Financial Report and Unaudited Condensed Financial Statements for the First Quarter Ended March 31, 2007

Wednesday, 16 May 2007

VIVENDI

Société anonyme with a Management Board and Supervisory Board with a share capital of €6,356,533,408.50

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Selected Key Consolidated Financial Data

	1st Quarter Ended March 31,			Year Ended December 31,		
	2007		2006	2006	2005	2004
Revenues	5,020		4,766	20,044	19,484	17,883
EBITA	1,274		1,047	4,370	3,985	3,504
Earnings attributable to equity holders of the parent	932		707	4,033	3,154	3,767
Adjusted net income	771		628	2,614	2,218	1,498
Financial Net Debt (a)	4,820		5,110	4,344	3,768	4,724
Equity	22,993		21,272	21,864	21,608	18,092
Of which attributable to equity holders of the Parent	20,714		19,457	19,912	18,769	15,449
Cash flow from operations before capital expenditures, net (CFFO before capex, net)	1,638		1,544	6,111	5,448	5,358
Cash flow from operations (CFFO)	1,163		1,041	4,466	4,157	4,354
Capital expenditures, net (capex, net) (b)	475		503	1,645	1,291	1,004
Financial investments	(13)		1,179	3,881	1,481	394
Financial divestments	(646)		(267)	(1,801)	(155)	(5,264)
Dividends paid as for previous fiscal year	na*	(d)	na*	1,152	689	-
Per share amounts						
Weighted average number of shares outstanding over the period	1,155.0		1,151.6	1,153.4	1,149.6	1,144.4 (c)
Adjusted net income per share	**0.67**		**0.55**	**2.27**	**1.93**	**1.31**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,153.8		1,151.6	1,155.7	1,151.0	1,144.9 (c)
Equity per share, attributable to equity holders of the parent	17.95		16.90	17.23	16.31	13.49
Dividends per share paid as for previous fiscal year	**na***	(d)	**na***	**1.00**	**0.60**	**0.00**

In millions of euros, number of shares in millions, data per share in euros.
na: not applicable*

(a) Vivendi considers Financial Net Debt, a non-GAAP measure, to be an important indicator measuring Vivendi's indebtedness. A description of this measure is presented in Section 4 "Liquidity management and capital resources for the first quarter ended March 31, 2007" of this Financial Report.

(b) Capex, net consists of capital expenditures, net of proceeds from property, plant and equipment and intangible assets.

(c) Includes notes mandatory redeemable for new Vivendi shares which matured on November 2005.

(d) The dividend for fiscal year 2006 amounts to €1.20 per share, representing a total distribution of €1,387 million and was paid on April 26, 2007.

I – Financial Report for the First Quarter Ended March 31, 2007

Preliminary comments:

The Financial Report and the Unaudited Condensed Financial Statements for the first quarter ended March 31, 2007 were approved by Vivendi's Management Board on May 11, 2007.

The Financial Report for the first quarter ended March 31, 2007 should be read in conjunction with the Financial Report section for the year ended December 31, 2006 as published in the 2006 *Document de Référence* (annual report) that was filed under number D.07-0240 with the *Autorité des marchés financiers* (AMF) on March 28, 2007 ("the 2006 *Document de Référence*").

Vivendi considers that the non-GAAP measures mentioned below are relevant indicators of the group's operating and financial performance:

- EBITA,
- Adjusted net income,
- Financial Net Debt, and
- Cash flow from operations.

Each of the indicators is defined in the appropriate section of this report or in the notes to the Condensed Financial Statements for the first quarter ended March 31, 2007. These indicators should be considered in addition to, not as a substitute for, other GAAP measures of operating and financial performances as presented in the Consolidated Financial Statements and the related notes, or described in the Financial Report section. Moreover it should be emphasized that other companies may define and calculate these indicators differently than Vivendi, thereby affecting comparability.

1 Main Developments in 2007

1.1 Main Developments for the first quarter of 2007

1.1.1 ACQUISITION OF CONSOLIDATED COMPANIES

- **Combination of the Canal+ Group and TPS pay-TV activities in France**

The combination of the Canal+ Group and TPS pay-TV activities in France was completed on January 4, 2007.

A detailed description of the transaction is presented in Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2006. Please refer to Note 2.1 for a detailed presentation of its impact on the Condensed Financial Statements as of March 31, 2007. In particular, Vivendi accrued a dilution profit of €239 million resulting from the sale of a 10.18% equity interest in Canal+ France to Lagardère.

- **Acquisition of a 51% stake in Onatel in Burkina Faso by Maroc Telecom**

In December 2006, following the completion of a bidding process, Maroc Telecom acquired a 51% stake in Onatel, the national telecommunications operator in Burkina Faso for a purchase price of €222 million (including acquisition fees). Onatel has been fully consolidated since January 1, 2007. As of March 31, 2007, the estimated goodwill amounted to €180 million.

1.1.2 ACQUISITION OF INVESTMENTS

- **Acquisition of a 51% stake in Gabon Telecom by Maroc Telecom**

On February 9, 2007, Maroc Telecom was announced as the winning bidder for the acquisition of a 51% stake in Gabon Telecom S.A., the national telecommunications operator of Gabon for €61 million, including €28 million paid in the first quarter of 2007. As of March 31, 2007, the shares of Gabon Telecom are accounted under "financial assets" for €28 million.

