vivendi press release

Paris, August 31, 2007

Note: *This press release contains unaudited consolidated earnings established under IFRS, reviewed by auditors and Vivendi's audit committee.*

Vivendi Reports Earnings for the First Half of 2007 Double Digit Growth in Operating Performance Confirms 2007 Outlook

- **Adjusted earnings before interest and income taxes[1] (EBITA): €2,596 million, an increase of 10.6% when compared to the first half of 2006, (+11.9% at constant currency).**
- **Adjusted net income[2]: €1,526 million, an increase of 10.7%, representing a net income per share of €1.32, an increase of 10%.**
- **Earnings attributable to equity holders of the parent: €1,526 million compared to €1,862 million in 2006 which included a significant one time gain.**
- **2007 Outlook confirmed: adjusted net income above €2.7 billion.**

Remarks by Jean-Bernard Lévy, Chairman of Vivendi's Management Board

"Vivendi demonstrated significant growth in revenues, EBITA, adjusted net income and cash flow generation in the first half of 2007. This proves the effectiveness of a strategy focused on developing and investing in the entertainment industry.

By the end of the year, we expect to exceed the record year we had in 2006 and we confirm our outlook for an adjusted net income above €2.7 billion.

The business unit dynamic remains excellent and our long-term objectives are on target."

[1] For the definition of adjusted earnings before interest and income taxes see Appendix I

[2] For the reconciliation of earnings attributable to equity holders and adjusted net income see Appendix IV

Highlights of the first half of 2007

Universal Music Group became the world leader in music publishing with the acquisition of BMG Publishing and is now diversifying into music entertainment with the acquisition of Sanctuary. Canal+ France, founded in January 2007, improved its commercial and financial performance. SFR launched its Happy Zone and ADSL offerings, and acquired Télé2 France. Maroc Telecom, which revised upwards its guidance for 2007 during the summer, took control of both Gabon Telecom, the incumbent operator in Gabon, and Onatel in Burkina Faso. Vivendi Games boasts more than 9 million subscribers to *World of Warcraft*.

Comments on Vivendi's First Half 2007 Earnings

Revenues amount to €10,223 million compared to €9,610 million for the first half of 2006, representing an increase of 6.4% (+8.0% at constant currency).

EBITA total €2,596 million compared to €2,348 million for the first half of 2006, representing an increase of 10.6% (+11.9% at constant currency).
EBITA's strong increase reflects Vivendi's business units' superior performance, particularly Maroc Telecom, Canal+ Group (with the first positive effects of the Canal+ and TPS combination appearing while transition costs were limited to €38 million) and Vivendi Games (with the exceptional success of the *World of Warcraft: The Burning Crusade* expansion pack). This performance also includes the positive impact of the settlement of a tax litigation (+€73 million) and the sales agreement for real estate assets in Germany (+€48 million).
In the first half of 2006, EBITA included a non-recurring gain resulting from the actions implemented as part of the management of retirement pension obligations (€59 million) in addition to the recovery of a cash deposit with respect to the TVT litigation (€50 million) which was initially recognized as an expense at UMG.

Income from equity affiliates totals €172 million compared to €155 million for the first half of 2006, representing an increase of €17 million. The decrease in share of income from NBC Universal, which is solely due to the decline of the US dollar (€143 million for the first half of 2007 compared to €157 million for the first half of 2006), is more than offset by the increase in share of income from Neuf Cegetel (€31 million for the first half of 2007 compared to -€2 million for the first half of 2006).

Interest amounts to -€64 million compared to -€115 million for the first half of 2006, representing an improvement of €51 million. This improvement reflects the increase in interest income generated by cash and cash equivalents (+€35 million), offset by the increase of interest expense incurred on loans (-€9 million) as well as the capitalization of interest relating to the acquisition of BMGP (+€25 million).

Provision for income taxes is a net charge of -€476 million, compared to a net income of €651 million for the first half of 2006. The net income tax profit recorded in 2006 included non-recurring items adjusting previous years' income tax (+€1,066 million), in particular the gain related to the settlement of the DuPont litigation (€1,019 million). Excluding the impact of these non-recurring items, the increase in income tax expense amounts to €61 million and reflects the improvement of earnings of the Group.

Adjusted net income totals €1,526 million (representing adjusted net income per share of €1.32), compared to adjusted net income of €1,378 million for the first half of 2006 (representing adjusted net income per share of €1.20), an increase of €148 million (+10.7%).

