

## FULL YEAR 2016 RESULTS

**IMPORTANT NOTICE:**

Financial results for the fiscal year ended December 31, 2016

Financial statements audited and prepared under IFRS

Investors are strongly urged to read the important disclaimer at the end of this presentation



**ARNAUD DE PUYFONTAINE**

Chairman of the Management Board  
Chief Executive Officer

# STRATEGIC UPDATE

# STRATEGY

## Vivendi is building a global content and media group

The media industry is one of the most attractive industries of the 3<sup>rd</sup> millennium

- **More consumers**

*World's middle class: +2bn people by 2025 in Africa, Asia and Latin America, who will enter the leisure economy and consume entertainment (OECD)*

- **More entertainment**

*Average time spent on media activities in the world is steadily increasing: from 7 hours in 2014 to 7 hours and 30 minutes per day in 2018 (Zenith)*

- **More devices**

*Increasing number of smartphones (#1 screen of media consumption): from 4bn in 2016 to 6bn+ in 2020 (PWC)*

- **More revenues**

*Revenues generated by the E&M industry are expected to grow by approximately 25% from 2015 to 2020 (PWC)*

# STRATEGY

Vivendi already owns very powerful assets in this industry,  
which are now being brought together and reinforced to  
collectively generate more value.

# STRATEGY

- The Group's assets include the four main categories of content consumed worldwide:
  - Music
  - Video games
  - Films/series
  - Streaming/live programs
- The Group enjoys and is building leading positions in the three most dynamic segments of the creative industries:
  - Music with Universal Music Group
  - Video games on mobiles with Gameloft
  - Television and cinema with Groupe Canal+

# VIVENDI'S GROWTH ENGINES

## 1 CREATION

Vivendi is developing all together strong assets in three of the most dynamic segments of the creative industry



# VIVENDI'S GROWTH ENGINES

## 2 DISTRIBUTION

Expanding distribution is key to reaching scale in order to invest in and maximize the value of content

### ■ In-house distribution

- Canal+
- Digital platform: Dailymotion

### ■ Partnerships to build scale

- With Telcos
- With digital platforms

**Worldwide distribution through platforms and strong presence locally through Telcos**

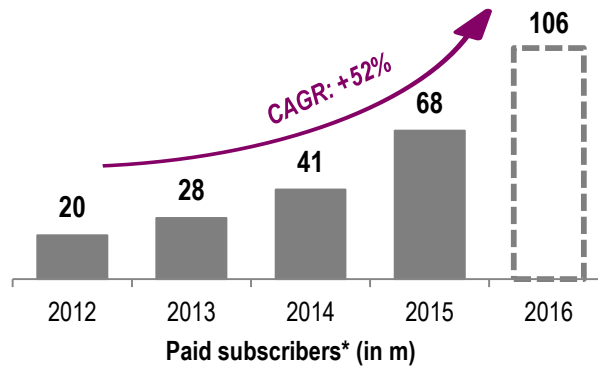
# STRATEGY

Vivendi is able to pursue this ambitious strategy thanks to its lead shareholder, the Bolloré family Group (29% of voting rights in April 2017), which gives it the necessary long-term stability.



# MUSIC: FAST CHANGING INDUSTRY

- Music business model is quickly shifting to streaming
- Consumers are now willing to pay for music
  - *Number of subscribers to paid music services is increasing rapidly*



- Opening up opportunities
  - The major markets have returned to growth
  - Create a legitimate market in fast growth countries
  - Monetizing the catalog

# MUSIC: FAST CHANGING INDUSTRY

- UMG is leading the transition
  - Wide distribution of UMG content
    - ✓ *Agreements with 400+ platforms*
  - Continuous investment in artists
  - Investing in emerging markets
    - ✓ *Investment in local artists*
    - ✓ *Partnering with local streaming platforms*
- Streaming and subscription are already the main source of UMG's revenue

€1.5bn in  
revenue

+58%  
growth yoy



35% of recorded music  
revenue (vs 16.5% in 2014)

- In order to take advantage of the transition, Vivendi is also investing in:
  - Live events (venues such as L'Olympia and CanalOlympia, festivals, ticketing)
  - Production and distribution of music-related audiovisual content



# GAMES

Vivendi is committed to the Games industry, which is fully in line with its strategy

- Games industry: already a \$100bn\* industry
- Mobile gaming: a fast-growing worldwide industry benefiting from an increasing use of smartphones and growing consumer engagement
  - The fastest growing segment, which is already a \$37bn\* market
  - Large worldwide footprint
- Gameloft is poised for growth:
  - #1 in terms of downloads in 2016\*\* on Apple Store and Google Play
  - The integration is going well, exceeding our expectations, close cooperation
  - Our ambition is to go further and prioritize creativity
  - Gameloft can build on:

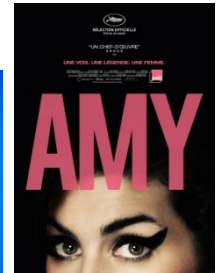
✓ *its strong assets*

✓ *Vivendi support*



# AUDIOVISUAL

- One of the leading audiovisual companies in Europe with Studiocanal
- Vivendi and its subsidiaries are investing in all forms of audiovisual content
  - Films
  - Series
  - Unscripted
  - Short formats
- Vivendi's productions are well recognized internationally
  - *"Bureau des légendes"*
  - *"Happy Valley"*
  - *"Versailles"*, *"The Young Pope"*



**Our ambition is to increase our investments in content production, internally or through partnerships, with the objective of retaining equity in Intellectual Property**

