



Paris, November 24, 2002

## **Restructuring of Vivendi Environnement's shareholder base**

Vivendi Universal announces today the sale of 82,486,072 shares of Vivendi Environnement, representing approximately 20.4% of Vivendi Environnement's share capital, to a group of stable investors consisting of AGF, Groupe AXA, BNP Paribas, Caisse Nationale des Caisses d'Epargne, Caisse des dépôts et consignations, Crédit Lyonnais, Groupe CM-CIC, Groupe CNP, Crédit Agricole Indosuez (Suisse), Dexia Crédit Local, Electricité de France, Eurazeo, Generali, Groupama, Médéric Prévoyance, Société Générale and the Wasserstein Family Trust.

Each share of Vivendi Environnement will include a call option that entitles these investors to acquire 82,486,072 additional shares of Vivendi Environnement, at any time until December 23, 2004, at an exercise price of €26.50 per share. After the exercise of all the call options, Vivendi Universal will no longer hold any shares of Vivendi Environnement.

On the closing date of the transaction (December 24, 2002), Vivendi Universal will receive in exchange for the shares and the call options approximately €1.856 billion, which reflects a price of €22.50 per share of Vivendi Environnement with a call option.

As of December 24, 2002, the new stable investors will hold approximately 20.4% of Vivendi Environnement's capital stock and have agreed to assume the lock-up on these shares previously agreed for the remaining term of Vivendi Universal's lock-up commitment (i.e., until December 21, 2003) on the terms and conditions described below.

The contemplated sale is part of the continuing restructuring of Vivendi Environnement's shareholder base that was commenced in June 2002 to provide it with the means to implement its autonomous development and enhance the perception of Vivendi Environnement's shares by the market.

This transaction will allow Vivendi Universal to pursue the implementation of its debt reduction policy. With the sale of Vivendi Environnement, Vivendi Universal's net debt (under French accounting standards and including Cegetel and USAi's A and B preferred shares) should reach approximately €14 billion at December 31, 2002 (compared to €37 billion at December 31, 2001). This amount does not take into account the possible exercise (in full or partially) of the right of first refusal over nor the sale of shares of Cegetel.

Vivendi Environnement shall be accounted for by Vivendi Universal under the French equity method.

This sale contributes to the reinforcement of the Group's shareholders' equity and balance sheet structure. It represents a new important milestone in the financial restructuring of Vivendi Universal and allows it to improve significantly its financial flexibility.

## **Details of the Contemplated Transactions**

On November 24, 2002, Vivendi Universal, Vivendi Environnement, the financial investors that participated in the capital increase of Vivendi Environnement launched on June 26, 2002 (the "Initial Declared Investors"), the joint lead managers of the secondary offering launched on June 24, 2002 (the "Joint Lead Managers") and a group of new stable investors consisting of AGF, Groupe AXA, BNP Paribas, Caisse Nationale des Caisses d'Epargne, Caisse des dépôts et consignations, Crédit Lyonnais, Groupe CM-CIC, Groupe CNP, Crédit Agricole Indosuez (Suisse), Dexia Crédit Local, Electricité de France, Eurazeo, Generali, Groupama, Médéric Prévoyance, Société Générale, the Wasserstein Family Trust and Vivendi Environnement (the "New Investors") entered into an amendment to the Acquisition and Subscription Agreement dated June 24, 2002 (the "Amendment"). Vivendi Environnement shall repurchase shares representing approximately 0.9% of its capital stock.

Pursuant to the Amendment, Vivendi Universal has irrevocably agreed to sell, on December 24, 2002, 82,486,072 shares of Vivendi Environnement to the New Investors, and to grant them, for each acquired share, one option to acquire one share of Vivendi Environnement.

The purpose of the transaction is:

- to finalize the restructuring of Vivendi Environnement's shareholder base commenced on June 24, 2002,
- to reinforce the group of stable investors of Vivendi Environnement, which will hold, as of December 30, 2002, approximately 30% of the share capital and voting rights of Vivendi Environnement, taking into account the shares purchased by the Initial Declared Investors (excluding any shares of Vivendi Environnement already held by the Initial Declared Investors prior to the capital increase of July 2002) and the shares to be acquired on December 24, 2002 by the New Investors (excluding any shares of Vivendi Environnement that New Investors may already hold and the shares of Vivendi Environnement that may be acquired by the New Investors through the exercise of the call options),
- to improve Vivendi Environnement's market profile through the reinforcement of its autonomy and the perception of an increased public shareholder base over time,
- to enable Vivendi Universal to implement its debt reduction policy decided by the board of directors and the senior management of Vivendi Universal, and
- to offer Vivendi Universal's investors a business profile centered on media and communications activities.