Earnings attributable to equity holders of the parent totals €1,526 million (representing earnings per share of €1.32), compared to earnings of €1,862 million for the first half of 2006 (representing earnings per share of €1.62), a decrease of 18.0%. In the first half of 2006, both the gain resulting from the settlement of the tax dispute concerning the DuPont shares (+€921 million) and the capital loss incurred on the PTC shares (-€496 million) were recorded.
For the first half of 2007, the reconciliation of earnings attributable to equity holders of the parent with adjusted net income mainly includes the dilution profit realized on the entry of Lagardère in Canal+ France (+€239 million), the amortization and impairment losses of intangible assets acquired through business combinations (-€151 million before tax and minority interests) and the write-off of the minority stake in Amp'd (-€65 million).

Vivendi's Business Units: Comments on First Half 2007 EBITA

Universal Music Group

Universal Music Group's (UMG) EBITA of €220 million is down €75 million compared to the first half of 2006. The first half of 2006 included the recovery of a previously expensed cash deposit connected with the TVT dispute of €50 million.
In the first half of 2007, digital sales increased approximately 50% (at constant currency). Within a difficult recorded-music market and despite unfavorable currency movements, UMG significantly outperformed its competitors on an operating basis.

Canal+ Group

Canal+ Group reports EBITA, excluding transition costs linked to the TPS merger, of €340 million compared to €190 million in the first half of 2006, an increase of €150 million. Including transition costs (€38 million), EBITA totaled €302 million.
This growth is mainly driven by the strong performance of pay-TV operations in France. In addition to higher revenues, EBITA benefits from synergies from the TPS merger, both in distribution costs (subscriber acquisition costs and management costs) and programming costs (content and channel fees).
EBITA from other operations (excluding PSG, sold in June 2006) remains stable, as lower earnings from StudioCanal (fewer movies released in the first half of 2007) are offset by higher performances from Canal+ Poland and i>télé.

SFR

Compared to the same period in 2006, SFR's EBITA decreased by €25 million (-1.8%) to €1,364 million, the numerous regulated tariffs cuts do not allow SFR to benefit from the growth of traffic and use.
SFR's EBITA before depreciation is stable at €1,796 million. This reflects the increase by 1.6 percentage points in customer acquisition and retention costs to 10.9% of mobile service revenues[3] (due to higher volumes of post-paid recruitments and retention initiatives and to the penetration of 3G devices among SFR's customer base), which is offset by a 0.2% increase in mobile service revenues and the strong control of other costs. Depreciation and amortization and other costs increased by €26 million in the first half of 2007, following years of investments in 2G and 3G/3G+ networks.

Maroc Telecom

Maroc Telecom's EBITA[4] increased by 31.2% to €538 million compared to the first half of 2006 (+34.5% at constant currency and at constant perimeter[5]).
This performance is linked to the combined effect of revenue growth (+10.1% at constant currency and at constant perimeter), the control of acquisition costs given the steady growth in the mobile[6] and ADSL customer base and the control of operational expenses.
Excluding exceptional provisions charged in 2006 and the reversal of provisions in 2007, Maroc Telecom's EBITA increased by 23.9% at constant currency and at constant perimeter.

Vivendi Games

Vivendi Games' EBITA of €119 million is 91.9% above the prior year (up 111.5% at constant currency).
This strong increase is primarily driven by the continued momentum of Blizzard's *World of Warcraft*, including the very successful first quarter-2007 release of *World of Warcraft: The Burning Crusade*. Following the launch of this expansion pack in the first quarter of 2007 increased *World of Warcraft*'s subscriber base increased to more than 9 million worldwide. EBITA is also impacted by a non-recurring increase related to Blizzard's profit sharing and talent retention plan, and the seasonal effects of Sierra Entertainment's product releases.

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[3] Mobile service revenues correspond to mobile revenues excluding net equipment sale revenues.
[4] Maroc Telecom's first half and second quarter of 2007 EBITA included Onatel, consolidated from January 1st, 2007, and Gabon Télécom, consolidated from March 1st, 2007. Moreover, Maroc Telecom's second quarter of 2007 EBITA included 4 months of Gabon Télécom operations: Gabon Télécom was actually not consolidated in the first quarter of 2007 since no financial information was available at that date.
[5] Constant perimeter illustrates the full consolidation of Onatel and Gabon Télécom as if these transactions had occurred at the beginning of 2006 for Onatel and on March 1st 2006 for Gabon Télécom.
[6] The mobile customer base includes prepaid customers giving or receiving a voice call during the last 3 months and not resiliated postpaid customers

Important disclaimer:

This press release contains forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Vivendi. 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 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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PRESS CONFERENCE

Speakers:

Jean-Bernard Lévy
Chairman of the Management Board
Philippe Capron
Member of the Management Board and Chief Financial Officer

