

# Shareholders' Meeting Notice 2005

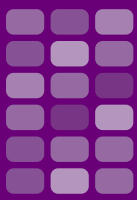
Combined Ordinary and Extraordinary  
General Meeting

**on Thursday April 28, 2005** 3:00 p.m.\*

at the Carrousel du Louvre

Salle Delorme  
99, rue de Rivoli  
75001 PARIS  
FRANCE

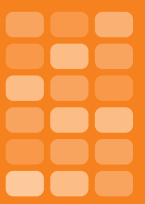
**VIVENDI**  
**UNIVERSAL**



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(\*) Pursuant to applicable law, the first notice of the Shareholders' Meeting is initially scheduled for Monday, April 18, at 9 a.m. at the Company's registered office located at 42, avenue de Friedland, 75008 Paris. However, if the necessary quorum is not present on that occasion, as is likely to occur, no business can be legally transacted on that date. Accordingly, the reconvened Shareholders' Meeting will take place on Thursday, April 28, 2005, at 3 p.m. at the Carrousel du Louvre – Salle Delorme – 99, rue de Rivoli, 75001 Paris, France.



## Preamble

*It is proposed under the sixth resolution that you adopt the new by-laws of your Company to be comprised of a Supervisory Board and a Management Board.*

*In a Board Meeting held on March 30, 2005, your Board of Directors decided to submit the new article 17 of the by-laws "Voting rights" without the adjustment of voting rights in Shareholders' Meetings and to propose, in a new resolution A, presented after the sixth resolution of the meeting agenda, the mechanism for adjustment of the voting rights in Shareholders' Meeting, which is submitted for your approval.*

*It is proposed, in addition, to arrange this mechanism so as there shall be no pooling of the voting rights, given to another shareholder or to the Chairman of the Shareholders' Meeting, representing a number of voting rights in excess of 2% of the total number of shares composing the share capital.*

*Your Board of Directors considers that such a clause for the adjustment of the voting rights in Shareholders' Meetings tends to prevent a shareholder or several shareholders to take advantage of a weak rate of attendance in Meetings to attempt to take the control of the Company without having the obligation to initiate a public offering. Such a clause protects all shareholders, whether individual or institutional, by obliging whoever attempts to take the control of the Company to initiate a public offering. This clause entails no adjustment for shareholders holding interests lower or equal to 2% and increases the relative power in Meetings of the weakest interests in connexion with the effective rate of attendance.*

*The Board of Directors*

## Amendments

**Article 17 – Voting Rights – of the new Company by-laws presented on page 49 of the Shareholders' Meeting Notice is amended as follows:**

### **Article 17 – Voting Rights**

1. In all Shareholders' Meetings, the voting rights attached to shares shall belong to the beneficiary of the bare legal title of the shares.

2. In accordance with applicable law and regulations, shareholders shall be entitled to send in their proxy and voting forms for any Shareholders' Meeting by mail, whether in paper form or, by decision of the Management Board published in the notice of meeting, by tele-transmission.

The Management Board may also decide that shareholders may participate and vote in any Shareholders' Meetings by videoconference and/or tele-transmission, in accordance with applicable law.

In this case, shareholders participating in the Shareholders' Meeting by videoconference or by any other means of telecommunication,

in accordance with applicable law, shall be deemed to be present for the purposes of calculating the quorum and majority.

3. Each shareholder shall have a number of votes equal to the number of shares he owns or represents in all Shareholders' Meetings.

**Accordingly, the sixth resolution remains unchanged and is maintained as follows:**

### **Sixth resolution**

#### **Adoption of the amended company by-laws**

The Shareholders' Meeting, having reviewed the Board of Directors' report, decides to adopt the new Company by-laws which shall henceforth govern the Company. A copy of the new by-laws will be appended to the minutes of the Shareholders' Meeting.



**New resolution proposed by the Board of Directors of Vivendi Universal in its Meeting held on March 30, 2005:**

**New resolution A**

**Amendment of Article 17 of the by-laws "Voting Rights" by insertion of a fourth sub-paragraph: adjustment of the voting rights in Shareholders' Meetings**

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings and upon proposal of the Board of Directors, decides to complete article 17 of the by-laws "Voting Rights" as follows:

3. Each shareholder shall have a number of votes equal to the number of shares he owns or represents, subject to the specific provisions laid down in paragraph 4 below:

4. The number of voting rights held by each shareholder during a Shareholders' Meeting shall be:

- a. equal to the number of voting rights attached to the shares held up to a maximum of 2% of the total number of voting rights existing within the Company,
- b. reduced, for the portion in excess of 2% of the total number of voting rights present or represented in the Shareholders' Meeting.

The calculation to be made during each Shareholders' Meeting is described in the formula set out in the schedule to these by-laws. For the purposes of this calculation, each percentage shall be calculated to two decimal points and the number of voting rights obtained shall be rounded up to the nearest whole number.

The voting rights held by each shareholder shall not be pooled with those assimilated to his voting rights pursuant to the provisions of Article L. 233-9 of the French *Code de commerce* and those attached to shares in respect of which a proxy has been given, to the Chairman of the Shareholders' Meeting, in accordance with the provisions of Article L. 225-106, paragraph 7 of the French *Code de commerce*.

**Schedule**

*Application of the provisions of Article 17 of the by-laws regarding the number of voting rights held by each shareholder at Shareholders' Meetings:*

Where:

- T = the total number of voting rights attached to all shares comprising the share capital
- Yn = the total number of voting rights attached to the shares of shareholders present or represented (n), up to 2% of T per shareholder, and therefore not subject to any limitation
- a,b,c = the percentage of the voting rights (by reference to T) held by A, B, C, etc., in excess of 2% for each of them
- X = the total number of votes which may be cast at a Shareholders' Meeting taking into account the limitations set forth in the By-laws.

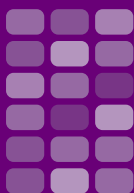
This rule may be expressed as follows:

$$X = Yn + aX + bX + cX$$

Accordingly, the total number of votes which may be cast during a meeting (X) is equal to:

$$X = Yn/(1-a-b-c)$$

By calculating X it is possible to determine, for each of shareholders A, B and C, the total number of votes attached to voting rights exceeding 2% (corresponding to percentages a, b, c, etc.). For each of them, it is necessary to add 2% of T, i.e., the votes attached to voting rights not subject to any limitation.



## Message from the Chairman

*Dear Shareholders,*

*On **Thursday, April 28**, your Shareholders' Meeting will be held at 3:00 p.m., at the Carrousel du Louvre in Paris. I sincerely hope that you will be able to take part in the meeting, either by attending in person or by voting by mail or by proxy. As in previous years, this important moment in the life of the Company will also be transmitted live on our Internet site ([www.vivendiuniversal.com](http://www.vivendiuniversal.com)).*

*The Shareholders' Meeting is an important forum in the Company's life, and provides an excellent opportunity for you to receive information, express your opinions and speak with management.*

*In the presence of Vivendi Universal's Directors and Officers, I will present the Group's results, financial position, strategic priorities, and prospects. We will then answer any questions you may have.*

*The mission with which I was entrusted in July 2002 – the turnaround of Vivendi Universal – has been fulfilled: the Group's financial structure is sound, and its positions in key sectors have been consolidated. This year, for the first time since 2002, you are therefore invited to vote for the distribution of a dividend of 0.60 euros per share, representing a distribution of 643 million euros.*

*With the agreement of the Board of Directors, we propose a change to the Company's corporate governance structure with the creation of a Management Board and a Supervisory Board.*

*Subject to your approval of the resolutions proposed in this respect, I shall chair the Supervisory Board which will mostly be composed of the current members of the Board of Directors. It will also include new members whose nomination is submitted for your approval.*

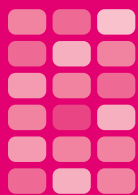
*Jean-Bernard Lévy, who has worked hard to turn the Group around since 2002, has been asked to chair the Management Board, which will include the managers of the Group's various business activities: Abdeslam Ahizoune (Maroc Telecom), Jacques Espinasse (Senior Executive Vice-President and Chief Financial Officer of Vivendi Universal), Frank Esser (SFR Cegetel Group), Bertrand Meheut (Canal+ Group), Doug Morris (Universal Music Group) and René Pénisson (Senior Executive Vice-President, Human Resources, Vivendi Universal; Chairman of Vivendi Universal Games).*

*Bringing together the operational and functional leaders of our Group into a single team of partners focussed on the same goal will create a momentum which will contribute to an increase in the value of each one of our activities and of the Group as a whole.*

*With you, our Shareholders, Vivendi Universal has pursued and consolidated its restoration; as I announced last year, the Group is now profitable and has recovered its capacity for growth.*

*Along with the entire management team, I would like to thank you for your loyalty, your support and your trust.*

Jean-René Fourtou  
Chairman and Chief Executive Officer



# How to Participate in the Meeting

*You are a shareholder of Vivendi Universal. The Shareholders' Meeting gives you the opportunity to receive information and express your opinions. You can choose to attend in person, to vote by mail, or by proxy. You will find all the necessary details on this page.*

*Regardless of how you choose to participate, you must demonstrate that you are a shareholder.*

## Participation in the Meeting

Simply fill out the attached form, selecting one of the four participation options, then sign and date the form.

## Prior to the Meeting

### ▶ If you own registered shares:

They must be recorded in the company's stock registers before 5:00 p.m. (Paris time) the day before the meeting.

### ▶ If you own bearer shares:

As soon as possible, you must ask the financial intermediary that manages your securities account to issue a certificate stating that your shares cannot be transferred prior to the date of the Meeting (Certificate of non-transferability). In any event, BNP Paribas Securities Services must receive this certificate no later than 5:00 p.m. (Paris time) the day before the meeting.

### If you wish to attend the Meeting

You must request an admission card, which you will need to be admitted to the Meeting and to vote.

### ▶ Check box A on the form

▶ **Return the form** in the attached pre-paid envelope or by regular mail to:

BNP Paribas  
Securities Services  
Service Assemblées  
Immeuble Tolbiac  
75450 PARIS CEDEX 09 - France

▶ **Holders of bearer shares** must also attach their certificate of non-transferability obtained from their financial intermediary.

### If you wish to be represented at the Meeting

### ▶ Check box B on the form and

▶ **Select** one of the three options offered, by marking the appropriate box.

#### Vote by mail

Mark the boxes of the resolutions on which you wish to vote no, if any.

#### Give your proxy to the Chairman of the Meeting

The Chairman will then cast a vote in favor of the proposed resolutions presented or recommended by the Board of Directors, and will vote against resolutions not recommended by the Board.

#### Give your proxy to your spouse or another shareholder to represent you

Indicate the name and other information for the person to whom you are giving your proxy to enable them to attend the Meeting and vote for you.

#### Regardless of how you choose to participate

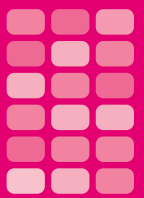
▶ **Return the form** in the attached pre-paid envelope or by regular mail to:

BNP Paribas  
Securities Services  
Service Assemblées  
Immeuble Tolbiac  
75450 PARIS CEDEX 09 - France

▶ **Holders of bearer shares** must also attach their certificate of non-transferability obtained from their financial intermediary.

The advance notice of this meeting required by Article 130 of Decree 67-236 of March 23, 1967, was published in the French Bulletin of Legal Notices (Bulletin des Annonces Légales Obligatoires) on Monday, March 14, 2005.

Live and recorded versions of this meeting will be transmitted on the Internet at the following address: [www.vivendiuniversal.com](http://www.vivendiuniversal.com)



How to fill out the form

If you hold bearer shares,

do not forget to request the certificate of non-transferability of your shares from the financial intermediary who manages your investments.

Attend the meeting  
Mark box A.

Be represented at the meeting  
Mark box B.

1. Mail in Vote.  
Blacken the boxes of the resolutions you wish to vote against.

2. Proxy to Chairman.

3. Proxy to spouse or shareholder.  
Issue a proxy to your spouse or another shareholder, stating the proxy holder's first and last names.

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.**

**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**

A.  Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.

B.  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**VIVENDI UNIVERSAL**  
Société Anonyme au Capital de € 5.899.433.996.50  
42, avenue de Friedland  
75380 PARIS CEDEX 08  
343 134 763 R.C.S. Paris

**ASSEMBLÉE GÉNÉRALE MIXTE** convoquée pour le jeudi 28 avril 2005 à 15 h au Carrousel du Louvre, salle Delorme, 99, rue de Rivoli, 75001 Paris, sur 2<sup>e</sup> convocation\*.  
**MIXED GENERAL MEETING** to be held on Thursday April 28, 2005 at 3:00 pm at Carrousel du Louvre, salle Delorme, 99, rue de Rivoli, 75001 Paris, on second notice\*.

**CADRE RESERVE / For Company's use only**

Identifiant / Account: \_\_\_\_\_

Nombre d'actions / Number of shares: \_\_\_\_\_

Nombre de voix / Number of voting rights: \_\_\_\_\_

Nominatif Registered VS / single vote  
Porteur / Bearer VD / double vote

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso renvoi (3) - See reverse (3)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration à l'EXCEPTION de ceux que je signale en noirissant comme ceci  la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this , for which I vote against or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noirissant comme ceci  la case correspondant à mon choix.  
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this .

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
dater et signer au bas du formulaire, sans rien remplir.  
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING  
date and sign the bottom of the form without completing it  
cf. au verso renvoi (2) - See reverse (2)

**JE DONNE POUVOIR A :** (soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) pour me représenter à l'assemblée / I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder - see reverse (2)) to represent me at the above mentioned meeting.  
M, Mme ou Mte / Mr, Mrs or Miss  
Adresse / Address

**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions que vous avez données, ne seront valides que si les titres correspondants ont été immobilisés, dans les délais prévus, par l'établissement financier qui tient votre compte de titres.  
CAUTION: concerning bearer shares, your vote or proxy will not be counted unless these shares have been blocked from trading by the subcustodian within the prescribed period.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
- Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
Cf. au verso renvoi (1) - See reverse (1)

1	2	3	4	5	6	7	8	9	Oui	Non/No	Oui	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	Yes	Yes	Yes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Absi/Abs	Absi/Abs	Absi/Abs	Absi/Abs
10	11	12	13	14	15	16	17	18	F	G	H	I
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19	20	21	22	23	24	25	26	27	J	K	L	M
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28	29	30	31	32	33	34	35	36				
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37	38	39	40	41	42	43	44	45				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Si des amendements ou des résolutions nouvelles sont présentés en assemblée / In case amendments or new resolutions are proposed during the meeting:  
- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf...  
- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote against).....  
- Je donne procuration (cf. au verso renvoi 2) à M, Mme ou Mlle .....  
pour voter en mon nom / I appoint (see reverse (2)) Mr, Mrs or Miss / to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :  
- sur 1<sup>re</sup> convocation / on 1st notification  
- sur 2<sup>e</sup> convocation / on 2nd notification

à la BANQUE / to the Bank

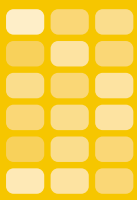
En aucun cas le document ne doit être retourné à VIVENDI UNIVERSAL / In no case, this document must be returned to VIVENDI UNIVERSAL

Date & Signature

\* L'assemblée est convoquée sur première convocation pour le 18 avril 2005, à 9 h au Siège Social, mais faute de réunir, selon toute vraisemblance, le quorum requis à cette occasion, elle ne pourra valablement délibérer à cette date et sera convoquée à nouveau pour le jeudi 28 avril 2005 / The meeting is convened on first notice on April 18, 2005, at 9 pm at the Head Office but in all probability, due to lack of quorum on that date, it is unlikely to be able to make valid deliberations at that time. The meeting will therefore be reconvened on Thursday April 28, 2005.

You must complete this section, regardless of your selection (date and signature).

Insert your name and address here if they are not already indicated.



# Agenda

## As an Ordinary Shareholders' Meeting

- 1 Approval of the statutory reports and statutory financial statements for fiscal year 2004
- 2 Approval of the reports and consolidated financial statements for fiscal year 2004
- 3 Approval of the agreements covered by the Statutory Auditors' special report
- 4 Allocation of net income and determination of the dividend for fiscal year 2004

## As an Extraordinary Shareholders' Meeting

- 5 Transformation of the Company's corporate structure to a structure with a Management Board and a Supervisory Board
- 6 Adoption of the amended Company by-laws
- 7 Delegation of authority to the Management Board to issue ordinary shares or marketable securities giving rights to shares, which are or will be issued as a part of a share capital increase, with preferential subscription rights to shareholders
- 8 Delegation of authority to the Management Board to issue ordinary shares or marketable securities giving rights to shares, which are or will be issued as a part of a share capital increase, without preferential subscription rights to shareholders
- 9 Authorization for the Management Board to increase the number of shares or marketable securities to be issued in the event of an increase in the share capital, with or without preferential subscription rights to shareholders
- 10 Delegation of authority to the Management Board to increase the share capital by incorporation of premiums, reserves, income or other items
- 11 Authorization for the Management Board to proceed with capital increases reserved for employees and pension schemes of the Company and companies in the Group taking part in the Group's savings plan
- 12 Authorization for the Management Board to grant Company stock options
- 13 Authorization for the Management Board to grant restricted stock from treasury stock or shares to be issued
- 14 Authorization for the Management Board to decrease the share capital by cancellation of treasury stock

## As an Ordinary Shareholders' Meeting

- 15 Appointment of Mr. Jean-René Fourtou as a Member of the Supervisory Board
- 16 Appointment of Mr. Claude Bébéar as a Member of the Supervisory Board
- 17 Appointment of Mr. Gérard Brémont as a Member of the Supervisory Board
- 18 Appointment of Mr. Fernando Falcó y Fernández de Córdova as a Member of the Supervisory Board
- 19 Appointment of Mr. Paul Fribourg as a Member of the Supervisory Board
- 20 Appointment of Mr. Gabriel Hawawini as a Member of the Supervisory Board
- 21 Appointment of Mr. Henri Lachmann as a Member of the Supervisory Board
- 22 Appointment of Mr. Pierre Rodocanachi as a Member of the Supervisory Board
- 23 Appointment of Mr. Karel Van Miert as a Member of the Supervisory Board
- 24 Appointment of Mrs. Sarah Frank as a Member of the Supervisory Board
- 25 Appointment of Mr. Patrick Kron as a Member of the Supervisory Board
- 26 Appointment of Mr. Andrzej Olechowski as a Member of the Supervisory Board
- 27 Determination of the amount of the Supervisory Board Members' fees
- 28 Renewal of Salustro Reydel as Statutory Auditors
- 29 Appointment of Mr. Jean-Claude Reydel as Alternate Statutory Auditor
- 30 Authorization for the Company to purchase its own shares
- 31 Authorization for performance of legal formalities



# Report of the Board of Directors

Dear Shareholders,

We have called this Combined Ordinary and Extraordinary Shareholders' Meeting in order to submit for your approval the following draft resolutions which will:

- approve the annual financial statements and determine the dividend for fiscal year 2004 (1);
- adopt the dual corporate structure with a Management Board and a Supervisory Board and amend the By-laws accordingly (2);
- authorize the Board of Directors or the future Management Board to increase the capital stock (3);
- renew the authorizations relating to the share buyback program (4);
- appoint the members of the Supervisory Board (5);
- renew the term of office of a Statutory Auditor and appoint an Alternate Auditor (6).