1.1.3 OTHER

As of March 31, 2007, Vivendi was involved in the acquisition of various companies, the completion of which is subject to the approval of competition authorities or to consultation with the relevant labor relations and employee representative committees. These companies mainly include:

- The music publishing activities of the Bertelsmann Group (BMG Music Publishing Group, BMGP), and
- The fixed telephony and broadband activities of Télé2 France: the European Commission announced on March 20, 2007 that the transaction will be subject to a Phase II inquiry. The decision will be taken no later than August 2, 2007.

1.2 Main Developments since March 31, 2007

Dividend paid with respect to fiscal year 2006. At the Annual Shareholders' Meeting held on April 19, 2007, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2006. As a result, the dividend was set at €1.20 per share, representing a total distribution of €1,387 million and was paid on April 26, 2007.

Voluntary redundancy plan at the Canal+ Group level, described in Note 32 to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006. Pursuant to the method agreement, the Works Councils issued their opinion on April 6, 2007 and the new organization is therefore being implemented. Given the existence of a number of vacant positions within Canal+ and TPS, the plan could result in 128 employees leaving the company.

2 Earnings for the First Quarter Ended March 31, 2007

2.1 Consolidated Statement of Earnings and Adjusted Statement of Earnings for the First Quarters of 2007 and 2006

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	1st Quarter Ended March		1st Quarter Ended March		
(In millions of euros, except per share amounts)	2007	2006	2007	2006	
Revenues	**€ 5,020**	**€ 4,766**	**€ 5,020**	**€ 4,766**	**Revenues**
Cost of revenues	(2,273)	(2,332)	(2,273)	(2,332)	Cost of revenues
Margin from operations	**2,747**	**2,434**	**2,747**	**2,434**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,551)	(1,389)	(1,551)	(1,389)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	78	2	78	2	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(60)	(57)			
Impairment losses of intangible assets acquired through business combinations	-	-			
EBIT	**1,214**	**990**	**1,274**	**1,047**	**EBITA**
Income from equity affiliates	82	68	82	68	Income from equity affiliates
Interest	(24)	(49)	(24)	(49)	Interest
Income from investments	2	12	2	12	Income from investments
Other financial charges and income	197	97			
Earnings from continuing operations before provision for income taxes	**1,471**	**1,118**	**1,334**	**1,078**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(224)	(141)	(246)	(178)	Provision for income taxes
Earnings from continuing operations	**1,247**	**977**			
Earnings from discontinued operations	-	-			
Earnings	**€ 1,247**	**€ 977**	**€ 1,088**	**€ 900**	**Adjusted net income before minority interests**
Attributable to :					
Equity holders of the parent	**€ 932**	**€ 707**	**€ 771**	**€ 628**	**Ajusted net income**
Minority interests	315	270	317	272	Minority interests
Earnings, attributable to equity holders of the parent per share - basic (in euros)	**€ 0.81**	**€ 0.61**	**€ 0.67**	**€ 0.55**	**Adjusted net income per share - basic (in euros)**
Earnings, attributable to equity holders of the parent per share - diluted (in euros)	**€ 0.80**	**€ 0.61**	**€ 0.66**	**€ 0.54**	**Adjusted net income per share - diluted (in euros)**

As a reminder, beginning June 30, 2006, Vivendi changed the presentation of its consolidated statement of earnings and of the operating performances of its business segments and of the group. In addition, 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 first quarter amounts were adjusted as follows: the margin from operations is now €2,434 million instead of €2,326 million as published in 2006. Please refer to Note 1.3 to the Condensed Financial Statements for the first quarter ended March 31, 2007.

2.2 Earnings Review

For the first quarter of 2007, **adjusted net income** totaled €771 million (representing adjusted net income per share of €0.67), compared to adjusted net income of €628 million for the first quarter of 2006 (representing adjusted net income per share of €0.55), an increase of €143 million or 22.8%.

For the first quarter of 2007**, earnings attributable to equity holders of the parent** totaled €932 million (representing earnings per share of €0.81), compared to earnings of €707 million for the first quarter of 2006 (representing earnings per share of €0.61), an increase of €225 million or 31.8%.

The reconciliation of earnings attributable to equity holders of the parent with adjusted net income is presented in Note 6 to the Condensed Financial Statements for the first quarter ended March 31, 2007. For the first quarter of 2007, the difference between earnings attributable to equity holders of the parent and adjusted net income amounted to €161 million, and mainly included the dilution profit realized on the sale of a 10.18% equity interest in Canal+ France to Lagardère[1] (+€239 million) and the amortization of intangible assets resulting from business combinations (-€37 million after tax and minority interests).

The €143 million improvement in **adjusted net income** was due to the following main positive impacts:

- a €227 million increase from the growth in EBITA, attributable to Canal+ Group (€131 million), Vivendi Games (€84 million), Holding & Corporate (€82 million) as well as Maroc Telecom (€43 million), despite the downturn reported by UMG (-€84 million) and SFR (-€23 million). In the first quarter of 2007, EBITA includes the positive impact (€73 million) of the settlement of a tax litigation at Holding and Corporate and favorable calendar events such as the exceptionally successful launch of the World of Warcraft: The Burning Crusade expansion pack at Vivendi Games and three fewer days of the French football Ligue 1 when compared to the same period last year at Canal+ Group (+ €47 million). In addition, the first positive effects of the Canal+ and TPS combination are appearing while transition costs are limited, this quarter, to €5 million. Furthermore, in the first quarter of 2006, UMG EBITA included the recovery of a cash deposit concerning the TVT litigation (+€50 million) which was initially recognized as an expense.

- a €14 million increase in income from equity affiliates; and

- a €25 million reduction in interest expense.

