

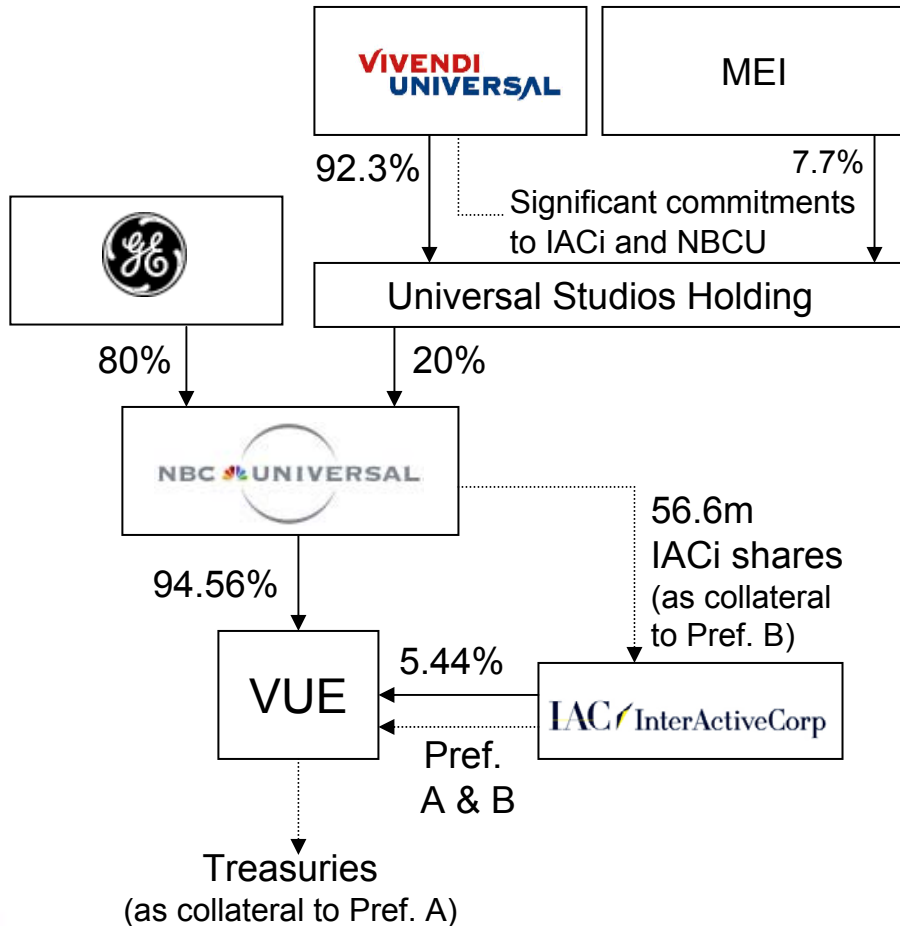
# Simplifying the NBC Universal Structure



