CANAL+, ONLY BETTER
CANAL+ Group: a solid base of assets

TPS merger: a value-creating combination

Additional opportunities
CANAL+ GROUP: OVERVIEW

Vivendi

6
5.1%

TF1
9.9%

Lagardere
20%

65%

100%

CANAL+

Pay TV in France (CANAL+ France)

CANAL+ 49%

CANAL SAT

CANAL+ DISTRIBUTION

TPS

Multi-thématiques

media overseas

Other activities

STUDIO CANAL

iTELE

CYFRA+ 75%

CANAL+ REGIE
1. Content: two complementary offers covering expectations of all audiences
2. Distribution: a leader on all platforms
3. Subscribers: a loyal and growing subscriber base, and a powerful brand
4. Organization: a management with a proven track record
5. Strong financials: a debt-free Group, with a steady growth in revenues and margins
1. CONTENT: TWO COMPLEMENTARY OFFERS COVERING EXPECTATIONS OF ALL AUDIENCES

**CANAL+**

"Expect more from TV"

- 5 general-interest premium channels with a pick-of-the-best content
- Recent and exclusive programs
- Content investments: €1,300m
- A unique model

**CANALSAT**

"The experts of all your passions"

- 300 channels covering all themes
- A selection of the best channels, including 60 exclusive ones
- Content investments: €700m
- A wide-spread model

**CANAL+ Group's flagship offer**

**A complementary offer**
2. DISTRIBUTION: A LEADER ON ALL PLATFORMS

2006 figures

<table>
<thead>
<tr>
<th>Satellite</th>
<th>DSL</th>
<th>Terrestrial</th>
<th>Cable</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Satellite Icon" /></td>
<td><img src="image2" alt="DSL Icon" /></td>
<td><img src="image3" alt="Terrestrial Icon" /></td>
<td><img src="image4" alt="Cable Icon" /></td>
</tr>
<tr>
<td>CANAL+</td>
<td>CANAL+</td>
<td>CANAL+</td>
<td>CANAL+</td>
</tr>
<tr>
<td>CANALSAT</td>
<td>CANALSAT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Satellite**
  - Quality and highest broadcasting capacity on 100% of the country
  - Best KPIs on churn and ARPU
  - 7.3m subscriptions

- **DSL**
  - Triple play, return path
  - Growing the market in city centers
  - 0.4m subscriptions

- **Terrestrial**
  - Plug & Play
  - First-choice platform for analogue subscribers
  - Analogue: 1.9m
  - Digital: 0.3m

- **Cable**
  - Triple play, return path
  - Sale of Canal+ Le Bouquet and the Group’s 23 channels
  - 0.3m subscriptions
2. DISTRIBUTION: MARKET TRENDS
BY PLATFORM

- Satellite, the leading platform, is boosted by the merger
- DTT is an attractive substitute for analogue services
- Further growth in DSL against a backdrop of fierce competition with cable TV

Source: CANAL+ Group
(ex free-of-charge or low-price ISP and DTT subscribers)
3. SUBSCRIBERS: A LOYAL AND GROWING SUBSCRIBER BASE AND A POWERFUL BRAND

2006 figures

- **A large and growing base of subscribers with strong loyalty**
  - 10.2 M subscriptions, including TPS
  - All-time high take-ups in CANAL+ and CANALSAT subscriptions
  - Among the lowest churn rates in Europe: <12% at CANAL+ and <11% at CANALSAT

- **A powerful and well-established brand**
  - 100% brand awareness in France
  - The TV operator most subscribers would recommend
  - The TV operator would-be subscribers trust the most
4. ORGANIZATION: A MANAGEMENT WITH A PROVEN TRACK RECORD

- Growing subscriber portfolio
- Decreasing acquisition costs
- Growing revenue per subscriber
- Under-control churn rate
- +1 million new subscriptions in 3 years
- Subscriber acquisition costs decreased more than €50 in 2006 at CANAL+ and CANALSAT
- ARPU up €3.2 at CANAL+ in 3 years
- ARPU up €1.8 at CANALSAT in 3 years
- Churn rate for satellite under 9%, down 0.3pts in 2006