These positive impacts were partially offset by the following negative items:

- a €10 million decrease in income from investments;

- a €68 million increase in tax expense; and

- a €45 million charge related to the increase in the share of earnings attributable to minority interests.

Breakdown of the main items of the consolidated statement of earnings

Revenues amounted to €5,020 million compared to €4,766 million for the first quarter of 2006, representing an increase of €254 million or 5.3% (and +7.0% at constant currency).

For a breakdown of revenues by business segment, please refer to Section 3 "Revenues and EBITA by business segment".

Restructuring charges and other operating charges and income represented a net income of €78 million compared to a net income of €2 million for the first quarter of 2006, representing an increase of €76 million, mainly due to the settlement in its favor of a litigation instigated by Vivendi S.A. regarding its right to deduct VAT (€73 million).

EBITA totaled €1,274 million compared to €1,047 million for the first quarter of 2006, representing an increase of €227 million or 21.7% (+23.4% at constant currency). All business units reported positive EBITA this quarter.

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[1] Please refer to Note 2.1 to the Condensed Financial Statements for the first quarter ended March 31, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".

For a breakdown of EBITA by business segment, please refer to Section 3 "Revenues and EBITA by business segment".

EBIT amounted to €1,214 million compared to €990 million for the first quarter of 2006, representing an increase of €224 million (+22.6%).

Income from equity affiliates totaled €82 million compared to €68 million for the first quarter of 2006, representing an increase of €14 million. The decrease in our share of income from NBC Universal, solely due to the decline of the US dollar (€65 million for the first quarter of 2007 compared to €71 million for the first quarter of 2006), was more than offset by the increase in our share of income from Neuf Cegetel.

Interest amounted to €24 million compared to €49 million for the first quarter of 2006, representing an improvement of €25 million. This improvement reflects the stability of interest charges on borrowings (-€2 million), the capitalization of interest relating to the acquisition of BMGP (+€15 million) and the increase in interest income on cash and cash equivalents (+€12 million). Interest charges on borrowings are stable despite an increase in average outstanding borrowings (€7.5 billion compared to €6.5 billion in the first quarter of 2006, calculated on a daily basis), due to the decrease in the average financing rate over the period (3.95% compared to 4.34% in the first quarter of 2006). This reduction in the average financing rate is mainly due to the settlement in July 2006 of outstanding swaps (€2.5 billion), which generated a financial surcharge due to the unfavorable US dollar/euro interest rate difference.

For more information, please refer to Note 4 to the Condensed Financial Statements for the first quarter ended March 31, 2007.

Income from investments totaled €2 million compared to €12 million for the first quarter of 2006, a decrease of €10 million mainly due to the sale of the DuPont shares in June 2006. Vivendi received a dividend of €5 million from this company in the first quarter of 2006.

Other financial charges and income represented net income of €197 million compared to net income of €97 million for the first quarter of 2006, an increase of €100 million. For the first quarter of 2007, this line item mainly includes the dilution gain (€239 million) resulting from the entry of Lagardère into the share capital of Canal+ France (in addition to the dilution gain of €128 million recorded in the fourth quarter of 2006[2]). For the first quarter of 2006, this line item includes the capital gains realized on the sale of Sogecable shares (€66 million) and the divestiture of the residual 20% stake in Ypso (€56 million).

For more information, please refer to Note 4 to the Condensed Financial Statements for the first quarter ended March 31, 2007.

Provision for income taxes amounted to €224 million, compared to €141 million for the first quarter of 2006, representing an increase of €83 million. This increase reflects the higher taxable earnings of group companies as a whole.

Earnings attributable to minority interests, mainly SFR and Maroc Telecom, amounted to €315 million compared to €270 million for the same period last year. This increase is mainly due to minority interests in Canal+ France, following the entry into the share capital of Lagardère, TF1 and M6 in January 2007[2].

2.3 Vivendi's Outlook for 2007

2007 Outlook affirmed: Adjusted net income is expected to be at least at €2.7 billion.

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[2] *Please refer to Note 2.1 to the Condensed Financial Statements for the first quarter ended March 31, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".*

3 Revenues and EBITA by Business Segment for the First Quarters Ended March 31, 2007 and March 31, 2006

	1st Quarter Ended March 31,						
(In millions of euros)		2007			2006	% Change	% Change at constant rate
Revenues							
Universal Music Group	€	1,027		€	1,125	-8.7%	-4.2%
Canal+ Group		1,067	(a)		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	(a) (b)		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%**

(a) Includes TPS, fully consolidated by Canal+ France as of January 4, 2007.

(b) Includes the transition costs related to the combination with TPS for €5 million.

Universal Music Group (UMG) (100% Vivendi economic interest):

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.

The Canal+ Group (100% Vivendi economic interest; Vivendi economic interest in Canal+ France: 65%):

Revenues

Canal+ Group reported revenues[3] 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.

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 (56% Vivendi economic interest):

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[4] 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%.

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

[4] 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.

For the first quarter of 2007, SFR added 27,000 net new customers, taking its registered customer base to 17.910 million[5], 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 for shared personal services on both PC and mobile telephone screens.

Average voice usage of SFR customers (AUPU[6]) 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.

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 (51% Vivendi economic interest):

Revenues

Maroc Telecom revenues[7] increased by 13.9% to €550 million compared to the same period last year (10.6% at constant currency and at constant perimeter[8]).

Mobile revenue[9] 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[10] [11] 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[10] reached 23.7%, increasing by 8.4 percentage points compared to the end of March 2006.