## 1. Approval of annual financial statements

(1<sup>st</sup> to 4<sup>th</sup> ordinary resolutions)

The first items on the agenda relate to the approval of the statutory annual financial statements (1<sup>st</sup> resolution), the consolidated annual financial statements (2<sup>nd</sup> resolution), and the agreements covered by the Auditors' special report (3<sup>rd</sup> resolution), and to the allocation of net income for fiscal year

2004 (4<sup>th</sup> resolution). Your Board of Directors proposes, for the first time in three years, the payment of a dividend of 0.60 euros per share, representing a distribution of more than 643 million euros.

## 2. Transformation of the Company's corporate structure to a structure with a Supervisory Board and a Management Board – amendment and adoption of the Company By-laws

(5<sup>th</sup> and 6<sup>th</sup> extraordinary resolutions)

We propose the transition to a dual corporate structure to be comprised of a Supervisory Board and a Management Board (5<sup>th</sup> resolution). This amendment will create a momentum which will contribute to an increase in the value of each one of our activities and of the Group as a whole.

We therefore propose that you adopt the text of the new Company by-laws (6<sup>th</sup> resolution) and in particular Parts III and IV respectively regarding the composition, functions, powers of the Supervisory Board and the Management Board.

At the same time, we propose that you amend the Company's purpose in order to take into account the refocusing of the Group's activities on the media and telecommunications sectors.

The other provisions of the Company by-laws remained unchanged.

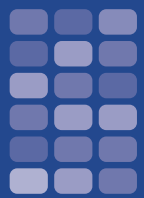
The new version of the Company by-laws is attached to this report.

## 3. Delegation of authority to the Management Board and financial authorizations

(7<sup>th</sup> to 13<sup>th</sup> extraordinary resolutions)

In order to allow your Company to continue to meet its financing needs and in accordance with the most recent French laws and regulations which have amended the regime for the issuance of shares or marketable securities giving rights to share capital, we recommend that you authorize or delegate the power to your Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to your Management Board:

- to increase the share capital by the issuance of ordinary shares or any marketable securities giving rights to shares, with the maintenance of your preferential subscription right, up to a total maximum nominal amount of 1 billion euros (against 2 billion euros previously), representing a maximum of 16.5% of the current share capital (7<sup>th</sup> resolution);



- to increase the share capital by the issuance of ordinary shares or marketable securities giving rights to shares, with the suppression of your preferential subscription rights, up to a total maximum nominal amount of 500 million euros (against 1 billion euros previously). This amount shall be charged against the aggregate global limit set forth in the seventh resolution (8<sup>th</sup> resolution);

It is anticipated that the subscription price of the ordinary shares or marketable securities giving rights to the authorized share capital to be issued in this context will be fixed by reference to the weighted average of the share price during the last three stock exchange sessions preceding the issuance, with, if appropriate, a maximum discount of 5%.

It is anticipated that priority rights could be granted to shareholders in order to subscribe ordinary shares before the public.

- to increase the number of shares or marketable securities to be issued in the event of an increase in the share capital, with or without preferential subscription rights, in order to respond to potential additional requirements, up to a maximum of 15% of the initial issue and at the same price as that set for that issue (9<sup>th</sup> resolution);

- to increase the share capital by incorporation of premiums, reserves, profits or other items, up to a total maximum amount of 500 million euros (against 1 billion in the past). This amount shall be charged against the aggregate global limit set forth in the seventh resolution (10<sup>th</sup> resolution).

These delegated powers and authorizations will be granted for a period of 26 months from the date of your General Meeting.

In addition, we propose that you authorize your Board of Directors or, subject to the adoption of the fifth and sixth resolutions, your Management Board:

- to effect during a 26-month period increases in the share capital reserved for employees and retired employees of the

Company and companies in the Vivendi Universal Group adhering to the Group Savings Plan, up to a maximum of 1.5% of the share capital on the date this authorization is exercised (against 5% previously). This amount shall be charged against the aggregate global limit set forth in the seventh resolution (11<sup>th</sup> resolution);

- to grant options to subscribe for shares, for a 36-month term, representing up to 2.5% of the Company's share capital as at the date the options are granted (against 3.5% previously). The price at which any options granted pursuant to this authorization may be exercised will be fixed in accordance with applicable law but without a discount. The amount of annual allocations during the period of the authorization will be subject to an upper limit of 0.8% compared with 1.5% previously. This amount shall be charged against the aggregate global limit set forth in the seventh resolution (12<sup>th</sup> resolution);

- to allocate restricted stock grants from treasury stock or shares to be issued, during a 36-month period, up to a maximum of 0.5% of the current share capital, to the benefit of Company's employees or certain categories of such employees and of certain Company representatives. In accordance with new legislative provisions, the allocation of these restricted stock grants can take place only if the beneficiaries of such shares hold them for a minimum period of two years. In the event that this authorization to allocate restricted stock grants from shares to be issued is exercised, this allocation will take place by way of incorporation of reserves into capital up to the nominal amount of the new shares thus created (13<sup>th</sup> resolution).

All the delegated powers or authorizations submitted for your approval are summarized in a table annexed hereto. These delegated powers or authorizations supersede all the authorizations previously granted to your Board of Directors by your Shareholders' Meetings held on April 29, 2003 and May 6, 2004.

#### 4. Supervisory Board – appointment of members – determination of the amount of the Supervisory Board Members' fees

(15<sup>th</sup> to 27<sup>th</sup> ordinary resolutions)

In the context of the proposals made to you to change the Company's corporate structure, and subject to the adoption of the fifth and sixth resolutions, we submit for your approval the appointment as members of the Supervisory Board of Messrs Jean-René Fourtou, Claude Bébéar, Gérard Brémond, Fernando Falcó y Fernández de Córdova, Paul Fribourg, Gabriel Hawawini, Henri Lachmann, Pierre Rodocanachi and Karel Van Miert, for the remainder of their initial term of office as Directors of your Company.

Mrs Marie-Josée Kravis and Messrs Bertrand Collomb and Gerard Kleisterlee have decided, for personal reasons, not to continue their term of office as members of the Supervisory Board.

Consequently, we propose that, in order to maintain the number of members of the Supervisory Board at twelve, you appoint three new members, Mrs Sarah Frank and Messrs Patrick Kron and Andrzej Olechowski, for a four-year term or until the conclusion of the General Meeting held to approve the annual financial statements for the fiscal year 2008.



Your Supervisory Board will thus be composed of ten independent members. Among them five members are not French citizens including two Americans and three Europeans. Information about the current members of your Board of Directors and the future Supervisory Board is presented on page 37 *et seq.* of this notice.

Subject to the adoption of the fifth and sixth resolutions, we propose that you allocate fees in the aggregate amount of 1.2 million euros to be paid to the members of your Supervisory Board, the same amount as that previously allocated to members of your Board of Directors (27<sup>th</sup> resolution).

### 5. Auditors – renewal of one Statutory Auditor and appointment of one Alternate Auditor

(28<sup>th</sup> and 29<sup>th</sup> ordinary resolutions)

The term of office of Salustro Reydel as Statutory Auditor is due to expire at the end of your General Meeting. We propose that you renew Salustro Reydel for a 6-year period, until the conclusion of the General Meeting held to approve the 2010 financial statement.

The term of office of Mr Hubert Luneau as Alternate Auditor is due to expire at the end of your General Meeting. We propose that you appoint M. Jean-Claude Reydel to replace him for a 6-year period, until the conclusion of the General Meeting called to approve the 2010 financial statement.

### 6. Authorization for the Company to purchase its own shares, and, where appropriate, cancel them

(14<sup>th</sup> extraordinary and 30<sup>th</sup> ordinary resolutions)

In accordance with the provisions of Articles L. 225-209 *et seq.* of the French *Code de commerce*, we propose that you authorize your Board or, subject to the adoption of the fifth and sixth resolutions, your Management Board, for a new 18-month period and in accordance with applicable law to trade on the stock exchange or elsewhere, notably by purchasing the Company's shares or by using financial instruments in order to place such shares in the Company's reserves or in order to use such shares to carry out exchanges following bond issuances, acquisitions or otherwise, or to adjust or support the share price in accordance with applicable law (in compliance with the code of ethics of the AFEI (*l'Association Française des Entreprises*

*d'Investissement*)), to sell or allot the shares to employees or cancel them (14<sup>th</sup> and 30<sup>th</sup> resolutions).

We propose that you fix the maximum purchase price at 40 euros per share. This share purchase program will be the subject of a transaction notice approved by the French *Autorité des Marchés Financiers* at the time of its implementation.

Your Company has not cancelled any treasury shares in the preceding 24-month period and as at February 28, 2005 holds 2.8 million of its own shares, representing 0.2% of the share capital.

### 7. Powers to carry out legal formalities

(31<sup>st</sup> resolution)

Finally, the thirty-first resolution proposed to you is intended to confer the authorization necessary for the performance of legal formalities subsequent to the holding of your meeting.

The Board of Directors



## Appendix

### List of delegated powers and authorizations proposed to the Combined Ordinary and Extraordinary General Meeting of April 28, 2005

#### Issues with maintained preferential subscription rights

Nature of transaction	Source (Resolution Number)	Duration of the authorization and expiry date	Maximum amount of issue based on a share price of 24 euros	Maximum nominal amount capital increase (in euros)
Capital increase - any marketable securities giving rights to shares	7 <sup>th</sup> - 2005	26 months (June 2007)	4.363 bn	1 billion <sup>(1)</sup> <sup>(3)</sup> i.e. maximum of 16.5% of the current share capital
Capital increase by incorporation of reserves	10 <sup>th</sup> - 2005	26 months (June 2007)	2.181 bn	500 million <sup>(2)</sup>

#### Issues without preferential subscription rights

Nature of transaction	Source (Resolution Number)	Duration of the authorization and expiry date	Maximum amount of issue	Maximum nominal amount capital increase (in euros)
Capital increase - any marketable securities giving rights to shares	8 <sup>th</sup> - 2005	26 months (June 2007)	2.181 bn	500 million <sup>(2)</sup> <sup>(3)</sup>

#### Issues reserved for employees of Vivendi Universal

Nature of transaction	Source (Resolution Number)	Duration of the authorization and expiry date	Characteristics
Increase in the share capital by means of the Group Savings plan	11 <sup>th</sup> - 2005	26 months (June 2007)	Maximum of 1.5% of the share capital on the date of the Management Board's decision <sup>(2)</sup>
Stock options (subscription options only) Exercise price fixed without discount	12 <sup>th</sup> - 2005	36 months (April 2008)	Maximum of 2.5% of the share capital on the date of Management Board's decision <sup>(2)</sup>
Allocation of existing or future shares free of charge	13 <sup>th</sup> - 2005	36 months (April 2008)	Maximum of 0.5% of the share capital on the date of the Management Board's decision

#### Share buyback program

Nature of transaction	Source (Number of resolution)	Duration of the authorization and expiry date	Characteristics
Buyback of shares	30 <sup>th</sup> - 2005	18 months (October 2006)	Legal limit Maximum purchase price: 40 euros
Cancellation of shares	14 <sup>th</sup> - 2005	24 months (April 2007)	10% of the share capital

(1) Global amount for capital increases, any transactions included

(2) This amount shall be charged against the aggregate global limit of 1 billion euros set forth in the seventh resolution

(3) Amount likely to be increased of 15% maximum in the event of supplementary subscription requests (9<sup>th</sup> resolution)

## As an Ordinary Shareholders' Meeting

### First resolution

#### Approval of the statutory reports and statutory financial statements for fiscal year 2004

The Shareholders' Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors for fiscal year 2004, approves the 2004 statutory financial statements and the transactions reflected in these financial statements or summarized in these reports.

### Second resolution

#### Approval of the reports and consolidated financial statements for fiscal year 2004

The Shareholders' Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors for fiscal year 2004, approves the 2004 consolidated financial statements and the transactions reflected in these financial statements or summarized in these reports.

### Third resolution

#### Approval of the agreements covered by the Statutory Auditors' special report

The Shareholders' Meeting takes formal note of the Statutory Auditors' special report, pursuant to Article L. 225-40 of the French *Code de commerce*, and approves the transactions and agreements covered therein.

### Fourth resolution

#### Allocation of net income and determination of the dividend for fiscal year 2004

The Shareholders' Meeting approves the Board of Directors' proposal for allocating the fiscal year 2004 net income as follows:

Source:	(in euros)
• Year's net income:	1,227,292,200
<b>Allocation:</b>	
• Legal reserve:	61,364,610
• Total dividend:	643,574,618
• Balance carried forward:	522,352,972
<b>Total:</b>	<b>1,227,292,200</b>

Therefore, it sets the dividend at 0.60 euros per share constituting the share capital held on the record date. The dividend shall be paid on May 4, 2005. The dividend shall qualify for the 50% tax credit provided by Article 158-3 2nd of the French *Code Général des Impôts* for natural persons having their tax residence in France.

The Shareholders' Meeting decides, in accordance with applicable law (*la loi de finances rectificative pour 2004*) requiring the elimination before December 31, 2005 of long-term capital gains reserves, to transfer to "other reserves" the amount of 3,251,101 euros (which corresponds to the special reserve amount set forth in the December 31, 2004 statutory financial statements for long-term capital gains).

The dividends for the previous three fiscal years were as follows :

(in euros)	2003	2002	2001
Number of shares (*):	1,071,518,691	1,068,148,584	1,048,120,189
Net dividend:	-	-	1
Tax credit:	-	-	0.50
Dividend per share:	-	-	1.50
<b>Global distribution:</b> (in billions of euros)	-	-	<b>1.048</b>

(\*): Number of shares as at January 1, before deduction of shares held by the Company at the dividend payment date.

## As an Extraordinary Shareholders' Meeting

### Fifth resolution

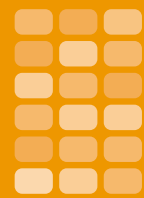
#### Transformation of the Company's corporate structure to a structure with a Management Board and a Supervisory Board

The Shareholders' Meeting, having reviewed the Board of Directors' report and in accordance with Article L. 225-57 of the French *Code de commerce*, decides to modify, as of this day, the Company's corporate structure to be comprised of a Management Board and a Supervisory Board, governed by Articles L. 225-57 to L. 225-93 of the French *Code de commerce*.

### Sixth resolution

#### Adoption of the amended Company by-laws

The Shareholders' Meeting, having reviewed the Board of Directors' report, decides to adopt the new Company by-laws which shall henceforth govern the Company. A copy of the new by-laws will be appended to the minutes of the Shareholders' Meeting.



#### Seventh resolution

### Delegation of authority to the Management Board to issue ordinary shares or marketable securities giving rights to shares, which are or will be issued as a part of a share capital increase, with preferential subscription rights for shareholders

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings and having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L. 225-129, L. 225-129-2, L. 228-91 and L. 228-92 of the French *Code de commerce*:

1. Delegates to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board the authority to proceed, on one or more occasions, with the issuance both in France or abroad, either in euros or in foreign currency, or in monetary units established by reference to several foreign currencies, of ordinary shares of the Company or of securities giving rights by any means, immediately and/or eventually, to ordinary shares of the Company;

The delegation thus conferred upon the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, shall be valid for a 26-month period as from the date of this Shareholders' Meeting.

2. Decides that the total amount of increases in share capital to be implemented immediately and/or eventually, shall not exceed a nominal amount of 1 billion euros, to which shall be added, if applicable, the additional value of shares to be potentially issued in order to preserve, as required by law, the rights of holders of marketable securities exchangeable for shares.

3. Decides that the shareholders, in proportion to the value of their shares, have a pre-emptive right to marketable securities issued by virtue of this resolution.

4. Decides that if exercises of rights to subscribe for new shares, and, if applicable, applications made for available shares, fail to absorb an entire issue of shares or marketable securities as defined above, the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, may offer some or all of the unsubscribed securities to the public.

5. Decides that the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, could, if applicable, charge the fees or charges relating to the issuance against the amount of the corresponding premiums and deduct therefrom the amounts necessary in order to fund the legal reserve.

6. Takes formal note that this authorization supersedes any previous delegation to that same effect and in particular the authorization previously granted by the Shareholders' Meeting held on April 29, 2003 (seventeenth resolution).

#### Eighth resolution

### Delegation of authority to the Management Board to issue ordinary shares or marketable securities giving rights to shares, which are or will be issued as a part of a share capital increase, without preferential subscription rights for shareholders

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings and having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L. 225-129, L. 225-129-2, L. 225-135, L. 228-91 and L. 228-92 of the French *Code de commerce*:

1. Delegates to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board, the authority to proceed, on one or more occasions, with the issuance both in France or abroad, either in euros or in foreign currency, or in monetary units established by reference to several foreign currencies, of ordinary shares of the Company or of securities giving access by any means, immediately and/or eventually, to ordinary shares of the Company;

The delegation thus conferred upon the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, shall be valid for a 26-month period as from the date of this Shareholders' Meeting.

2. Decides that the total amount of increases in share capital to be implemented immediately and/or eventually, shall not exceed a nominal value of 500 million euros, this amount being charged against the aggregate global limit set forth in the seventh resolution.

3. Decides to cancel the pre-emptive rights of shareholders to these securities which shall be issued in accordance with current legislation, and to confer upon the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, on the Management Board, the power to establish, for the benefit of shareholders, priority rights in application of Article L. 225-135 of the French *Code de commerce*.

4. Decides that the offering price of the shares shall be at least equal to the weighted average of the first prices listed during the last three stock exchange days (on the Paris market) prior to the issuance date, minus the discount provided by law.

5. Takes formal note that this delegation supersedes any previous delegation to that same effect and in particular the authorization previously granted by the Shareholders' Meeting held on April 29, 2003 (eighteenth resolution).

6. The Shareholders' Meeting authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, throughout the same 26-month term, to decide, pursuant to the report of the independent appraiser, to effect one or more increases in capital, up to a maximum of 10% of the share capital, in order to remunerate contributions in kind granted to the Company and comprised of equity securities or marketable securities giving access to the share capital, when the provisions of Article L. 225-148 of the French *Code de commerce* are not applicable.

7. The Shareholders' Meeting decides that the present delegation given to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board, can be used to effect a capital increase in order to supply the securities in connection with a public offering to exchange securities in accordance with the provisions of Article L. 225-148 of the French *Code de commerce*.

8. Decides that the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, could, if applicable, charge the fees or charges relating to the issuance against the amount of the corresponding premiums and deduct therefrom the amounts necessary in order to fund the legal reserve.

In any event, the amount of the share capital increases carried out by virtue of this resolution shall be charged against the aggregate global limit set forth in the seventh resolution.

### Ninth resolution

#### Authorization for the Management Board to increase the number of shares or marketable securities to be issued in the event of an increase of the share capital, with or without preferential subscription rights for shareholders

The Shareholders' Meeting, having reviewed the Board of Directors' report, and having met the quorum and majority requirements for Extraordinary Shareholders' Meetings and in accordance with the provisions of Article L. 225-135-1 of the French *Code de commerce*:

Authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, for a 26-month period from the date of this Shareholders' Meeting and in accordance with the provisions of Article 155-4 of Decree no. 67-236 of March 23, 1967 or any other applicable provision, on its own initiative and subject to the aggregate global limit set forth in the seventh resolution, to increase the number of shares or marketable securities to be issued in the event of an increase in the authorized share capital of the Company pursuant to the seventh and eighth resolutions, with or without preferential subscription rights for shareholders, within a 30-day period of the closing of subscriptions for the initial issuance and subject to a limit of 15% of the initial issuance, at the same price as that applied to the initial issuance.

The Shareholders' Meeting takes formal note that the limit set forth in the first sub-paragraph of paragraph 1 of Article L. 225-134 of the French *Code de commerce*, will then be increased proportionally.