Business momentum and profitability have been restored
### 5. STRONG FINANCIALS: STEADY REVENUES AND MARGINS GROWTH

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total subscriptions</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>000 subscribers</td>
<td>8,450</td>
<td>8,800</td>
<td>10,250</td>
</tr>
<tr>
<td><strong>Canal+ Group revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€m</td>
<td>3,460</td>
<td>3,630</td>
<td>4,226</td>
</tr>
<tr>
<td>**EBITA CANAL+ Group **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€m</td>
<td>202</td>
<td>251</td>
<td>294</td>
</tr>
<tr>
<td>% EBITA margin/Revenue</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>CANAL+ Group operating cash flow</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>€m</td>
<td>+ 284</td>
<td>+ 261</td>
<td>+ 297</td>
</tr>
</tbody>
</table>

* Canal+ France  
** Before transition costs
<table>
<thead>
<tr>
<th>Subscriptions (m)</th>
<th>Annual churn rate (%)</th>
<th>Platform</th>
<th>EBITA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BSkyB</strong></td>
<td>8.4</td>
<td><img src="check_marks" alt="Check marks" /></td>
<td>21</td>
</tr>
<tr>
<td><strong>Canal+ France</strong></td>
<td>10.2</td>
<td><img src="check_marks" alt="Check marks" /></td>
<td>7</td>
</tr>
<tr>
<td><strong>Sky Italia</strong></td>
<td>4.0</td>
<td><img src="check_marks" alt="Check marks" /></td>
<td>2</td>
</tr>
<tr>
<td><strong>Premiere</strong></td>
<td>3.4</td>
<td><img src="check_marks" alt="Check marks" /></td>
<td>1</td>
</tr>
<tr>
<td><strong>Sogecable</strong></td>
<td>2.0</td>
<td><img src="check_marks" alt="Check marks" /></td>
<td>8</td>
</tr>
</tbody>
</table>

- **DirectTV**: 23%, **Echostar**: 22%

(1) 31/12/2006  (2) 30/06/2006  (3) EBIT for Sky Italia and Sogecable (ex free-to-air Cuatro channel for Sogecable)  (4) excluding TPS
- **Canal+ Group**: a solid base of assets

- **TPS merger**: a value-creating combination

- **Additional opportunities**
Robust growth in revenue:

- > €5 billion in annual income
- 11.5 million subscriptions to CANAL+ France

 Significant cost synergies:
- > €350 million

2010 EBITA
> €1 billion
# STUDIOCANAL, CYFRA+ AND i-TELE: CONTRIBUTION TO GROWTH

<table>
<thead>
<tr>
<th>STUDIO CANAL</th>
<th>CYFRA+</th>
<th>i-TELE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVES</strong></td>
<td><strong>LEVERS</strong></td>
<td><strong>TARGET PERFORMANCE</strong></td>
</tr>
<tr>
<td>European leader in film financing and distribution</td>
<td>International development via Optimum in the UK and lookout for new partnerships</td>
<td>Revenue, €m</td>
</tr>
<tr>
<td>- Increase penetration of international market and strengthen operations in France</td>
<td>- Stepped up and diversified investments, in particular in international rights</td>
<td>2006</td>
</tr>
<tr>
<td>- Maintain average ROI above 15%</td>
<td></td>
<td>362</td>
</tr>
<tr>
<td><strong>CYFRA+</strong></td>
<td>Revamped multi-channel offering</td>
<td>2006</td>
</tr>
<tr>
<td>Leader in pay-TV in Poland</td>
<td>- Development of DSL and HD offers</td>
<td>218</td>
</tr>
<tr>
<td>- Increase market penetration</td>
<td>- PVR and VOD offers</td>
<td></td>
</tr>
<tr>
<td>- Maintain margin above 20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>i-TELE</strong></td>
<td>Positive impact of DTT development</td>
<td>2006</td>
</tr>
<tr>
<td>Leading news channel in France</td>
<td>- Further audience growth</td>
<td>12</td>
</tr>
<tr>
<td>- Improve advertising revenues to achieve satisfactory profitability</td>
<td>- Cost-cutting</td>
<td></td>
</tr>
</tbody>
</table>
MARGIN IMPROVEMENT OF PAY TV IN FRANCE