Date: Friday, August 31, 2007
11:00 AM Paris time – 10:00 AM London time - 5:00 AM New York time

Address: Salons Hoche- 9 avenue Hoche, 75008 Paris

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

ANALYST CONFERENCE

Speakers:

Jean-Bernard Lévy
Chairman of the Management Board
Philippe Capron
Member of the Management Board and Chief Financial Officer

Date: Friday, August 31, 2007
2:30 PM Paris time – 1:30 PM London time – 8:30 AM New York time
Media invited on a listen-only basis

Numbers to dial:

Number in France: +33 (0)1 70 99 43 00
Number in UK: +44 (0)20 78 06 19 50
Number in US: +1 718 354 13 87 and 888 935 45 75 (toll-free).

Replay details (replay available for 14 days)

France: +33 (0) 1 71 23 02 48
UK: +44 (0) 20 78 06 19 70
US: +1 718 354 11 12 and 1 866 883 44 89 (toll-free)
Access code: 4997454# for replay in French
2144737# for replay in English

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

The slides for the presentation and the financial report for the half year of 2007 will also be available online.

APPENDIX I

VIVENDI

ADJUSTED STATEMENT OF EARNINGS

(IFRS, unaudited)

2nd Quarter 2007	2nd Quarter 2006	% Variation		1st Half 2007	1st Half 2006	% Variation
€ 5,203	€ 4,844	+ 7.4%	**Revenues**	€ 10,223	€ 9,610	+ 6.4%
(2,233)	(2,132)	- 4.7%	Cost of revenues	(4,506)	(4,464)	- 0.9%
2,970	**2,712**	**+ 9.5%**	**Margin from operations**	**5,717**	**5,146**	**+ 11.1%**
(1,662)	(1,398)		Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,213)	(2,787)	
14	(13)		Restructuring charges and other operating charges and income	92	(11)	
1,322	**1,301**	**+ 1.6%**	**EBITA (*)**	**2,596**	**2,348**	**+ 10.6%**
90	87		Income from equity affiliates	172	155	
(40)	(66)		Interest	(64)	(115)	
2	33		Income from investments	4	46	
1,374	**1,355**	**+ 1.4%**	**Adjusted earnings from continuing operations before provision for income taxes**	**2,708**	**2,434**	**+ 11.3%**
(286)	(284)		Provision for income taxes	(532)	(463)	
1,088	**1,071**	**+ 1.6%**	**Adjusted net income before minorities**	**2,176**	**1,971**	**+ 10.4%**
(333)	(321)		Minority interests	(650)	(593)	
€ 755	**€ 750**	**+ 0.7%**	**Adjusted net income (**)**	**€ 1,526**	**€ 1,378**	**+ 10.7%**
0.65	**0.65**	**+ 0.0%**	**Adjusted net income per share - basic**	**1.32**	**1.20**	**+ 10.0%**
0.65	**0.65**	**+ 0.0%**	**Adjusted net income per share - diluted**	**1.31**	**1.19**	**+ 10.1%**

In millions of euros, per share amounts in euros.

As a reminder, beginning January 1, 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, 2006 three and six months amounts were adjusted as follows: the margins from operations are now €2,712 million instead of €2,601 million as published in 2006 and €5,146 million instead of €4,927 million as published in 2006.

For additional information, please refer to “Financial Report and Unaudited Condensed Financial Statements for the Half-Year Ended June 30, 2007” which will be on line on August 31, 2007 after the analysts meeting.

(*) EBITA corresponds to EBIT excluding amortization and impairment losses of intangible assets acquired through business combinations.

(**) The 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
(IFRS, unaudited)