# TV DISTRIBUTION

**Canal's international** development is bearing fruit

- **Africa**

- *Fast growing territory for Canal with almost 2.8m individual subscribers at end-2016*

- **Poland**

- *Stabilization of the subscriber base in 2016 for the first time since the merger between n and Cyfra+*

- **Overseas**

- **Vietnam**

- *Subscriber base increased by 6% in 2016*

- **Myanmar**

- *Launch expected in 2017*

**France:** Canal+ is the leader in PayTV in France:

- 8,182k individual customers of whom 5,254k subscribers to Canal

# TV DISTRIBUTION IN FRANCE: TRANSFORMATION PLAN IMPLEMENTED

## ■ New offers

### 1) Basic package

**ESSENTIEL:**



OR

**ESSENTIEL FAMILLE:**



+ More than 50 channels

### 2) Thematic options

**LES CHAÎNES CINE SERIES:**

17 grandes chaînes dont :



**LES CHAÎNES SPORT:**


17 grandes chaînes dont :



**LES CHAÎNES CANAL:**



**INTEGRALE:**



+ 2nd screen and 2 connected devices  
+ VIP services and loyalty program

## ■ Partnerships

- Wholesale offers with Orange and Free

## ■ Cost optimization plan

# TO BUILD SCALE, STRONG AND LONG-TERM PARTNERSHIPS IN DISTRIBUTION

- Solid partnerships with Telcos, to be strong locally
  - Shareholding in Telecom Italia
  - Strategic partnerships with Free and Orange for the wholesale distribution of Canal packages
    - ✓ *almost 3m customers*
  - Agreements with Orange, Bouygues Telecom (France), Telecom Italia (Italy) and Telefónica (Latam) for the distribution of Studio+
  - Partnership with Orange in Ivory Coast for the deployment of EasyTV (DTT bouquet)
  - Close to 170 agreements with Gameloft
  - GVA in Africa
  
- Solid partnerships with platforms, to be strong globally
  - Apple, Google, Amazon, Spotify, Tidal, Pandora, Deezer...

# ACHIEVEMENTS

- Journey started in June 2014: we have set the foundations for achieving our ambition

## **Strengthening our foundations:**

- UMG: leading the transition of the music industry
- Canal+ group: transforming its activities in France, building growth internationally and investing in content creation

## **Developing new opportunities** in content and distribution:

- Games
  - Building scale in content and distribution
  - CanalOlympia
- More than €8bn already returned to shareholders since 2014, through dividends and share buybacks
  - Proposed distribution of an ordinary dividend of €0.40 per share



# OUTLOOK

- In 2017, revenues should increase by more than 5% and, thanks to the measures taken in 2016, EBITA should increase by around 25%.

**HERVE PHILIPPE**

Member of the Management Board  
Chief Financial Officer

**FINANCIALS**

# SCOPE OF CONSOLIDATION AND MAIN CURRENCIES

In compliance with IFRS 5, GVT qualifies as a discontinued operation from Q3 2014, hence its earnings are reported as “Earnings from discontinued operations”. This classification retrospectively applies to Statements of Earnings and Cash Flows. Vivendi deconsolidated GVT as from May 28, 2015.

Telecom Italia and Banijay Group have been accounted for as equity affiliates since December 15, 2015 and February 23, 2016, respectively.

As a reminder, the accounting for Vivendi’s share of Telecom Italia earnings is delayed by one quarter.

Constant perimeter reflects the impacts of Dailymotion, Radionomy, Thema America, Gameloft and Paddington.

As a reminder, Dailymotion, Radionomy and Thema America have been consolidated since June 30, 2015, December 17, 2015 and April 7, 2016, respectively. Gameloft has been consolidated since June 29, 2016 and Paddington since June 30, 2016.

		FY 2016 average	FY 2015 average	% Change ( <i>impact on earnings</i> )
EUR vs.	USD:	1.105	1.115	+ 0.9%
	GBP:	0.812	0.728	- 11.4%
	JPY:	121	135	+ 10.4%

# FY 2016 KEY FINANCIAL METRICS

		% Change YoY	% Underlying change* YoY
▪ <b>Revenues:</b>	<b>€ 10,819 m</b>	<b>+ 0.5 %</b>	<b>- 0.2 %</b>
<b><u>IFRS</u></b>			
▪ EBIT:	€ 1,194 m	- 2.9 %	
▪ Net Income**:	€ 1,256 m	- 35.0 %	
▪ Net Income from continuing operations**:	€ 1,236 m	+ 77.0 %	
<b><u>Non-GAAP measures</u></b>			
▪ <b>Income from operations:</b>	<b>€ 853 m</b>	<b>- 19.6 %</b>	<b>- 18.5 %</b>
▪ EBITA:	€ 724 m	- 23.2 %	- 21.5 %
▪ <b>Adjusted Net Income</b>	<b>€ 755 m</b>	<b>+ 8.4 %</b>	
<b><u>Cash</u></b>			
▪ Net cash position:	€ 1.1 bn	vs. € 6.4 bn at year-end 2015	
▪ CFFO:	€ 729 m	- 18.3 %	
▪ <b>CFAIT:</b>	<b>€ (69) m in 2015</b>	<b>€ 341 m in 2016</b>	
▪ <b>Return to shareholders:</b>	<b>€ 4.2 bn</b>		