2006-2010

Growth in revenue

CANAL+ France Portfolio + 1.3m > €700m

ARPU > 5%

Cost-cutting
GROWTH IN REVENUE: PORTFOLIO

Individual subscriptions, 2006-2010

- Boost satellite
- Achieve 3.5% TPS/CANAL+ Le Bouquet bundling on TPS subscriber base
- Continuation of CANAL+ /CANALSAT bundling
- New, improved CANALSAT offer
- Capture TPS gross additions on CANALSAT

- Growing subscriber satisfaction thanks to improved content and widened offers
- Digitalization of CANAL+ subscriber base
  100% migration by 2010-2011, churn differential >3 percentage points
- Increased penetration of new services
  Multi-room, PVR, HD
- Know-how in managing subscriber migration

+ 1.3m subscriptions
GROWTH IN REVENUE: ARPU

2006-2010

- Increase in value of offer
- Digitalization of analogue subscriber base
- Development of new services
  - Multi-room, PVR, HD

- Enhanced offer thanks to exclusive TPS channels
- Increased modularity and improved attractiveness of top-of-the-range packages
- Development of new services on DTT and satellite TV
- Increase of DTT mini-pack

> 5% of ARPU
## Digitalization on DTT: Factor of Growth in ARPU

### Offer
- 1 premium channel **CANAL+**
- 3 premium channels
- Optional pack of 7 theme channels
- More free-to-air channels (18 in total)

### ARPU
- Tariff: €30.90 per month
- Tariff: €39.90 per month including €8 for set-top box rental
- Potential additional income from optional package: €9 per month (current subscription take-up rate: 40%)

### Churn
- 13.4%
- 11.4%
NEW CANALSAT OFFER: FACTOR OF GROWTH IN PORTFOLIO AND ARPU

- Simplicity
- Modularity
- Quality & diversity
- Exclusivity
- Innovation

**Portfolio Impact**
- More gross additions
- Less churn
- More ARPU

**LIBREMENT**

- Séries et Fiction: 19 chaînes
- Jeunesse et Ados: 13 chaînes
- Sport: 9 chaînes
- Découverte: 6 chaînes
- Pratique, Loisirs et Jeux: 6 chaînes
- Musique: 9 chaînes
- Locales, Culture et Société: 6 chaînes
- Information: 10 chaînes
- Grandes Chaînes Generalistes: 6 chaînes
- Chaînes Internationales + de 60 chaînes

**3 PACKS AU CHOIX**

- Pack Cinéma: 11 chaînes
- Pack Famille: 10 chaînes
- Pack Sport: 7 chaînes

**LES OPTIONS AU CHOIX**

- Frissons: 1093/mois
- Côté Musiques: 7,99€/mois
- Horizons+1: 18,99€/mois
- À l'Unite: 1,99€/mois

**CANALSAT LIBREMENT**

- After tax price per month: 20,90€

**PASSENNEMENT**

- 34,90€

**INTENSEMENT**

- 57,90€
NEW CANALSAT OFFER: FACTOR OF GROWTH IN ARPU

Past promotions

New promotions

New subscriber

CANALSAT LIBREMENT: 20,90€

CANALSAT PASSIONNEMENT: 30,90€

CANALSAT INTENSEMENT: 47,90€

New subscriber

~70%

~85%
65,000 new subscriptions since November 7

- Satellite/DSL: launch on March 21
- DTT: integration of TF6 and LCI, TPS Star option, adjustment in prices: March 21

- Current offering has been enhanced since November
- Zero-cost/zero-effort for subscribers as early as September
- Task force set up to shift satellite dishes

- Sale to ISPs of TPS Star, 3 movie channels, Sport+, Télétoon, Piwi
- Sale to DTT distributors of Planète and TPS Star
MARGIN IMPROVEMENT OF PAY TV IN FRANCE

2006-2010

Growth in revenue

Cost-cutting

Distribution €50-75m
Technology, broadcasting & structure €50-75m
Programmes €200-250m

