence" filed with the Autorité des Marchés Financiers (AMF) (the French securities regulator) and which is also available in English on Vivendi's web site (www.vivendi.com). The present forward-looking statements are made as of the date of this Financial Report and Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

7 Disclaimer

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

II - Appendix to Financial Report: Unaudited supplementary financial data

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

As reported below, the reconciliation of Activision Blizzard's U.S. GAAP revenue and EBITA to IFRS as of March 31, 2010, March 31, 2009 and December 31, 2009 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 first quarter ended March 31, 2010, available on Activision Blizzard's website (www.activisionblizzard.com), and non-GAAP comparable measures, published by Activision Blizzard in its earnings release on May 6, 2010; 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 first quarter ended March 31, 2010.

Combination of Vivendi Games and Activision on July 9, 2008

As a reminder, on July 9, 2008, a wholly-owned subsidiary of Activision merged with and into Vivendi Games, and hence Vivendi Games became a wholly-owned subsidiary of Activision, which was renamed Activision Blizzard.

Non-GAAP measures of Activision Blizzard

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

a. the change in deferred income and related costs of sales, resulting from the deferral of net revenues; as explained in the "Deferral of Activision revenue" and "Change in recognition of revenue at Blizzard" paragraphs in the Appendix to the 2009 Financial Report (pages 170 to 171 of the 2009 Annual Report) and of Note 1.3.4.1 to the Consolidated Financial Statements for the year ended December 31, 2009 (page 189 of the 2009 Annual Report);

b. Activision Blizzard's non-core exit operations (which, until July 1, 2009, consisted of the operating results of products and operations from the historical Vivendi Games, Inc. businesses that were divested, exited or wound-down by Activision Blizzard);

c. expenses related to equity-based compensation costs;

d. costs related to the business combination of Activision, Inc. and Vivendi Games, Inc. (including transaction costs, integration costs, and restructuring activities);

e. impairment of intangible assets acquired through business combinations;

f. the amortization of intangibles and the associated changes in cost of sales resulting from purchase price accounting adjustments from the business combination of Activision and Vivendi Games; and

g. the associated tax benefits.

Nota:

For a definition of EBITA, please refer to Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 186 and 187 of the 2009 Annual Report).

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

Reconciliation of U.S. GAAP revenues to IFRS:

	1st Quarter ended March 31, (unaudited)		Year ended December 31, 2009 (unaudited)
	2010	2009	
Non-GAAP Measurement (U.S. GAAP basis):			
Non-GAAP Net Revenues (in millions of dollars)	**714**	**724**	**4,775**
Eliminate non-GAAP adjustments:			
Changes in deferred net revenues (a)	594	256	(497)
Other (b)	-	1	1
U.S. GAAP Measurement:			
Net Revenues in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**1,308**	**981**	**4,279**
Eliminate U.S. GAAP vs. IFRS differences:	*na**	*na**	*na**
IFRS Measurement:			
Net Revenues in IFRS (in millions of dollars)	**1,308**	**981**	**4,279**
Translate from dollars to euros:			
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**945**	**731**	**3,038**
of which			
Activision	667	426	1,819
Blizzard	226	241	922
Distribution	52	64	297
Non-core operations	-	-	-

Reconciliation of U.S. GAAP EBITA to IFRS:

	1st Quarter ended March 31, (unaudited)		Year ended December 31, 2009 (unaudited)
	2010	2009	
Non-GAAP Measurement (U.S. GAAP basis):			
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**165**	**119**	**1,234**
Eliminate non-GAAP adjustments:			
Changes in deferred net revenues and related cost of sales (a)	410	167	(383)
Equity-based compensation expense (c)	(44)	(28)	(154)
One time costs related to the Vivendi transaction and integration	-	(14)	(24)
Restructuring charges (d)	(3)	(15)	(23)
Impairment of intangibles acquired through business combinations	-	-	(409)
Amortization of intangibles acquired through business combinations and purchase price accounting related adjustments (e)	(17)	(46)	(259)
Other (b)	-	(4)	(8)
U.S. GAAP Measurement:			
Operating Income/(Loss) in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**511**	**179**	**(26)**
Eliminate U.S. GAAP vs. IFRS differences:			
Equity-based compensation expense (c)	1	(1)	(6)
Impairment of intangibles acquired through business combinations	-	-	(37)
Restructuring charges (d)	-	(2)	13
Other	(7)	15	8
IFRS Measurement:			
Operating Income/(Loss) in IFRS (in millions of dollars)	**505**	**191**	**(48)**
Eliminate items excluded from EBITA:			
Impairment of intangible assets acquired through business combinations	-	-	446
Amortization of intangible assets acquired through business combinations (e)	17	48	269
EBITA in IFRS (in millions of dollars)	**522**	**239**	**667**
Translate from dollars to euros:			
EBITA in IFRS (in millions of euros), as published by Vivendi	**377**	**178**	**484**
of which			
Activision	263	67	56
Blizzard	114	114	420
Distribution	-	(3)	9
Non-core operations	-	-	(1)

na*: not applicable.

a. Corresponds to the impact of the change in deferred net revenues, and related costs of sales associated with certain of the company's online-enabled games:
    - For the first quarter of 2010, in both U.S. GAAP and IFRS, the net recognition of revenues amounted to $594 million (€429 million) and, after taking into account related costs of sales, the recognition of margin from operations amounted to $410 million (€297 million).
    - As of March 31, 2010, in both U.S. GAAP and IFRS, the deferred net revenues balance in the Statement of Financial Position amounted to $772 million (€579 million), compared to $1,426 million (€991 million) as of December 31, 2009. After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $619 million (€464 million) as of March 31, 2010, compared to $1,054 million (€733 million) as of December 31, 2009.