<i>In euro millions - IFRS</i>	2015	2016	Change	Constant perimeter and currency *
<b>Revenues</b>	<b>5,108</b>	<b>5,267</b>	<b>+ 3.1%</b>	<b>+ 4.4%</b>
Recorded music	4,113	4,188	+ 1.8%	+ 2.9%
Music Publishing	756	792	+ 4.7%	+ 6.7%
Merchandising & Other	276	313	+ 13.4%	+ 16.1%
Intercompany Elimination	(37)	(26)		
<b>Income from operations</b>	<b>626</b>	<b>687</b>	<b>+ 9.8%</b>	<b>+ 10.7%</b>
<i>Income from operations margin</i>	<i>12.3%</i>	<i>13.0%</i>	<i>+0.7pts</i>	<i>+0.7pts</i>
Charges related to equity-settled share-based compensation plans	(5)	(3)		
Other special items excluded from income from operations (including restructuring costs)	(28)	(40)		
<b>EBITA</b>	<b>593</b>	<b>644</b>	<b>+ 8.4%</b>	<b>+ 9.1%</b>

## HIGHLIGHTS

- Recorded music revenues were up 3.3%\* in 2016, excluding the OTIs\*\*, driven by subscription and streaming growth and growth in developing market operations.
- Subscription and streaming revenue grew c. 58%\* in 2016 compared to 2015, while download sales were down c. 29%\*.
  - In 2016, subscription and streaming accounted for 66% of digital revenues.
- Publishing revenues grew 6.7%\* in 2016 thanks to growth in digital, synchronization and performance income.
- Merchandising and other revenues were up 16.1%\* due to stronger touring activity.
- Income from operations was up 10.7%\* mainly as a result of revenue growth and cost savings.
- Restructuring charge of €44m in 2016 compared to €51m in 2015.
- 2016 EBITA was up 9.9%\* excluding OTIs\*\*.

<i>In euro millions - IFRS</i>	2015	2016	Change	Constant perimeter and currency *
<b>Revenues</b>	<b>5,513</b>	<b>5,253</b>	<b>- 4.7%</b>	<b>- 4.2%</b>
Pay-TV Mainland France	3,383	3,178	- 6.1%	- 6.1%
<i>o/w Canal+ channels</i>	1,743	1,614	- 7.4%	- 7.4%
Pay-TV International	1,364	1,442	+ 5.7%	+ 6.8%
<i>Africa</i>	378	450	+ 19.2%	+ 19.9%
Free-to-Air TV Mainland France	203	217	+ 6.9%	+ 6.9%
Studiocanal	563	416	- 26.1%	- 24.0%
<b>Income from operations</b>	<b>542</b>	<b>303</b>	<b>- 44.1%</b>	<b>- 44.2%</b>
<i>Income from operations margin</i>	9.8%	5.8%	-4.0pts	
Charges related to equity-settled share-based compensation plans	(3)	(3)		
Other special items excluded from income from operations (including restructuring costs)	(85)	(60)		
<b>EBITA</b>	<b>454</b>	<b>240</b>	<b>- 47.1%</b>	<b>- 47.1%</b>
<i>o/w Canal+ channels in France</i>	(264)	(399)		

## HIGHLIGHTS

- Revenues down 4.2%\*:
  - Pay-TV revenues decreased in mainland France due to the continuous decline in the individual subscriber base and the decline in ad revenue resulting from shrinking free-access windows.
  - In Q4, Canal started to benefit from the agreements signed with Free and Orange with respect to wholesale packages. In addition, new offers were launched on November 15, 2016.
  - Strong performances of international operations. In Africa, the number of individual subs. reached 2.765m at end-2016, i.e. +692k in 2016 with best quarter ever in Q4 (+516k).
  - FTA TV revenues were up 6.9% thanks to strong audiences despite tough competition and the strike at iTélé. At 2016-end, C8 remained the #1 DTT channel.
  - Studiocanal's revenues decreased by 24.0%\* due to fewer successes vs. 2015 which was a record year.
- Income from operations was down €239m mainly due to a decrease at Pay-TV in mainland France, as well as the low contribution of Studiocanal and the higher losses of the FTA channels and despite cost optimization.
- Restructuring charges: €41m in 2016 vs. €47m in 2015.

<i>In euro millions - IFRS</i>	2015	2016 *	Change	Constant perimeter and currency **
<b>Revenues</b>	-	<b>132</b>		
o/w Advertising revenues	-	11		
<b>Income from operations</b>	-	<b>10</b>		
Income from operations margin		7.6%		
Charges related to equity-settled share-based compensation plans	-	(3)		
<b>EBITA</b>	-	<b>7</b>		

<i>In euro millions - IFRS</i>	2015 pro forma ***	2016 pro forma ***	Change	Constant perimeter and currency **
<b>Revenues</b>	<b>256</b>	<b>257</b>	<b>+ 0.4%</b>	<b>+ 5.1%</b>
o/w Advertising revenues	5	19		
<b>Income from operations</b>	<b>2</b>	<b>10</b>	<b>x 5</b>	
Income from operations margin	0.8%	3.9%		

## HIGHLIGHTS

- Gameloft consolidated since June 29, 2016.
- In 2016, Gameloft released 4 new games: Disney Magic Kingdoms, The Blacklist: Conspiracy, Asphalt Xtreme and Zombie Anarchy.
  - In Japan, Disney Magic Kingdoms was the most downloaded game on iOS and Google Play at its released date.
- According to App Annie, Gameloft is #1 in terms of number of downloads on Apple Store and Google Play.
- Total revenues were up 6%\*\* in H2 2016 compared to the same period last year, with ad revenues of €11m (8.3% of its H2 total revenues), while it amounted to €4m for H2 2015.
- In 2016, revenues reached €257m\*\*\*, up 5.1%\*\* compared to last year.
  - Ad revenue reached €19m\*\*\* in 2016, i.e. 7.4%\*\* of its FY 2016 revenues.
  - 65%\*\*\* of the revenues were generated by in-house franchises.

