vivendi press release

Paris, May 15, 2007

Note: *This press release contains unaudited consolidated earnings established under IFRS. Vivendi has made changes, as of June 30, 2006, to the presentation of its consolidated statement of earnings and its consolidated statement of cash flows as well as the operating performances of its business units and of the Group.*

Vivendi Reports Very Good First Quarter 2007 Earnings, 2007 Outlook Affirmed

- **Revenues: €5 billion, an increase of 5.3% (7.0% at constant currency) when compared to the first quarter of 2006**
- **Adjusted earnings before interest and income taxes (EBITA): €1.3 billion, an increase of 21.7% (23.4% at constant currency) when compared to the first quarter of 2006**
- **Adjusted net income: €771 million, a 22.8% increase when compared to the first quarter of 2006**
- **Earnings, attributable to equity holders of the parent: €932 million, an increase of 31.8% when compared to the first quarter of 2006**
- **2007 Outlook affirmed: adjusted net income is expected to be at least €2.7 billion**

Comments on Vivendi's First Quarter 2007 Financial Indicators

Revenues increase to €5,020 million compared to €4,766 million for the first quarter of 2006, up 5.3% (and 7.0% at constant currency).

EBITA totals €1,274 million compared to €1,047 million for the first quarter of 2006, an increase of 21.7% (23.4% at constant currency). EBITA's strong increase reflects Vivendi's business units' good performances, particularly Canal+ Group, Maroc Telecom and Vivendi Games. EBITA also includes the positive impact (€73 million) of the settlement of a tax litigation and favorable calendar events such as the exceptionally successful launch of the *World of Warcraft: The Burning Crusade* expansion pack and three fewer days of the French football Ligue 1 when compared to the same period last year. The first positive effects of the Canal+ and TPS combination are appearing while transition costs are limited, this quarter, to €5 million.

Income from equity affiliates totals €82 million compared to €68 million for the first quarter of 2006, representing an increase of €14 million. The fall in net income from NBC Universal, solely due to the decline of the US dollar (€65 million compared to €71 million for the first quarter of 2006), is more than offset by the increase in income from Neuf Cegetel.

Adjusted net income amounts to €771 million (representing adjusted earnings per share of €0.67), compared to €628 million for the first quarter of 2006 (representing adjusted earnings per share of €0.55), an increase of 22.8%.

Earnings, attributable to equity holders of the parent, amount to €932 million (representing earnings per share of €0.81), compared to €707 million for the first quarter of 2006 (representing earnings per share of €0.61), an increase of 31.8%.
The difference between earnings, attributable to equity holders of the parent, and adjusted net income mainly includes the dilution gain of €239 million resulting from the sale of 10.18% of Canal+ France to Lagardère.

Vivendi's Business Units:
Comments on First Quarter 2007 Revenues and EBITA

Universal Music Group

Revenues

Universal Music Group's (UMG's) revenues of €1,027 million declined 8.7% versus the same period last year and 4.2% on a constant currency basis. Very strong sales in the UK were offset by declines in the US, Japan and France reflecting the timing of international and domestic releases and difficult recorded music market conditions.

Digital sales of €161 million were up 54% versus last year in constant currency, representing 15.7% of total revenues versus 9.9% last year, with strong growth across both the online and mobile sectors.

Best sellers included releases from Fall Out Boy, Nelly Furtado and Akon. Other best sellers were titles from the UK's Amy Winehouse and Kaiser Chiefs and the debut release from Mika. UMG dominated the UK market in the first quarter with nine of the top ten best selling albums in the period according to The Official Chart Company.

UMG intends to release albums by Andrea Bocelli, 50 Cent, Maroon 5, Diana Krall, Bon Jovi, Black Eyed Peas, Eminem, Florent Pagny, Mariah Carey and Jack Johnson by the end of the year.

EBITA

UMG's EBITA of €57 million was down €84 million from the first quarter of last year which included the recovery of a previously expensed cash deposit in the TVT matter of €50 million. Earnings were also impacted by lower sales volumes due in part to the timing of international and domestic releases in a difficult recorded music market and unfavorable currency movements.