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[5] *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.*

[6] *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.*

[7] *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.*

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

[9] *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.*

[10] *Without Mauritel, Onatel and Mobisud.*

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

The blended ARPU[10] [12] 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[9] 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[10] 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 slightly increased by 0.2% at constant currency compared to the same period last year.

The ADSL customer base[10] 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.

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 (100% Vivendi economic interest):

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.

Holding & Corporate:

EBITA

Holding & Corporate EBITA amounted to €46 million, up €82 million compared to the first quarter 2006. This increase was primarily due to the favorable impact of the settlement in its favor in February 2007 of a litigation instigated by Vivendi S.A. regarding its right to deduct VAT. This resulted in the recognition of income of €73 million, comprising the repayment of amounts paid following a tax audit of €50 million and reversals of provisions recorded in respect of fiscal years open to audit of €23 million.

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[12] *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.*

4 Liquidity Management and Capital Resources for the First Quarter Ended March 31, 2007

Preliminary comment:

Vivendi considers Financial Net Debt, a non-GAAP measure, to be an important indicator measuring Vivendi's indebtedness. Financial Net Debt is calculated as the sum of long-term and short-term borrowings and other long-term and short-term financial liabilities as reported on the Consolidated Statement of Financial Position, less cash and cash equivalents as reported on the Consolidated Statement of Financial Position as well as derivative financial instruments in assets and cash deposits backing borrowings (included in the Consolidated Statement of Financial Position under "financial assets"). Financial Net Debt should be considered in addition to, not as a substitute for, Vivendi's borrowings and other financial liabilities and cash and cash equivalents reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain of Vivendi's debt covenants.

4.1 Changes in Financial Net Debt

As of March 31, 2007, Financial Net Debt amounted to €4,820 million, compared to €4,344 million as of December 31, 2006.

(In millions of euros)	March 31, 2007		December 31, 2006	
Borrowings and other financial liabilities	€	8,550	€	7,315
Derivative financial instruments in assets		(39)		(52)
Collateralized cash received from Lagardère		-		(469)
Cash deposits backing borrowings		(51)		(50)
		8,460		**6,744**
Cash and cash equivalents		(3,640)		(2,400)
Financial Net Debt	**€**	**4,820**	**€**	**4,344**

For the first quarter ended March 31, 2007, Financial Net Debt increased by €476 million. This increase is broken down as follows:

- The net cash generated allowed for the decrease in Financial Net Debt of €1,240 million. This amount consists of cash flow from operating activities of €1,139 million and from investing activities for €312 million. The cash provided by investing activities includes the inflows related to the combination of the Canal+ Group and TPS pay-TV activities in France completed on January 4, 2007, of which the cash received from Lagardère (€469 million) and the payback by TF1 and M6 of the advance (€ 150 million) granted by Vivendi at the signing of the agreement at the beginning of 2006. These inflows were partially offset by the cash flow used for financing activities (€210 million).
- The non-cash investing and financing activities contributed to a €1,716 million increase in Financial Net Debt. The non-cash investing activities mainly includes the neutralization of the impact of the cash payment received from Lagardère (€469 million, refer supra), which had already been considered as a reduction in Financial Net Debt as of December 31, 2006. The non-cash financing activities mainly includes the accounting of the put options granted to TF1 and M6 on their stakes in Canal+ France (15%) for €1,011 million[13].

[13] *Please refer to Note 2.1 to the Condensed Financial Statements for the first quarter ended March 31, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".*

(In millions of euros)	refer to section	Cash and cash equivalents		Borrowings and other		**Impact on financial net debt**	
Financial Net Debt as of December 31, 2006		**€**	**(2,400)**	**€**	**6,744**	**€**	**4,344**
Net cash (provided by) / used for :							
Operating activities	4.2		(1,139)		-		(1,139)
Investing activities	4.3		(312)		537		225
Financing activities	4.4		210		1,175		1,385
Foreign currency translation adjustments			1		4		5
Change in financial net debt over the period		€	(1,240)	€	1,716	€	476
Financial Net Debt as of March 31, 2007		**€**	**(3,640)**	**€**	**8,460**	**€**	**4,820**

4.2 Analysis of Operating Activities for the First Quarter Ended March 31, 2007

For the first quarter of 2007, cash flow from operations, after capital expenditures, interest and income tax paid (CFAIT) amounted to €759 million compared to €665 million for the first quarter of 2006, representing a €94 million increase (14%).

- Cash flow from operations (CFFO) generated by the businesses totaled €1,163 million (compared to €1,041 million during the same period in 2006), representing a €122 million increase (12%) and included:
  - Cash flows from operations before capital expenditures, net (CFFO, before capex, net) amounted to €1,638 million (compared to €1,544 million for the first quarter of 2006), representing an increase of €94 million (+6%), which reflects the increase of EBITDA and of the dividend paid by NBC Universal. This result was achieved despite the unfavorable change in working capital and the increase in content investments. For the first quarter of 2007, CFFO also includes the repayment to Vivendi of amounts following the settlement in its favor of a litigation instigated by Vivendi S.A. regarding its right to deduct VAT (€50 million). In addition, for the first quarter of 2006, CFFO included the recovery of a cash deposit by UMG with respect to the TVT litigation (€50 million).
  - Capital expenditures, net (purchase of property, plant and equipment as well as intangible assets, net of disposals) amounted to €475 million (compared to €503 million for the first quarter of 2006), representing a €28 million decrease (-6%).
- Financial activities cash payments amounted to €33 million (compared to €55 million for the first quarter of 2006), representing an improvement of €22 million, including a decrease in net interest paid of €10 million.
- Income tax cash payments amounted to €371 million compared to €321 million for the first quarter of 2006, representing an increase of €50 million. This increase reflects the higher taxable earnings of group companies as a whole.