b. Relates to the products and operations reported from historical Vivendi Games businesses that were wound-down, exited or divested by Activision Blizzard as part of its restructuring and integration plans following the merger (non-core operations). Prior to July 1, 2009, non-core operations were managed as a stand-alone operating segment, however, in light of the decreasing significance of non-core operations, as of that date Activision Blizzard ceased its management as a separate operating segment and consequently Activision Blizzard is no longer providing separate operating segment disclosure.

c. In IFRS, existing Activision stock options were neither re-measured at fair value nor allocated to the cost of the business combination at the closing date; hence the incremental fair value recorded in U.S. GAAP is reversed, net of costs capitalized.

d. Restructuring charges include severance costs, facility exit costs, and balance-sheet write down and exit costs from the cancellation of projects. In IFRS, accrual for restructuring activities is recorded at the time the company is committed to the restructuring plan. In U.S. GAAP, the corresponding expense is recorded on the basis of the actual timing of the restructuring activities.

e. 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. Increase in the fair value of inventories and associated cost of sales are not excluded from EBITA.

2 Revenues and EBITA by business segment – 2010 and 2009 quarter data

	2010
(in millions of euros)	1st Quarter ended March 31
Revenues	
Activision Blizzard	945
Universal Music Group	889
SFR	3,085
Maroc Telecom Group	660
GVT	214
Canal+ Group	1,145
Non-core operations and others, and elimination of intersegment transactions	(14)
Total Vivendi	**6,924**
EBITA	
Activision Blizzard	377
Universal Music Group	68
SFR	634
Maroc Telecom Group	284
GVT	43
Canal+ Group	230
Holding & Corporate	(38)
Non-core operations and others	(8)
Total Vivendi	**1,590**

	2009			
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept. 30	4th Quarter ended Dec. 31
Revenues				
Activision Blizzard	731	762	493	1,052
Universal Music Group	1,026	983	969	1,385
SFR	3,028	3,112	3,090	3,195
Maroc Telecom Group	640	665	694	695
GVT	na*	na*	na*	104
Canal+ Group	1,119	1,139	1,110	1,185
Non-core operations and others, and elimination of intersegment transactions	(14)	(13)	(9)	(9)
Total Vivendi	**6,530**	**6,648**	**6,347**	**7,607**
EBITA				
Activision Blizzard	178	195	33	78
Universal Music Group	110	101	58	311
SFR	610	686	690	544
Maroc Telecom Group	286	300	319	339
GVT	na*	na*	na*	20
Canal+ Group	254	218	282	(102)
Holding & Corporate	(37)	9	(28)	(35)
Non-core operations and others	(8)	(3)	(8)	(10)
Total Vivendi	**1,393**	**1,506**	**1,346**	**1,145**

na*: not applicable.

The information presented above takes into account the consolidation of the following entities from the reported dates:

– at Maroc Telecom Group: Sotelma (August 1, 2009); and
– GVT (November 13, 2009).

Intentionally left blank.

III - Condensed Financial Statements for the first quarter ended March 31, 2010 (unaudited)

Condensed Statement of Earnings

	Note	1st Quarter ended March 31, (unaudited) 2010	2009	Year ended December 31, 2009
Revenues	2	**6,924**	**6,530**	**27,132**
Cost of revenues		(3,416)	(3,189)	(13,627)
Selling, general and administrative expenses		(2,028)	(2,066)	(8,703)
Restructuring charges and other operating charges and income		(24)	(30)	(46)
Impairment losses of intangible assets acquired through business combinations		-	-	(920)
Earnings before interest and income taxes (EBIT)	2	**1,456**	**1,245**	**3,836**
Income from equity affiliates		15	26	171
Interest	3	(118)	(108)	(458)
Income from investments		-	1	7
Other financial charges and income	3	(69)	(77)	(795)
Earnings from continuing operations before provision for income taxes		**1,284**	**1,087**	**2,761**
Provision for income taxes	4	(261)	(225)	(675)
Earnings from continuing operations		**1,023**	**862**	**2,086**
Earnings from discontinued operations		-	-	-
Earnings		**1,023**	**862**	**2,086**
Of which				
Earnings attributable to Vivendi shareowners		**598**	**493**	**830**
Non-controlling interests		425	369	1,256
Earnings from continuing operations attributable to Vivendi shareowners per share - basic	6	0.49	0.42	0.69
Earnings from continuing operations attributable to Vivendi shareowners per share - diluted	6	0.48	0.42	0.69
Earnings attributable to Vivendi shareowners per share - basic	6	**0.49**	**0.42**	**0.69**
Earnings attributable to Vivendi shareowners per share - diluted	6	0.48	0.42	0.69
Adjusted net income	5	**736**	**649**	**2,585**
Adjusted net income per share - basic	6	**0.60**	**0.55**	**2.15**
Adjusted net income per share - diluted	6	0.60	0.55	2.14

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

Nota: as a reminder, as of June 30, 2009, Vivendi voluntarily opted for the early application, with retroactive effect from January 1, 2009, of revised standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements). Please refer to Note 1 to the Condensed Financial Statements for the first quarter ended March 31, 2010.