### Tenth resolution

#### Delegation of authority to the Management Board to increase the share capital by incorporation of premiums, reserves, income or other items

The Shareholders' Meeting, having met the quorum and majority requirements set in Article L. 225-130 of the French *Code de commerce*, having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with Articles L. 225-129, L. 225-129-2, L. 225-130 of the French *Code de commerce*:

1. Delegates authority to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board for a 26-month period as at the day of the present Shareholders' Meeting to decide one or more capital increases, effected pursuant to the Company's by-laws and in accordance with other applicable law, by incorporating premiums, reserves, income or other items through the form of stock grants or by increasing the nominal value of existing shares.

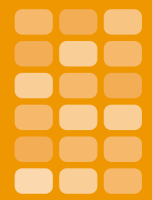
2. Decides that the total amount of increases of share capital to be implemented immediately and/or eventually, shall not exceed a nominal value of 500 million euros.

3. Decides that the total amount of increases of share capital to be implemented may be increased by the amount required to preserve, in accordance with applicable law, the rights of holders of marketable securities giving rights to shares, independently of the ceiling set forth in paragraph 2 of this resolution.

4. In the event that the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, uses this delegation, the Shareholders' Meeting decides that, in accordance with the provisions of Article L. 225-130 of the French *Code de commerce*, any fractional rights shall not be negotiable and that the corresponding securities shall be sold; the sums deriving from such a sale shall be allocated to the holders of such fractional rights within the regulatory time period.

5. Takes formal note that this authorization supersedes any previous delegation to that same effect and in particular the authorization previously granted by the Shareholders' Meeting held on April 29, 2003 (nineteenth resolution).

In any event, the amount of the share capital increases carried out by virtue of this resolution shall be charged against the aggregate global limit set forth in the seventh resolution.



#### Eleventh resolution

### Authorization for the Management Board to proceed with capital increases reserved for employees and pension schemes of the Company and companies in the Group taking part in the Group's savings plan

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the legislative and statutory provisions in force, and notably with the provisions of articles L. 225-138-1 and L. 225-129-6 of the French *Code de commerce* and article L. 443-5 of the French *Code du travail*:

- ▶ authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, to increase the Company's share capital, on one or more occasions, within a 26-month period following the date of this Shareholders' Meeting, through the issuance of shares to be paid up in cash, and reserves the subscription of the entire issuance for the employees of the Company and of the French or foreign companies affiliated with the Company within the meaning of Article L. 225-180 of the French *Code de commerce* and the scope of the consolidation of the Company and participate in the Group savings plan or to a voluntary employee pension plan;
- ▶ decides that the total number of shares that may be issued by virtue of this resolution shall be less than 1.5% of the share capital, as ascertained on the day of the Board of Directors' decision or, subject to the adoption of the fifth and sixth resolutions, the Management Board's decision;
- ▶ decides that the offering price for the new shares will neither be higher than the weighted average of the initial prices listed during the 20-day trading period preceding the day of the Board of Directors' decision or, subject to the adoption of the fifth and sixth resolutions, the Management Board's decision, setting the subscription opening date, nor be lower than this average, as reduced by the maximum discount provided by law on the day of the Board of Directors' decision or, subject to the adoption of the fifth and sixth resolutions, of the Management Board's decision;
- ▶ acknowledges that these decisions imply the shareholders' waiver of their preferential subscription rights, in favor of the employees, for whom the capital increase is reserved;
- ▶ grants full power to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board, to determine all the terms and conditions applicable to the corresponding operations, and in particular:

- to set the terms and conditions for subscribing to the savings plan, and to establish or modify the corresponding rules;
- to set the special conditions to be met by the companies affiliated with the Group within the meaning of the aforementioned Article L. 225-180 and within the scope of the Company's consolidation;

- to set the seniority conditions to be met by the beneficiaries of the new shares resulting from any capital increases under this resolution;
- to determine that the subscriptions can be made through the intermediary of a mutual fund, a voluntary employee pension plan, or directly;
- to grant a preliminary time period to allow employees to release their shares;
- to set the subscription opening and closing dates and the share offering price;
- to determine the number of new shares to be issued;
- to certify the effecting of the capital increases; accomplish any operations and formalities resulting from such increases, directly or through a representative; modify the Corporate Statutes accordingly and, more generally, accomplish whatever is deemed relevant and necessary under the legislation and regulations in force.

In accordance with applicable law, the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, may delegate the authority required to proceed with the capital increases, or to postpone such increases, within the limits and according to the conditions it may decide to establish.

The Shareholders' Meeting hereby resolves that this authorization supersedes, for its remaining duration and unused portion, the authorization previously granted by the Shareholders' Meeting held on April 29, 2003 (twenty-first resolution).

In any event, the amount of the share capital increases carried out by virtue of this resolution shall be charged against the aggregate global limit set forth in the seventh resolution.

#### Twelfth resolution

### Authorization for the Management Board to grant Company stock options

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, as set out in Articles L. 225-177 et seq. of the French *Code de commerce*, to grant on one or more occasions and for a 36-month period as of this day, and to the benefit of Company representatives, senior managers or, in exceptional circumstances, non-executive employees of the Vivendi Universal group, a number of stock options for new shares of the Company, to be issued as part of a capital increase, up to a maximum of 2.5% of the share capital, as ascertained on the day when the options are granted by the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, by the Management Board.

The price fixed for the stock options shall be determined by the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, by the Management Board, in accordance with conditions and within the limits fixed by current law, without a discount.

This authorization automatically entails the Shareholders' waiver of their preferential subscription rights to the shares that will be issued, over time, as the options are exercised in favor of the option holders.

The options granted must be exercised within a maximum period of ten years from the date of granting.

The shares subscribed for under this authorization must be registered shares.

The Shareholders' Meeting confers full powers to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board, on one or more occasions, to select the stock option grantees and determine the number of options granted to each of them, fix the options' opening date, order the terms and conditions for allotting, exercising and temporarily suspending the options granted, conduct any necessary transactions, comply with other new legal provisions that may take effect during this authorization period, and the compliance of which would not require a special resolution by the Shareholders' Meeting, and delegate full powers to carry out any other related actions or formalities.

The Shareholders' Meeting hereby resolves that this authorization supersedes, for its unused portion and remaining duration, the authorization previously granted by the Shareholders' Meeting held on April 29, 2003 (twentieth resolution).

In any event, the amount of the capital increases carried out by virtue of this resolution shall be charged against the aggregate global limit set forth in the seventh resolution.

### Thirteenth resolution

#### Authorization for the Management Board to grant restricted stock from treasury stock or shares to be issued

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings, and having reviewed the Board of Directors' report and the Statutory Auditors' special report, as set out in Articles L. 225-197-1 *et seq.* of the French *Code de commerce*:

- authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, to proceed, on one or more occasions and to the benefit of the Company's employees or of certain categories of such employees or of the affiliated companies within the meaning of Article L. 225-197-2 and of the Company's representatives by applicable law, with grants of restricted stock from treasury stock or shares to be issued;
- decides that the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, will select the grantees, as well as the conditions and, as applicable, the criteria for allocating the shares;

- decides that the total number of stock grants distributed shall not exceed 0.5% of the Company's current share capital, as existing on the date of granting, noting that the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, has the power to modify the amount of restricted stock within the aforementioned 0.5% limit, in connection with potential share capital increases.

- decides that the allocation of stock shall vest after a minimum period of two years, it being understood that the grantees will have to hold the shares for a minimum of two years;

- acknowledges that this decision implies, in favor of the grantees, the shareholders' waiver of the portion that will be added to the capital reserves, as applicable, if new shares were to be issued as part of a share capital increase;

- sets the validity of this delegation to 36-month period, starting from the date of this meeting.

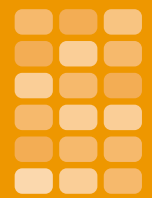
The Shareholders' Meeting gives full powers to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board, including the authority to further delegate, subject to applicable law, in order to implement this authorization.

### Fourteenth resolution

#### Authorization for the Management Board to decrease the share capital by cancellation of treasury stock

The Shareholders' Meeting, having met the quorum and majority requirements for Extraordinary Shareholders' Meetings and having reviewed the Board of Directors' report and the Statutory Auditors' special report and subject to the adoption by this Meeting of the thirtieth resolution, authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, in accordance with Article L. 225-209 of the French *Code de commerce*, to cancel, at its sole discretion, on one or more occasions, the treasury stock, up to a maximum of 10% of the share capital over a 24-month period beginning as at the date of this Shareholders' Meeting, and to decrease the share capital accordingly.

The Shareholders' Meeting grants the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, full authority, which may be delegated, in order to carry out any and all actions, formalities or declarations necessary to effect the capital reductions which may be effected under this authorization and to amend the Company's by-laws accordingly.



## As an Ordinary Shareholders' Meeting

### Fifteenth resolution

#### Appointment of Mr. Jean-René Fourtou as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Jean-René Fourtou as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Sixteenth resolution

#### Appointment of Mr. Claude Bébéar as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Claude Bébéar as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Seventeenth resolution

#### Appointment of Mr. Gérard Brémond as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Gérard Brémond as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Eighteenth resolution

#### Appointment of Mr. Fernando Falcó y Fernández de Córdova as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Fernando Falcó y Fernández de Córdova as a Member of the Supervisory Board for a one-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2005.

### Nineteenth resolution

#### Appointment of Mr. Paul Fribourg as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Paul Fribourg as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Twentieth resolution

#### Appointment of Mr. Gabriel Hawawini as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Gabriel Hawawini as a Member of the Supervisory Board for a one-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2005.

### Twenty-first resolution

#### Appointment of Mr. Henri Lachmann as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Henri Lachmann as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Twenty-second resolution

#### Appointment of Mr. Pierre Rodocanachi as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Pierre Rodocanachi as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Twenty-third resolution

#### Appointment of Mr. Karel Van Miert as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mr. Karel Van Miert as a Member of the Supervisory Board for a three-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2007.

### Twenty-fourth resolution

#### Appointment of Mrs. Sarah Frank as a Member of the Supervisory Board

The Shareholders' Meeting appoints Mrs. Sarah Frank as a Member of the Supervisory Board for a four-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2008.

**Twenty-fifth resolution**
**Appointment of Mr. Patrick Kron as a Member of the Supervisory Board**

The Shareholders' Meeting appoints Mr. Patrick Kron as a Member of the Supervisory Board for a four-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2008.

**Twenty-sixth resolution**
**Appointment of Mr. Andrzej Olechowski as a Member of the Supervisory Board**

The Shareholders' Meeting appoints Mr. Andrzej Olechowski as a Member of the Supervisory Board for a four-year term, until the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2008.

**Twenty-seventh resolution**
**Determination of the amount of the Supervisory Board Members' fees**

The Shareholders' Meeting decides - until further deliberation by this Meeting - to allocate a yearly sum of 1,200,000 euros to the Supervisory Board to cover Supervisory Board Members' fees.

**Twenty-eighth resolution**
**Renewal of Salustro Reydel as Statutory Auditors**

The Shareholders' Meeting renews Salustro Reydel as Statutory Auditors, for a 6-year period. This term of office shall expire at the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2010.

**Twenty-ninth resolution**
**Appointment of Mr. Jean-Claude Reydel as Alternate Statutory Auditor**

The Shareholders' Meeting appoints Mr. Jean-Claude Reydel as Alternate Statutory Auditor, to replace Mr. Hubert Luneau whose term of office has expired, for a 6-year period. Mr. Reydel's term of office shall expire with the conclusion of the Shareholders' Meeting held to approve the financial statements for fiscal year 2010.

**Thirtieth resolution**
**Authorization for the Company to purchase its own shares**

The Shareholders' Meeting, having reviewed the Board of Directors' report and in accordance with Articles L. 225-209 *et seq.* of the French *Code de commerce*, authorizes the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, with authorization to sub-delegate to its Chairman, for a 18-month period as from the date of this meeting, in accordance with applicable law, on one or more occasions, to acquire its own shares, even during a public offering period, on the stock exchange or otherwise, notably by purchasing the Company's shares or by using financial instruments in order to place such shares in the Company's reserves or in order to use such shares to carry out exchanges following bond issuances, acquisitions or otherwise, or to adjust or support the share price in accordance with applicable law (in compliance with the code of ethics of the AFEI (*l'Association Française des Entreprises d'Investissement*)), to sell or allot the shares to employees or to cancel them (provided the fourteenth resolution is approved by this Shareholders' Meeting).

During this period, the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, the Management Board, shall operate under the following rules:

Maximum purchase price: 40 euros per share

The aggregate purchase amount, based on an average price of 24 euros per share, shall not exceed 2.57 billion euros.

The Shareholders' Meeting grants full powers to the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, to the Management Board, with authorization to sub-delegate, to place any orders, execute any assignments or transfers, enter into any agreements, liquidity contracts, or option contracts, and make any declarations and effect any formalities required.

The Shareholders' Meeting resolves that this authorization, as soon as it is used by the Board of Directors or, subject to the adoption of the fifth and sixth resolutions, by the Management Board, supersedes, for the unused portion and remaining duration, the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' Meeting held on May 6, 2004.

**Thirty-first resolution**
**Authorization for performance of legal formalities**

The Shareholders' Meeting gives full powers to the bearer of a certified copy or excerpt of the minutes of this Meeting to perform any formalities required by law.



## Position of the Company and the Group in 2004

- ▶ **Adjusted net income<sup>(1)</sup> at €1,380 million** (€1.29 per share) compared to €349 million in 2003 (€0.33 per share), **multiplied four times.**
- ▶ **Operating income as published at €3,476 million** compared to €3,309 million in 2003. **Operating income (on a comparable basis<sup>(2)</sup>) reached €3,117 million** versus €2,216 million in 2003, a **41% rise.**
- ▶ **Cash flow from operations<sup>(3)</sup> (on a comparable basis) at €4,023 million** compared to €2,976 million in 2003, a €1,047 million improvement **and a 35% rise. Proportionate cash flow from operations<sup>(4)</sup> (on a comparable basis) reached €2,451 million** versus €1,514 million in 2003, up 62%.
- ▶ **Net income at €754 million** compared to a loss of €1,143 million in 2003.
- ▶ **Financial net debt<sup>(5)</sup> at €3,135 million as of December 31, 2004** compared to €11,565 million on December 31, 2003.

### 2004 major events

- ▶ Creation of NBC Universal (Vivendi Universal controls 20%).
- ▶ Admission to the Consolidated Global Profit Tax System.
- ▶ Agreement with the Kingdom of Morocco to increase Vivendi Universal's stake in Maroc Telecom to 51%.
- ▶ Sale of 15% of Veolia Environnement.
- ▶ Agreement on the future governance Company's structure.
- ▶ Universal Music Group improves market share and performance despite difficult environment.
- ▶ SFR first operator to launch 3G services in France.
- ▶ Record launch of Vivendi Universal Games' *World of Warcraft*.
- ▶ Canal+ Group wins exclusive rights to French League 1 soccer in 2005-2008; agreements with French cinema and American movie studios.

### 2005 outlook

Adjusted net income<sup>(1)</sup> should grow at least 20%.

(1) Adjusted net income is detailed in Appendix IV. Adjusted net income mainly does not include goodwill amortization, gain (loss) on businesses sold, net of provisions and other, most non-operating and non-recurring items, financial provisions, realized losses net of financial provisions previously taken, income tax and minority interests on adjustments. This result takes into account part of the benefit from the Consolidated Global Profit Tax System, as of January 1, 2004.

(2) Comparable basis essentially illustrates the effect of the divestiture of Vivendi Universal Entertainment (VUE), of the divestitures at Canal+ Group (Telepiù, Canal+ Nordic, Canal+ Benelux etc.), of VUP (Comareg and Atica & Scipione) and of Vivendi Telecom Hungary, Kencell and Monaco Telecom and of the abandonment of Internet operations and includes the full consolidation of Telecom Développement at SFR Cegetel and of Mauritel at Maroc Telecom as if these transactions had occurred at the beginning of 2003. In addition, comparable basis takes into consideration a change in presentation adopted as of December 31, 2004: in order to standardize the accounting treatments of sales of services provided to customers on behalf of content providers (mainly special numbers), following

the consolidation of Telecom Développement, sales of services to customers, managed by SFR Cegetel and Maroc Telecom on behalf of content providers are now presented net of the related expenses. This change in presentation has no impact on operating income. At SFR Cegetel, it induced a reduction in revenues of €168 million in 2004. At Maroc Telecom, the impact was immaterial. These results are not necessarily indicative of the combined results that would have occurred had the events actually occurred at the beginning of 2003. In addition, comparable basis does not include dividends received from NBC Universal.

- (3) Net cash provided by operating activities net of capital expenditures and before financing costs and taxes.
- (4) Defined as cash flow from operations, excluding minority stakes.
- (5) French GAAP financial gross debt less cash and cash equivalents.



### Comments on the Group's consolidated earnings

#### ▶ REVENUES

In 2004, Vivendi Universal's consolidated revenues rose to €21,428 million compared to €25,482 million in 2003. Vivendi Universal Entertainment (VUE) was deconsolidated on May 11, 2004 with the creation of NBC Universal.

On a comparable basis, revenues increased by 5% (7% at constant currency), from €17,972 million to €18,893 million. This positive performance was mainly achieved through a return to revenue growth at Universal Music Group, Canal+ Group, continued growth at SFR Cegetel and Maroc Telecom and despite revenue decline at Vivendi Universal Games (which nonetheless reported growth in the fourth quarter of 2004 compared to the fourth quarter of 2003).

#### ▶ OPERATING INCOME

In 2004, Vivendi Universal's operating income amounted to €3,476 million compared to €3,309 million in 2003, up 5% despite the deconsolidation of VUE on May 11, 2004.

On a comparable basis, operating income increased by 41% (41% at constant currency), from €2,216 million to €3,117 million. All businesses contributed to this good performance, especially UMG and SFR Cegetel.

#### ▶ FINANCING EXPENSE

In 2004, the financing expense amounted to €455 million compared to €698 million in 2003.

Average financial gross debt (calculated on a daily basis) decreased to €10.3 billion in 2004 compared to €16.4 billion in 2003. This was mainly due to the impact of the divestiture plan, in particular the divestiture of VUE to NBC Universal which resulted in the deconsolidation of VUE's debt (€3.6 billion) and cash proceeds (approximately €3 billion after cash payment to minority shareholders and other fees).

The cost of the average financial gross debt was 4.8%, unchanged compared to 2003. The decrease in financing costs resulting from lower average financial gross debt was offset by the additional costs induced in 2004 by the High Yield Notes, 83% of which was redeemed in June 2004 and the balance in January 2005.

#### ▶ INCOME TAX

In 2004, the income tax expense totaled €400 million compared to a credit of €408 million in 2003.

As of December 31, 2004, the impact of the Consolidated Global Profit Tax System on the income tax expense corresponded to expected tax savings of €956 million. The first tax return must be filed by November 30, 2005 at the latest. This credit corresponds to expected tax savings in fiscal year 2004 (€464 million) and a deferred tax asset in the amount of 2005 expected tax savings (€492 million) based on next year's budget.

Furthermore, excluding 2003 non recurring items, the income tax expense increase reflected the improvement in income, particularly in regards to SFR Cegetel. In 2003, the income tax credit was mainly comprised of tax savings relating to the rationalization of the structure at SFR Cegetel (€515 million) and of non-recurring items (€1,112 million).

#### ▶ NET INCOME AND EARNINGS PER SHARE, BASIC AND DILUTED

For the first time since 2000, Vivendi Universal reported positive net income of €754 million in 2004 (basic earnings of €0.70 per share and diluted earnings of €0.63 per share) compared to a loss of €1,143 million in 2003 (-€1.07 per share - basic and diluted).