### ***Sale of Shares of Vivendi Environnement***

Pursuant to the Amendment, Vivendi Universal is selling 82,486,072 shares of Vivendi Environnement (the "Transferred Shares") to the New Investors, acting severally and not jointly. The payment of the purchase price shall be made against transfer of title to all of the Transferred Shares.

The payment to be made by the New Investors reflects a price of €22.50 for each Transferred Share with a Call Option (as defined below).

This sale is effected in the context of the regulations applicable to off-market sales set forth in the General Regulation of the Financial Markets Council (*Règlement général du Conseil des Marchés Financiers*).

### ***Grant of Call Options***

Pursuant to the Amendment, Vivendi Universal is irrevocably granting each new Investor one call option (each, a "Call Option") for the purchase of each Transferred Share.

Each Call Option entitles the New Investor to which it is granted to acquire from Vivendi Universal, at any time between December 24, 2002 (inclusive) and December 23, 2004 (inclusive), one share of Vivendi Environnement held by Vivendi Universal (each, an "Underlying Share") at a price per share equal to € 26.50, subject to any adjustments customarily made in the context of transactions on Vivendi Environnement's share capital.

To guarantee its obligation to deliver the Underlying Shares under the Call Options, Vivendi Universal is delivering into escrow to Société Générale the Underlying Shares (i.e., 82,486,072 shares of Vivendi Environnement).

### ***Commitment of New Investors***

(A) Pursuant to the Amendment, each of the New Investors (acting severally and not jointly and each for its own account) has agreed, for itself and for the companies of its group (*i.e.*, each company controlled by it, controlling it or under the same control as it, either directly or indirectly, "control" being understood within the meaning of Article L.233-3 I. and II. of the French Commercial Code), with regard to the Transferred Shares and the Underlying Shares it or any of the companies of its group acquires, for a period extending to December 21, 2003 (inclusive), absent prior written consent of the Joint Lead Managers (which shall make their decisions on the basis of the interests of the investors that acquired shares of Vivendi Environnement in the context of the secondary offering launched in June 2002 and the capital increase of July 2002 and the New Investors), not to:

- (i) effect any direct or indirect transfer of Shares or securities granting access to the Shares, in particular by offer, sale, pledge, temporary transfer or exchange;
- (ii) issue, grant, offer or transfer, either directly or indirectly, any options or other financial instruments relating to the Shares or granting access to such Shares; provided that this paragraph does not apply to the Call Options, which are covered by paragraph (D) below;
- (iii) effect any transaction in derivatives products having Shares as underlying securities or any hedging transaction in the Shares.

(B) Notwithstanding the provisions of paragraph (A), the Amendment authorizes the following transactions:

- (i) tenders or sales of Shares in the context of a public tender offer initiated for Vivendi Environnement,
- (ii) private sales of Shares by any of the New Investors to any third party, provided that such third party previously agrees in writing with the Joint Lead Managers to comply with the above lock-up agreement for the remaining term of such agreement,
- (iii) transfers of Shares by any of the New Investors to any company controlled by it, controlling it, or under the same control as it, either directly or indirectly ("control" being understood within the meaning of Article L.233-3 I. and II. of the French Commercial Code), provided that such company previously agrees in writing with the Joint Lead Managers to comply with the above lock-up agreement for the remaining term of such agreement;
- (iv) pledges by any of the New Investors of the Shares, provided that the beneficiary of the pledge agrees in writing with the Joint Lead Managers, prior to any pledge granted in accordance with this paragraph, to comply with the above lock-up agreement for the remaining term of such agreement;

(v) loans or sales of the Shares in the connection with the implementation of employee shareholding programs; and

(vi) the transfer of Shares to any third party by a New Investor pursuant to a final judicial decision that is not subject to appeal or that is immediately enforceable which requires the Shares to be transferred prior to December 21, 2003 or, in the event of an Acceleration Event (as defined in the Escrow and Pledge Agreement) for purpose of enforcing the pledges pursuant thereto.

(C) Notwithstanding the provisions of paragraphs (A) and (B) above, the Amendment provides that, until January 29, 2003 (inclusive), the New Investors may not effect any of the transactions referred to in paragraphs (A) and (B), except for those referred to in paragraphs (B)(i) and (B)(iii).