>€350m
**Levers**

- **SAC (subscriber acquisition costs)** down 10-15%
  - Marketing and sales expenditures
  - Management of promotions
  - Distributor network

- **SMC (subscriber management costs)** down 5-10%
  - Call centres
  - Subscriber management procedures
  - Management of set-top-boxes (logistics/after-sale service)

**Measures launched**

- Rationalization of advertising expenditures
- Sharing of communication media
- Shorter promotions
- Optimization of sales network

- Renegotiation of external services
- Plans to share resources and optimize distribution of subscriber magazines
- Optimization set-top boxes inventory

€50–75m
# Reduction in Technical Costs and Overheads

2006-2010

<table>
<thead>
<tr>
<th>Levers</th>
<th>Measures launched</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationalization of satellite broadcasting</td>
<td>Choice of Astra as the unique satellite platform</td>
</tr>
<tr>
<td>Sharing of resources: technical developments and infrastructure</td>
<td>Plan aimed at rationalizing technical resources</td>
</tr>
<tr>
<td>Reduction in overheads</td>
<td>Voluntary redundancy scheme concerning 364 positions and rationalization of real estate assets</td>
</tr>
</tbody>
</table>

€50–75m
## CANAL+ REDUCTION IN PROGRAMMING COSTS

### 2006-2010

<table>
<thead>
<tr>
<th>Levers</th>
<th>Measures launched</th>
</tr>
</thead>
</table>
| **Cinema** | - Renegotiating prices with studios  
| • Context is more favorable | - From 14 to 7 enhanced channels |
| • Offering overhauled | |
| **Sports** | - Rights sharing  
| • Buy at a fair price | - Termination of TPS Foot |
| • Optimized programs | |
| **Other Programs** | - Merger of redundant channels  
| • Rationalization of channels | - Decrease of overall TV shows numbers |
| **At CANALSAT** | - Overlapping channels to be terminated  
| - Launch of the new offering | - Fee renegotiation |

**€200-250m**
MARGIN IMPROVEMENT OF PAY TV IN FRANCE

2006-2010

Growth in revenue

- CANAL+ France Portfolio + 1.3m
- ARPU > 5%
- StudioCanal, Cyfra+, I>lê in growth

Revenue > €5 billion

Cost-cutting

- Distribution €50–75m
- Technology, broadcasting & structure €50–75m
- Programs €200–250m

Savings >€350m

2010 EBITA > €1 billion
**IMPACT ON EBITA OF TRANSITION COSTS**

EBITA, € millions

- **Distribution**: technical and commercial migration of TPS subscribers
- **Broadcasting and overheads**: termination of contracts/voluntary redundancy scheme
- **Publishing**: depreciation of content/termination of contracts

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-177</td>
<td>~-145</td>
<td>~-30</td>
<td>~-350</td>
</tr>
</tbody>
</table>

27
- **Launch of new, additional services**
  - TV – SVOD
  - DVBH

- «Bonus» channel on DTT

- **Development on the Internet**

- **Opportunities in international markets**
  - StudioCanal
  - Pay TV
<table>
<thead>
<tr>
<th></th>
<th>from CANAL+ 2006</th>
<th>to CANAL++ in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>up from €3.6 billion...</td>
<td>...to more than €5 billion</td>
</tr>
<tr>
<td><strong>Canal+ France subscriptions</strong></td>
<td>up from 8.8 million</td>
<td>...to 11.5 million</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td>from €0.25 billion</td>
<td>... to more than €1 billion</td>
</tr>
</tbody>
</table>
Canal+ Group is a subsidiary of Vivendi, which is listed on the Euronext Paris S. A. This presentation contains forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Vivendi and Canal+ Group. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including, but not limited to the risk that Vivendi will not be able to obtain the necessary regulatory approvals in connection with certain transactions as well as the risks described in the documents Vivendi filed with the Autorité des Marchés Financiers (French securities regulator) and which are also available in English on our web site (www.vivendi.com). Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des Marchés Financiers at www.amf-france.org, or directly from Vivendi. The present forward-looking statements are made as of the date of the present press release and Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
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