## VIVENDI VILLAGE

<i>In euro millions - IFRS</i>	2015	2016	Change	Constant perimeter and currency *
Revenues	100	111	+ 10.9%	+ 3.8%
Income from operations	10	(7)		
EBITA	9	(9)		

## NEW INITIATIVES

<i>In euro millions - IFRS</i>	2015	2016	Change	Constant perimeter and currency *
Revenues	43	103	x 2.4	+ 51.6%
Income from operations	(18)	(44)		
EBITA	(20)	(56)		

## CORPORATE

<i>In euro millions - IFRS</i>	2015	2016	Change	Constant perimeter and currency *
Income from operations	(99)	(96)	+ 2.3%	+ 2.3%
EBITA	(94)	(102)	- 8.4%	- 8.4%

## HIGHLIGHTS

### Vivendi Village

- Revenues were up 3.8%\*, mainly due to the good performances of ticketing activities and MyBestPro.
- Decrease in Income from operations and EBITA primarily as a result of investment and development costs associated with new projects, as well as losses at Watchever.
- Watchever operations in Germany were shut down in Q4.

### New Initiatives

- Launch of Studio+ and WatchMusic, powered by Watchever.
- Continuous investment in new projects.
- At Dailymotion, implementation of strategic projects: repositioning and strengthening of the technical ad platform.

### Corporate

- Income from operations slightly better vs. 2015, thanks mainly to lower legal fees.



# CONSOLIDATED P&L

<i>In euro millions - IFRS</i>	2015	2016	%
<b>Revenues</b>	<b>10,762</b>	<b>10,819</b>	<b>+ 0.5%</b>
Cost of revenues	(6,555)	(6,829)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,163)	(3,172)	
Restructuring charges	(102)	(94)	
Amortization and depreciation on intangible assets acquired through business combinations	(411)	(246)	
Other income & charges	700 *	716 **	
<b>EBIT</b>	<b>1,231</b>	<b>1,194</b>	<b>- 2.9%</b>
Income from equity affiliates	(10)	169 ***	
Interest	(30)	(40)	
Income from investments	52	47	
Other financial income and charges	(57)	(38)	
Provision for income taxes	(441)	(77)	
<b>Earnings from continuing operations</b>	<b>745</b>	<b>1,255</b>	<b>+ 68.4%</b>
Earnings from discontinued operations	1,233	20	
Non-controlling interests	(46)	(19)	
Earnings attributable to Vivendi SA shareowners	1,932	1,256	- 35.0%
<b><i>of which earnings from continuing operations attributable to Vivendi SA shareowners</i></b>	<b>699</b>	<b>1,236</b>	<b>+ 77.0%</b>

\* Of which, €651m (before taxes) related to the capital gain on the divestiture of a 20% interest in Numericable-SFR.

\*\* Of which, €240m (before taxes) related to the net reversal of reserve for the Liberty Media litigation (settled) and €576m (before taxes) for the capital gain on the sale of the remaining stake in Activision Blizzard.

\*\*\* Of which Telecom Italia for €173m.

# ADJUSTED P&L

<i>In euro millions - IFRS</i>	2015	2016	Change	%	Constant perimeter and constant currency*
<b>Revenues</b>	<b>10,762</b>	<b>10,819</b>	<b>+ 57</b>	<b>+ 0.5%</b>	<b>- 0.2%</b>
<b>Income from operations</b>	<b>1,061</b>	<b>853</b>	<b>- 208</b>	<b>- 19.6%</b>	<b>- 18.5%</b>
<b><i>Income from operations margin</i></b>	<b>9.9%</b>	<b>7.9%</b>	<b>- 2.0pts</b>		
Equity settled share-based compensation plans	(16)	(14)	+ 2		
Special items excluded from Income from operations (including restructuring costs)	(103)**	(115)**	- 12		
<b>EBITA</b>	<b>942</b>	<b>724</b>	<b>- 218</b>	<b>- 23.2%</b>	<b>- 21.5%</b>
Income from equity affiliates	(10)	214	+ 224		
Income from investments	52	47	- 5		
Interest	(30)	(40)	- 10		
Provision for income taxes	(199)	(162)	+ 37		
Non-controlling interests	(58)	(28)	+ 30		
<b>Adjusted Net Income</b>	<b>697</b>	<b>755</b>	<b>+ 58</b>	<b>+ 8.4%</b>	

- Higher income from equity affiliates due to the contribution of Telecom Italia (€216m) since December 15, 2015.
- Higher interest charges due to lower net cash and new bonds issued. In addition, until Q2 2015, Vivendi SA received interest on the financing granted to GVT.
- Adjusted effective tax rate of 22.2% in 2016.