2nd Quarter 2007	2nd Quarter 2006	% Variation		1st Half 2007	1st Half 2006	% Variation
€ 5,203	€ 4,844	+ 7.4%	**Revenues**	€ 10,223	€ 9,610	+ 6.4%
(2,233)	(2,132)	- 4.7%	Cost of revenues	(4,506)	(4,464)	- 0.9%
2,970	**2,712**	**+ 9.5%**	**Margin from operations**	**5,717**	**5,146**	**+ 11.1%**
(1,662)	(1,398)		Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,213)	(2,787)	
14	(13)		Restructuring charges and other operating charges and income	92	(11)	
(60)	(56)		Amortization of intangible assets acquired through business combinations	(120)	(113)	
(31)	-		Impairment losses of intangible assets acquired through business combinations	(31)	-	
1,231	**1,245**	**- 1.1%**	**EBIT**	**2,445**	**2,235**	**+ 9.4%**
90	87		Income from equity affiliates	172	155	
(40)	(66)		Interest	(64)	(115)	
2	33		Income from investments	4	46	
(120)	(615)		Other financial charges and income	77	(519)	
1,163	**684**	**+ 70.0%**	**Earnings from continuing operations before provision for income taxes**	**2,634**	**1,802**	**+ 46.2%**
(252)	792		Provision for income taxes	(476)	651	
911	**1,476**	**- 38.3%**	**Earnings from continuing operations**	**2,158**	**2,453**	**- 12.0%**
-	-		Earnings from discontinued operations	-	-	
911	**1,476**	**- 38.3%**	**Earnings**	**2,158**	**2,453**	**- 12.0%**
(317)	(321)		Minority interests	(632)	(591)	
€ 594	**€ 1,155**	**- 48.6%**	**Earnings, attributable to equity holders of the parent**	**€ 1,526**	**€ 1,862**	**- 18.0%**
0.51	**1.00**	**- 49.0%**	**Earnings, attributable to equity holders of the parent per share - basic**	**1.32**	**1.62**	**- 18.5%**
0.51	**0.99**	**- 48.5%**	**Earnings, attributable to equity holders of the parent per share - diluted**	**1.31**	**1.60**	**- 18.1%**

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

APPENDIX III

VIVENDI

REVENUES AND EBITA BY BUSINESS SEGMENT

(IFRS, unaudited)

2nd Quarter 2007	2nd Quarter 2006	% Change	% Change at constant rate	(In millions of euros)	1st Half 2007	1st Half 2006	% Change	% Change at constant rate
				Revenues (*)				
€ 1,068	€ 1,077	- 0.8%	+ 3.8%	Universal Music Group	€ 2,095	€ 2,202	- 4.9%	- 0.3%
1,087	934	+ 16.4%	+ 16.3%	Canal+ Group	2,154	1,833	+ 17.5%	+ 17.5%
2,240	2,166	+ 3.4%	+ 3.4%	SFR	4,336	4,301	+ 0.8%	+ 0.8%
615	510	+ 20.6%	+ 23.0%	Maroc Telecom	1,165	993	+ 17.3%	+ 19.6%
209	162	+ 29.0%	+ 37.8%	Vivendi Games	500	296	+ 68.9%	+ 80.4%
(16)	(5)	- 220.0%	- 220.0%	Non core operations and elimination of inter segment transactions	(27)	(15)	- 80.0%	- 80.0%
€ 5,203	**€ 4,844**	**+ 7.4%**	**+ 9.0%**	**Total Vivendi**	**€ 10,223**	**€ 9,610**	**+ 6.4%**	**+ 8.0%**
				EBITA				
€ 163	€ 154	+ 5.8%	+ 7.6%	Universal Music Group	€ 220	€ 295	- 25.4%	- 22.6%
138	157	- 12.1%	- 12.0%	Canal+ Group	302	190	+ 58.9%	+ 58.4%
721	723	- 0.3%	- 0.3%	SFR	1,364	1,389	- 1.8%	- 1.8%
282	197	+ 43.1%	+ 46.1%	Maroc Telecom	538	410	+ 31.2%	+ 33.9%
12	39	- 69.2%	- 59.1%	Vivendi Games	119	62	+ 91.9%	+ 111.5%
5	16	- 68.8%	- 73.9%	Holding & Corporate	51	(20)	na*	na*
1	15	- 93.3%	- 93.3%	Non core operations	2	22	- 90.9%	- 90.9%
€ 1,322	**€ 1,301**	**+ 1.6%**	**+ 2.6%**	**Total Vivendi**	**€ 2,596**	**€ 2,348**	**+ 10.6%**	**+ 11.9%**

na*: not applicable.

(*) As 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.

2nd Quarter 2007	2nd Quarter 2006	(In millions of euros)	1st Half 2007	1st Half 2006
€ 594	**€ 1,155**	**Earnings, attributable to equity holders of the parent (*)**	**€ 1,526**	**€ 1,862**
		Adjustments		
60	56	Amortization of intangible assets acquired through business combinations	120	113
31	-	Impairment losses of intangible assets acquired through business combinations (*)	31	-
120	615	Other financial charges and income (*)	(77)	519
-	-	Earnings from discontinued operations (*)	-	-
2	(4)	Change in deferred tax asset related to the Consolidated Global Profit Tax System	4	(7)
-	(1,053)	Non recurring items related to provision for income taxes	-	(1,066)
(36)	(19)	Provision for income taxes on adjustments	(60)	(41)
(16)	-	Minority interests on adjustments	(18)	(2)
€ 755	**€ 750**	**Adjusted net income**	**€ 1,526**	**€ 1,378**

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