(In millions of euros)	1st Quarter Ended March 31,		
	2007	2006	% Change
Revenues	€ 5,020	€ 4,766	5%
Operating expenses excluding depreciation and amortization	(3,462)	(3,397)	-2%
Sub-total (modified EBITDA)	*1,558*	*1,369*	*14%*
Restructuring charges paid	(6)	(17)	65%
Content investments, net	(12)	64	na*
Change in provisions included in modified EBITDA	(47)	(8)	na*
Other cash operating items excluded from modified EBITDA	52	(6)	na*
Other changes in net working capital	(35)	84	na*
Net cash provided by operating activities before income tax paid	***1,510***	***1,486***	***2%***
Income tax (paid) / collected	(371)	(321)	-16%
Net cash provided by operating activities	**€ 1,139**	**€ 1,165**	***-2%***
Contribution to the reduction of Financial Net Debt	**€ (1,139)**	**€ (1,165)**	***2%***

na: not applicable*

(In millions of euros)	1st Quarter Ended March 31,		
	2007	2006	% Change
Net cash provided by operating activities before income tax paid	**€ 1,510**	**€ 1,486**	***2%***
Dividends received from equity affiliates	128	52	146%
Dividends received from unconsolidated companies	-	6	-100%
Cash flow from operations excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets (CFFO before capex, net)	***€ 1,638***	***€ 1,544***	***6%***
Capital expenditures, net (Capex, net)	(475)	(503)	6%
Cash flow from operations (CFFO)	**1,163**	**1,041**	**12%**
Interest paid	(39)	(49)	20%
Other cash items related to financial activities	6	(6)	na*
Financial activities cash payments	***€ (33)***	***€ (55)***	***40%***
Income tax cash payments	***(371)***	***(321)***	***-16%***
Cash flow from operations after interest and income tax paid (CFAIT)	**€ 759**	**€ 665**	**14%**

na: not applicable*

4.3 Analysis of Investing Activities for the First Quarter Ended March 31, 2007

For the first quarter of 2007, cash flow generated by investing activities amounted to €312 million compared to cash flow used for investing activities of €1,357 million for the first quarter of 2006. It includes net cash generated by financial investments for €659 million, offset by net cash used for capital expenditures for €475 million. In addition, Vivendi received dividends from NBC Universal amounting to €128 million. After taking into account the unfavorable impact of non-cash transactions (€537 million), investing activities contributed €225 million to the increase in Financial Net Debt.

- The impact on Financial Net Debt of the main financial investments results from the consolidation of TPS's net cash position as of January 4, 2007 (€64 million) and of Onatel Financial Net Debt as of January 1st, 2007 (€55 million), and from the acquisition of a 51% stake in Gabon Telecom on February 9, 2007 (€28 million).

- The impact on Financial Net Debt of the main financial divestitures derives from the combination of the Canal+ Group and TPS pay-TV activities in France, which was completed on January 4, 2007[14]:
  - The unwinding of the €469 million cash collateral established in December 2006 in favour of Lagardère had a positive impact on net cash for the same amount. Nevertheless, this unwinding had no impact on Financial Net Debt for the first

[14] *Please refer to Note 2.1 to the Condensed Financial Statements for the first quarter ended March 31, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".*

quarter of 2007 since the cash had already been considered as a reduction of Financial Net Debt as of December 31, 2006.

- The payback by TF1 and M6 of the €150 million advance paid by Vivendi in January 2006 at the signing of the agreement.

(In millions of euros)	Impact on cash and cash equivalents	Impact on borrowings and other (a)	Impact on Financial Net Debt
Financial investments			
Purchases of consolidated companies, after acquired cash	(73)	60	(13)
Purchases of investments in equity affiliates	-	-	-
Increase in financial assets	60	-	60
Total financial investments	***(13)***	***60***	***47***
Financial divestments			
Proceeds from sales of consolidated companies, after divested cash	(469)	469	-
Sales of investments in equity affiliates	-	-	-
Decrease in financial assets	(177)	8	(169)
Total financial divestments	***(646)***	***477***	***(169)***
Financial investment activities	**(659)**	**537**	**(122)**
Dividends received from equity affiliates	*(128)*	-	*(128)*
Dividends received from unconsolidated companies	-	-	-
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets	**€ (787)**	**€ 537**	**€ (250)**
Capital expenditures	477	-	477
Proceeds from sales of property, plant, equipment and intangible assets	(2)	-	(2)
Investing activities for the 1st quarter of 2007	**€ (312)**	**€ 537**	**€ 225**

(a) "Other" comprises commitments to purchase minority interests, derivative financial instruments and cash deposits backing borrowings.

4.4 Analysis of Financing Activities for the First Quarter Ended March 31, 2007

For the first quarter of 2007, cash flow used for financing activities amounted to €210 million compared to €288 million for the same period in 2006. It includes cash flows used for transactions with shareholders amounting to €312 million compared to €103 million for the first quarter of 2006 and net cash provided by refinancing activities amounting to €102 million compared to €185 million of cash used for the first quarter of 2006. After taking into account the non-cash transactions, the unfavorable effect of financing activities on Financial Net Debt amounted to €1,385 million.