Net income includes a -€2,105 million foreign currency translation adjustment, with no cash impact, related to the divestiture of VUE, the pre-tax gain on the divestiture of 15% of Veolia Environnement (+€1,316 million), and tax savings from Consolidated Global Profit Tax System in 2005 (+€492 million) and goodwill amortization and impairment losses (-€669 million).

#### ▶ ADJUSTED NET INCOME

Vivendi Universal's adjusted net income amounted to €1,380 million in 2004 (€1.29 per share) compared to an adjusted net income of €349 million in 2003 (€0.33 per share). This improvement of €1,031 million was achieved through:

- + €167 million from the improvement in operating income, despite the deconsolidation of VUE as of May 11, 2004, generating an unfavorable gap of €594 million compared to 2003 ;
- + €243 million from the reduction in financing expenses resulting from the decrease in the average financial gross debt (€10.3 billion in 2004 compared to €16.4 billion in 2003);
- + €427 million from the improvement in other financial expenses, net of provisions (mainly due to an improvement in the foreign exchange result: net gain of 9 million compared to net loss of €228 million in 2003 as well as the forgiveness of SFD debt of €200 million by SFR Cegetel in 2003);



- +€147 million from the improvement in income from equity affiliates and equity in earnings of sold subsidiaries mainly as a consequence of the equity accounting of NBC Universal from May 12, 2004 (€172 million);
- +€146 million from lower minority interests: in 2003, SFR Cegetel results benefited from tax savings relating to the rationalization of the structure;

partially offset by:

- €99 million in income tax expense increase, the positive impact of the Consolidated Global Profit Tax System in 2004 (+€464 million) being slightly less than the impact of the rationalization of the SFR Cegetel structure recognized in 2003 (+€515 million before minority interests).

## ▶ CASH FLOW FROM OPERATIONS

On a comparable basis, consolidated cash flow from operations rose to €4,023 million in 2004 compared to €2,976 million in 2003, an improvement of €1,047 million and a 35% increase. Proportional cash flow from operations, on a comparable basis, rose to €2,451 million in 2004 versus €1,514 million in 2003, up 62%.

These good results are due to treasury flexibility and positive results from Canal+ Group, UMG and VU Games.

Cash flow from operations as published rose to €4,747 million, and integrates NBC Universal dividends, totaling €357 million including €224 million in exceptional dividends.

## ▶ TELECOMMUNICATIONS ASSETS IN POLAND

In application of paragraph 101 of CRC (Accounting Regulation Committee) Rule 99-02, Vivendi Universal consolidated Elektrim Telekomunikacja based on financial statements in which the PTC investment is no longer consolidated from January 1, 2004.

Since 1999, Vivendi Universal has invested approximately €1.8 billion in Elektrim Telekomunikacja (current capital and current account including accrued interests). On December 31, 2004, taking into account the impairment recorded since the end of 2001, net carrying value of this investment totaled €379 million.



### Comments on operating income for Vivendi Universal's Media and Telecom businesses

#### ▶ MEDIA

(as fully consolidated at 100%)

In 2004, the media business generated 339 million euros of operating income, versus a 36 million euros operating loss in 2003, on a comparable basis.

#### ▶ Canal+ Group

(100% Vivendi Universal economic interest):

In 2004, Canal+ Group reported an operating income up 94% on a comparable basis<sup>(6)</sup>.

Canal+ Group reported an operating income of €198 million euros. On a comparable basis, operating income rose €184 million, up 94% compared to the previous year.

With a positive operating income for the second consecutive year, Canal+ Group confirmed the steady strengthening of its economic situation. This strong performance also reflected the continuous effects of the strategic recovery plan implemented since 2003.

French pay-TV's operating income amounted to €151 million, up 18% compared to the previous year on a comparable basis. This good result of the group's core business was mainly due to the revenues growth in addition to savings resulting from the strategic recovery plan.

With an operating income at €38 million, the group's movie business grew 57% on a comparable basis, highlighting the turnaround of StudioCanal over the last two years. This good performance resulted mainly from the 2004 theatrical line-up and the success of DVD sales.

#### ▶ Universal Music Group-UMG

(92% Vivendi Universal economic interest):

UMG's 2004 operating income represented a five-fold increase in profits versus 2003.

UMG's operating income of €338 million compared to operating income of €70 million in 2003 reflected the better than market sales performance, lower marketing expenses, and other results of the company's cost reduction program.

The excellent operating performance was partly offset by higher amortization costs, primarily due to a reduction in the period that music and music publishing catalogs were amortized from 20 to 15 years, and an impairment charge in respect of UMG's Music Clubs in the U.K. and France in December.

Last year's result included a charge relating to an unfavorable decision after a trial in a lawsuit currently under appeal.

Operating margins improved to 7% of revenues from 1% last year.

#### ▶ Vivendi Universal Games-VUG

(99% Vivendi Universal economic interest):

VUG cuts operating losses over the year and reports positive operating income for the fourth quarter of 2004.

In 2004, VUG's operating loss was €183 million compared to €201 million in 2003. Excluding one time costs associated with the global turnaround plan (approximately €95 million), VUG's operating loss was reduced significantly compared to the prior year. These one time costs included write-offs of certain projects and titles, along with restructuring expenses related to staff reductions in North America and Europe.

VUG's operating income for the fourth quarter of 2004 was €2 million (-€2 million at constant currency) compared to a reported loss of €91 million in 2003. This improvement was notably driven by a reduction in costs, a one-time cost due to strengthened capitalization criteria of internal development costs adopted in fourth quarter 2003, combined with the launch of highly successful titles, including *World of Warcraft* (Blizzard Entertainment).

*World of Warcraft*, released in late November 2004 in North America, became the region's fastest growing and largest subscription-based massively multiplayer online role-playing game in history, with more than 750,000 active subscribers and nearly 825,000 units sold at retail. In Korea, the game launched in mid-January and has broken the record for the highest number of concurrent players in its first 100 days. In Europe, *World of Warcraft* was released in mid-February and sold 380,000 copies at retail in its first weekend; the game currently has more than 1,500,000 subscribers. Most of *World of Warcraft*'s financial impact will be felt in 2005 and years beyond.

Other top selling games from VUG in 2004 included *Half-Life 2*, *Crash Twinsanity*, *Spyro: A Hero's Tail* and *The Chronicles of Riddick: Escape from Butcher Bay*.

<sup>(6)</sup> Comparable basis illustrates the impact of Canal+ Group sales (Telepiu, Canal+ Nordic, Canal+ Benelux...) as if these transactions had taken place at the beginning of 2003.



## ▶ TELECOMS

(as fully consolidated at 100%)

**In 2004, the telecom business generated €2,939 million of operating income, up 12% on a comparable basis.**

Comparable basis takes into consideration a change in presentation adopted on December 31, 2004: in order to standardize the accounting treatments of sales of services provided to customers on behalf of content providers (mainly special numbers), following the consolidation of Telecom Développement, sales of services to customers, managed by SFR Cegetel and Maroc Telecom on behalf of content providers are now presented net of the related expenses. This change in presentation has no impact on operating income. At SFR Cegetel, it induced a reduction in revenues of €168 million in 2004. At Maroc Telecom, the impact was immaterial. These results are not necessarily indicative of the combined results that would have occurred had the events actually occurred at the beginning of 2003.

### ▶ SFR Cegetel

(approximately 56% Vivendi Universal economic interest):

**In 2004, SFR Cegetel operating income grew 15% on a comparable basis<sup>(7)</sup>.**

For the full year of 2004, SFR Cegetel operating income grew 18% (15% on a comparable basis<sup>7</sup>) to €2,257 million.

Mobile activity operating income grew 20% (also 20% on a comparable basis) to €2,332 million, thanks to continued strong control of customer acquisition and retention costs (12% of network revenues compared to 13% in 2003) and the recording of €48 million of positive non-recurring items versus €26 million in 2003.

As a consequence of the heavy commercial and technical costs of the broadband Internet retail offer launched in March 2004 and despite the growth in revenues and the recording of positive non-recurring items amounting to €74 million (versus €31 million in 2003), the fixed telephony and Internet activity operating losses were €75 million in 2004, compared to a loss of €29 million for the same period in 2003 (and to a profit of €24 million on a comparable basis).

*(7) Comparable basis takes into consideration a change in presentation adopted as of December 31, 2004: in order to standardize the accounting treatments of sales of services provided to customers on behalf of content providers (mainly special numbers), following the consolidation of Telecom Développement, sales of services to customers, managed by SFR Cegetel and Maroc Telecom on behalf of content providers are now presented net of the related expenses. This change in presentation has no impact on operating income. At SFR Cegetel, it induced a reduction in revenues of 168 million in 2004.*

### ▶ Maroc Telecom

(35% Vivendi Universal economic interest):

**Maroc Telecom 2004 operating income grew 8% on a comparable basis, at constant currency<sup>(8)</sup>.**

Maroc Telecom 2004 operating income grew by 7% to €673 million (+8% on a comparable basis at constant currency). The good performance of revenues was partially offset by higher acquisition costs, mainly mobile customers (customer base gross increase of +585,000 compared to 2003), intensified communication campaigns and the accounting of a non-recurring provision for a voluntary redundancy plan to be implemented in 2005.

This provision (-€14 million) compared with the positive non-recurring items (+€17 million) accounted for the fourth quarter of 2003, explains an operating income decline of 7% in the fourth quarter of 2004. Excluding these non-recurring items, operating income grew by 12% (+11% at constant currency on a comparable basis).

*(8) Comparable basis essentially illustrates the full consolidation of Mauritel as if this transaction had occurred at the beginning of 2003. In addition, comparable basis takes into consideration a change in presentation adopted as of December 31, 2004: in order to standardize the accounting treatments of sales of services provided to customers on behalf of content providers (mainly special numbers), the sales of services to customers, managed by Maroc Telecom on behalf of content providers are now presented net of the related expenses. This change in presentation has no impact on operating income. At Maroc Telecom, the impact was immaterial*

## Revenues and operating income on a comparable basis by business segment

(French GAAP, audited)

Comparable basis essentially illustrates the effect of the divestiture of Vivendi Universal Entertainment (VUE), of the divestitures at Canal+ Group (Telepiù, Canal+ Nordic, Canal+ Benelux etc.), of VUP (Comareg and Atica & Scipione) and of Vivendi Telecom Hungary, Kencell and Monaco Telecom and of the abandonment of Internet operations and includes the full consolidation of Telecom Développement at SFR Cegetel and of Mauritel at Maroc Telecom as if these transactions had occurred at the beginning of 2003. In addition, comparable basis takes into consideration a change in presentation adopted as of December 31, 2004: in order to standardize the accounting treatments of sales of services provided to customers on behalf of content providers

(mainly special numbers), following the consolidation of Telecom Développement, sales of services to customers, managed by SFR Cegetel and Maroc Telecom on behalf of content providers are now presented net of the related expenses. This change in presentation has no impact on operating income. At SFR Cegetel, it induced a reduction in revenues of €168 million in 2004. At Maroc Telecom, the impact was immaterial. These results are not necessarily indicative of the combined results that would have occurred had the events actually occurred at the beginning of 2003. In addition, comparable basis does not include dividends received from NBC Universal.

(in millions of euros)	Year ended December 31,			
	2004	2003	% Change	% change at constant currency
<b>Revenues</b>				
Canal+ Group	3,470	3,339	4%	4%
Universal Music Group	4,993	4,974	0%	5%
Vivendi Universal Games	475	571	(17)%	(11)%
<b>Media</b>	<b>8,938</b>	<b>8,884</b>	<b>1%</b>	<b>3%</b>
SFR Cegetel	8,317	7,537	10%	10%
Maroc Telecom	1,658	1,523	9%	11%
<b>Telecom</b>	<b>9,975</b>	<b>9,060</b>	<b>10%</b>	<b>10%</b>
Non-core operations and elimination of intercompany transactions	(a) (20)	28	na*	na*
<b>Total Vivendi Universal</b>	<b>18,893</b>	<b>17,972</b>	<b>5%</b>	<b>7%</b>
<b>Operating Income (Loss)</b>				
Canal+ Group	184	95	94%	95%
Universal Music Group	338	70	x 5	x 5
Vivendi Universal Games	(183)	(201)	9%	0%
<b>Media</b>	<b>339</b>	<b>(36)</b>	<b>na*</b>	<b>na*</b>
SFR Cegetel	2,257	1,971	15%	15%
Maroc Telecom	682	642	6%	8%
<b>Telecom</b>	<b>2,939</b>	<b>2,613</b>	<b>12%</b>	<b>13%</b>
Holding & corporate	(220)	(330)	33%	31%
Non-core operations	(a) 59	(31)	na*	na*
<b>Total Vivendi Universal</b>	<b>3,117</b>	<b>2,216</b>	<b>41%</b>	<b>41%</b>

\*na : Not applicable.

(a) Corresponds to Vivendi Telecom International, Vivendi Valorisation and other non-core businesses.



## Revenues and operating income by business segment as published

(French GAAP, audited)

(in millions of euros)	Year ended December 31,		
	2004	2003	% Change
<b>Revenues</b>			
Canal+ Group	3,580	4,158	(14)%
Universal Music Group	4,993	4,974	0%
Vivendi Universal Games	475	571	(17)%
<b>Media</b>	<b>9,048</b>	<b>9,703</b>	<b>(7) %</b>
SFR Cegetel	8,317	7,574	10%
Maroc Telecom	1,627	1,471	11%
<b>Telecom</b>	<b>9,944</b>	<b>9,045</b>	<b>10%</b>
Non-core operations and elimination of intercompany transactions	(a) 109	584	(81)%
<b>Total Vivendi Universal (Excluding VUE and VUP assets sold in 2003)</b>	<b>19,101</b>	<b>19,332</b>	<b>(1)%</b>
Vivendi Universal Entertainment	(b) 2,327	6,022	(61)%
VUP assets sold in 2003	-	128	na*
<b>Total Vivendi Universal</b>	<b>21,428</b>	<b>25,482</b>	<b>(16)%</b>
<b>Operating Income (Loss)</b>			
Canal+ Group	198	247	(20)%
Universal Music Group	338	70	x 5
Vivendi Universal Games	(183)	(201)	9%
<b>Media</b>	<b>353</b>	<b>116</b>	<b>x 3</b>
SFR Cegetel	2,257	1,919	18%
Maroc Telecom	673	628	7%
<b>Telecom</b>	<b>2,930</b>	<b>2,547</b>	<b>15%</b>
Holding & Corporate	(220)	(330)	33%
Non-core operations	(a) 76	39	95%
<b>Total Vivendi Universal (Excluding VUE and VUP assets sold in 2003)</b>	<b>3,139</b>	<b>2,372</b>	<b>32%</b>
Vivendi Universal Entertainment	(b) 337	931	(64)%
VUP assets sold in 2003	-	6	na*
<b>Total Vivendi Universal</b>	<b>3,476</b>	<b>3,309</b>	<b>5%</b>

\*na : Not applicable.

(a) Corresponds to Vivendi Universal Publishing (VUP) activities in Brazil (Atica & Scipione) deconsolidated since January 1, 2004, Internet operations abandoned since January 1, 2004, Vivendi Telecom International, Vivendi Valorisation and other non-core businesses.

(b) Vivendi Universal Entertainment was deconsolidated on May 11, 2004 as the result of the divestiture of 80% of Vivendi Universal's interest in this company.



## Consolidated statement of income

(French GAAP, audited)

<i>(In millions of euros, except per share amounts)</i>	Year ended December 31,	
	2004 (a)	2003
Revenues	21,428	25,482
<b>Operating income</b>	<b>3,476</b>	<b>3,309</b>
Financing expense	(455)	(698)
Other financial expenses, net of provisions	(b) (247)	(509)
Financing and other expenses, net	(702)	(1,207)
<b>Income (loss) before gain (loss) on businesses sold, net of provisions, income tax, equity affiliates, goodwill amortization and minority interests</b>	<b>2,774</b>	<b>2,102</b>
Gain (loss) on businesses sold, net of provisions	(c) (140)	602
Income tax	(d) (400)	408
<b>Income (loss) before equity affiliates, goodwill amortization and minority interests</b>	<b>2,234</b>	<b>3,112</b>
Equity in earnings of sold subsidiaries	-	1
Income from equity affiliates	219	71
Veolia Environnement impairment	-	(203)
Goodwill amortization	(638)	(1,120)
Impairment losses	(31)	(1,792)
<b>Income (loss) before minority interests</b>	<b>1,784</b>	<b>69</b>
Minority interests	(1,030)	(1,212)
<b>Net income (loss)</b>	<b>754</b>	<b>(1,143)</b>
<b>Basic earnings per share (in euros)</b>	<b>0.70</b>	<b>(1.07)</b>
<b>Diluted earnings per share (in euros)</b>	<b>0.63</b>	<b>(1.07)</b>
Weighted average common shares outstanding <i>(in millions)</i>	(e) 1,072.1	1,071.7
Potential dilutive effect of outstanding financial instruments <i>(in millions)</i>	(f) 127.0	137.9

(a) Includes 132 days of business for Vivendi Universal Entertainment, deconsolidated on May 11, 2004

(b) Includes High Yield Notes redemption costs (-€350 million).

(c) Includes the after tax loss on the divestiture of 80% of Vivendi Universal's interest in Vivendi Universal Entertainment (-€1,793 million net of a -€2,105 million foreign currency translation adjustment - with no impact on cash position and shareholders' equity), the capital gain on the divestiture of 15% of Vivendi Universal's interest in Veolia Environnement (+€1,316 million) as well as the gain on the divestiture of other entities, net of provisions (+€337 million).

(d) Following its admission to the French Consolidated Global Profit Tax System on January 1, 2004, Vivendi Universal recognized a tax saving of €956 million.

(e) Excluding treasury shares deducted from shareholders' equity (2,441 shares on December 31, 2004).

(f) Financial instruments in the money on December 31, 2004 represented approximately 104.8 million common shares.



## Reconciliation of net income (loss) to adjusted net income

(French GAAP, audited)

<i>(in millions of euros)</i>	Year ended December 31,		
	2004	2003	Change
<b>Net income (loss)</b>	<b>(a) 754</b>	<b>(1,143)</b>	<b>1,897</b>
<i>Adjustments</i>			
Financial provisions and amortization of deferred charges related to bond issuances, facilities and other	(b) 18	(563)	581
Realized losses, net of financial provisions taken previously	(b) 5	503	(498)
Other non-operating, non-recurring items	(b) 236	(c) 154	82
<i>Subtotal impact on other financial expenses, net of provisions</i>	<i>(b) 259</i>	<i>94</i>	<i>165</i>
Loss (gain) on businesses sold, net of provisions	(a) 140	(602)	742
Veolia Environnement impairment	(a) -	203	(203)
Goodwill amortization	(a) 638	1,120	(482)
Impairment losses	(a) 31	1,792	(1,761)
Income tax	(d) (403)	(1,112)	709
Minority interests in adjustments	(39)	(3)	(36)
<b>Adjusted net income</b>	<b>1,380</b>	<b>349</b>	<b>1,031</b>

(a) As reported in the consolidated statement of income.

(b) Breakdown of impact of adjustments on other financial expenses, net of provisions is as follows:

<i>(in millions of euros)</i>	Financial provisions and amortization of deferred financial charges	Year ended December 31,		
		Realized losses	Other non-operating, non-recurring items	Net impact
Premiums on call option on Veolia Environnement shares	-	-	173	173
Mark-to-market of DuPont shares	31	-	-	31
Loss incurred on the settlement of interest rate swaps	67	-	(56)	11
Loss incurred on the sale of treasury shares to employees exercising their stock options	-	(5)	-	(5)
Provision on put option on interest in Cegetel S.A.S granted to SNCF	(35)	-	-	(35)
Amortization of deferred charges related to bond issuances, facilities and other	(70)	-	-	(70)
High Yield Notes redemption costs	-	-	(350)	(350)
Other	(11)	-	(3)	(14)
<b>Total</b>	<b>(18)</b>	<b>(5)</b>	<b>(236)</b>	<b>(259)</b>

(c) Includes losses incurred on the settlement of put options on treasury shares (-€104 million) and fees relating to the implementation of the group's refinancing plan (-€50 million).