(D) Furthermore, pursuant to the Amendment each of the New Investors agrees, for itself and for the companies of its group, for a period extending until December 21, 2003 (inclusive), not to effect any direct or indirect transfer by any means whatsoever of any Call Options, or to effect any hedging transactions in respect of the Call Options, in each case without the prior written consent of the Joint Lead Managers.

These prohibitions do not prevent any transfers of the Call Options by any of the New Investors to any company controlled by it, controlling it, or under the same control as it, either directly or indirectly ("control" being understood within the meaning of Article L.233-3 I. and II. of the French Commercial Code), provided that such company previously agrees in writing with the Joint Lead Managers to comply with the above lock-up agreement for the remaining term of such agreement.

Notwithstanding the foregoing, from and including January 30, 2003 to and including December 21, 2003, the transfer of any of the Call Options by any of the New Investors to any third party, including Vivendi Universal, shall be permitted, provided that such third party agrees in writing with the Joint Lead Managers prior to such transfer to comply with the above lock-up agreement for the remaining term of such agreement.

(E) Each of the New Investors has indicated that it is not acting in concert (within the meaning of Article L.233-10 of the French commercial code) with any person in connection with the shares of Vivendi Environnement and that it has not, to date, the intention to implement a common policy with any other person in connection with Vivendi Environnement (provided that each New Investor remains responsible for its own statements of beneficial ownership, as required).

In addition, EDF has indicated that the purchase of 4% of the share capital of Vivendi Environnement constitutes a financial investment for it, that it does not contemplate exercising any influence on the management of Vivendi Environnement and that it will exercise its voting rights in its sole discretion with the goal of enhancing the value of its investment.

<b>New Investors</b>	<b>Number of Transferred Shares</b>	<b>Initial Payment (in euros)</b>
Electricité de France	16 155 492	363 498 570,0
Caisse des dépôts et consignations	12 278 000	276 255 000,0
Groupama SA	12 116 619	272 623 927,5
AXA	5 333 334	120 000 015,0
Compagnie d'Investissements de Paris SAS	4 444 445	100 000 012,5
Eurazeo	4 444 445	100 000 012,5
Vivendi Environnement	3 624 844	81 558 990,0
Aurelec	3 333 334	75 000 015,0
Dexia	2 666 667	60 000 007,5
Caisse Nationale des Caisses d'Epargne	2 444 445	55 000 012,5
Assurances Générales de France Holding	2 222 223	50 000 017,5
CNP	2 222 223	50 000 017,5
Crédit Agricole Indosuez (Suisse) pour le compte d'un client	2 222 223	50 000 017,5

Crédit Industriel et Commercial SA	2 222 223	50 000 017,5
Generali	2 222 223	50 000 017,5
Crédit Agricole Indosuez (Suisse) SA	1 199 999	26 999 977,5
Crédit Lyonnais	1 111 111	24 999 997,5
Médéric Prévoyance	1 111 111	24 999 997,5
Wasserstein Family Trust LLC	1 111 111	24 999 997,5
<b>Total</b>	<b>82 486 072</b>	<b>1 855 936 620,0</b>

### Important Disclaimer

*Each of Vivendi Universal and Vivendi Environnement is a corporation listed on the NYSE and Euronext Paris. This press release contains “forward-looking statements” within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi Environnement’s control, including but not limited to the risk of suffering reduced profits or losses as a result of intense competition, the risk that changes in energy prices and taxes may reduce Vivendi Environnement’s profits, the risk that governmental authorities could terminate or modify some of Vivendi Environnement’s contracts, particularly in light of Vivendi universal ceasing to hold at least 50% of Vivendi Environnement’s shares, the risk that Vivendi Environnement’s compliance with environmental laws may become more costly in the future, the risk that currency exchange rate fluctuations may negatively affect Vivendi Environnement’s financial results and the price of its shares, the risk that Vivendi Environnement may incur environmental liability in connection with its past, present and future operations, and the risks related to Vivendi Environnement’s relationship with Vivendi Universal, as well as the risks described in the documents each of Vivendi Universal and Vivendi Environnement has filed with the U.S. Securities and Exchange Commission. Neither Vivendi Universal nor Vivendi Environnement undertakes, nor has, any obligation to provide updates or to revise any forward-looking statements. Investors and security holders may obtain a free copy of documents filed by Vivendi Universal and Vivendi Environnement with the U.S. Securities and Exchange Commission from Vivendi Universal and Vivendi Environnement, as applicable.*

***This announcement is not an offer for sale of Vivendi Environnement securities in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Neither Vivendi Environnement nor Vivendi Universal intends to register any portion of the planned share sale, the options or the underlying shares in the United States or to conduct a public offering of securities in the United States.***

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