# CONSOLIDATED BALANCE SHEET

*In euro millions*

Assets	December 31, 2015	December 31, 2016
Goodwill	10,177	10,987
Intangible and tangible assets	4,335	4,204
Financial investments	7,543	8,341
Net deferred tax assets	-	26
Net cash position	6,422	1,068
<b>Total</b>	<b>28,477</b>	<b>24,626</b>

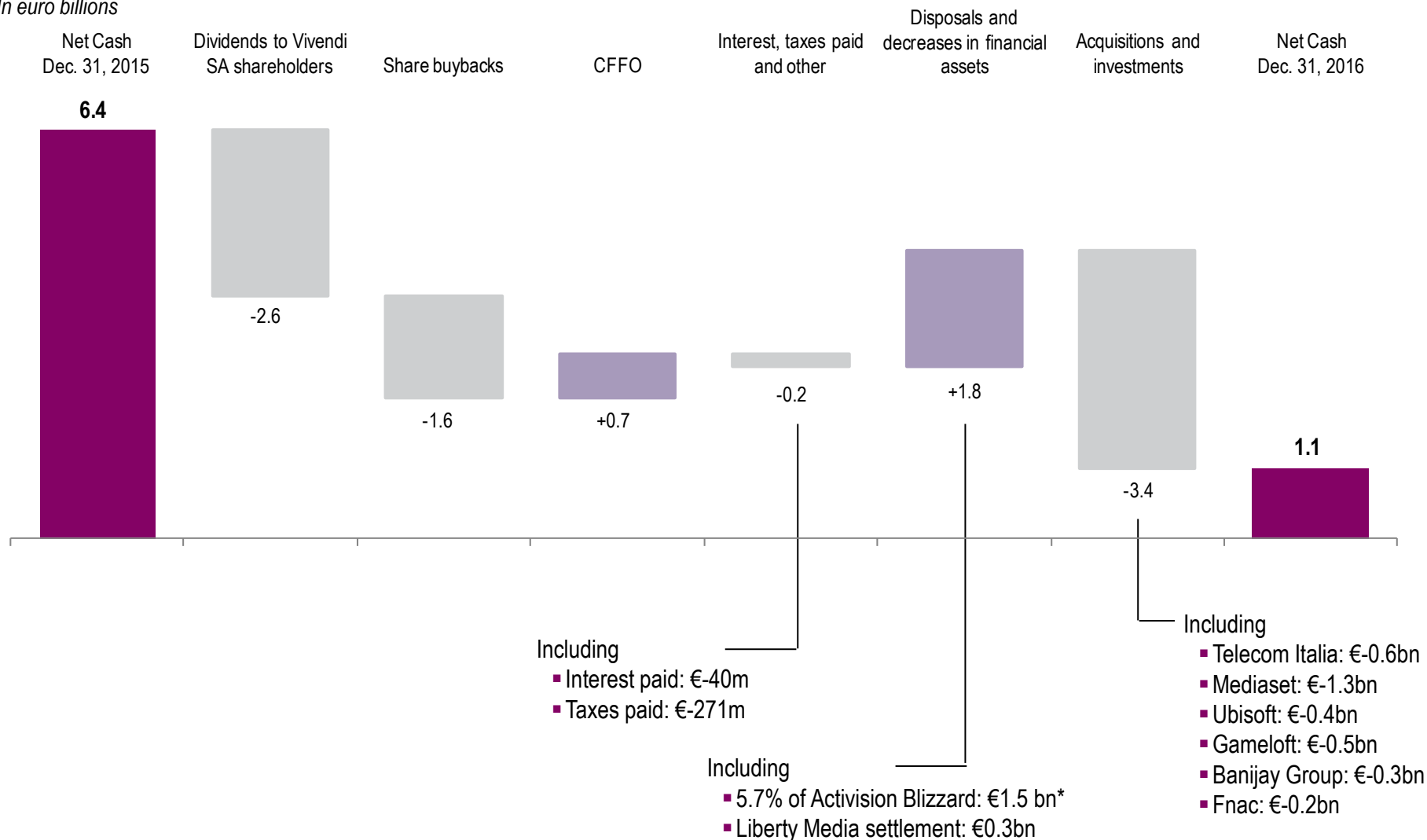
Equity and Liabilities	December 31, 2015	December 31, 2016
Consolidated equity *	21,086	19,612
Provisions	3,042	2,141
Working capital requirements and other	4,266	2,873
Net deferred tax liabilities	83	-
<b>Total</b>	<b>28,477</b>	<b>24,626</b>

# CASH FLOW FROM OPERATIONS (CFFO)

CFFO before capex, net			<i>In euro millions</i>	CFFO		
2015	2016	Change		2015	2016	Change
620	712	+ 15.0%	Universal Music Group	567	663	+ 17.0%
653	394	- 39.8%	Canal+ Group	472	244	- 48.3%
-	18	na	Gameloft	-	14	na
(3)	(12)	x 4.3	Vivendi Village	(10)	(26)	x 2.7
(18)	(58)	x 3.1	New Initiatives	(22)	(73)	x 3.3
(114)	(92)	+ 18.6%	Corporate	(115)	(93)	+ 18.9%
<b>1,138</b>	<b>962</b>	<b>- 15.4%</b>	<b>Total Vivendi</b>	<b>892</b>	<b>729</b>	<b>- 18.3%</b>

# NET CASH AT END-DECEMBER 2016

*In euro billions*



# OUTLOOK

- In 2017, revenues should increase by more than 5% and, thanks to the measures taken in 2016, EBITA should increase by around 25%.