(d) Includes the neutralization of the deferred tax asset relating to expected tax savings for fiscal year 2005 (€492 million), recognized as a result of Vivendi Universal's election for the Consolidated Global Profit Tax System as of January 1, 2004. Only tax savings in respect of fiscal year 2004 (€464 million) are included in adjusted net income.



## Consolidated statement of financial position

(French GAAP, audited)

(In millions of euros)	December 31,	
	2004	2003
<b>ASSETS</b>		
Goodwill, net	15,555	17,789
Other intangible assets, net	7,640	11,778
Property, plant and equipment, net	5,063	6,365
Investments in equity affiliates	880	1,083
<i>Investment in NBC Universal</i>	696	-
<i>Other investments in equity affiliates</i>	184	1,083
Other investments	2,449	3,549
<b>Total long-term assets</b>	<b>31,587</b>	<b>40,564</b>
Inventories and work-in-progress	443	744
Accounts receivable and other	6,545	8,809
Deferred tax assets	1,219	1,546
Short-term loans receivable	73	140
Marketable securities	263	259
Cash and cash equivalents	3,158	2,858
<b>Total current assets</b>	<b>11,701</b>	<b>14,356</b>
<b>TOTAL ASSETS</b>	<b>43,288</b>	<b>54,920</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	5,899	5,893
Additional paid-in capital	6,109	6,030
Retained earnings and others	1,613	-
<b>Total shareholders' equity</b>	<b>13,621</b>	<b>11,923</b>
Minority interests	2,959	4,929
Other equity	1,000	1,000
Deferred income	100	560
Provisions pour risques et charges	2,236	2,294
Provisions	2,236	2,294
Long-term debt	4,549	9,621
	<b>28,291</b>	<b>32,734</b>
Accounts payable	10,046	12,261
Deferred taxes liabilities	3,207	5,123
Bank overdrafts and other short-term borrowings	1,744	4,802
<b>Total current liabilities</b>	<b>14,997</b>	<b>22,186</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>43,288</b>	<b>54,920</b>

### Financial net debt

(In millions of euros)	December 31,		
	2004	2003	Variation
Financial gross debt	6,293	14,423	(8,130)
Cash and cash equivalents	(3,158)	(2,858)	(300)
<b>Financial Net Debt</b>	<b>3,135</b>	<b>11,565</b>	<b>(8,430)</b>

### Financial net debt maturity

(In millions of euros)	Total on December 31,	Payments due in				
		2005	2006	2007/2008	2009	after 2009
Financial gross debt	6,293	1,744	957	2,497	639	456
Cash and cash equivalents	(3,158)	(3,158)	-	-	-	-
<b>Financial Net Debt</b>	<b>3,135</b>	<b>(1,414)</b>	<b>957</b>	<b>2,497</b>	<b>639</b>	<b>456</b>



## Consolidated statement of cash flows

(French GAAP, audited)

(In millions of euros)	Year ended December 31,	
	2004	2003
<b>▶ CASH FLOW - OPERATING ACTIVITIES:</b>		
Net income (loss)	754	(1,143)
<i>Adjustments to reconcile net loss to net cash provided by operating activities:</i>		
Depreciation and amortization	2,587	4,759
Veolia Environnement impairment	-	203
Financial provisions and provisions related to businesses sold	(a) (205)	(1,007)
Gain on sale of property, plant and equipment and financial assets	281	47
Income (loss) from equity affiliates	(219)	(72)
Deferred taxes	(530)	(842)
Minority interests	1,030	1,212
Dividends received from equity affiliates	410	59
Changes in working capital	690	670
<b>Net cash provided by operating activities</b>	<b>4,798</b>	<b>3,886</b>
<b>▶ CASH FLOW - INVESTING ACTIVITIES:</b>		
Capital expenditures	(1,540)	(1,552)
Proceeds from sales of property, plant, equipment and intangible assets	239	477
Purchases of investments	(407)	(4,422)
Sales of investments	4,705	1,408
Net decrease (increase) in financial receivables	13	140
Sales (purchases) of marketable securities	(24)	49
<b>Net cash provided by (used for) investing activities</b>	<b>2,986</b>	<b>(3,900)</b>
<b>▶ CASH FLOW - FINANCING ACTIVITIES:</b>		
Proceeds from issuance of borrowings and other long-term liabilities	1,057	5,657
Principal payment on borrowings and other long-term liabilities	(3,448)	(1,947)
Net increase (decrease) in short-term borrowings and other	(3,294)	(7,259)
Net proceeds from issuance of common shares	18	71
Sales (purchases) of treasury shares	-	(98)
Cash dividends paid by consolidated companies to their minority shareholders	(1,850)	(737)
<b>Net cash provided by (used for) financing activities</b>	<b>(7,517)</b>	<b>(4,313)</b>
Foreign currency translation adjustment	33	(110)
<b>Change in cash and cash equivalents</b>	<b>300</b>	<b>(4,437)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning	2,858	7,295
Ending	3,158	2,858
<b>▶ Supplementary information:</b>		
Interests paid (all cash impacts related to financing activities)	430	621
Income tax paid	580	1,242

(a) Comprises financial provisions reported in "Other financial expenses, net of provisions" (€52 million as of December 31, 2004) and provisions reported in "Gain (loss) on businesses sold, net of provisions" (€153 million as of December 31, 2004).

## Reconciliation of net cash provided by operating activities to cash flow from operations and proportionate cash flow from operations

(French GAAP, audited)

### ► Reconciliation of net cash provided by operating activities to cash flow from operations and proportionate cash flow from operations:

<i>(In millions of euros)</i>	Year ended December 31,		
	2004	2003	% Change
<b>Net cash provided by operating activities, as reported</b>	<b>4,798</b>	<b>3,886</b>	<b>23%</b>
<i>Deduct:</i>			
Capital expenditures	(1,540)	(1,552)	
Proceeds from sales of property, plant, equipment and intangible assets	239	477	
<i>Capital expenditures, net of proceeds</i>	<i>(1,301)</i>	<i>(1,075)</i>	
<i>Add back:</i>			
Income tax: cash	580	1,242	
Financing costs: cash	430	621	
Other: cash (a)	240	(303)	
<b>Cash flow from operations</b> (i.e. before income tax, financing costs and after restructuring costs)	<b>4,747</b>	<b>4,371</b>	<b>9%</b>
<i>Add:</i>			
Comparable basis adjustments (b)	(724)	(1 395)	
<b>Cash flow from operations on a comparable basis</b>	<b>4,023</b>	<b>2,976</b>	<b>35%</b>
<i>Add:</i>			
Cash flow attributed to minority interests	(1,572)	(1,462)	
<b>Proportionate cash flow from operations on a comparable basis</b>	<b>2,451</b>	<b>1,514</b>	<b>62%</b>

### ► Cash flow from operations by business segment on a comparable basis:

<i>(In millions of euros)</i>	Year ended December 31,		
	2004	2003	% Change
Canal+ Group	676	134	x 5
Universal Music Group	755	463	63%
Vivendi Universal Games	(18)	(200)	91%
<b>Media</b>	<b>1,413</b>	<b>397</b>	<b>x 4</b>
SFR Cegetel	2 241	2 153	4%
Maroc Telecom	723	686	5%
<b>Telecom</b>	<b>2,964</b>	<b>2,839</b>	<b>4%</b>
Holding & corporate	(387)	(242)	-60%
Non-core operations (c)	33	(18)	na*
<b>Total Vivendi Universal</b>	<b>4,023</b>	<b>2,976</b>	<b>35%</b>

\*na : Not applicable.

(a) Includes the €259 million premium paid to bondholders on redemption of High Yield Notes.

(b) For a definition of comparable basis, please refer to Appendix I of this document.

(c) Corresponds to Vivendi Telecom International (excluding Vivendi Telecom Hungary, Kencell and Monaco Telecom), Vivendi Valorisation and other non-core businesses.



## Consolidated statement of shareholders' equity

(French GAAP, audited)

	Common shares			Retained Earnings and Others			Shareholders' equity
	Number (Thousands)	Amount	Additional Paid-in capital	Retained earnings	Cumulative foreign currency Translation adjustment	Total	
<i>(In millions of euros, except number of shares)</i>							
<b>Balance at December 31, 2003</b>	<b>1,071,519</b>	<b>5,893</b>	<b>6,030</b>	<b>3,750</b>	<b>(3,750)</b>	<b>-</b>	<b>11,923</b>
Net income for the year 2004	-	-	-	754	-	(a) 754	754
Reversal of foreign currency translation adjustment related to 80% of the interests in VUE	-	-	-	-	2,105	(a) 2,105	2,105
Foreign currency translation adjustment	-	-	-	-	(1,115)	(1,115)	(1,115)
Impact of the implementation of CRC Rule 04-03 (b)	-	-	-	(58)	-	(58)	(58)
Impact of the implementation of Notice 2004-E issued by the Urgent Issues Taskforce	-	-	-	(29)	-	(29)	(29)
Conversion of ex-Seagram exchangeables	1,148	6	85	(91)	-	(91)	-
Conversion of bonds, warrants, stock options and issuances under the employee stock purchase plan	1,115	6	12	-	-	-	18
Stripped shares	(1,158)	(6)	(18)	24	-	24	-
Release of revaluation surplus and other	-	-	-	23	-	23	23
<b>Balance at December 31, 2004</b>	<b>1,072,624</b>	<b>5,899</b>	<b>6,109</b>	<b>4,373</b>	<b>(2,760)</b>	<b>1,613</b>	<b>13,621</b>

(a) In accordance with accounting principles, upon the divestiture of 80% of its interests in VUE, Vivendi Universal reclassified to net income, in proportion to the divested economic interests, the foreign cumulative translation adjustment related to VUE recorded as a reduction of shareholders' equity. This reclassification resulted in a loss of €2,105 million, but had no impact on shareholders' equity.

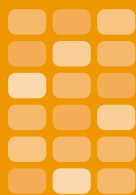
(b) As a result of the application of the CRC Rule 04-03 issued on May 4, 2004, Vivendi Universal fully consolidates as of January 1, 2004, certain Special Purpose Entities used for the defeasance of real estate assets.

# Five-year Financial Summary

Note: In 2000, the Sofiée company, a wholly-owned subsidiary of Vivendi, absorbed its parent company and SIG 40 (a subsidiary of Canal + and beneficiary of Canal + contributions) and merged with the Canadian corporation Seagram and has since been known as Vivendi Universal.

<i>(in thousands of euros)</i>	2004	2003	2002	2001	2000
<b>▶ CAPITAL AT YEAR-END</b>					
Share capital	5,899,434	5,893,353	5,877,074	5,972,051	5,944,446
Number of shares issued	1,072,624,363 (a)	1,071,518,691 (h)	1,068,558,994 (k)	1,085,827,519 (m)	1,080,808,443 (o)
Potential number of shares to be created:					
By exercising equity warrants	-	-	-	-	8,085,300 (p)
By conversion of bonds issued in January 1999	-	- (i)	18,820,004	18,356,131	18,356,186
By conversion of Veolia Environnement bonds issued in April 1999	- (b)	16,654,225	16,654,225	16,243,941	16,243,969
By redemption of bonds with equity warrants (ORA) issued in December 2000	21,866,411 (c)	23,389,853	35,378,444	47,050,365	82,051,273
By redemption of ORA issued in November 2002	78,672,470 (d)	78,675,630	78,678,206	-	-
By exercising stock options	26,505,520	19,193,741	5,518,568	2,088,037	2,804,857
<b>▶ TOTAL INCOME FROM OPERATIONS PERFORMED</b>					
Revenues excluding taxes	94,979	125,826	113,863	221,349	360,658
Earnings before income tax, amortization, depreciation and provisions	80,147	3,290,215	1,286,981	2,818,657	1,872,963
Income tax	-513,632 (e)	-77,742 (e)	-130,207 (e)	-205,572 (e)	-198,416 (e)
Earnings after income tax, amortization, depreciation and provisions	1,227,292	4,839,853	-21,956,473	-55,642	1,620,073
Distributed earnings	643,575 (f)	-	-	1,088,309 (n)	1,105,656 (q)
<b>▶ EARNINGS PER SHARE (in euros)</b>					
Earnings after income tax, before amortization, depreciation and provisions	0.55 (g)	3.14 (j)	1.32 (l)	2.78 (n)	1.92 (q)
Earnings after income tax, amortization, depreciation and provisions	1.14 (g)	4.52 (j)	-20.51 (l)	-0.05 (n)	1.50 (q)
Dividend paid per share	0.60 (f)	-	-	1.00 (n)	1.00 (q)
<b>▶ PERSONNEL</b>					
Number of employees (annual average)	222	291	374	413	1,278
Payroll	40,803	59,291	70,718	65,218	73,390
Amounts paid for social benefits (Social Security, Social welfare, etc ...)	15,425	26,853	24,339	25,807	29,756

- (a) A capital increase resulting mainly from: the creation of (i) 1,147,638 shares for redemption of Vivendi Universal ORAs (held by former Seagram shareholders who had elected to exchange their exchange shares and option exercises); (ii) 2,737 shares for redemption of ORAs issued in 2002; (iii) 831,171 shares under the Group Savings Plans; (iv) 281,764 shares created for the exercise of options by the Group's US employees; and conversely, the cancellation of 1,157,638 treasury shares (see note (c) below).
- (b) In April 1999, Veolia Environnement issued, at the unit price of €271 (redemption premium €17), 10,516,606 bonds (1.5% - 2005; coupon changed to 2.25% as of September 1, 2002, after bondholders waived the guaranty issued by Vivendi Universal for this issue), 5,183,704 of which could be converted into shares of Veolia Environnement as part of the Veolia's IPO in July 2000, the balance of which is convertible based on 3.124 Vivendi Universal shares in exchange of 1 Veolia Environnement bond. On December 31, 2004, there were 5,331,058 bonds outstanding. This loan was reimbursed on January 1, 2005.
- (c) On December 31, 2004, 5,245,200 shares remained of the 36,391,224 treasury shares stripped of all rights in 2000 to allow share swaps within the framework of the Softee/Vivendi/Seagram merger. The beneficial rights of these shares are reattached when their bare owners present their ORAs for exchange, and then canceled in accordance with commitments made. Taking future cancellations into account, the potential number of shares to be created in redemption of ORAs amounted to 21,866,411 on December 31, 2004, corresponding to the ORAs issued in relation to the draw-down of option plans attributed by Seagram, after deduction of obsolete plans and application of the new attribution ratio resulting from the distribution of premiums to Vivendi Universal shareholders in 2002.
- (d) In November 2002, Vivendi Universal issued, at a unit price of €12.71, 78,678,206 redeemable bonds on the basis of 1 share for 1 bond (8.25% - 2005; prepaid coupon for a unit amount of €2.951). On December 31, 2004, there were 78,672,470 bonds outstanding. In case of early conversion (possible as of May 26, 2003), the prepaid interest shall be deemed to have been paid back to the investor in the form of a reduction in the exchange ratio equal to the product of the interest rate multiplied by the number of days remaining until final maturity. Under this scenario, the potential number of shares to be created at the end of the fiscal year is 72,822,148.
- (e) The negative amount represents the tax savings of the tax group (groupe d'intégration fiscale) led by Vivendi Universal, increased as of 2004 by the product generated by the application of the "Bénéfice Mondial Consolidé" tax regime (€464.3 million in 2004).
- (f) The Combined Ordinary and Extraordinary Shareholders' Meeting of April 28, 2005, is invited to approve the distribution of a dividend of 0.60 euros per share for fiscal year 2004, corresponding to an overall distribution of 643 million euros.
- (g) A calculation taking into account movements until December 31, 2004, ratified by the Board of Directors on March 9, 2005, and bearing interest on January 1, 2004, corresponding to:
- the creation of (i) 443,298 shares as redemption for the ORAs issued in 2000, (ii) 281,764 shares under the Group Savings Plans, (iii) 180 shares as redemption of the 8.25% ORAs issued in November 2002,
  - and conversely, the cancellation of 443,298 shares with beneficial rights reattached after the request in exchange of exchangeable shares owned by former Seagram shareholders.
- The earning per share is indicated subject to the exercise of stock options that may be exercised by beneficiary employees until the day before the Shareholders' Meeting approving the 2004 financial statements, and to the number of Vivendi Universal ORAs submitted for redemption until that date by bondholders, and before deduction of the number of treasury shares.
- (h) A capital increase resulting mainly from: the creation of 2,052,357 shares for the redemption of Vivendi Universal ORAs (held by former Seagram shareholders who had elected to exchange their exchange shares and option exercises); 2,101 shares for the redemption of ORAs issued in 2002; 3,358,006 shares under the Group Savings Plans; conversely, the cancellation of 2,452,767 treasury shares.
- (i) In January 1999, Vivendi issued at par (€282) 6,028,363 bonds (1.25% - 2004) convertible into Vivendi Universal shares on the basis of 3.124 shares for 1 bond. On December 31, 2003, there were 6,024,329 bonds outstanding. This loan was reimbursed on January 1, 2004.
- (j) A calculation taking into account movements until January 29, 2004, ratified by the Board of Directors on February 3, 2004, and bearing interest on January 1, 2003, corresponding to:
- the creation of 101,300 shares for the redemption of ORAs issued in 2000,
  - and, conversely, the cancellation of 111,300 shares with beneficial rights reattached after the request for exchange of exchangeable shares held by former Seagram shareholders.
- (k) Capital increase resulting mainly from: the creation of 12,702,361 shares for the redemption of Vivendi Universal ORAs (held by former Seagram shareholders who had elected to exchange their exchange shares and option exercises); 1,337,609 shares under the Group Savings Plans; conversely, the cancellation of 31,366,606 treasury shares.
- (l) A calculation taking into account movements until January 24, 2003, ratified by the Board of Directors on January 29, 2003 and bearing interest on January 1, 2002, corresponding to:
- the creation of 2,402,142 shares reserved for employees under the Group Savings Plans (funds paid in December 2002) and 45,100 shares for the redemption of ORAs,
  - and, conversely, the cancellation of 451,562 shares with beneficial rights reattached after the request for exchange of exchangeable shares held by former Seagram shareholders.
- (m) A capital increase resulting mainly from: the creation of 35,000,908 shares for the redemption of Vivendi Universal ORAs (held by former Seagram shareholders who had elected to exchange their exchange shares and option exercises); 7,993,939 shares relating to the exercise of matured share warrants and 1,611,624 shares under the Group Savings Plans; and conversely, the cancellation of 40,123,540 treasury shares.
- (n) 1 euro for each of the 1,088,308,703 shares (including shares issued for redemption of ORAs and shares related to the stock-options exercised until April 23, 2002, bearing interest on January 1, 2001). The number of shares is indicated before deduction of treasury shares (including the shares stripped of all rights the usufructuary of which is Vivendi Universal).
- (o) Capital increase resulting mainly from: the creation of 593,464,875 shares within the framework of the merger of Vivendi; 319,531,416 shares for the redemption of Vivendi Universal ORAs (making it possible to issue Vivendi Universal shares to Seagram shareholders who elected for an immediate exchange of their Seagram shares into Vivendi Universal shares) and 130,638,208 shares within the framework of the merger of SIG 40.
- (p) The share warrants attributed free of charge to all Vivendi shareholders on May 2, 1997 matured on May 2, 2001; 40 warrants included the option to subscribe, at any moment, 3.05 new Vivendi Universal shares at a price of €137.20.
- (q) 1 euro for each of the 1,105,655,917 shares (including shares issued for redemption of ORAs and shares related to the stock-options exercised until April 23, 2001, bearing interest as of January 1, 2000). The number of shares is indicated before deduction of treasury shares (including the shares stripped of all rights the usufructuary of which is Vivendi Universal).