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

Condensed Statement of Comprehensive Income

(in millions of euros)	1st Quarter ended March 31, (unaudited) 2010		2009		Year ended December 31, 2009	
Net income	**1,023**		**862**		**2,086**	
Foreign currency translation adjustments	**1,136**	(a)	**438**	(a)	**(325)**	(a)
Assets available for sale	-		(5)		8	
Cash flow hedge instruments	(3)		(68)		(46)	
Net investment hedge instruments	(74)		(17)		(17)	
Tax	2		18		9	
Unrealized gains/(losses)	**(75)**		**(72)**		**(46)**	
Charges and income directly recorded in equity related to equity affiliates	(9)		-		2	
Other	2		(11)		(35)	
Other impacts on retained earnings	**(7)**		**(11)**		**(33)**	
Charges and income directly recognized in equity	**1,054**		**355**		**(404)**	
Total comprehensive income	**2,077**		**1,217**		**1,682**	
of which						
Total comprehensive income attributable to Vivendi shareowners	**1,557**		**640**		**407**	
Total comprehensive income attributable to non-controlling interests	520		577		1,275	

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

a. Includes changes in foreign currency translation adjustments relating to the investment in NBC Universal of €312 million for the first quarter of 2010, €136 million for the first quarter of 2009 and -€101 million for fiscal year 2009.

Condensed Statement of Financial Position

(in millions of euros)	March 31, 2010 (unaudited)	December 31, 2009
ASSETS		
Goodwill	25,097	24,516
Non-current content assets	3,309	3,196
Other intangible assets	4,295	4,342
Property, plant and equipment	7,310	7,264
Investments in equity affiliates	4,350	4,146
Non-current financial assets	463	476
Deferred tax assets	1,822	1,843
Non-current assets	**46,646**	**45,783**
Inventories	630	777
Current tax receivables	258	284
Current content assets	963	1,004
Trade accounts receivable and other	6,094	6,467
Current financial assets	572	464
Cash and cash equivalents	3,378	3,346
	11,895	**12,342**
Assets held for sale	-	-
Current assets	**11,895**	**12,342**
TOTAL ASSETS	**58,541**	**58,125**
EQUITY AND LIABILITIES		
Share capital	6,759	6,759
Additional paid-in capital	8,059	8,059
Treasury shares	(2)	(2)
Retained earnings and other	8,745	7,201
Vivendi shareowners' equity	**23,561**	**22,017**
Non-controlling interests	4,400	3,971
Total equity	**27,961**	**25,988**
Non-current provisions	2,088	2,090
Long-term borrowings and other financial liabilities	9,019	8,355
Deferred tax liabilities	1,110	1,104
Other non-current liabilities	1,264	1,311
Non-current liabilities	**13,481**	**12,860**
Current provisions	478	563
Short-term borrowings and other financial liabilities	4,371	4,907
Trade accounts payable and other	11,902	13,567
Current tax payables	348	239
	17,099	**19,276**
Liabilities associated with assets held for sale	-	1
Current liabilities	**17,099**	**19,277**
Total liabilities	**30,580**	**32,137**
TOTAL EQUITY AND LIABILITIES	**58,541**	**58,125**

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

Condensed Statement of Cash Flows

(in millions of euros)	1st Quarter ended March 31, (unaudited) 2010	2009	Year ended December 31, 2009
Operating activities			
EBIT	1,456	1,245	3,836
Adjustments	588	580	3,648
Including amortization and depreciation of tangible and intangible assets	*731*	*676*	*3,800*
Content investments, net	(95)	(142)	(310)
Gross cash provided by operating activities before income tax paid	***1,949***	***1,683***	***7,174***
Other changes in net working capital	(335)	(119)	315
Net cash provided by operating activities before income tax paid	***1,614***	***1,564***	***7,489***
Income tax paid, net	(119)	(226)	(137)
Net cash provided by operating activities	**1,495**	**1,338**	**7,352**
Investing activities			
Capital expenditures	(933)	(784)	(2,648)
Purchases of consolidated companies, after acquired cash	(175)	(8)	(2,682)
Investments in equity affiliates	(2)	-	(9)
Increase in financial assets	(163)	(44)	(359)
Investments	***(1,273)***	***(836)***	***(5,698)***
Proceeds from sales of property, plant, equipment and intangible assets	26	14	86
Proceeds from sales of consolidated companies, after divested cash	(1)	-	15
Disposal of equity affiliates	(1)	-	-
Decrease in financial assets	101	10	82
Divestitures	***125***	***24***	***183***
Dividends received from equity affiliates	123	134	306
Dividends received from unconsolidated companies	-	-	4
Net cash provided by/(used for) investing activities	**(1,025)**	**(678)**	**(5,205)**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	1	-	73
Other transactions with shareowners	(373)	6	(723)
Sales/(purchases) of treasury shares (a)	(77)	(232)	(792)
Dividends paid in cash by Vivendi SA to its shareowners	-	-	(735)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their non-controlling interests	(441)	(332)	(786)
Transactions with shareowners	***(890)***	***(558)***	***(2,963)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	1,052	1,403	3,240
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(372)	(1,850)	(2,817)
Principal payment on short-term borrowings	(606)	(212)	(449)
Other changes in short-term borrowings and other financial liabilities	361	404	1,452
Interest paid, net	(118)	(108)	(458)
Other cash items related to financial activities	(35)	4	33
Transactions on borrowings and other financial liabilities	***282***	***(359)***	***1,001***
Net cash provided by/(used for) financing activities	**(608)**	**(917)**	**(1,962)**
Foreign currency translation adjustments	170	86	9
Change in cash and cash equivalents	**32**	**(171)**	**194**
Cash and cash equivalents			
At beginning of the period	**3,346**	**3,152**	**3,152**
At end of the period	**3,378**	**2,981**	**3,346**

a. Relates to the stock repurchase programs of Activision Blizzard.