Canal+ Group

Revenues

Canal+ Group reported revenues[1] of €1,067 million, up €168 million or +18.7% compared to €899 million for the first quarter of 2006.

Revenues from pay-TV operations in France were up 24%, driven by the TPS acquisition, subscription portfolio growth and higher advertising revenues.

For the first quarter, recruitment of new subscribers remained strong. Canal+ recorded its best month of March in terms of recruitment since 1986. For CanalSat, it was the best month of March since its launch in 1996.

At the end of March, Canal+ France's total subscription portfolio totaled 10.3 million (up 440,000 net additions compared to the sum of Canal+ Group and TPS at the end of the first quarter of 2006). Canal+ had 5.2 million subscriptions, while CanalSat/TPS had more than 5 million.

For the first quarter of March 2007, the proportion of Canal+ Le Bouquet represented 64% of Canal+'s total subscription portfolio, up from 54% in March 2006.

Revenues from other operations grew by 7% (excluding PSG, sold in June 2006) mainly thanks to subscription portfolio growth in Poland and strong international performances from StudioCanal.

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[1] Canal+ Group's first quarter of 2007 revenues includes TPS revenues, consolidated since January 4, 2007, when Vivendi and Canal+ Group obtained control of TPS. For information, TPS' revenues amounted €146 million for the first quarter of 2006.

EBITA

Canal+ Group reported EBITA of €169 million, excluding transition costs linked to the TPS merger, up €136 million compared to €33 million for the same period last year. Including transition costs, EBITA stood at €164 million.

This growth was mainly driven by strong performance of pay-TV operations in France, which posted an EBITA growth of €130 million, excluding transition costs linked to the TPS merger. In addition to higher revenues, EBITA benefited from initial synergies from the TPS merger, both on distribution costs (subscribers acquisition costs and management costs) and programming costs. Results were also positively, though temporarily, impacted (+€47 million) by a favorable Ligue 1 broadcasting schedule (three fewer match days than during the first quarter of 2006).

EBITA from other operations (excluding PSG) was slightly up, mainly thanks to the strong international performances at StudioCanal.

SFR

Revenues

SFR's revenues decreased by 1.8% to €2,096 million compared to the same period in 2006. Network mobile revenues were down 0.9% at €1,998 million.

The favorable effects of an increase in customer base along with growth in « voice » and « data » usage were largely offset by the strong cuts by the French regulator of 21% on mobile voice termination rates as of January 1, 2007, and of 30% on SMS termination rates as of mid-September 2006. SFR ARPU[2] decreased by 6% to €450 at the end of March 2007 (versus €479 at the end of March 2006). Excluding the impacts of regulated tariff cuts, SFR network mobile revenues would have been up by 2.6%.

For the first quarter of 2007, SFR added 27,000 net new customers, taking its registered customer base to 17.910 million[3], a 3.4% increase on a year-on-year basis. The contract customer base grew by 6.1% year-on-year to 11.708 million, leading to an improved customer mix of 1.7 percentage points in one year. 3G customers reached 3.133 million at the end of March 2007, compared to 2.686 million at the end of December 2006.

In 2007, SFR continues to extend its "mobile centric" strategy which aims to offer each individual customer personalized data/voice, internet services with greater continuity of usage, and customer service. Two key elements of this strategy are the launch of the Happy Zone option, which will consist of unlimited usage of the mobile to fixed when at home/office, and the launch, in April 2007, of an ADSL option for SFR customers allowing forshared personal services on both PC and mobile telephone screens.

Average voice usage of SFR customers (AUPU[4]) grew by 5.5% on a year-on-year basis to reach 326 minutes per month at the end of March 2007.

Despite the impact of the regulator's cut on SMS termination rates, net data revenues represented 13.9% of network revenues at the end of March 2007.

[2] ARPU (Average Revenue Per User) is calculated on a twelve-month rolling period by dividing revenues net of promotions and net of third-party content provider revenues excluding roaming in and equipment sales by average Arcep total customer base for the last twelve months.

[3] SFR excluding wholesale customer total base. Wholesale customer base reached 756,000 at the end of March (excluding pre-activations). As a reminder, as of January 1, 2007, VNO base is calculated excluding pre-activations.