## Report of the Statutory Auditors on the Issue of Ordinary Shares and of All Capital Instruments Giving Access to Share Capital With and Without Cancellation of the Shareholders' Preferential Subscription Right

To the shareholders,

In our capacity as statutory auditors of your Company and in compliance with Articles L. 225-136 and L. 228-92 of French Company Law (*Code de commerce*), we hereby report on the proposed issues of ordinary shares and of all capital instruments giving access to share capital with and without cancellation of the shareholders' preferential subscription right, upon which you are called to vote.

The maximum total nominal amount of the increases in share capital which would result from these issues would amount to €1 billion in accordance with the increases proposed in the 7<sup>th</sup> resolution and €500 million in accordance with the increases proposed in the 8<sup>th</sup> resolution. The amount of the increases in share capital performed in accordance with the 8<sup>th</sup> resolution would be offset against the total amount fixed in the 7<sup>th</sup> resolution. These amounts could be increased by 15% in accordance with the 9<sup>th</sup> resolution.

Your Board of Directors proposes that, on the basis of its report, it be empowered (or the Management Board be empowered, subject to the adoption of the 5<sup>th</sup> and 6<sup>th</sup> resolutions proposed to your shareholders' meeting) to determine and fix the conditions of these operations and proposes, with regard to the 8<sup>th</sup> resolution and, if the situation arises, the 9<sup>th</sup> resolution to cancel your preferential subscription right.

We conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to verify the methods used for determining the issue prices.

The report of the Board of Directors does not include, for the 7<sup>th</sup> resolution, the information required by article 155 paragraph 2 of the decree of 23 March 1967 relating to the methods used for determining the issue price of shares or capital instruments giving access to share capital.

As the issue price of shares or of capital instruments giving access to share capital has not yet been determined, we do not express an opinion on the final conditions for these issues, and, consequently, if the situation arises, on the proposed cancellation of preferential subscription right, the principal of which is, however, inherent to the operations submitted for your approval.

In accordance with Article 155-2 of the decree of 23 March 1967, we will issue a supplementary report when the issues have been performed by your Board of Directors or your Management Board.

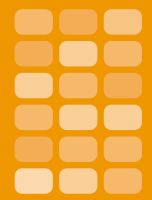
French original signed in Paris on 17 March 2005 by:

The Statutory Auditors

Salustro Reydel

Barbier Frinault & Cie

Benoît Lebrun - Bertrand Vialatte    Dominique Thouvenin - Hervé Jauffret



## Report of the Statutory Auditors on the Issue of Ordinary Shares to Employees and Pensioners of the Vivendi Universal Group who are Members of the Group Savings Plan (*plan d'épargne groupe*), with Cancellation of the Shareholders' Preferential Subscription Right

To the shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-138 of French Company Law (*Code de commerce*), we hereby report on the proposed issue of ordinary shares of a maximum amount equal to 1.5% of the share capital on the day that the issue is performed, reserved for employees and pensioners of the Vivendi Universal group who are members of the Group savings plan (*plan d'épargne groupe*), upon which you are called to vote.

This increase in capital is submitted for your approval in accordance with Articles L. 225-129-6 of French Company Law, and L. 443-5 of French Labour Law (*Code du travail*). The amount of increase in share capital performed with regard to this operation will be offset against the total amount fixed in the 7<sup>th</sup> resolution.

Your Board of Directors proposes that, on the basis of its report, it be empowered (or the Management Board be empowered, subject to the adoption of the 5<sup>th</sup> and 6<sup>th</sup> resolutions proposed to your shareholders' meeting) to fix the conditions of this operation and proposes to cancel your preferential subscription right.

We conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to verify the methods used for determining the issue price.

Subject to a subsequent review of the conditions for the proposed increase in capital, we have nothing to report on the methods used to determine the amount of issue price provided in the Directors' Report.

As the issue price of shares has not yet been determined, we do not express an opinion on the final conditions for this issues, and, consequently on the proposed cancellation of preferential subscription right, the principal of which is, however, inherent to the operation submitted for your approval.

In accordance with Article 155-2 of the decree of 23 March 1967, we will issue a supplementary report when the issue has been performed by your Board of Directors or your Management Board.

French original signed in Paris on 17 March 2005 by:

The Statutory Auditors

Salustro Reydel

Barbier Frinault & Cie

Benoît Lebrun - Bertrand Vialatte    Dominique Thouvenin - Hervé Jauffret

## Special Report of the Statutory Auditors On Stock Option Subscription Plan Reserved for Directors and certain employees

To the shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-177 of French Company Law (*Code de commerce*) and Article 174-19 of the Act of 23 March 1967, we hereby report on the stock option subscription plan reserved for directors and certain employees.

The report on the reasons for the stock option plan and on the proposed methods used for determining the subscription price is the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on the proposed methods for determining the subscription price.

We conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to verify that the methods proposed for determining the subscription price are included in the Board of Directors' Report, are in accordance with legal requirements, are of information to the shareholders and do not appear manifestly inappropriate.

We have nothing to report on the methods proposed.

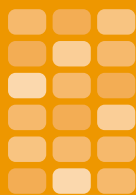
French original signed in Paris on 17 March 2005 by:

The Statutory Auditors

Salustro Reydel

Barbier Frinault & Cie

Benoît Lebrun - Bertrand Vialatte    Dominique Thouvenin - Hervé Jauffret



### Special Report of the Statutory Auditors on the Grant of Existing Shares or Shares to be Issued to Employees or Certain Categories of Employees and Certain Directors

To the shareholders,

In our capacity as statutory auditors of your Company and in compliance with Article L. 225-197-1 of French Company Law (*Code de commerce*), we hereby report on the proposed grant of existing shares or shares to be issued to employees or certain categories of employees and certain directors of Vivendi Universal and related companies under the meaning of L. 225-197-2 of French Company Law.

Your Board of directors proposes that you authorize it to grant existing shares or shares to be issued. It is the responsibility of the Board of directors to issue a report on the proposed operation. It is our responsibility to inform you of any observations which we may have on the information provided to you regarding the proposed operation.

In the absence of a professional standard applicable to this operation, which arose from legislation enacted on 30 December 2004, we have performed those procedures which we considered necessary in order to verify that the proposed proceedings were within the framework set out by law.

We have nothing to report on the information given in the report of the Board of Directors on the proposed grant of shares.

French original signed in Paris on 17 March 2005 by:

The Statutory Auditors

Salustro Reydel

Barbier Frinault & Cie

Benoît Lebrun - Bertrand Vialatte Dominique Thouvenin - Hervé Jauffret

### Report of the Statutory Auditors on the Reduction in Capital by the Cancellation of Shares, Proposed to the General Shareholders' Meeting

To the shareholders,

In our capacity as statutory auditors of Vivendi Universal and in compliance with Article L. 225-209, paragraph 5 of French Company Law (*Code de commerce*) in respect of the cancellation of a company's own shares previously repurchased, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

We conducted our work in accordance with French professional standards. These standards require that we perform the necessary procedures to examine whether the terms and conditions for the proposed reduction in capital are fair.

This operation involves the repurchase by your Company of its own shares, representing an amount not in excess of 10% of its total capital, in accordance with Article L. 225-209, paragraph 5 of French Company Law. Moreover, this purchase authorisation is proposed to your shareholders' meeting for approval and would be given for a period of 18 months.

Your Board of Directors requests that it be empowered (or the Management Board be empowered, subject to the adoption of the 5<sup>th</sup> and 6<sup>th</sup> resolutions proposed to your shareholders' meeting), for a period of 24 months, to proceed with the cancellation of own shares which the Company was authorized to repurchase, representing an amount not exceeding 10% of its total capital for a period of 24 months.

We have nothing to report on the terms and conditions of the proposed reduction in capital, which can be performed only after your shareholders' meeting has already approved the repurchase by your Company of its own shares.

French original signed in Paris on 17 March 2005 by:

The Statutory Auditors

Salustro Reydel

Barbier Frinault & Cie

Benoît Lebrun - Bertrand Vialatte Dominique Thouvenin - Hervé Jauffret



## Current Board Members

Messrs. Jean-René Fourtou\* • Claude Bébéar\* • Gérard Brémond\* • Bertrand Collomb • Fernando Falcó y Fernández de Córdova\* • Paul Fribourg\* • Gabriel Hawawini\* • Gerard Kleisterlee • Mrs. Marie-Josée Kravis • Mr. Henri Lachmann\* • Messrs. Pierre Rodocanachi\* • Karel Van Miert\*



**Mr. Jean-René FOURTOU (\*)**

Chairman and Chief Executive Officer  
of Vivendi Universal  
(Age: 65)

**Jean-René Fourtou**, born on June 20, 1939 in Libourne, France, is a former student of the *Ecole Polytechnique*.

In 1963, Jean-René Fourtou was a management consultant at Bossard & Michel. In 1972, he became Chief Operating Officer of Bossard Consultants and Chairman in 1977.

In 1986, he was appointed Chairman and Chief Operating Officer of the Rhône-Poulenc Group. From December 1999 to May 2002, he served as Vice-Chairman and Chief Operating Officer of Aventis. He is Honorary Chairman of the International Chamber of Commerce.

### ▶ Vivendi Universal Group

- Vivendi Universal, *Chairman and Chief Executive Officer*
- Canal+ Group, *Chairman of the Supervisory Board*
- Maroc Telecom, *Member of the Supervisory Board*

### ▶ AXA Group

- AXA, *Vice-Chairman and Member of the Supervisory Board*
- AXA Millésimes SAS, *Member of the Executive Committee*
- AXA Assurances IARD Mutuelle, *Permanent Representative of AXA*

### ▶ Other

- NBC Universal (U.S.), *Director*
- Cap Gemini, *Director*
- Sanofi Aventis, *Director*



**Mr. Claude BEBEAR (\*)**

Director  
(Age: 69)

**Claude Bébéar**, born in 1935, is a former student of the *Ecole Polytechnique*.

Since 1958, Claude Bébéar's entire career has been spent in the insurance sector. From 1975 to 2000, he headed a group of insurance companies which became AXA in 1984.

Currently, Claude Bébéar is Chairman of the Supervisory Board of the AXA Group and Chairman and Chief Executive Officer of FINAXA.

As an active participant in and observer of French social issues, Claude Bébéar established and chairs the *Institut du Mécénat de Solidarité*, a humanitarian and social organization, as well as the *Institut Montaigne*, an independent political think-tank.

### ▶ AXA Group

- AXA, *Chairman of the Supervisory Board*
- FINAXA, *Chairman of the Board of Directors*
- AXA Conseil Vie Assurances Mutuelle, *Director*
- AXA Assurances IARD Mutuelle, *Director*
- AXA Assurances Vie Mutuelle, *Director*
- AXA Courtage Assurance Mutuelle, *Director*
- Lor Patrimoine, *Director*
- AXA Financial Inc., *Member of the Supervisory Board*

### ▶ BNP PARIBAS, Director

### ▶ Schneider Electric, Censeur

(\*) Current Directors whose appointment as member of the Supervisory Board is submitted for approval.



**Mr. Gérard BREMOND (\*)**

**Director**  
(Age: 67)

**Gérard Brémond** holds a degree in Economics and is a graduate of the *Institut d'Administration des Entreprises*. At the age of 24, Gérard Brémond joined the family construction business which builds homes, offices and warehouses. An architecture enthusiast, his meeting with Jean Vuarnet, the Olympic ski champion, led to the creation and development of the mountain resort of Avoriaz.

Gérard Brémond developed other resorts, both in the mountains and on the coast, and created the Pierre et Vacances Group. By successively acquiring Orion, Gran Dorado, Center Parcs and Maeva, the Pierre et Vacances Group has become one of the leading tourism operators in Europe.

Gérard Brémond also founded two communications companies (television and film production).

▶ **SA Pierre et Vacances Group**

- Pierre et Vacances S.A., *Chairman and CEO*
- SA Pierre et Vacances Maeva Tourisme, *Chairman*
- SA Pierre et Vacances Tourisme France, *Chairman*
- SA Pierre et Vacances Conseil Immobilier, *Chairman*
- SA Pierre et Vacances Développement, *Director*
- SA Pierre et Vacances Tourisme France, *Permanent representative on the Board of Directors of the companies SA Cannes Beach Résidence and Club Hôtel Multivacances*

▶ **Maeva Group**

- Groupe Maeva SA, *Director*

▶ **SA Société d'Investissement Touristique et Immobilier**

- SA Société d'Investissement Touristique et Immobilier - S.I.T.I., *Chairman and CEO*
- SA Société d'Investissement Touristique et Immobilier - S.I.T.I. *Permanent representative on the Board of Directors of the companies Peterhof, S.E.R.L., Lepeudry et Grimard and C.F.I.C.A.*

▶ **GB Développement SA**

- GB Développement SA, *Chairman and CEO*
- GB Développement SA, *Permanent representative of the company Ciné B*

▶ **Other**

- Pont Royal SA, *Chairman*
- SARL OG. Communication, *Permanent representative on the Board of Directors of Marathon and Marathon International*
- Holding Green BV (Netherlands), *Director*
- Center Parcs Europe NV (Netherlands), *Member of Supervisory Board*



**Mr. Bertrand COLLOMB**

**Director**  
(Age: 62)

**Bertrand Collomb**, born on August 14, 1942, is a former student of the *Ecole Polytechnique, Corps des Mines*.

In 1975, he joined Lafarge Ciments, the French cement subsidiary of the Lafarge Group, where he held various management positions. Bertrand Collomb served as Chairman of Orsan (Biotechnologies Division) from 1983 to 1985, then took over the management of the American operations, Ciment et Matériaux de Construction. Appointed Chairman and Chief Executive Officer of Lafarge Corp. in 1987, he managed the North American subsidiary until 1988. He was Chairman and CEO of Lafarge from 1989 to 2003 and has served as Chairman since 2003.

Bertrand Collomb is also Chairman of the *Association Française des Entreprises Privées* (AFEP) and, on December 10, 2001, was elected to the *Académie des Sciences Morales et Politiques*.

▶ **Lafarge Group**

- Lafarge, *Chairman of the Board of Directors*
- Lafarge North America, *Chairman*
- various group companies, *Director*

▶ **TotalFinalElf, Director**

▶ **Atco, Director**

▶ **Unilever, Vice-Chairman**

(\*) Current Directors whose appointment as member of the Supervisory Board is submitted for approval.


**Mr. Fernando FALCÓ y FERNÁNDEZ de CÓRDOVA (\*)**

**Director**  
(Age: 65)

**Fernando Falcó y Fernández de Córdoba**, born on May 11, 1939 in Seville, obtained his Master's degree from the University of Valladolid after studying law at the University of Deusto.

Fernando Falcó y Fernández de Córdoba served as: Chairman of the Organisation and Union of Riesgos del Tiétar and of Real Automóvil Club de España for 27 years; Chairman of the Group Vins René Barbier, Conde de Caralt et Segura Viudas; Vice-Chairman of Banco de Extremadura, and as a Member of the Board of Directors of various companies.

Fernando Falcó y Fernández de Córdoba has established and managed various agricultural businesses, as well as family businesses involved in the export of agricultural products.

He contributed to the creation of services and safety measures for motorists with the implementation of technical assistance and travel assistance services in Spain, Europe and throughout the world. In this capacity, he represented Spain on the FIA (International Automobile Federation) as well as on the AIT (International Tourism Alliance). Fernando Falcó y Fernández de Córdoba is a Member of the Spanish Higher Council for traffic and road safety (Ministry of the Interior) and is part of the Group for Urban Mobility (Madrid). Until 2002, he was Vice-Chairman of the World Council for Tourism and Motoring of the FIA, which is headquartered in Paris. In June 1998, he was appointed Chairman of the AIT based in Geneva, a position he held until 2001.

Fernando Falcó y Fernández de Córdoba is a Member of the Regional Council of the ASEPEYO of Madrid.

- ▶ **Cementos Portland Valderrivas** (Spain),  
*Director and Member of the Executive Committee*
- ▶ **Fomento de Construcciones y Contratas (FFC)** (Spain), *Director*
- ▶ **FCC Construcción** (Spain), *Director*
- ▶ **Vinexco (Falco Group)** (Spain), *Shareholder and Director*
- ▶ **Sogecable** (Spain), *Director, Vice-Chairman of the Executive Committee*
- ▶ **Canal Digital+**, *Vice-Chairman*
- ▶ **Comité Organizador del Salon Internacional del Automóvil de Madrid**,  
*Chairman*


**Mr. Paul FRIBOURG (\*)**

**Director**  
(Age: 51)

**Paul Fribourg**, born on February 22, 1954, is an American citizen. He is Chairman and Chief Executive Officer of ContiGroup Companies (formerly Continental Grain Company), a private company with French and Belgian roots, that has diverse agribusiness activities.

Since the age of 26, he has held several management positions in this company, both in Europe and the United States. Paul Fribourg has a degree in Business Administration from Amherst College and is a graduate of Harvard's Advanced Management Program.

Paul Fribourg is also Chairman of the Lauder Institute at Wharton Business School and a Director of New York University, the Nightingale School, and Loews Corporation. He is a Member of the U.S. Council on Foreign Relations, and a Director of the Appeal of Conscience Foundation.

- ▶ **Conti Group Companies Inc.**, *Chairman and CEO*
- ▶ **The Lauder Institute/Wharton Business School**, *Chairman*
- ▶ **Park East Synagogue**, *Director*
- ▶ **The Browning School**, *Director*
- ▶ **New York University**, *Director*
- ▶ **Nightingale-Bamford School**, *Director*
- ▶ **America-China Society**, *Director*
- ▶ **Loews Corporation**, *Director*
- ▶ **JP Morgan National**, *Member of the Advisory Board*
- ▶ **Endeavor Global, Inc.** *Director*
- ▶ **Harvard Business School**, *Director of Dean's Advisors*
- ▶ **Appeal of Conscience Foundation**, *Director*
- ▶ **The Public Theater**, *Director*
- ▶ **Rabobank International North American Agribusiness**,  
*Member of the Advisory Committee*
- ▶ **U.S. Council on Foreign Relations**, *Member*

(\*) Current Directors whose appointment as member of the Supervisory Board is submitted for approval.



**Mr. Gabriel HAWAWINI (\*)**

**Director**  
(Age: 57)

**Gabriel Hawawini**, a French Citizen, was born on August 29, 1947 in Alexandria, Egypt. After obtaining a degree in Chemical Engineering from the University of Toulouse, he obtained his doctorate in Economics and Finance at New York University in 1977. Before joining INSEAD, he taught at New York and Columbia Universities from 1974 to 1982.

Gabriel Hawawini was also Vice Chairman of the French Finance Association from 1984 to 1986 and served on editorial committees for several university publications. He is the author of twelve books, and over seventy research publications about management based on value creation, risk appraisal, asset valuation, portfolio management and the structure of financial markets. Most notably, he is the author of *Mergers and Acquisitions in the US Banking Industry* published by North Holland in 1991, and *Finance for Executives: Managing for Value Creation* (South Western Publishing, 2002), which is in its second edition.