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

Condensed Statements of Changes in Equity

First quarter ended March 31, 2010 (unaudited)

(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	-	-	-	-	-	7	-	-	7	7
Changes in Vivendi SA ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	(20)	-	-	(20)	(20)
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(32)	-	-	(32)	(32)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	-	-	-	-	-	(13)	-	-	(13)	(13)
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(58)	-	-	(58)	(58)
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(58)	-	-	(58)	(58)
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	-	-	-	-	-	(29)	-	-	(29)	(29)
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(45)	-	-	(45)	(45)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	(91)	-	-	(91)	(91)
Earnings	-	-	-	-	-	*1,023*	-	-	*1,023*	*1,023*
Charges and income directly recognized in equity	-	-	-	-	-	*(7)*	*(75)*	*1,136*	*1,054*	*1,054*
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	1,016	(75)	1,136	2,077	2,077
TOTAL CHANGES OVER THE PERIOD (A+B+C)	-	-	-	-	-	*912*	*(75)*	*1,136*	*1,973*	*1,973*
Attributable to Vivendi SA shareowners	-	-	-	-	-	*579*	*(74)*	*1,039*	*1,544*	*1,544*
Attributable to non-controlling interests	-	-	-	-	-	*333*	*(1)*	*97*	*429*	*429*
BALANCE AS OF MARCH 31, 2010	*1,228,859*	6,759	8,059	(2)	14,816	14,245	(156)	(944)	13,145	27,961
Attributable to Vivendi SA shareowners	*1,228,859*	*6,759*	*8,059*	*(2)*	*14,816*	*9,958*	*(129)*	*(1,084)*	*8,745*	*23,561*
Attributable to non-controlling interests	-	-	-	-	-	*4,287*	*(27)*	*140*	*4,400*	*4,400*

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

First quarter ended March 31, 2009 (unaudited)

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares - Number of shares (in thousands)	Common shares - Amount	Additional paid-in capital	Treasury Shares	Sub-total	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Sub-total	
BALANCE AS OF DECEMBER 31, 2008	1,170,197	6,436	7,406	(2)	13,840	14,576	(35)	(1,755)	12,786	26,626
Attributable to Vivendi SA shareowners	1,170,197	6,436	7,406	(2)	13,840	10,460	(17)	(1,768)	8,675	22,515
Attributable to non-controlling interests	-	-	-	-	-	4,116	(18)	13	4,111	4,111
Contributions by/distributions to Vivendi SA shareowners	9	-	-	-	-	7	-	-	7	7
Capital increase related to Vivendi SA share-based compensation plans	9	-	-	-	-	7	-	-	7	7
Changes in Vivendi SA ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	(64)	-	-	(64)	(64)
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(84)	-	-	(84)	(84)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	9	-	-	-	-	(57)	-	-	(57)	(57)
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(330)	-	-	(330)	(330)
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(330)	-	-	(330)	(330)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	(137)	-	-	(137)	(137)
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(149)	-	-	(149)	(149)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	(467)	-	-	(467)	(467)
Earnings	-	-	-	-	-	862	-	-	862	862
Charges and income directly recognized in equity	-	-	-	-	-	(11)	(72)	438	355	355
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	851	(72)	438	1,217	1,217
TOTAL CHANGES OVER THE PERIOD (A+B+C)	9	-	-	-	-	327	(72)	438	693	693
Attributable to Vivendi SA shareowners	9	-	-	-	-	423	(57)	217	583	583
Attributable to non-controlling interests	-	-	-	-	-	(96)	(15)	221	110	110
BALANCE AS OF MARCH 31, 2009	1,170,206	6,436	7,406	(2)	13,840	14,903	(107)	(1,317)	13,479	27,319
Attributable to Vivendi SA shareowners	1,170,206	6,436	7,406	(2)	13,840	10,883	(74)	(1,551)	9,258	23,098
Attributable to non-controlling interests	-	-	-	-	-	4,020	(33)	234	4,221	4,221