[4] AUPU (Average Usage Per User) is defined as the incoming and outgoing "voice" volumes divided by average Arcep total customer base for the last twelve months.

EBITA

SFR's EBITA decreased by €23 million (3.5%) compared to the same period in 2006, to €643 million. This decrease is mainly due to the increase by €18 million in depreciation costs following several years of strong investments to increase coverage and capacity of SFR 2G and 3G/3G+ networks. SFR's EBITA before depreciation is nearly stable at €860 million. This reflects the 0.9% decrease in network mobile revenues and the increase by 1.4 percentage points in customer acquisition and retention costs to 11.7% of network mobile revenues (due to higher volumes of post-paid recruitments and retention acts and to the penetration of 3G devices among SFR's customer base), both offset by a strong control of other costs.

Maroc Telecom

Revenues

Maroc Telecom revenues[5] increased by 13.9% to €550 million compared to the same period last year (10.6% at constant currency and at constant perimeter[6]).

Mobile revenue[7] grew by 22.3% to €374 million compared to the same period last year (20.5% at constant currency and at constant perimeter).

Despite intense competition, the customer base[8] [9] still experienced a strong growth and reached 11.372 million of customers, up 32.6% compared to the first quarter of 2006 and a net increase of 665,000 customers over the quarter, driving the sharp evolution of mobile revenue. With the strong increase of the customer base and the decrease of access fees, the churn rate[9] reached 23.7%, increasing by 8.4 percentage points compared to the end of March 2006.

The blended ARPU[9] [10] reached €9.5, down 6.0% compared to the same period last year at constant currency mainly due to the strong increase of the customer base. The decrease of the average price of communication generated by promotional offers, in particular unlimited offers, allowed for strong growth in customer usage.

Fixed[8] and Internet revenues grew by 0.3% to €235 million compared to the same period last year (decrease of 4.2% at constant currency and at constant perimeter).

The fixed customer base[9] reached 1.271 million of lines, experiencing a net increase of 5,000 lines over the quarter due to the success of unlimited offers launched at the end of 2006. The customer base experienced growth for the first time since mid-2005, confirming the expected positive evolution over 2007. However, the base decreased by 4.9% compared to the end of March 2006 partly driving the decline of revenue at constant currency and at constant perimeter. Voice average monthly invoice[9] slightly increased by 0.2% at constant currency compared to the same period last year.

The ADSL customer base[9] still experienced a strong growth, in particular due to the promotions of the beginning of the year, and reached 418,000 lines, displaying a net increase of almost 34,000 lines over the quarter and increasing by 41% compared to the end of March 2006.

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[5] For the first quarter of 2007, Maroc Telecom consolidates Mauritel, Onatel and Mobisud in its accounts. Gabon Telecom, of which Maroc Telecom took over 51% on February 9, 2007, will be consolidated in the second quarter when financial information is available.

[6] Constant perimeter illustrates the full consolidation of Onatel as if this transaction had occurred at the beginning of 2006.

[7] Revenue linked to incoming international traffic towards Maroc Telecom Mobile and to outgoing international traffic from Maroc Telecom Mobile has been directly accounted for in mobile operations since January 1st, 2007, whereas it was previously accounted for as transit revenue for fixed and Internet operations. Revenue evolution rates are consistent with this new presentation. This has no impact on Maroc Telecom's global net revenue.

[8] Without Mauritel, Onatel and Mobisud.

[9] The customer base includes prepaid customers making or receiving a voice call during the last 3 months and active postpaid customers.

[10] ARPU (Average Revenue Per User) is defined as revenue (from incoming and outgoing calls and data services), net of promotions and excluding roaming in and equipment sales, divided by average prepaid and postpaid customer base over the period.

EBITA

Maroc Telecom's EBITA increased by 20.2% nearly €256 million compared to the first quarter of 2006 (19.1% at constant currency and at constant perimeter).

This performance resulted from growth in revenue, control of acquisition costs in the context of steady growth of the mobile and ADSL customer base, as well as control of operational expenses.

Vivendi Games

Revenues

Vivendi Games' revenues of €291 million were 117.2% higher than the same period last year (up 132% on a constant currency basis).