He has advised many private companies on the implementation of management systems based on value creation. Since 1982, he has organized, directed and participated in several programs to improve management methods worldwide.

He is currently Dean of, and a Professor of Investment Banking at INSEAD.



**Mr. Gerard KLEISTERLEE**

**Director**  
(Age: 58)

Born in Germany on September 28, 1946, **Gerard Kleisterlee** is a Dutch citizen. He completed his studies as an electrical engineer at the Technical University of Eindhoven. He began his career at Philips in 1974 in the Medical Systems division, holding various positions in industrial management.

Since April 30, 2001, Gerard Kleisterlee is Chairman and CEO of the Royal Philips Electronics Group and Chairman of the Executive Committee.

In 1981, he was appointed Chief Operating Officer of the group's Professional Audio Systems division (today a division of Consumer Electronics). He joined Philips Components in 1986 where, after serving as Chief Operating Officer of Philips Display Components for Europe, he was appointed Chief Operating Officer of Philips Display Components world in 1994. In 1996, he became Chairman of Philips Taiwan and Regional Manager of Philips Components for the Asia-Pacific region. From September 1997 to June 1998, he was also in charge of the group's activities in China. From January 1999 to September 2000, he served as Chairman and CEO of Philips Components. Gerard Kleisterlee was appointed to the Executive Committee on January 1, 1999. He was appointed Executive Vice-President of Royal Philips Electronics and Member of the Board on April 1, 2000 and Chief Operating Officer of Philips on September 1, 2000.

▶ **Royal Philips Electronics** (Netherlands), *Chairman and Chief Executive Officer*

▶ **The Technical University in Eindhoven** (Netherlands),  
*Chairman of the Supervisory Board*

(\*) Current Directors whose appointment as member of the Supervisory Board is submitted for approval.

**Mrs. Marie-Josée KRAVIS**

Director  
(Age: 55)

**Marie-Josée Kravis** is an economist specializing in the analysis of government policies and strategic planning. She served as Director General of the Hudson Institute of Canada between 1976 and 1994. In 1994, she was made a Senior Fellow of the Hudson Institute (USA). Marie-Josée Kravis has worked with the Hudson Institute since 1973. She directed research carried out in Europe and other parts of the world and participated in studies on development in Algeria, Morocco, France and Mexico. She was Project Director and, with B. Bruce-Briggs, co-author of a study on the future of Canada, *Does Canada have a Future?* (Montreal: Stanks, 1980). With Maurice Ernst and Jimmy Wheeler, she also co-wrote *Western European Adjustment to Structural Economic Problems* (University Press, 1986).

Marie-Josée Kravis is a leading economic analyst for the *National Post*, a Canadian newspaper. Between 1980 and 1985, she hosted a television program on economic news, broadcast in North America.

- ▶ **InteractiveCorp** (United States), *Director*
- ▶ **The Ford Motor Company** (United States), *Director*
- ▶ **The Hudson Institute**, *Member of the Board of Trustees*
- ▶ **The Museum of Modern Art**, *Member of the Board of Trustees*
- ▶ **Institute for Advanced Study**, *Member of the Board of Trustees*
- ▶ **U.S. Council on Foreign Relations**, *Senior Fellow*
- ▶ **U.S. Secretary of Energy**, *Member of the Advisory Board*

**Mr. Henri LACHMANN (\*)**

Director  
(Age: 66)

**Henri Lachmann**, born on September 13, 1938, is a graduate of *Hautes Études Commerciales* (HEC) and CPA.

In 1963, he joined Arthur Andersen, the international auditing firm, where he served successively as auditor, then as manager of the Accounting Review Department. In 1970, he joined the Strafor Facom Group and then Schneider Electric where he held various management positions until June 1981, when he is appointed Chairman and Chief Executive Officer.

- ▶ **Schneider Electric SA**, *Chairman and Chief Executive Officer*
- ▶ **AXA Group**, *Member of the Supervisory Board and Director of various subsidiaries*
- ▶ **FINAXA**, *Director*
- ▶ **Norbert Dentressangle Group**, *Member of the Supervisory Board*
- ▶ **ANSA**, *Director*
- ▶ **Institut de l'entreprise**, *Member of the Strategic Committee*

(\*) Current Directors whose appointment as member of the Supervisory Board is submitted for approval.



**Mr. Pierre RODOCANACHI (\*)**

**Director**  
(Age: 66)

Pierre Rodocanachi was born on October 2, 1938, and is a French citizen. He holds a degree in physics from the Paris *Faculté des sciences*.

Pierre Rodocanachi is a Director of the American Chamber of Commerce in France (Chairman from 1997-2000), the Aspen France Institute, and the *Institut du mécénat de solidarité* (Treasurer). He is a member of the French Olympic Medals Association and a recipient of both the Chevalier of the Legion of Honor and the National Order of Merit.

Pierre Rodocanachi is the Chairman of the Strategic Committee of Booz Allen Hamilton, an international management and strategy consulting firm. He joined the group in 1973 and in 1979 became CEO of the French subsidiary. In 1987, he was appointed Senior Vice-Chairman and became a member of the Strategic Committee and of the Operations Committee of Booz Allen Hamilton Inc., and manager of all the activities for Southern Europe.

Prior to joining Booz Allen Hamilton, Pierre Rodocanachi began his career as a researcher in a solids physics laboratory at the *Centre national de la recherche scientifique* (CNRS). Then, for five years, he managed the planning department of the French General Delegation for Scientific and Technical Research (DGRST). From 1969 to 1971, he served as Technical Consultant on scientific matters for the Minister of Industry and, from 1971 to 1973, was the Deputy Director for the National Agency for Research Valuation (ANVAR).

- ▶ **CARREFOUR**, *Director and Chairman of the Audit Committee,*
- ▶ **DMC (Dollfus Mieg & Cie)**, *Director and Censeur*
- ▶ **Commentaires (French political review)**, *Director*



**Mr. Karel VAN MIERT (\*)**

**Director**  
(Age: 63)

Karel Van Miert is a former Vice-President of the European Commission, and a former President of Nyenrode University (April 2000 - March 2003). Karel Van Miert was born in Oud-Turnhout (Belgium) on January 17, 1942. He obtained a degree in International Relations at the University of Ghent, followed by a postgraduate degree from the Center for European Studies at the University of Nancy. From 1968 to 1970, he worked for the National Scientific Research Fund, as well as a part time lecturer on European institutions at the Vrije Universiteit in Brussels. He has worked for several European Commissioners: in 1968 for Sicco Mansholt and in 1973 as a member of the Private Office of Henri Simonet, Vice-President of the European Commission.

After starting his political career with the Belgian Socialist Party as International Secretary in 1976, he became Head of the Private Office of Willy Claes, Minister of Economic Affairs in 1977. He chaired the Socialist Party from 1978 to 1988 and became Vice-Chairman of the Confederation of European Social Democratic Parties in 1978. From 1986 to 1992 Karel Van Miert was Vice-President of the International Socialist Party.

He was a member of the European Parliament from 1979 to 1985, and then seat on the Belgian Chamber of Representatives. In 1989, Karel Van Miert was appointed member of the European Commission responsible for transport, credit, investment and consumer policy. For six years, he served under Chairman Jacques Delors and in 1992, he assumed interim responsibility for environmental policies. As Vice-President of the European Union Commission, Karel Van Miert was responsible for Competition policy from 1993 to 1999.

From April 2000 to March 2003, he chaired the University of Nyenrode where he teaches European Competition policy. He is the author of several publications on European integration.

In 2003, Karel Van Miert chaired the European Union High Level Group on Trans-European Transport Networks.

- ▶ **Agfa-Gevaert NV (Mortsel)**, *Director*
- ▶ **Anglo American plc (London)**, *Director*
- ▶ **De Persgroep (Asse)**, *Director*
- ▶ **DHV Holding BV (Amersfoort)**, *Director*
- ▶ **Royal Philips Electronics NV (Amsterdam)**, *Director*
- ▶ **Solvay SA (Brussels)**, *Director*
- ▶ **Wolters Kluwer NV (Amsterdam)**, *Director*
- ▶ **Münchener Rück (Munich)**, *Director*
- ▶ **RWE AG (Essen)**, *Director*

(\*) Current Directors whose appointment as member of the Supervisory Board is submitted for approval.



## Members of the Supervisory Board whose appointment is submitted for approval



**Mrs. Sarah Frank**

(Age: 58)

Mrs. Sarah Frank, an American national, was born on June 25, 1946. For over thirty years Mrs. Frank has been an important player in the United States and international television industries and in particular in the production and distribution of entertainment and educational programs.

From 1990 to 1997 Mrs. Frank was Chairman and Chief Executive Officer of BBC Worldwide Americas, the subsidiary of British television channel BBC for North and South America.

She spearheaded the company's growth in the United States by furthering the distribution activities and by developing several cable networks and contributed to the increase of the channel's annual revenues from 9 to more than 80 million dollars in the same period of time.

Called "the face of the British Broadcasting Corporation in the United States" by *The New York Times*, Mrs. Frank raised the BBC's name to new prominence within the American industry as well as among viewers, increasing the BBC brand and value and contributing to its growth as well as to the development of consumer products such as home video, books, audio tapes and educational videos.

The influence and the professionalism of Mrs. Frank in the American audiovisual landscape have been greatly recognized and rewarded. In 1993, *USA Today* designated Mrs. Frank one of "Television's 25 Most Powerful People". In 1994, Mrs. Frank received the prestigious Matrix Award from New York Women in Communications.

Mrs. Frank was Vice President and Director of Education at Thirteen/WNET New York, a public television's flagship station in New York City, where she directed the educational programs of the station.

She created a television series for teenagers to help them deal with the aftermath of September 11, 2001 and a web site for parents and teachers called Dealing with Tragedy. Mrs. Frank has contributed to the expansion of the National Teacher Training Institute, a nationwide program to train teachers to integrate technology into classroom curricula.

Most recently she co-produced with WGBH *They Made America*, a documentary series based on the book by Sir Harold Evans.

Mrs. Frank serves on the Boards of The Foundation of the New York Chapter of the National Academy of Television Arts and Sciences; Eugene Lang College, the Liberal Arts College of New School University; the Coalition for Quality Children's Media; and is a member of the New York Women's Forum.



**Mr. Patrick Kron**

(Age: 52)

Mr. Patrick Kron, born in Paris on September 26, 1953, is a graduate of the *Ecole Polytechnique, Corps des Mines*.

Patrick Kron began his career in the French Ministry of Industry between 1979 and 1984 before joining the Pechiney Group. From 1984 to 1988, Patrick Kron held operational responsibilities in one of the Group's most important factories in Greece before becoming Chief Operating Officer of the group's subsidiary in Greece.

Between 1988 and 1993, he held several senior operational and financial positions in the aluminium processing division within Pechiney and then became Chairman and Chief Executive Officer of Pechiney Electrometallurgie Division.

In 1993, he became a member of the Executive Committee of the Pechiney Group and was appointed Chairman of Carbone Lorraine from 1993 to 1997. From 1995 to 1997, he ran the Food, Health and Beauty Care Packaging Sector of Pechiney and held the position of Chief Operating Officer of American National Can in Chicago (USA).

From 1998 to 2002, Patrick Kron was Chairman of the Management Board of Imerys before joining Group Alstom, as Director on July 24, 2001 and Chief Operating Officer on January 1, 2003. He is Chairman and Chief Executive Officer of Alstom since March 11, 2003.

- ▶ Alstom, *Chairman and Chief Executive Officer*
- ▶ Imerys, *Member of the Supervisory Board*
- ▶ Association "Les Arts Florissants William Christie", *Director*



**Mr. Andrzej Olechowski**

(Age: 57)

Mr Andrzej Olechowski, a Polish national, was born in Kraków on September 9, 1947. He obtained his doctorate in Economics at the Warsaw Business School in 1979.

From 1989 to 1991, Mr Andrzej Olechowski was Deputy Governor of the National Bank of Poland. He held various functions in the Polish government: in 1991, he was appointed Secretary of State to the Ministry of Foreign Affairs and in 1992 Minister of Finance and Minister of Foreign Affairs from 1993 to 1995, a period of time during which he served as economic advisor to President Lech Walesa.

From 1994 to 1998, he served as Chairman of the City Council of Wilanów. In 2000, Mr Andrzej Olechowski was a candidate in the Presidential elections in Poland. In 2001, he was one of the creators of the Civic Platform, a Polish centrist political party.

From May 1998 to June 2000, Mr Olechowski served as Chairman of Bank Handlowy w Warszawie, of which he is currently a member of the Supervisory Board. He sits on the boards of several public, charitable and educational foundations. Mr Andrzej Olechowski has served as a consultant for Central Europe Trust Polska since 1995.

Mr Andrzej Olechowski is a lecturer at the Jagiellonian University in Kraków, the Catholic University in Warsaw and at the Collegium Civitas in Warsaw. He is the author of numerous publications on international trade and foreign policy.

- ▶ Euronet (USA), *Director*
- ▶ Bank Handlowy w Warszawie (Poland), *Member of the Supervisory Board*
- ▶ Europejski Fundusz Hipotecny (Poland), *Chairman of the Supervisory Board*
- ▶ Tewtron (USA), *Member of the International Advisory Board*
- ▶ Citigroup (UK), *Member of the European Advisory Board*
- ▶ Central Europe Trust Polska, *Senior Advisor*

## Senior Executives

- Jean-René Fourtou, *Chairman and Chief Executive Officer*
- Jean-Bernard Lévy, *Chief Operating Officer*
- Jacques Espinasse, *Senior Executive Vice President and Chief Financial Officer*
- Robert de Metz, *Senior Executive Vice President Divestitures, Mergers and Acquisitions*
- René Pénisson, *Senior Executive Vice President, Human Resources and Chairman of Vivendi Universal Games*
- Jean-François Dubos, *Executive Vice President and General Counsel*
- Michel Bourgeois, *Executive Vice President, Corporate Communications*
- Régis Turrini, *Executive Vice President, Divestitures, Mergers and Acquisitions*



### PART I: LEGAL FORM - PURPOSE – REGISTERED OFFICE

#### ▶ Article 1 - Legal Form – Corporate Name – Legislation - Term

The Company, which is called **Vivendi Universal**, is a company established under French law and formed in Paris by a deed dated 11 December 1987, and which, by decision of the Shareholders' Meeting of 28 April 2005, has adopted the legal form of a *Société Anonyme à Directoire et Conseil de Surveillance* (company with Management Board and Supervisory Board), governed by current and future legislative and regulatory provisions as well as by these By-laws.

The term of the Company shall expire on 17 December 2086, except in the event of an early dissolution or an extension to be decided by an Extraordinary Shareholders' Meeting.

#### ▶ Article 2 - Purpose

The Company's main purpose is, directly and indirectly, in France and in all countries:

- to provide any direct or indirect telecommunications and media/entertainment activities, and any interactive services, to individual, business and public-sector customers;
- to market any products and services related to the foregoing;
- any commercial, industrial, financial, stock, share and real-estate transactions directly or indirectly related to the aforementioned purpose or to any similar or related purposes, or contributing to the fulfilment of these purposes;

and more generally, the management and acquisition, by way of subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or to be formed and the right to sell such securities.

#### ▶ Article 3 - Registered office

The Company's registered office is located at 42, avenue de Friedland, 75008 Paris.

The registered office may be transferred to any other place in accordance with the legislative and regulatory provisions in force.

### PART II: SHARE CAPITAL - SHARES

#### ▶ Article 4 - Share capital

The company's share capital is 5,899,443,996.50 euros, divided into 1,072,624,363 shares having a face value of 5.50 euros, all of the same class and fully paid up.

The share capital may be increased, reduced, amortized or divided by decision of the competent Shareholders' Meeting.

#### ▶ Article 5 - Shares

1. The shares may take the form of registered shares or bearer shares, in the absence of legal provisions to the contrary.

2. The Company may at any time, in accordance with applicable law and regulations, request from the central institution responsible for keeping the Company's share issuance account information relating to shares of the Company which confer a voting right at its Shareholders' Meetings, whether immediately or in the future.

Failure by shareholders or intermediaries to comply with their obligation to provide the aforementioned information may lead to the suspension or suppression of dividend and/or voting rights, as permitted by law.

3. Any person, acting alone or in concert, who directly or indirectly holds a fraction of the capital, voting rights or securities subsequently convertible into shares of the Company, which is equal to or in excess of 0.5% or a multiple of this fraction, shall notify the Company, by registered letter with acknowledgment of receipt, within fifteen days of exceeding any of these thresholds, of the total number of shares, voting rights or securities subsequently convertible into shares, which that person directly or indirectly holds, whether alone or in concert.

Failure to comply with this provision shall be penalized in accordance with legal provisions, at the request, recorded in the minutes of the Shareholders' Meeting, of one or more Shareholders holding at least 0.5% of the Company's share capital.

Any person, acting alone or in concert, shall also inform the Company within fifteen days if the percentage of share capital or voting rights which it holds falls below any of the thresholds mentioned in the first sub-paragraph of this paragraph 3.

#### ▶ Article 6 - Rights and obligations attached to shares

1. Each share carries a right of ownership of the Company's assets and liquidation surplus in proportion to the fraction of the authorized share capital which it represents.

2. Whenever it is required to hold a certain number of shares in order to exercise a right, Shareholders who do not own the said number of shares shall be responsible, if necessary, for grouping the shares corresponding to the required quantity.

3. The subscription right attached to shares belongs to the beneficial owner.

4. Ownership of a share implies acceptance of these By-laws and of decisions made by Shareholders' Meetings and by the Management Board acting on powers delegated by the Shareholders' Meeting.

### PART III: SUPERVISORY BOARD

#### ▶ Article 7 - Composition of the Supervisory Board

1. The Supervisory Board is composed of a minimum of three Members, and a maximum of 18 Members, subject to the temporary exception set forth by law in the event of a merger.

The Members are appointed by the Ordinary Shareholders' Meeting, which may dismiss them at any time.



2. Each Member of the Supervisory Board must hold at least 1,000 shares in the Company.

3. The Members of the Supervisory Board are appointed for a four-year term, expiring at the end of the Ordinary Shareholders' Meeting called to approve the accounts for the financial year ended, and which is held the year during which the term of office expires. They may be re-elected for additional terms.

At the end of each Annual Shareholders' Meeting, the number of Members of the Supervisory Board who have reached the legally defined age on the closing date of the fiscal year whose accounts are approved by the meeting, shall not be more than one-third of the number of Members in office. When this limit is exceeded, the oldest Members shall be deemed to have resigned at the end of the said Shareholders' Meeting until the requirement set forth herein is met.

In the event of a vacancy of one or more board seats due to death or resignation, and provided that the number of Members of the Supervisory Board does not fall below the minimum set forth in the first paragraph of this Article 7, the Supervisory Board may make provisional appointments between two Shareholders' Meetings which shall be subject to ratification by the next Ordinary Shareholders' Meeting.

### **Article 8 – Member of the Supervisory Board appointed by the employees**

1. If the percentage of share capital, held by employees and retired employees of the Company and its subsidiaries under the Group Savings Plan established by the Company, represents more than 3% of the Company's authorized share capital, a Member of the Supervisory Board shall be appointed from among the employees who are members of the Oversight Committee of the Company's mutual funds of which at least 90% of the assets comprise Company shares. The Member of the Supervisory Board representing employee shareholders shall not be taken into account when calculating the maximum number of Members of the Supervisory Board set forth in Article 7.

Upon a proposal from the Chairman of the Management Board, an employees' representative may be appointed as a Member of the Supervisory Board by an Ordinary Shareholders' Meeting, provided that his office shall end automatically upon the appointment of a Member of the Supervisory Board pursuant to the previous sub-paragraph.