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

Year ended December 31, 2009

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares: Number of shares (in thousands)	Common shares: Amount	Additional paid-in capital	Treasury Shares	Sub-total	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Sub-total	
BALANCE AS OF DECEMBER 31, 2008	1,170,197	6,436	7,406	(2)	13,840	14,576	(35)	(1,755)	12,786	26,626
Attributable to Vivendi SA shareowners	1,170,197	6,436	7,406	(2)	13,840	10,460	(17)	(1,768)	8,675	22,515
Attributable to non-controlling interests	-	-	-	-	-	4,116	(18)	13	4,111	4,111
Contributions by/distributions to Vivendi SA shareowners	58,662	323	653	-	976	(1,604)	-	-	(1,604)	(628)
Dividends paid by Vivendi SA (€1.4 per share)	53,185	293	611	-	904	(1,639)	-	-	(1,639)	(735)
of which capital increase related to dividends paid in shares	53,185	293	611	-	904	(904)	-	-	(904)	-
paid in cash	-	-	-	-	-	(735)	-	-	(735)	(735)
Capital increase related to Vivendi SA share-based compensation plans	5,477	30	42	-	72	35	-	-	35	107
of which Vivendi Employee Stock Purchase Plans (July 30, 2009)	4,862	27	44	-	71	-	-	-	-	71
Changes in Vivendi SA ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	(277)	-	-	(277)	(277)
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(310)	-	-	(310)	(310)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	58,662	323	653	-	976	(1,881)	-	-	(1,881)	(905)
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(1,210)	-	-	(1,210)	(1,210)
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(1,225)	-	-	(1,225)	(1,225)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	190	-	-	190	190
of which goodwill of Sotelma non-controlling interests	-	-	-	-	-	206	-	-	206	206
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	(395)	-	-	(395)	(395)
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(482)	-	-	(482)	(482)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	(1,415)	-	-	(1,415)	(1,415)
Earnings	-	-	-	-	-	2,086	-	-	2,086	2,086
Charges and income directly recognized in equity	-	-	-	-	-	(33)	(46)	(325)	(404)	(404)
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	2,053	(46)	(325)	1,682	1,682
TOTAL CHANGES OVER THE PERIOD (A+B+C)	58,662	323	653	-	976	(1,243)	(46)	(325)	(1,614)	(638)
Attributable to Vivendi SA shareowners	58,662	323	653	-	976	(1,081)	(38)	(355)	(1,474)	(498)
Attributable to non-controlling interests	-	-	-	-	-	(162)	(8)	30	(140)	(140)
BALANCE AS OF DECEMBER 31, 2009	1,228,859	6,759	8,059	(2)	14,816	13,333 (a)	(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

a. Mainly includes previous years' earnings which were not distributed and 2009 comprehensive income.

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

Notes to the Condensed Financial Statements

On May 11, 2010, the Management Board approved the Financial Report and the unaudited Condensed Financial Statements for the first quarter ended March 31, 2010.

The unaudited Condensed Financial Statements for the first quarter ended March 31, 2010 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2009, as published in the 2009 "Rapport annuel - Document de référence" that was filed under number D.10-0118 with the "Autorité des marchés financiers" (AMF) on March 17, 2010 (the "Document de référence"). Please also refer to pages 174 to 288 of the English translation[1] of the "Document de référence" (the "2009 Annual Report") which is provided on our 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 quarter of 2010 are presented and have been prepared in accordance with the provisions of 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 applied the same accounting methods used for the Consolidated Financial Statements for the year ended December 31, 2009 (please refer to Note 1 "Accounting policies and valuation methods" presented in those financial statements from pages 185 to 202 of the 2009 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.
- 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 non-recurring events which occurred over the period, if necessary.

1.2. New IFRS applicable as of January 1, 2010

The new IFRS effective from January 1, 2010, as described in Note 1.5 "New IFRS standards and IFRIC interpretations that have been published but are not yet effective" to the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2009 (page 202 of the 2009 Annual Report), which were applicable to the first quarter of 2010, had no material impact on Vivendi's Financial Statements.

In addition and as a reminder, as of June 30, 2009, Vivendi voluntarily opted for the early application, with retroactive effect from January 1, 2009, of revised standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements) the effects of which are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 185 to 202 of the 2009 Annual Report). As a result, certain reclassifications have been made in the Condensed Financial Statements for the first quarter ended March 31, 2009, notably regarding the downside adjustment on the dilution of the share attributable to Vivendi SA in Activision Blizzard following the exercise of stock options by the subsidiary, reclassified from other financial charges and income to charges and income directly recognized in equity for €16 million as of March 31, 2009.

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

Note 2 Condensed Statements of Earnings by business segment

The group operates through six different communication and entertainment businesses: Activision Blizzard, Universal Music Group, SFR, Maroc Telecom Group (which consolidates Sotelma since August 1, 2009), GVT (consolidated since November 13, 2009) and Canal+ Group.

1st Quarter ended March 31, 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	945	887	3,083	650	214	1,142	-	3	-	6,924
Intersegment revenues	-	2	2	10	-	3	-	-	(17)	-
Revenues	**945**	**889**	**3,085**	**660**	**214**	**1,145**	**-**	**3**	**(17)**	**6,924**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(478)	(797)	(2,098)	(279)	(131)	(867)	(37)	(12)	17	(4,682)
Charges related to stock options and other share-based compensation plans	(31)	1	(2)	(1)	-	(1)	-	-	-	(34)
EBITDA	**436**	**93**	**985**	**380**	**83**	**277**	**(37)**	**(9)**	**-**	**2,208**
Restructuring charges	(2)	(16)	(4)	-	-	-	-	-	-	(22)
Gain/(losses) on sale of tangible and intangible assets	-	-	5	-	-	-	-	-	-	5
Other non-recurring items	-	-	-	(4)	-	-	(1)	1	-	(4)
Depreciation of tangible assets	(11)	(9)	(205)	(70)	(38)	(34)	-	-	-	(367)
Amortization of intangible assets excluding those acquired through business combinations	(46)	-	(147)	(22)	(2)	(13)	-	-	-	(230)
Adjusted earnings before interest and income taxes (EBITA)	**377**	**68**	**634**	**284**	**43**	**230**	**(38)**	**(8)**	**-**	**1,590**
Amortization of intangible assets acquired through business combinations	(12)	(70)	(24)	(6)	(14)	(8)	-	-	-	(134)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**365**	**(2)**	**610**	**278**	**29**	**222**	**(38)**	**(8)**	**-**	**1,456**
Income from equity affiliates										15
Interest										(118)
Income from investments										-
Other financial charges and income										(69)
Provision for income taxes										(261)
Earnings from discontinued operations										-
Earnings										**1,023**
Of which										
Earnings attributable to Vivendi shareowners										**598**
Non-controlling interests										425