For the first quarter in 2007, cash flows used for financing activities is broken down as follows:

- Cash used for transactions with shareholders mainly included the payment of a dividend by SFR, representing the balance for the year 2006 and an advance for the year 2007. This dividend amounts to €717 million, of which €316 million was paid to Vodafone and €401 million to Vivendi.
- Transactions on borrowings mainly included the issuance of treasury bonds (€146 million).

For the first quarter of 2007, the non-cash financing activities mainly included the accounting at a discounted value of the put options granted by Vivendi to TF1 and M6 on their stakes in Canal+ France (15%) for €1,011 million[15].

[15] *Please refer to Note 2.1 to the Condensed Financial Statements for the first quarter ended March 31, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".*

(In millions of euros)	Impact on cash and cash equivalents	Impact on borrowings and other (a)	Impact on Financial Net Debt
Dividends and other transactions with shareholders			
Net proceeds from issuance of common shares	-	-	-
(Sales) purchases of treasury shares	(4)	-	(4)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their minority shareholders	316	-	316
Total dividends and other transactions with shareholders	**€ 312**	**€ -**	**€ 312**
Transactions on borrowings and other financial liabilities			
Setting up of long-term borrowings and increase in other long-term financial liabilities	(11)	11	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities	12	(12)	-
Principal payments on short-term borrowings	29	(29)	-
Other changes in short-term borrowings and other short-term financial liabilities	(165)	165	-
Non cash transactions	-	1,040	1,040
Interest paid	39	-	39
Other cash items related to financing activities	(6)	-	(6)
Total transactions on borrowings and other financial liabilities	***(102)***	***1,175***	***1,073***
Financing activities for the 1st quarter of 2007	**€ 210**	**€ 1,175**	**€ 1,385**

(a) "Other" comprises commitments to purchase minority interests, derivative financial instruments and cash deposits backing borrowings.

5 FORWARD LOOKING STATEMENTS

This report 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 Vivendi's 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 Vivendi's 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 report 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.

6 DISCLAIMER

This report is an English translation of the French version of such report and is provided for informational purposes. This translation is qualified in its entirety by the French version which is available on the company's web site (www.vivendi.com). In the event of any inconsistencies between the French version of this report and the English translation, the French version will control.

II CONDENSED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2007 (Unaudited)

Condensed Statement of Earnings for the First Quarters Ended March 31, 2007 and March 31, 2006 (unaudited) and the Year Ended December 31, 2006

	Note	1st Quarter Ended March 31,				Year Ended	
		2007		2006		December 31, 2006	
Revenues		**€**	**5,020**	**€**	**4,766**	**€**	**20,044**
Cost of revenues			(2,273)		(2,332)		(9,636)
Selling, general and administrative expenses			(1,611)		(1,446)		(6,266)
Restructuring charges and other operating charges and income			78		2		5
Impairment losses of intangible assets acquired through business combinations			-		-		-
Earnings before interest and income taxes (EBIT)			**1,214**		**990**		**4,147**
Income from equity affiliates			82		68		337
Interest	4		(24)		(49)		(203)
Income from investments	4		2		12		54
Other financial charges and income	4		197		97		311
Earnings from continuing operations before provision for income taxes			**1,471**		**1,118**		**4,646**
Provision for income taxes	5		(224)		(141)		547
Earnings from continuing operations			**1,247**		**977**		**5,193**
Earnings from discontinued operations			-		-		-
Earnings			**1,247**		**977**		**5,193**
Attributable to :							
Equity holders of the parent		**€**	**932**	**€**	**707**	**€**	**4,033**
Minority interests			315		270		1,160
Earnings from continuing operations, attributable to the equity holders of the parent per share - basic	6	€	0.81	€	0.61	€	3.50
Earnings from continuing operations, attributable to the equity holders of the parent per share - diluted	6	€	0.80	€	0.61	€	3.47
Earnings from discontinued operations per share - basic	6	€	-	€	-	€	-
Earnings from discontinued operations per share - diluted	6	€	-	€	-	€	-
Earnings, attributable to the equity holders of the parent per share - basic	6	**€**	**0.81**	**€**	**0.61**	**€**	**3.50**
Earnings, attributable to the equity holders of the parent per share - diluted	6	€	0.80	€	0.61	€	3.47
Adjusted net income	6	**€**	**771**	**€**	**628**	**€**	**2,614**
Adjusted net income per share - basic	6	**€**	**0.67**	**€**	**0.55**	**€**	**2.27**
Adjusted net income per share - diluted	6	€	0.66	€	0.54	€	2.25

In millions of euros, except per share amounts, in euros

The accompanying notes are an integral part of these Condensed Financial Statements.

Condensed Statement of Financial Position as of March 31, 2007 (unaudited) and December 31, 2006