2. If for any reason whatsoever, the Member of the Supervisory Board appointed by the Shareholders' Meeting under the paragraph 1 of this Article 8 ceases to be both an employee of the Company or one of its subsidiaries and, as the case may be, a member of the Oversight Committee of the Company's mutual fund described above, the said Member of the Supervisory Board shall be deemed to have resigned upon the expiration of a term of one month from the date on which he ceased to fulfill either of these criteria.

3. In this case, or in the event of death or resignation, the Supervisory Board may provisionally appoint a Member between two Shareholders' Meetings provided that the new Member fulfills the two criteria set forth in this Article 8.

4. Prior to the Ordinary Shareholders' Meeting called to appoint a Member of the Supervisory Board representing employee shareholders pursuant to paragraph 1 of this Article, the said Member shall be nominated according to the following procedure:

- Candidates for this office shall be nominated by the mutual fund's Oversight Committee and shall be selected from among its members at the request of the Chairman of the Management Board.

- The decision of the Oversight Committee shall be recorded in minutes stating the list of candidates and the number of votes cast in favor of each candidate, as well as the number of candidates validly designated by the Oversight Committee, whose number shall be at least equal to twice the number of Members of the Supervisory Board to be appointed.

- The aforementioned minutes and list of candidates shall be attached to the notice convening the Shareholders' Meeting.

5. Each Member of the Supervisory Board representing employee shareholders must hold one share through one of the mutual funds described in paragraph 1 of this Article, or an equivalent number of units of said fund. If the said Member of the Supervisory Board does not hold one share or an equivalent number of units of the fund on the date of his appointment, or if he ceases to do so during his term of office, he shall be deemed to have resigned notwithstanding the fact that he remains an employee of the Company.

### **Article 9 - Mission of the Supervisory Board**

1. The Supervisory Board continuously monitors the Company's management by the Management Board as required by law. At any time of the year, it may carry out any verifications or controls which it deems necessary and may demand any documents which it deems useful to the fulfilment of its mission.

In addition, the Supervisory Board grants the Management Board permission to carry out the operations stated in Article 13, for which its prior authorization is required.

2. The Supervisory Board may decide to create committees to study questions submitted by the Supervisory Board or its Chairman; the Supervisory Board shall define their composition, their terms of reference and, if applicable, the remuneration of their Members.

### **Article 10 - Organization of the Supervisory Board**

1. From among its Members, the Supervisory Board shall elect a Chairman and a Vice-Chairman who must be natural persons and who shall be responsible for convening the Supervisory Board and chairing its debates. The Supervisory Board shall set the terms of office of the Chairman and Vice-Chairman, which shall not exceed their terms as Members of the Supervisory Board.

The Supervisory Board appoints a Secretary who is also the secretary of the Management Board.

2. The Supervisory Board shall meet as often as the Company's interests require.

The Supervisory Board may be convened by the Chairman or the Vice-Chairman by any means, even verbally. The meetings shall be held either at the Company's registered office, or in any other place indicated in the notice of meeting.



The Chairman shall convene the Supervisory Board within fifteen days of a request being made to this effect by at least one Member of the Management Board or by at least one-third of the Members of the Supervisory Board. Should this request remain without effect, its authors may themselves convene the Supervisory Board, stating the meeting's agenda.

3. A register of attendance shall be kept which shall be signed by the Members of the Supervisory Board attending the meeting.

4. A minimum presence of 50% of the Members of the Supervisory Board is required for the deliberations to be valid.

Decisions are made by majority vote of the Members present or represented, each Member present or represented having one vote and each Member present having only one proxy granted in writing and transmitted by any means. The session Chairman shall have the casting vote in the event of a tie.

To the extent provided by law, Members who attend in the meeting by way of videoconference, or by any other means allowed by applicable legislation, shall be deemed to be present for the purposes of calculating the quorum and majority.

5. The deliberations of the Supervisory Board are recorded in minutes drawn up by the secretary of the Supervisory Board in a special register kept at the Company's registered office.

#### ▶ *Article 11 - Remuneration of members of the Supervisory Board*

1. To the Members of the Supervisory Board, the Shareholders' Meeting may award a total annual sum as directors' fees.

2. The Supervisory Board shall distribute the overall sum awarded among its Members.

In addition, the remuneration of the Chairman and Vice-Chairman is determined by the Supervisory Board.

The Supervisory Board may award exceptional remuneration for specific assignments or mandates entrusted to the Chairman, to the Vice-Chairman or to any one of the Members of the Supervisory Board. In this case, the said remuneration shall be paid independently of the directors' fees, and pursuant to the conditions set forth by law.

## PART IV: MANAGEMENT BOARD

#### ▶ *Article 12 - Composition of the Management Board*

1. The Company is managed by a Management Board composed of a minimum of two Members and a maximum of seven Members.

Members of the Management Board, who must be natural persons, are not required to be shareholders.

They are appointed for a four-year term by the Supervisory Board which also appoints one of them Chairman. The Supervisory Board determines their remuneration.

If a seat becomes vacant, the Supervisory Board shall, within two months, either fill it or simply take note of such vacancy.

Any Member of the Management Board may be reappointed. He may be dismissed at any time either by the Supervisory Board or by the Shareholders' Meeting.

2. The Chairman of the Management Board represents the Company in its relations with third parties.

From among the Members of the Management Board, the Supervisory Board may appoint one or more Members with power of representation in relation to third parties.

3. The term of office of a Member of the Management Board shall expire, at the latest, at the end of the Shareholders' Meeting called to approve the accounts for the financial year in which he reaches the age of 68. However, when a Member of the Management Board reaches that age, the Supervisory Board may, on one or more occasions, prolong his term for a total period which may not exceed two years.

#### ▶ *Article 13 - Powers and obligations of the Management Board*

1. The Management Board shall be invested, with respect to third parties, with the broadest powers to act in all circumstances on behalf of the Company, subject to the powers specifically granted by law to the Supervisory Board and to Shareholders' Meetings and within the limitations of the Company's purpose and the matters that require the prior authorization of the Supervisory Board, as set forth below.

2. With the authorization of the Supervisory Board, the Members of the Management Board may allocate management tasks amongst themselves. In this case, such an allocation of tasks shall not exempt the Management Board from meeting and deliberating on major issues relating to the Company's management, nor shall it be invoked as grounds for exemption from the obligation to supervise the general conduct of corporate activities, which is incumbent on each Member of the Management Board, and for which the Members have joint and several liability.

The Management Board may appoint one or more of its Members, or any person chosen from outside its ranks, to effect any permanent or temporary special missions, which it may determine, delegating to such persons, for one or more specific purposes, any powers it may deem appropriate, with or without the right to further delegate such powers.

3. Within the limit of an overall sum which it shall define, the Supervisory Board may authorize the Management Board to grant deposits, sureties or guarantees on behalf of the Company. The term of such an authorization may not exceed one year, regardless of the term of the commitments guaranteed. On behalf of the Company, the Management Board may be authorized to give deposits, sureties or guarantees of an unlimited amount to the tax or customs authorities.

If any deposits, sureties or guarantees are given, in a total amount in excess of the limit previously determined for the current period, the amount of any excess portion may not be used to avoid payment obligations due to third parties who were not aware of the applicable limitation.

4. Within the limit of an amount which it shall set for each type of transaction, the Supervisory Board may authorize the Management Board to transfer real property in kind, to transfer assets in part or in full and to constitute pledges. When a transaction exceeds the amount so defined, the authorization of the Supervisory Board shall be required in each case.

The absence of authorization concerning the operations mentioned in the preceding paragraph may not be used to avoid payment obligations due to third parties, unless the Company can prove that these third parties were aware of the absence of authorization or could not be unaware of it.

5. In addition, the Management Board may not take the following actions without the prior authorization of the Supervisory Board:

- any transactions that could substantially affect the Group's scope of activity,
- the admission of the Company's securities to trading on a regulated market,
- any investment commitments or acquisitions of assets exceeding the amounts set by the Supervisory Board,
- the issuance of marketable securities of any kind as authorized by the Extraordinary Shareholders' Meeting in accordance with Articles L. 225-129-2 *et sequitur* of the French *Code de commerce*.
- the issuance of bond loans as provided for in Article L. 228-40 of the French *Code de commerce*, or credit facilities, for a term or for a sum exceeding those laid down by the Supervisory Board.
- the issuance of stock options, or the grant of restricted stock or any similar product, to employees or certain categories of employees,
- the signature of any agreements and transactions, arbitrations, and the acceptance of any settlements exceeding the sums set by the Supervisory Board,
- the signature of any draft agreements relating to a merger, a spin-off or a partial transfer of assets exceeding the thresholds set by the Supervisory Board.

Where a transaction exceeds the limits or the amount determined, the authorization of the Supervisory Board shall be required in each case.

### **Article 14 - Organization of the Management Board**

1. The Management Board shall meet as often as the Company's interests require, upon convocation by its Chairman or by a minimum of 50% of its Members, either at the Company's registered office, or in any other place specified in the notice of meeting. The meeting may be convened by any means, even verbally.

The Management Board appoints a Secretary who is also the Secretary of the Supervisory Board.

2. For decisions to be valid, the attendance of a minimum of 50% of the Members is required. If the Management Board is composed of only two Members, the attendance of both Members is required.

3. Decisions shall be made by majority vote. Votes may not be cast by proxy within the Management Board. In the event of a tie, the casting vote shall be decided by the Chairman of the Management Board, or by a session Chairman appointed by the Chairman of the Management Board in the event of his absence or incapacity.

Members who attend meetings by way of videoconference, telephone or by any other means of communication allowed by applicable legislation shall be deemed to be present for the purposes of calculating the quorum and majority.

4. The Management Board shall submit a written and oral report to the Supervisory Board on a regular basis and at least quarterly, to report on the major acts or events that occurred in connection with the management of the Company.

Within three months of the closing of each fiscal year, the Management Board shall be responsible for the closing of the accounts and the preparation of the financial statements and submit them to the Supervisory Board for verification and audit. The Management Board shall also propose the allocation of earnings for the prior fiscal year.

The Management Board shall examine and present the quarterly and bi-annual financial statements to the Supervisory Board.

5. The deliberations are to be recorded in minutes signed by the Chairman of the Board.

The minutes are to be recorded in a special register. Copies and excerpts of these minutes are certified by the Chairman of the Management Board, one of its Members, the Secretary of the Management Board or by any other person designated by the Management Board.

## **PART V: AUDITING OF THE COMPANY**

### **Article 15 - Statutory Auditors**

The Company is audited by Statutory Auditors who are appointed and fulfil their duties in accordance with applicable law.

## **PART VI: SHAREHOLDERS' MEETINGS**

### **Article 16 - Shareholders' Meetings**

1. Shareholders' Meetings are convened and held in accordance with applicable law.

2. Shareholders' Meetings shall take place at the Company's registered office, or in any other location specified in the notice of meeting. When convening the meetings, the Management Board may decide to publicly broadcast the Shareholders' Meeting in full, via videoconference and/or tele-transmission. If applicable, this decision shall be indicated in the notice of meeting.

3. Two Members of the Workers' Committee, appointed by the said committee, may also attend Shareholders' Meetings. The Chairman of the Management Board or any other authorized person shall provide notice to the Workers' Committee by any means possible of the date and location of any Shareholders' Meetings.



4. Regardless of the number of shares held, any shareholder has the right, upon proving his identity and capacity, to take part in Shareholders' Meetings under the following conditions:

- holders of registered shares must be included in the register kept by the Company,

- holders of bearer shares must file a certificate, at the place specified in the notice of meeting, attesting to the non-transferability of shares held in their name until the date of the Shareholders' Meeting, issued by an authorized financial intermediary;

and, if applicable, the Company must be provided with any documents required to prove his identity, in accordance with applicable law.

These formalities must be fulfilled before 3:00 p.m. (Paris time) on the day before the Shareholders' Meeting, unless the deadline is shortened by current legal and statutory provisions or the notice of meeting specifies a tighter deadline.

A Member's registration or certificate of non-transferability may only be specifically revoked in accordance with current law or regulations.

5. Shareholders' Meetings shall be chaired by the Chairman of the Supervisory Board; or, in his absence, by the Vice-Chairman; or in the absence of both, by a Member of the Supervisory Board specially delegated to do so by the Chairman of the Supervisory Board; failing this, the Shareholders' Meeting itself shall elect a Chairman.

The two Members of the Shareholders' Meeting who accept and represent the largest number of votes shall act as returning officers.

6. The Presiding Committee of the Shareholders' Meeting shall appoint the Secretary, who is not required to be a shareholder. A register of attendance shall be kept in accordance with applicable law.

7. Copies or excerpts from the Minutes of Shareholders' Meetings are validly certified and available upon request, in accordance with applicable law.

#### **Article 17 - Voting rights**

1. In all Shareholders' Meetings, the voting rights attached to shares shall belong to the beneficiary of the bare legal title of the shares.

2. In accordance with applicable law and regulations, shareholders shall be entitled to send in their proxy and voting forms for any Shareholders' Meeting by mail, whether in paper form or, by decision of the Management Board published in the notice of meeting, by tele-transmission.

The Management Board may also decide that shareholders may participate and vote in any Shareholders' Meetings by videoconference and/or tele-transmission, in accordance with applicable law. In this case, shareholders participating in the Shareholders' Meeting by videoconference or by any other means of telecommunication, in accordance with applicable law, shall be deemed to be present for the purposes of calculating the quorum and majority.

3. Each shareholder shall have a number of votes equal to the number of shares he owns or represents, subject to the special provisions laid down in paragraph 4 below.

4. The number of voting rights held by each shareholder (and where applicable, his proxy (ies)) during a Shareholders' Meeting is:

a) equal to the number of voting rights attached to the shares held, up to a maximum of 2% of the total number of voting rights existing within the Company;

b) calculated for the remainder, on the basis of the number of voting rights present or represented at the Shareholders' Meeting, through application of the percentage exceeding 2% of said number of voting rights present or represented (and calculated in accordance with the adjustment resulting from this provision).

The calculation to be made during each Shareholders' Meeting is described in the formula set out in the schedule to these By-laws. For the purposes of this calculation, each percentage shall be calculated to two decimal points and the number of voting rights obtained shall be rounded up to the nearest whole number.

The voting rights held by each shareholder shall be pooled with those assimilated to his voting rights pursuant to the provisions of Article L. 233-9 of the French *Code de commerce*. However, no pooling shall be applied to voting rights attached to shares in respect of which a proxy has been given in accordance with the provisions of Article L. 225-106, paragraph 7 of the French *Code de commerce*.

This provision shall not be applicable to any Shareholders' Meeting where a quorum of 60% or more is present.

## **PART VII: FINANCIAL STATEMENTS - ALLOCATION AND DISTRIBUTION OF NET INCOME**

### **Article 18 - Annual accounts**

1. The Company's fiscal year shall commence on January 1 and end on December 31.

2. At the end of each fiscal year, the Management Board shall be responsible for the closing of the accounts and the preparation of the annual financial statements as required by law.

### **Article 19 - Allocation and Distribution of net income**

1. The statement of income shows revenues and expenses for the fiscal year, expressing net income for the year as the difference between the two, after deducting amortization, depreciation and provisions.

No less than 5% of the fiscal year's earnings, less losses sustained in earlier years, where applicable, shall be deducted to create the legal reserve fund. This deduction shall cease to be mandatory when the reserve fund becomes equal to 10% of the share capital. Such deductions shall be resumed if, for any reason, the legal reserve falls below one-tenth of the share capital.

The Shareholders' Meeting may set apart such amounts as the Management Board shall see fit, for transfer to contingency funds or to ordinary or extraordinary revenue reserves, or to retained earnings, or for distribution.

2. The distributable profit is composed of the net income for the fiscal year, less losses sustained in earlier years and amounts that must be allocated to reserves in accordance with applicable law or these By-laws, and may be increased by retained earnings.

Dividends shall be paid out of earnings from the fiscal year.

Except in the event of a reduction in capital, no dividends may be distributed to shareholders when shareholders' equity is, or would become as a result of such distribution, less than the amount of the capital plus reserves, the distribution of which is not permitted by applicable law or these By-laws.

Revaluation surpluses may not be distributed, but may be capitalized in full or in part.

The Shareholders' Meeting may decide to distribute amounts from available reserves by specifically indicating the reserve items from which the said amounts shall be deducted.

The terms of payment of dividends shall be determined by the Shareholders' Meeting, or, failing such determination, by the Management Board. Dividends must be paid no later than nine months after the end of the fiscal year, unless an extension is granted by court order.

The Annual Shareholders' Meeting may grant each shareholder the right to choose from payment in cash, shares or an in-kind payment in respect of all part of the interim or final dividend distributed.

Dividends remaining unclaimed for a term of five years after the declaration date are no longer distributable under applicable statute(s) of limitation

## PART VIII : EXTENSION - DISSOLUTION - DISPUTES

### Article 20 - Extension - Dissolution - Liquidation

1. No later than one year before the end of the term of the Company, the Management Board shall convene an Extraordinary Shareholders' Meeting in order to decide whether the term of the Company is to be extended.

2. Except in the event of judicial dissolution prescribed by law, the Company shall be dissolved upon the expiration of the term set forth by the Company's By-laws or by decision of the Shareholders' Meeting.

3. The Shareholders' Meeting shall determine the liquidation procedures and shall appoint one or more liquidators whose powers it shall determine.

### Article 21 - Disputes

All disputes which may arise during the term of the Company or during its liquidation, whether between the Shareholders and the Company, or between Shareholders themselves, in respect of corporate matters, shall be subject to the jurisdiction of the competent courts.

## SCHEDULE

Application of the provisions of Article 17 of the By-laws regarding the number of voting rights held by each shareholder at Shareholders' Meetings:

Where:

T = the total number of voting rights attached to all shares comprising the share capital

Yn = the total number of voting rights attached to the shares of shareholders present or represented (n), up to 2% of T per shareholder, and therefore not subject to any limitation

a, b, c = the percentage of the voting rights (by reference to T) held by A, B, C, etc., in excess of 2% for each of them

X = the total number of votes which may be cast at a Shareholders' Meeting taking into account the limitations set forth in the By-laws.

This rule may be expressed as follows:

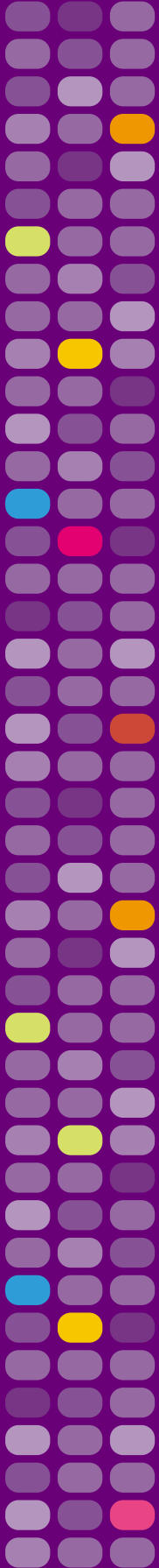
$X = Yn + aX + bX + cX$

Accordingly, the total number of votes which may be cast during a meeting (X) is equal to:

$X = Yn/(1-a-b-c)$

By calculating X it is possible to determine, for each of shareholders A, B and C, the total number of votes attached to voting rights exceeding 2% (corresponding to percentages a, b, c, etc.). For each of them, it is necessary to add 2% of T, i.e., the votes attached to voting rights not subject to any limitation.





**VIVENDI**  
**UNIVERSAL**

Société Anonyme with share capital of €5,899,433,996.50  
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Company and Trade Registry: 343 134 763 RCS Paris - France

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