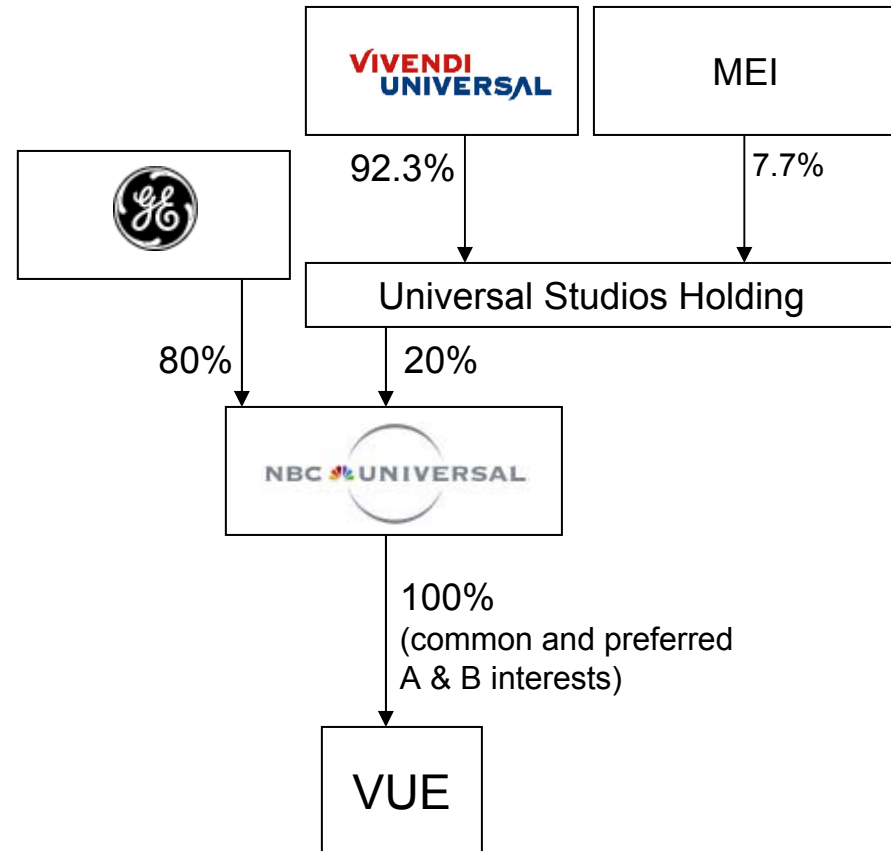
**VIVENDI**  
**UNIVERSAL**

# Simplification of NBCU structure

## PREVIOUS STRUCTURE



## NEW SIMPLIFIED STRUCTURE



## **NBC Universal structure simplified**

- IAC has sold its 5.44% common interest and its preferred equity interest (preferred A and preferred B) in VUE to NBCU
- NBCU (80%-owned by GE and VU controls 20%) to own 100% of VUE

## **Elimination of commitments and contingencies**

- IAC and VU dismiss tax litigation
- VU and NBCU terminate parks commitment

## **Exit windows deferred by one year**

- VU can now exercise its liquidity rights each year from 2007 to 2011
- GE may exercise its call rights beginning in May 2010



# Impact on VU's Financial Statements

- Net amount paid in cash is \$235 million, ≈ €191 million
  - Preferred B annual cash coupon obligation ~ \$30m through 2022 canceled
- Unwind results in a net gain of ≈ €198 million
- Projected Net Financial debt to increase by ≈ €191 million
- Other non-current liabilities reduced by ≈ €257 million
  - Net cost of cash coupons on the VUE Class B preferred interests included in Other non-current liabilities to be written-off
- Elimination of commitments and contingencies
  - Requirement that if NBCU were to sell the Parks, Vivendi Universal shall pay to NBCU 40% of any shortfall in proceeds realized up to \$520 million
  - IAC and Vivendi Universal agree to permanently dismiss litigation between them and \$91 million letter of credit issued to IAC canceled



# NBCU acquires IAC's ownership interest in VUE: details

**Vivendi Universal Overview: \$235m\* (≈€191 m) net cash outflow, \$160m, of which, funds a capital contribution to NBCU**

## → NBCU purchases IAC's 5.44% of VUE

- VU injects \$160 million of capital to fund buyout

## → Preferred A equity interest (collateralized with US treasury bonds)

- VU pays \$865 million
- VU pays \$75 million to NBCU
- VU monetizes preferred A collateral and other cash collateral valued at \$1,074 million, **net benefit of \$134 million** \*, ≈ €109 million

## → Preferred B equity interest (collateralized with 56.6 million IAC shares)

- IAC shares transferred to IAC and VU pays \$72 million\*
- IAC share options held by VU, which mature in 2022, were canceled
- VU pays \$137 million\* to NBCU for taxes
- VU cancels NPV of cash coupon for Preferred B non-current liability resulting in a gain of ≈ €257 million
- Impact on **net gain of \$107 million, ≈€87 million**

→ ≈ €198 million  
← net gain



\* \$235million = (160+72+137)-134

# Important Legal Disclaimer

*This Presentation contains "forward-looking statements" as that term is defined in the 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 and business strategy as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to, the risks that: the reduction of Vivendi Universal's indebtedness expected to be reached as a result of the debt-reduction and maturity-extension plans, proposed disposals and/or restructurings will not materialize in the timing or manner described above; Vivendi Universal will not be able to obtain the regulatory, competition or other approvals necessary to complete certain proposed transactions; actual cash flow and net debt figures differ from the estimated targets described above; Vivendi Universal will be unable to further identify, develop and achieve success for new products, services and technologies; Vivendi Universal will face increased competition and that the effect on pricing, spending, third-party relationships and revenues of such competition will limit or reduce Vivendi Universal's revenue and/or income; Vivendi Universal will be unable to establish and maintain relationships with commerce, advertising, marketing, technology, and content providers; as well as the risks described in the documents Vivendi Universal has filed with the U.S. Securities and Exchange Commission and with the French Autorité des Marchés Financiers (AMF). Investors and security holders may obtain a free copy of documents filed by Vivendi Universal with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) or directly from Vivendi Universal. Vivendi Universal does not undertake, nor has any obligation, to provide, update or revise any forward-looking statements.*