(In millions of euros)	Note	March 31, 2007	December 31, 2006
ASSETS			
Goodwill		€ 14,838	€ 13,068
Non-current content assets		2,086	2,120
Other intangible assets		2,468	2,262
Property, plant and equipment		4,407	4,379
Investments in equity affiliates		6,930	7,032
Non-current financial assets		3,013	3,164
Deferred tax assets		1,670	1,484
Non current assets		**35,412**	**33,509**
Inventories		401	358
Current tax receivables		619	617
Current content assets		768	842
Trade accounts receivable and other		4,026	4,489
Short-term financial assets		136	833
Cash and cash equivalents		3,640	2,400
Current assets		**9,590**	**9,539**
TOTAL ASSETS		**€ 45,002**	**€ 43,048**
EQUITY AND LIABILITIES			
Share capital		€ 6,357	€ 6,364
Additional paid-in capital		7,233	7,257
Treasury shares		(60)	(33)
Retained earnings and other		7,184	6,324
Equity, attributable to Vivendi's shareholders		**20,714**	**19,912**
Minority interests		2,279	1,952
Total equity		**22,993**	**21,864**
Non-current provisions		1,860	1,388
Long-term borrowings and other financial liabilities		5,787	4,714
Deferred tax liabilities		975	1,070
Other non-current liabilities		1,242	1,269
Non current liabilities		**9,864**	**8,441**
Current provisions		444	398
Short-term borrowings and other financial liabilities		2,763	2,601
Trade accounts payable and other		8,500	9,297
Current tax payables		438	447
Current liabilities		**12,145**	**12,743**
Total liabilities		**22,009**	**21,184**
Contractual obligations and contingent assets and liabilities	8	-	-
TOTAL EQUITY AND LIABILITIES		**€ 45,002**	**€ 43,048**

The accompanying notes are an integral part of these Condensed Financial Statements.

Condensed Statement of Cash Flows for the First Quarters Ended March 31, 2007 and March 31, 2006 (unaudited) and the Year Ended December 31, 2006

(In millions of euros)	Note	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Operating activities				
EBIT		€ 1,214	€ 990	€ 4,147
Adjustments	7	343	348	1,703
Content investments, net		(12)	64	(111)
Gross cash provided by operating activities before income tax paid		***1,545***	***1,402***	***5,739***
Other changes in net working capital		(35)	84	67
Net cash provided by operating activities before income tax paid		***1,510***	***1,486***	***5,806***
Income tax paid		(371)	(321)	(1,381)
Net cash provided by operating activities		**1,139**	**1,165**	**4,425**
Investing activities				
Capital expenditures		(477)	(506)	(1,690)
Purchases of consolidated companies, after acquired cash		73	(981)	(1,022)
Investments in equity affiliates		-	-	(724)
Increase in financial assets		(60)	(198)	(2,135)
Investments		***(464)***	***(1,685)***	***(5,571)***
Proceeds from sales of property, plant, equipment and intangible assets		2	3	45
Proceeds from sales of consolidated companies, after divested cash		469	(5)	7
Disposals of equity affiliates		-	42	42
Decrease in financial assets		177	230	1,752
Divestitures		***648***	***270***	***1,846***
Dividends received from equity affiliates		128	52	271
Dividends received from unconsolidated companies		-	6	34
Net cash provided by (used for) investing activities		**312**	**(1,357)**	**(3,420)**
Financing activities				
Net proceeds from issuance of common shares		-	1	60
Sales (purchases) of treasury shares		4	15	16
Dividends paid by Vivendi S.A. to its shareholders		-	-	(1,152)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their minority shareholders		(316)	(119)	(1,034)
Dividends and other transactions with shareholders		***(312)***	***(103)***	***(2,110)***
Setting up of long-term borrowings and increase in other long-term financial liabilities		11	-	1,919
Principal payments on long-term borrowings and decrease in other long-term financial liabilities		(12)	(128)	(576)
Principal payments on short-term borrowings		(29)	(219)	(723)
Other changes in short-term borrowings and other short-term financial liabilities		165	217	178
Interest paid		(39)	(49)	(203)
Other cash items related to financial activities		6	(6)	36
Transactions on borrowings and other financial liabilities		***102***	***(185)***	***631***
Net cash provided by (used for) financing activities		**(210)**	**(288)**	**(1,479)**
Foreign currency translation adjustments		(1)	(6)	(28)
Change in cash and cash equivalents		**1,240**	**(486)**	**(502)**
Cash and cash equivalents				
At beginning of the period		**2,400**	**2,902**	**2,902**
At end of the period		**€ 3,640**	**€ 2,416**	**€ 2,400**

The accompanying notes are an integral part of these Condensed Financial Statements.

Condensed Statement of Changes in Equity for the First Quarters Ended March 31, 2007 and March 31, 2006 (unaudited) and the Year Ended December 31, 2006

First Quarter Ended March 31, 2007

	Attributable to Vivendi S.A. shareholders									Minority interests	**Total equity**
	Common shares				Retained Earnings and Other						
	Number of shares	Amount	Additional paid-in capital	Treasury shares	Retained earnings	Net unrealized gains (losses)	Foreign currency translation adjustments	Total	**Equity, attributable to equity holders of the parent**		
(In millions of euros, except number of shares)	(In thousands)										
BALANCE AS OF DECEMBER 31, 2006	**€ 1,157,034**	**6,364**	**7,257**	**(33)**	**7,907**	**96**	**(1,679)**	**6,324**	**19,912**	**1,952**	**€ 21,864**
Treasury shares cancellation	(1,300) (a)	(7)	(24)	31	-	-	-	-	**-**	-	**-**
Other transactions with shareholders	-	-	-	(58)	7	-	-	7	**(51)**	-	**(51)**
Dividends and other transactions with Vivendi S.A. shareholders	**(1,300)**	**(7)**	**(24)**	**(27)**	**7**	**-**	**-**	**7**	**(51)**	**-**	**(51)**
Dividends	-	-	-	-	-	-	-	-	**-**	(118)	**(118)**
Other transactions with minority interests	-	-	-	-	-	-	-	-	**-**	134	**134**
Transactions with minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**16**
Earnings	-	-	-	-	932	-	-	932	**932**	315	**1,247**
Charges and income directly recognized in equity	-	-	-	-	22	33	(134)	(79)	**(79)**	(4)	**(83)**
Total recognized charges and income for the period	**-**	**-**	**-**	**-**	**954**	**33**	**(134)**	**853**	**853**	**311**	**1,164**
Total changes over the period	**(1,300)**	**(7)**	**(24)**	**(27)**	**961**	**33**	**(134)**	**860**	**802**	**327**	**1,129**
BALANCE AS OF MARCH 31, 2007	**€ 1,155,734**	**6,357**	**7,233**	**(60)**	**8,868**	**129**	**(1,813)**	**7,184**	**20,714**	**2,279** (b)	**€ 22,993**

The accompanying notes are an integral part of these Condensed Financial Statements.