1st Quarter ended March 31, 2009

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	731	1,021	3,027	633	1,117	-	1	-	6,530
Intersegment revenues	-	5	1	7	2	-	-	(15)	-
Revenues	**731**	**1,026**	**3,028**	**640**	**1,119**	**-**	**1**	**(15)**	**6,530**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(479)	(887)	(2,062)	(261)	(822)	(36)	(9)	15	(4,541)
Charges related to stock options and other share-based compensation plans	(23)	4	(6)	(1)	(1)	2	-	-	(25)
EBITDA	**229**	**143**	**960**	**378**	**296**	**(34)**	**(8)**	**-**	**1,964**
Restructuring charges	(13)	(23)	(4)	-	-	-	-	-	(40)
Gain/(losses) on sale of tangible and intangible assets	-	-	(1)	-	-	-	-	-	(1)
Other non-recurring items	-	-	1	-	-	(3)	-	-	(2)
Depreciation of tangible assets	(15)	(10)	(201)	(70)	(28)	-	-	-	(324)
Amortization of intangible assets excluding those acquired through business combinations	(23)	-	(145)	(22)	(14)	-	-	-	(204)
Adjusted earnings before interest and income taxes (EBITA)	**178**	**110**	**610**	**286**	**254**	**(37)**	**(8)**	**-**	**1,393**
Amortization of intangible assets acquired through business combinations	(36)	(74)	(25)	(6)	(7)	-	-	-	(148)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**142**	**36**	**585**	**280**	**247**	**(37)**	**(8)**	**-**	**1,245**
Income from equity affiliates									26
Interest									(108)
Income from investments									1
Other financial charges and income									(77)
Provision for income taxes									(225)
Earnings from discontinued operations									-
Earnings									**862**
Of which									
Earnings attributable to Vivendi shareowners									**493**
Non-controlling interests									369

Income from equity affiliates mainly comprised the group's pro rata share in earnings of NBC Universal (€15 million for the first quarter of 2010 compared to €29 million for the first quarter of 2009). This investment is allocated to the Holding & Corporate business segment.

Note 3 Financial charges and income

Interest

(in millions of euros)	1st Quarter ended March 31, 2010	1st Quarter ended March 31, 2009	Year ended December 31, 2009
Interest expense on borrowings	128	121	486
Interest income from cash and cash equivalents	(10)	(13)	(28)
Interest	**118**	**108**	**458**
Premium related to early redemption of borrowings and fees related to issuance or cancellation of lines of credit	*5*	*4*	*14*
	123	***112***	***472***

Other financial charges and income

(in millions of euros)	1st Quarter ended March 31, 2010	1st Quarter ended March 31, 2009	Year ended December 31, 2009
Other capital gain on the divestiture of businesses	-	-	23
Downside adjustment on the divestiture of businesses	(12)	(3)	(26)
Other capital gain on financial investments	2	1	72
of which the consolidation gain on the dilution of UMG's interest in Vevo by 49.9%	-	-	*56*
Downside adjustment on financial investments	-	(5)	(13)
Reserve accrued regarding the Securities Class Action in the United States	-	-	(550)
Depreciation of the minority stake in NBC Universal	-	-	(82)
Financial components of employee benefits	(7)	(6)	(25)
Premium related to early redemption of borrowings and fees related to issuance or cancellation of lines of credit	(5)	(4)	(14)
Change in derivative instruments	(11)	(15)	(13)
Effect of undiscounting assets and liabilities	(9)	(19)	(56)
Other	(27)	(26)	(111)
Other financial charges and income	**(69)**	**(77)**	**(795)**

Note 4 Income taxes

(in millions of euros)	1st Quarter ended March 31, 2010	1st Quarter ended March 31, 2009	Year ended December 31, 2009
Provision for income taxes			
Impact of the Consolidated Global Profit Tax System	146 (a)	132	473
Other components of the provision for income taxes	(407)	(357)	(1,148) (b)
Provision for income taxes	**(261)**	**(225)**	**(675)**

a. Corresponding to 25% of the expected tax savings relating to the 2011 fiscal year.

b. Includes -€750 million related to the utilization of Neuf Cegetel’s ordinary tax losses carried forward.

Note 5 Reconciliation of earnings attributable to Vivendi shareowners and adjusted net income

(in millions of euros)	1st Quarter ended March 31, 2010	1st Quarter ended March 31, 2009	Year ended December 31, 2009
Earnings attributable to Vivendi shareowners (a)	**598**	**493**	**830**
Adjustments			
Amortization of intangible assets acquired through business combinations	134	148	634
Impairment losses of intangible assets acquired through business combinations (a)	-	-	920
Other financial charges and income (a)	69	77	795
Change in deferred tax asset related to the Consolidated Global Profit Tax System	(20)	(79)	(292)
Non-recurring items related to provision for income taxes	31 (b)	182 (b)	572 (b)
Provision for income taxes on adjustments	(48)	(63)	(352)
Non-controlling interests on adjustments	(28)	(109)	(522)
Adjusted net income	**736**	**649**	**2,585**

a. As presented in the Condensed Statement of Earnings.

b. Mainly corresponding to the impact of reversing the deferred tax asset related to the utilization by SFR of Neuf Cegetel's ordinary tax losses carried forward.