This strong increase is primarily driven by the very successful January 2007 release of *World of Warcraft: The Burning Crusade*, Blizzard Entertainment's first expansion pack for its subscription-based, massively multiplayer online role-playing game *World of Warcraft*. In its first month of sales, *The Burning Crusade* set a new one-month record for PC game sales by selling approximately 3.5 million copies in North America, Europe, Australia and New Zealand. Blizzard launched *The Burning Crusade* in Korea in February and in the regions of Taiwan, Hong Kong and Macau in April. Blizzard is currently working to release the expansion as soon as possible in mainland China.

EBITA

Vivendi Games' EBITA of €107 million was €84 million higher than the same period last year (up €92 million on a constant currency basis).

This strong increase is primarily driven by the very successful release of Blizzard Entertainment's *World of Warcraft: The Burning Crusade*, which has supported the increase in *World of Warcraft*'s user base to more than 8.5 million worldwide. EBITA was also impacted by increased investment in Sierra Entertainment's internal studios as well as continued start-up costs for the Sierra Online and Vivendi Games Mobile divisions.

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ANALYST CONFERENCE

Speakers:

Philippe Capron
Member of the Management Board and Chief Financial Officer
Sandrine Dufour
Deputy Chief Financial Officer

Date: Tuesday, May 15, 2007
6:00 PM Paris time – 5:00 PM London time – 12:00 PM New York time
Media invited on a listen-only basis

Numbers to dial:

Number in France: +33 (0)1 70 99 43 03
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Number in US: +1 718 354 1388 and 888 935 4777 (toll-free)

Replay details (replay available for 14 days)

France: +33 (0) 1 71 23 02 48
UK: +44 (0) 20 7806 1970
US: +1 718 354 1112 and 1 866 239 0765 (toll-free)
Access code: 8056422#

Internet: The conference can be followed on the Internet at http://www.vivendi.com/ir

The slides for the presentation will also be available online.

APPENDIX I

VIVENDI

ADJUSTED STATEMENT OF EARNINGS FOR THE FIRST QUARTER ENDED MARCH 31, 2007 AND MARCH 31, 2006

(IFRS, unaudited)

	1st Quarter 2007	1st Quarter 2006	% variation
Revenues	**€ 5,020**	**€ 4,766**	**+ 5%**
Cost of revenues	(2,273)	(2,332)	+ 3%
Margin from operations	**2,747**	**2,434**	**+ 13%**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,551)	(1,389)	
Restructuring charges and other operating charges and income	78	2	
EBITA	**1,274**	**1,047**	**+ 22%**
Income from equity affiliates	82	68	
Interest	(24)	(49)	
Income from investments	2	12	
Adjusted earnings from continuing operations before provision for income taxes	**1,334**	**1,078**	**+ 24%**
Provision for income taxes	(246)	(178)	
Adjusted net income before minorities	**1,088**	**900**	**+ 21%**
Minority interests	(317)	(272)	
Adjusted net income (*)	**€ 771**	**€ 628**	**+ 23%**
Adjusted net income per share - basic	**0.67**	**0.55**	**+ 22%**
Adjusted net income per share - diluted	**0.66**	**0.54**	**+ 22%**

In millions of euros, per share amounts in euros.

As a reminder, beginning June 30, 2006, Vivendi has changed the presentation of its consolidated statement of earnings and of the operating performances of the business segments and of the group. In addition, beginning January 1st, 2007, subscriber management and acquisition costs, as well as television distribution costs incurred by Canal+ Group, are now included in administrative and selling expenses instead of cost of revenues. In order to provide consistent information, the amounts accounted for the first quarter of 2006 were adjusted: the margin from operations amounts to €2,434 million instead of €2,326 million as published in 2006.

For additional information, please refer to "Financial Report and Unaudited Condensed Financial Statements for the First Quarter Ended March 31, 2007" which will be on line the day after the analysts meeting.

(*) A reconciliation of earnings, attributable to equity holders of the parent to adjusted net income is presented in the Appendix IV.