## APPENDICES

Details of Business Operations:	slides 32-34
Detailed Vivendi Financial Results:	slides 36-40
Glossary and Disclaimers:	slides 42-43

# UMG

<i>In euro millions - IFRS</i>	2016	Constant perimeter and constant currency *
Recorded music	4,188	+ 2.9%
Physical sales	1,225	- 14.9%
Digital music sales	2,238	+ 14.7%
o/w Streaming and subscription	1,483	+ 57.9%
License and Other	725	+ 6.0%
Music Publishing	792	+ 6.7%
Merchandising and Other	313	+ 16.1%
Intercompany elimination	(26)	
<b>Total Revenues</b>	<b>5,267</b>	<b>+ 4.4%</b>

Recorded music: Best Sellers**	
2015	2016
Taylor Swift	Drake
Justin Bieber	Justin Bieber
Sam Smith	Rihanna
The Weeknd	Ariana Grande
Fifty Shades of Grey OST	The Rolling Stones

Recorded Music Revenues	2015	2016
Europe	38%	35%
North America	42%	43%
Asia	11%	13%
Latin America	3%	3%
Rest of the world	6%	6%

## 2017 EXPECTED RELEASES \*\*\*

50 Shades Darker OST	Imagine Dragons
The Beatles - Sgt Pepper	Juanes
50th anniversary	La La Land OST
Beauty and The Beast OST	Lorde
Lana Del Rey	Maroon 5
Drake	Katy Perry
Helene Fischer	Shania Twain
Kendji Girac - live	



# CANAL+ GROUP

<i>In '000</i>	December 31, 2015	December 31, 2016	Change
<b>Individual subscribers</b>	<b>11,241</b>	<b>14,429</b>	<b>+ 3,188</b>
<b>Mainland France</b>	<b>5,746</b>	<b>8,182</b>	<b>+ 2,436</b>
Retail subscribers	5,746	5,254	- 492
Wholesale customers	-	2,928	+ 2,928
<b>International</b>	<b>5,495</b>	<b>6,247</b>	<b>+ 752</b>
Poland	2,119	2,119	-
Overseas	499	508	+ 9
Africa	2,073	2,765	+ 692
Vietnam	804	855	+ 51

<b>Mainland France</b>	<b>2015</b>	<b>2016</b>	<b>Change</b>
Churn per subscriber (%)**	14.9%	16.7%	+ 1.8pt
ARPU per subscriber (€)***	€ 44.7	€ 45.3	€ + 0.6

<b>FTA-TV audience share ****</b>	<b>2015</b>	<b>2016</b>	<b>Change</b>
C8	4.3%	4.4%	+ 0.1pt
Cstar	1.4%	1.5%	+ 0.1pt
iTele	1.0%	0.8%	- 0.2pt
<b>Total</b>	<b>6.7%</b>	<b>6.7%</b>	<b>+ 0.0pt</b>

<b>Revenues</b> <i>In euro millions - IFRS</i>	<b>2015</b>	<b>2016</b>	<b>Constant perimeter and currency *</b>
<b>Revenues</b>	<b>5,513</b>	<b>5,253</b>	<b>- 4.2%</b>
Pay-TV Mainland France	3,383	3,178	- 6.1%
o/w Canal+ channels	1,743	1,614	- 7.4%
Pay-TV International	1,364	1,442	+ 6.8%
o/w Poland	500	492	+ 2.2%
Overseas	407	411	+ 1.1%
Africa	378	450	+ 19.9%
Vietnam	51	49	- 3.5%
Other	28	40	
Free-to-Air TV Mainland France	203	217	+ 6.9%
Studiocanal	563	416	- 24.0%

\* See details on page 19.

\*\* Churn per individual retail subscriber with commitment, excluding wholesale subscribers.

\*\*\* Net ARPU per individual retail subscriber with commitment.

\*\*\*\* Source: Médiamétrie - Population aged 25-49.

# GAMELOFT

Revenue by geographies	2015***	2016***
EMEA	30%	33%
North America	25%	25%
Asia Pacific	30%	29%
Latin America	15%	13%

Average active users on smartphone (in million)	2015	2016
Monthly Active Users (MAU)	166	142
Daily Active Users (DAU)	21	17

# #1

In 2016, Gameloft was the #1 mobile game publisher in terms of number of downloads on Apple Store and Google Play\*\*.

## UPCOMING RELEASES\*



### Gangstar New Orleans™

Genre: Open world action game

Release: Q1 2017



### Modern Combat Versus©

Genre: First person shooter

Release: 2017

## **APPENDICES**

Detailed Vivendi Financial Results

# REVENUES / EBITDA / EBITA

Q4 2015	Q4 2016	Change	Constant currency	Constant perimeter and currency *	Revenues In euro millions - IFRS	2015	2016	Change	Constant currency	Constant perimeter and currency *
1,616	1,644	+ 1.7%	+ 3.4%	+ 3.4%	Universal Music Group	5,108	5,267	+ 3.1%	+ 4.4%	+ 4.4%
1,479	1,351	- 8.6%	- 8.0%	- 8.2%	Canal+ Group	5,513	5,253	- 4.7%	- 4.1%	- 4.2%
-	69	na	na	na	Gameloft	-	132	na	na	na
27	33	+ 22.9%	+ 29.3%	+ 19.2%	Vivendi Village	100	111	+ 10.9%	+ 14.7%	+ 3.8%
25	27	+ 4.3%	+ 4.3%	+ 4.3%	New Initiatives	43	103	x 2.4	x 2.4	+ 51.6%
-	(17)				Intercompany elimination	(2)	(47)			
<b>3,147</b>	<b>3,107</b>	<b>- 1.2%</b>	<b>+ 0.1%</b>	<b>- 2.4%</b>	<b>Total Vivendi</b>	<b>10,762</b>	<b>10,819</b>	<b>+ 0.5%</b>	<b>+ 1.5%</b>	<b>- 0.2%</b>