Note 6 Earnings per share

	1st Quarter ended March 31,				Year ended December 31,	
	2010		2009		2009	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings attributable to Vivendi shareowners	598	596 (a)	493	490 (a)	830	829 (a)
Adjusted net income	736	734 (a)	649	646 (a)	2,585	2,581 (a)
Number of shares (in millions)						
Weighted average number of shares outstanding restated (b)	1,228.8	1,228.8	1,170.2	1,170.2	1,203.2	1,203.2
Potential dilutive effects related to share-based compensation	-	1.9	-	1.9	-	1.8
Adjusted weighted average number of shares	**1,228.8**	**1,230.7**	**1,170.2**	**1,172.1**	**1,203.2**	**1,205.0**
Earnings per share (in euros)						
Earnings attributable to Vivendi shareowners per share	0.49	0.48	0.42	0.42	0.69	0.69
Adjusted net income per share	0.60	0.60	0.55	0.55	2.15	2.14

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

a. Includes the potential dilutive effect related to employee stock option and restricted stock plans of Activision Blizzard.

b. Net of treasury shares (79,564 shares as of March 31, 2010).

Note 7 Commitments

The following note should be read in conjunction with Note 26 "Contractual obligations and other commitments" to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 272 to 280 of the 2009 Annual report). The main contractual commitments undertaken/revised during the first quarter ended March 31, 2010 are described below:

- **GVT**

As a reminder, on November 13, 2009, Vivendi took over GVT (Holding) S.A. (GVT), the leading alternative telecommunications operator in Brazil, which has been fully consolidated by Vivendi since that date. As of December 31, 2009, Vivendi held an 82.45% controlling interest in GVT. For a detailed description of this transaction and the related impacts on Vivendi's financial statements, please refer to Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 203 to 204 of the 2009 Annual Report). During the first quarter of 2010, Vivendi acquired 6.3 million additional GVT shares on the market (representing an additional 4.59% controlling interest in GVT) for a total price of €144 million, hence Vivendi held an aggregate 87.04% controlling interest in GVT as of March 31, 2010.

On March 26, 2010, the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliàros*, "CVM") has authorized the registration of the public tender offer for the acquisition of 17.8 million GVT shares (the "Tender Offer"), not held yet by Vivendi. The acquisition price of each share in the Tender Offer amounted to BRL56 per share (the "Offer Price"), adjusted in accordance with the variation of the SELIC Rate (*Taxa Referencial do Sistema Especial de Liquidação e Custódia*) over the period between November 13, 2009 and April 30, 2010, the Tender Offer settlement date. At the close of the auction held on April 27, 2010, Vivendi acquired another 16.6 million supplemental common shares of GVT for a total amount of €416 million and, since that date, holds a total 99.17% controlling interest in GVT. In addition, as a result of the acceptance of the Tender Offer by shareholders representing more than two thirds of the shares qualified for the auction, GVT's registration as a public company will be cancelled, following the CVM's authorization. As the number of shares of GVT owned by Vivendi represents more than 95% of GVT's share capital, GVT will convene a shareholders' special meeting in order to approve the redemption of the remaining shares at the same price as the Tender Offer (adjusted by the SELIC interest rate incurred from the settlement date of the offer to the effective redemption payment date).

In accordance with applicable accounting standards, Vivendi's commitment to purchase all tendered shares, i.e., a maximum of 17.55% of GVT's outstanding voting shares as of December 31, 2009, was recorded as a current financial liability for an amount of €571 million, which was included in Vivendi's Financial Net Debt as of December 31, 2009. As of March 31, 2010, as a result of the purchase of shares and foreign exchange hedging impacts realized during the first quarter 2010, as well as the adjustment to the financial liability recorded in respect of the commitment to purchase GVT shares not owned by Vivendi after March 31, 2010, Vivendi recorded a financial liability of €428 million (of which €416 million paid out as of April 30, 2010) in its Statement of Financial Position. Moreover, considering all of these aspects and the purchase of shares after March 31, 2010, the purchase price of the 100% in GVT by Vivendi is a total amount estimated at €3,037 million.

- **Canal+ France**

As part of the combination of the Canal+ Group and TPS pay-TV activities in France finalized in January 2007, the present value of the option granted to M6 by Vivendi on its 5.1% interest in the share capital of Canal+ France amounted to €384 million as of December 31, 2009. On February 22, 2010, M6 exercised its put option and thus exited from the share capital of Canal+ France.

On April 15, 2010, Vivendi and Canal+ Group were informed of Lagardère's intention to exercise its liquidity right regarding its 20% stake in Canal+ France, under the procedure provided in the shareholders' agreement concluded on January 4, 2007. Please refer to Note 26.5 to the Consolidated Financial Statements for the year ended December 31, 2009 (page 279 of the 2009 Annual Report).

- **SFR**

On February 18, 2010, a group constituted by SFR, Vinci and AXA (30% each) and TDF (10%) signed the GSM-R (Global System for Mobile communications - Railway) public-private partnership contract with Réseau Ferré de France (RFF).
The 15-year contract, valued at approximately €1 billion, covers the financing, building, operating and maintaining of the digital telecommunications network that enables conference mode communications (voice and data) between train drivers and teams on the ground. It will be rolled out gradually between now and 2015 over 14,000 km of conventional and high-speed railway lines in France.

Note 8 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, 2009 contained in the 2009 Annual Report (pages 281 to 285). The following paragraphs update such disclosure through May 11, 2010, the date of the Management Board meeting held to approve Vivendi's financial statements for the first quarter ended March 31, 2010.

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.