APPENDIX II

VIVENDI

CONSOLIDATED STATEMENT OF EARNINGS FOR THE FIRST QUARTER ENDED MARCH 31, 2007 AND MARCH 31, 2006

(IFRS, unaudited)

	1st Quarter 2007	1st Quarter 2006	% variation
Revenues	**€ 5,020**	**€ 4,766**	**+ 5%**
Cost of revenues	(2,273)	(2,332)	+ 3%
Margin from operations	**2,747**	**2,434**	**+ 13%**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,551)	(1,389)	
Restructuring charges and other operating charges and income	78	2	
Amortization of intangible assets acquired through business combinations	(60)	(57)	
Impairment losses of intangible assets acquired through business combinations	-	-	
EBIT	**1,214**	**990**	**+ 23%**
Income from equity affiliates	82	68	
Interest	(24)	(49)	
Income from investments	2	12	
Other financial charges and income	197	97	
Earnings from continuing operations before provision for income taxes	**1,471**	**1,118**	**+ 32%**
Provision for income taxes	(224)	(141)	
Earnings from continuing operations	**1,247**	**977**	**+ 28%**
Earnings from discontinued operations	-	-	
Earnings	**1,247**	**977**	**+ 28%**
Minority interests	(315)	(270)	
Earnings, attributable to equity holders of the parent	**€ 932**	**€ 707**	**+ 32%**
Earnings, attributable to equity holders of the parent per share - basic	**0.81**	**0.61**	**+ 33%**
Earnings, attributable to equity holders of the parent per share - diluted	**0.80**	**0.61**	**+ 31%**

In millions of euros, per-share amounts in euros.

APPENDIX III

VIVENDI

REVENUES AND EBITA BY BUSINESS SEGMENT

(IFRS, unaudited)

(In millions of euros)	1st Quarter 2007	1st Quarter 2006	% Change	% Change at constant rate
Revenues (*)				
Universal Music Group	€ 1,027	€ 1,125	- 8.7%	- 4.2%
Canal+ Group	1,067	899	+ 18.7%	+ 18.7%
SFR	2,096	2,135	- 1.8%	- 1.8%
Maroc Telecom	550	483	+ 13.9%	+ 16.1%
Vivendi Games	291	134	+ 117.2%	+ 132.0%
Non core operations and elimination of inter segment transactions	(11)	(10)	- 10.0%	- 10.0%
Total Vivendi	**€ 5,020**	**€ 4,766**	**+ 5.3%**	**+ 7.0%**
EBITA				
Universal Music Group	€ 57	€ 141	- 59.6%	- 55.8%
Canal+ Group	164	33	x5	x4.9
SFR	643	666	- 3.5%	- 3.5%
Maroc Telecom	256	213	+ 20.2%	+ 22.6%
Vivendi Games	107	23	x4.7	x4.9
Holding & Corporate	46	(36)	na*	na*
Non core operations	1	7	- 85.7%	- 85.7%
Total Vivendi	**€ 1,274**	**€ 1,047**	**+ 21.7%**	**+ 23.4%**

na*: not applicable.

(*) As will be published in BALO

APPENDIX IV

VIVENDI

RECONCILIATION OF EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT TO ADJUSTED NET INCOME

(IFRS, unaudited)

Vivendi considers adjusted net income, a non-GAAP measure, as a relevant indicator of the Group's operating and financial performance. Vivendi Management uses adjusted net income, because it provides a better illustration of the performance from continuing operations by excluding most non-recurring and non-operating items.

(In millions of euros)	1st Quarter 2007	1st Quarter 2006
Earnings, attributable to equity holders of the parent (*)	**€ 932**	**€ 707**
Adjustments		
Amortization of intangible assets acquired through business combinations	60	57
Impairment losses of intangible assets acquired through business combinations (*)	-	-
Other financial charges and income (*)	(197)	(97)
Earnings from discontinued operations (*)	-	-
Change in deferred tax asset related to the Consolidated Global Profit Tax System	2	(3)
Non recurring items related to provision for income taxes	-	(14)
Provision for income taxes on adjustments	(24)	(20)
Minority interests on adjustments	(2)	(2)
Adjusted net income	**€ 771**	**€ 628**

(*) As reported in the Consolidated Statement of Earnings.