Q4 2015	Q4 2016	Change	Constant currency	Constant perimeter and currency *	EBITDA In euro millions	2015	2016	Change	Constant currency	Constant perimeter and currency *
370	308	- 16.7%	- 15.9%	- 15.9%	Universal Music Group	711	747	+ 5.2%	+ 6.4%	+ 6.4%
(13)	(95)	x 7.7	x 7.8	x 7.9	Canal+ Group	735	517	- 29.7%	- 29.4%	- 29.5%
-	7	na	na	na	Gameloft	-	12	na	na	na
3	2	na	na	na	Vivendi Village	13	(3)	na	na	- 88.5%
(9)	(13)	- 57.5%	- 55.2%	- 55.2%	New Initiatives	(17)	(41)	x 2.4	x 2.4	- 93.0%
(25)	(28)	- 9.0%	- 8.6%	- 8.6%	Corporate	(109)	(101)	+ 7.0%	+ 7.0%	+ 7.0%
<b>326</b>	<b>181</b>	<b>- 44.4%</b>	<b>- 43.1%</b>	<b>- 46.0%</b>	<b>Total Vivendi</b>	<b>1,333</b>	<b>1,131</b>	<b>- 15.2%</b>	<b>- 14.1%</b>	<b>- 14.4%</b>

Q4 2015	Q4 2016	Change	Constant currency	Constant perimeter and currency *	EBITA In euro millions	2015	2016	Change	Constant currency	Constant perimeter and currency *
334	291	- 13.0%	- 12.9%	- 12.9%	Universal Music Group	593	644	+ 8.4%	+ 9.1%	+ 9.1%
(96)	(187)	- 94.4%	- 95.9%	- 96.5%	Canal+ Group	454	240	- 47.1%	- 46.9%	- 47.1%
-	5	na	na	na	Gameloft	-	7	na	na	na
1	-	na	na	na	Vivendi Village	9	(9)	na	na	na
(10)	(21)	x 2.1	x 2.1	x 2.1	New Initiatives	(20)	(56)	x 2.8	x 2.8	x 2.2
(22)	(28)	- 29.4%	- 28.9%	- 28.9%	Corporate	(94)	(102)	- 8.4%	- 8.4%	- 8.4%
<b>207</b>	<b>60</b>	<b>- 71.4%</b>	<b>- 70.6%</b>	<b>- 73.5%</b>	<b>Total Vivendi</b>	<b>942</b>	<b>724</b>	<b>- 23.2%</b>	<b>- 22.5%</b>	<b>- 21.5%</b>

\* See details on page 19.

# REVENUES / INCOME FROM OPERATIONS / EBITA

Q4 2015	Q4 2016	Change	Constant currency	Constant perimeter and currency *	Revenues In euro millions - IFRS	2015	2016	Change	Constant currency	Constant perimeter and currency *
1,616	1,644	+ 1.7%	+ 3.4%	+ 3.4%	Universal Music Group	5,108	5,267	+ 3.1%	+ 4.4%	+ 4.4%
1,479	1,351	- 8.6%	- 8.0%	- 8.2%	Canal+ Group	5,513	5,253	- 4.7%	- 4.1%	- 4.2%
-	69	na	na	na	Gameloft	-	132	na	na	na
27	33	+ 22.9%	+ 29.3%	+ 19.2%	Vivendi Village	100	111	+ 10.9%	+ 14.7%	+ 3.8%
25	27	+ 4.3%	+ 4.3%	+ 4.3%	New Initiatives	43	103	x 2.4	x 2.4	+ 51.6%
-	(17)				Intercompany elimination	(2)	(47)			
<b>3,147</b>	<b>3,107</b>	<b>- 1.2%</b>	<b>+ 0.1%</b>	<b>- 2.4%</b>	<b>Total Vivendi</b>	<b>10,762</b>	<b>10,819</b>	<b>+ 0.5%</b>	<b>+ 1.5%</b>	<b>- 0.2%</b>

Q4 2015	Q4 2016	Change	Constant currency	Constant perimeter and currency *	Income from operations In euro millions	2015	2016	Change	Constant currency	Constant perimeter and currency *
348	296	- 15.0%	- 14.6%	- 14.6%	Universal Music Group	626	687	+ 9.8%	+ 10.7%	+ 10.7%
(12)	(136)	x 11.1	x 11.2	x 11.2	Canal+ Group	542	303	- 44.1%	- 44.0%	- 44.2%
-	6	na	na	na	Gameloft	-	10	na	na	na
1	2	x 2.2	x 3.1	x 3.4	Vivendi Village	10	(7)	na	na	na
(8)	(19)	x 2.2	x 2.2	x 2.2	New Initiatives	(18)	(44)	x 2.4	x 2.4	- 78.0%
(25)	(26)	- 8.5%	- 8.1%	- 8.1%	Corporate	(99)	(96)	+ 2.3%	+ 2.3%	+ 2.3%
<b>304</b>	<b>123</b>	<b>- 59.7%</b>	<b>- 58.8%</b>	<b>- 61.4%</b>	<b>Total Vivendi</b>	<b>1,061</b>	<b>853</b>	<b>- 19.6%</b>	<b>- 18.8%</b>	<b>- 18.5%</b>