Investigation by the Financial Department of the Parquet de Paris

On January 23, 2009, the Public Prosecutor transmitted to the judge and civil parties a final prosecutor's decision of dismissal in respect of all the matters under investigation back to 2000-2002. On October 16, 2009, the Judge Mr. Jean-Marie d'Huy ordered all the parties to face trial before the Criminal Court. Vivendi has joined the proceedings as a civil party. The trial will take place from June 2 to June 25, 2010.

Securities Class Action in the United States

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 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. At a hearing 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, including the GAMCO action, from the class action. The Liberty Media, GAMCO, and individual plaintiffs actions all 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 American Depository Receipt ("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 challenging the jury's verdict. A decision on these motions should be rendered before approval of the jury's verdict by the court.

In the absence of precedents, it is Vivendi's view that before the judge can issue a final judgment, the process of examining shareholders' compensation claims must take place. That means that notice must be given to all potential class members in the same fashion that they were given notice about the class action. The judge must then appoint a claims administrator in charge of reviewing each claim and determining if it is valid. The process, which will be long and complex, and its details and the way it is handled may be challenged by each of the parties. The judge must then approve each compensation claim, and once all the claims have been approved, he will issue a final judgment against which each party may file an appeal.

Vivendi believes that it has solid grounds for appeal. First, it intends to challenge the court's decision as to its jurisdiction in this case, an issue which is currently being examined by the US Supreme Court in another matter. It also intends to challenge the court's decision to include French shareholders in the class, since it believes that this decision was based on an incorrect analysis of French law. Vivendi will also challenge the method of calculation of the plaintiffs' damages accepted by the judge, and more generally, a certain number of decisions taken 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 in as an objective a manner as possible and in accordance with the accounting principles described in notes 1.3.1 (Use of Estimates) and 1.3.9 (Provisions) to the Consolidated Financial Statements for the year ended December 31, 2009 (pages 187 and 199 of the 2009 Annual report), 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 class plaintiffs. For the purposes of settling the accounts for the period ended December 31, 2009, Vivendi set the amount of this provision based, in part, upon potential damages calculations generated by a statistical model prepared by a U.S. economic consulting firm and confirmed by a second U.S. economic consulting firm which were retained by Vivendi and which are familiar with such matters.

Vivendi considers that its provision and the assumptions on which it is based may have to be amended as the proceedings progress, and consequently, the present amount of damages that Vivendi might have to pay the plaintiffs could differ significantly, in either direction, from the provision. 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.

Acknowledging that no judgment in this matter has yet been rendered in the United States, the Court of Appeal, on April 28, 2010, has rejected Vivendi's application for a ruling that it was improper for a few French shareholders to participate in the American class action.

Inquiry into PSG transfers

An investigation to be carried out by an investigating judge (juge d'instruction) has been opened in connection with the terms and conditions of the transfer of PSG soccer players and the payment of intermediaries' fees between 1998 and 2002. PSG is a former subsidiary of the Vivendi group. The Judge ordered some former PSG officers to face trial before the Criminal Court.

French Competition Council – mobile telephone market

On April 10, 2009, SFR appealed to the French Supreme Court against the decision of the Paris Court of Appeal dated March 11, 2009, which had confirmed the financial penalties imposed on the three operators for having entered into an illegal agreement and exchanged information between 1997 and 2003. On April 7, the French Supreme Court confirmed the decision of the Paris Court of Appeal dated March 11, 2009, with respect to SFR.

Vivendi complaint against France Telecom with the European Commission for abuse of a dominant position

On March 2, 2009, Vivendi and Free jointly filed a complaint against France Telecom with the European Commission (the "Commission"), for abuse of a dominant position. Vivendi and Free allege that France Telecom imposes excessive tariffs on offers for access to its fixed network and on telephone subscriptions. In July 2009, Bouygues Telecom joined in this complaint. In a letter dated February 2, 2010, the Commission informed the parties of its intention to dismiss the complaint. Vivendi announced its intention to file a complaint before the Court of First Instance of the European Union in Luxemburg.

Action brought by the French Competition Authority regarding practices in the pay-TV sector

Further to its voluntary investigation and a complaint by France Telecom, the French Competition Authority sent Vivendi and Groupe Canal+ a notification of grievances on January 9, 2009. It alleges that Groupe Canal+ has abused its dominant position in certain pay-TV markets and that Vivendi and Groupe Canal+ colluded with TF1 and M6 on the one hand, and with Lagardère, on the other. Vivendi and Groupe Canal+ denied these allegations and intend to defend themselves against them. On April 15, 2010, the French Competition Authority provided the parties with an additional report.

Inquiry into the implementation of the undertakings granted in connection with the combination of Canal Satellite and TPS

The French Competition Authority opened an inquiry into the implementation of the undertakings granted by Group Canal+ in connection with the combination of TPS and Canal Satellite. The investigation by the Competition Authority is ongoing.

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 its 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. The plaintiffs claim that the company failed to pay them bonuses and other compensation allegedly owed to them. Activision Blizzard does not expect these two lawsuits to have an impact on the company.

Note 9 Subsequent events

The main events that occurred since March 31, 2010 were as follows:

- **Completion of the acquisition of 100% of GVT (Holding) S.A. in Brazil:** please refer to Section 1.1 to the Financial Report for the first quarter ended March 31, 2010;
- **Acquisition of Canal+ France's minority interests:** please refer to Note 7; and
- **Dividend paid with respect to fiscal year 2009:** please refer to Section 1.1 to the Financial Report for the first quarter ended March 31, 2010.