Q4 2015	Q4 2016	Change	Constant currency	Constant perimeter and currency *	EBITA In euro millions	2015	2016	Change	Constant currency	Constant perimeter and currency *
334	291	- 13.0%	- 12.9%	- 12.9%	Universal Music Group	593	644	+ 8.4%	+ 9.1%	+ 9.1%
(96)	(187)	- 94.4%	- 95.9%	- 96.5%	Canal+ Group	454	240	- 47.1%	- 46.9%	- 47.1%
-	5	na	na	na	Gameloft	-	7	na	na	na
1	-	na	na	na	Vivendi Village	9	(9)	na	na	na
(10)	(21)	x 2.1	x 2.1	x 2.1	New Initiatives	(20)	(56)	x 2.8	x 2.8	x 2.2
(22)	(28)	- 29.4%	- 28.9%	- 28.9%	Corporate	(94)	(102)	- 8.4%	- 8.4%	- 8.4%
<b>207</b>	<b>60</b>	<b>- 71.4%</b>	<b>- 70.6%</b>	<b>- 73.5%</b>	<b>Total Vivendi</b>	<b>942</b>	<b>724</b>	<b>- 23.2%</b>	<b>- 22.5%</b>	<b>- 21.5%</b>

\* See details on page 19.

# INTEREST & INCOME TAX

<i>In euro millions (except where noted) – IFRS</i>	2015	2016
<b>Interest</b>	<b>(30)</b>	<b>(40)</b>
Interest expense on borrowings	(65)	(63)
Average interest rate on borrowings (%)	2.91%	2.12%
Average outstanding borrowings (in euro billions)	2.2	3.0
Interest income from Vivendi S.A. loan to GVT	4	-
Interest income from cash and cash equivalents	31	23
Average interest income rate (%)	0.35%	0.34%
Average amount of cash equivalents (in euro billions)	8.8	6.7

<i>In euro millions – IFRS</i>	2015		2016	
	Adjusted Net Income	Net income	Adjusted Net Income	Net income
Tax savings / (charges) related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	100	(129)	94	127
Other tax components	(299)	(312)	(256)	(204)
<b>Provision for income taxes</b>	<b>(199)</b>	<b>(441)</b>	<b>(162)</b>	<b>(77)</b>
<b>Effective tax rate</b>	<b>20.6%</b>		<b>22.2%</b>	
<b>Tax (payment) / reimbursement</b>	<b>(1,037)</b>		<b>(271)</b>	

# RECONCILIATION OF EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS TO ADJUSTED NET INCOME

<i>In euro millions - IFRS</i>	2015	2016
<b>Earnings attributable to Vivendi SA shareowners (*)</b>	<b>1,932</b>	<b>1,256</b>
Amortization and depreciation of intangible assets acquired through business combinations (*)	411	246
Other income & charges	(700)	(716)
Amortization of intangible assets related to equity affiliates	-	45
Other financial income & charges	57	38
Earnings from discontinued operations (*)	(1,233)	(20)
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	229	(33)
Non-recurring items related to provision for income taxes	145	16
Provision for income taxes on adjustments	(132)	(68)
Non-controlling interests on adjustments	(12)	(9)
<b>Adjusted net income</b>	<b>697</b>	<b>755</b>

# RECONCILIATION OF EBIT TO INCOME FROM OPERATIONS

<i>In euro millions - IFRS</i>	2015	2016
<b>EBIT</b>	<b>1,231</b>	<b>1,194</b>
Amortization and depreciation of intangible assets acquired through business combinations	411	246
Other income & charges	(700)	(716)
<b>EBITA</b>	<b>942</b>	<b>724</b>
Equity settled share-based compensation plans	16	14
Special items excluded from Income from operations (including restructuring costs)	103	115
<b>Income from operations</b>	<b>1,061</b>	<b>853</b>



## APPENDICES

Glossary & Disclaimer

# GLOSSARY

The non-GAAP measures defined below should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance and Vivendi considers this to be relevant indicators of the group's operating and financial performance. Moreover, it should be noted that other companies may have different definitions and calculations for these indicators from Vivendi thereby affecting comparability.

**Adjusted earnings before interest and income taxes (EBITA):** As defined by Vivendi, EBITA corresponds to EBIT (defined as the difference between income and charges that do not result from financial activities, equity affiliates, discontinued operations and tax) before the amortization of intangible assets acquired through business combinations and the impairment losses on goodwill and other intangibles acquired through business combinations, and other income and charges related to financial investing transactions and to transactions with shareowners (except if directly recognized in equity).

**Income from operations:** As defined by Vivendi, income from operations is calculated as EBITA before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.

**Adjusted net income (ANI)** includes the following items: EBITA, income from equity affiliates, interest, income from investments, as well as taxes and non-controlling interests related to these items. It does not include the following items: the amortization of intangible assets acquired through business combinations, the impairment losses on goodwill and other intangible assets acquired through business combinations, other income and charges related to financial investing transactions and to transactions with shareowners (except if directly recognized in equity), other financial charges and income, earnings from discontinued operations, provisions for income taxes and adjustments attributable to non-controlling interests, as well as non-recurring tax items (notably the changes in deferred tax assets pursuant to the Vivendi SA's tax group and Consolidated Global Profit Tax Systems and reversal of tax liabilities relating to risks extinguished over the period).

**Cash flow from operations (CFFO):** Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies and before income taxes paid.

**Cash flow from operations after interest and income tax paid (CFAIT):** Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies, and after interests and income taxes paid.

**Capital expenditures net (Capex, net):** Cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

**Net Cash Position:** Net Cash Position is calculated as the sum of cash and cash equivalents, cash management financials assets, as well as derivative financial instruments in assets and cash deposits backing borrowings, less long-term and short-term borrowings and other financial liabilities.

The percentages of change are compared to the same period of the previous accounting year, unless otherwise stated.

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