(a) Results from the conversion of the former ADS option plans into SAR plans in May 2006.

(b) Includes cumulative foreign currency translation adjustments of -€41 million.

First Quarter Ended March 31, 2006

(In millions of euros, except number of shares)	Attributable to Vivendi S.A. shareholders									Minority interests	**Total equity**
	Common shares		Additional paid-in capital	Treasury shares	Retained Earnings and Other				**Equity, attributable to equity holders of the parent**		
	Number of shares (In thousands)	Amount			Retained earnings	Net unrealized gains (losses)	Foreign currency translation adjustments	Total			
BALANCE AS OF DECEMBER 31, 2005	**€ 1,153,477**	**€ 6,344**	**€ 6,939**	**€ (60)**	**€ 5,349**	**€ 899**	**€ (702)**	**€ 5,546**	**€ 18,769**	**€ 2,839**	**€ 21,608**
Dividends and other transactions with Vivendi S.A. shareholders	**-**	**-**	**-**	**9**	**6**	**-**	**-**	**6**	**15**	**-**	**15**
Acquisition of an additional 7.7% stake in USHI	-	-	-	-	-	-	-	-	**-**	(832)	**(832)**
Dividends	-	-	-	-	-	-	-	-	**-**	(393)	**(393)**
Other transactions with minority interests	-	-	-	-	-	-	-	-	**-**	(89)	**(89)**
Transactions with minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,314)**	**(1,314)**
Earnings	-	-	-	-	707	-	-	707	**707**	270	**977**
Charges and income directly recognized in equity	-	-	-	-	2	92	(128)	(34)	**(34)**	20	**(14)**
Total recognized charges and income for the period	**-**	**-**	**-**	**-**	**709**	**92**	**(128)**	**673**	**673**	**290**	**963**
Total changes over the period	**-**	**-**	**-**	**9**	**715**	**92**	**(128)**	**679**	**688**	**(1,024)**	**(336)**
BALANCE AS OF MARCH 31, 2006	**€ 1,153,477**	**6,344**	**6,939**	**(51)**	**6,064**	**991**	**(830)**	**6,225**	**19,457**	**1,815** (a)	**€ 21,272**

The accompanying notes are an integral part of these Condensed Financial Statements.

(a) Includes cumulative foreign currency translation adjustments of -€ 6 million.

Year Ended December 31, 2006

(In millions of euros, except number of shares)	Attributable to Vivendi S.A. shareholders									Minority interests	Total equity
	Common shares		Additional paid-in capital	Treasury shares	Retained Earnings and Other				Equity, attributable to equity holders of the parent		
	Number of shares (In thousands)	Amount			Retained earnings	Net unrealized gains (losses)	Foreign currency translation adjustments	Total			
BALANCE AS OF DECEMBER 31, 2005	**€ 1,153,477**	**6,344**	**6,939**	**(60)**	**5,349**	**899**	**(702)**	**5,546**	**18,769**	**2,839**	**€ 21,608**
Dividends paid by Vivendi S.A. (€1.0 per share)	-	-	-	-	(1,152) (a)	-	-	(1,152)	**(1,152)**	-	**(1,152)**
Repayment of Vivendi ExchangeCo shares	-	-	278	-	(278)	-	-	(278)	**-**	-	**-**
Other transactions with shareholders	3,557	20	40	27	(14)	-	-	(14)	**73**	-	**73**
Dividends and other transactions with Vivendi S.A. shareholders	**3,557**	**20**	**318**	**27**	**(1,444)**	**-**	**-**	**(1,444)**	**(1,079)**	**-**	**(1,079)**
Acquisition of an additional 7.7% stake in USHI	-	-	-	-	-	-	-	-	**-**	(832)	**(832)**
Dividends and reimbursements of contribution of capital paid by subsidiaries to minority interests	-	-	-	-	-	-	-	-	**-**	(1,232)	**(1,232)**
Other transactions with minority interests	-	-	-	-	-	-	-	-	**-**	22	**22**
Transactions with minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,042)**	**(2,042)**
Earnings	-	-	-	-	4,033	-	-	4,033	**4,033**	1,160	**5,193**
Charges and income directly recognized in equity	-	-	-	-	(31)	(803)	(977)	(1,811)	**(1,811)**	(5)	**(1,816)**
Total recognized charges and income for the period	**-**	**-**	**-**	**-**	**4,002**	**(803)**	**(977)**	**2,222**	**2,222**	**1,155**	**3,377**
Total changes over the period	**3,557**	**20**	**318**	**27**	**2,558**	**(803)**	**(977)**	**778**	**1,143**	**(887)**	**256**
BALANCE AS OF DECEMBER 31, 2006	**€ 1,157,034**	**6,364**	**7,257**	**(33)**	**7,907**	**96**	**(1,679)**	**6,324**	**19,912**	**1,952** (b)	**€ 21,864**

The accompanying notes are an integral part of these Condensed Financial Statements.

(a) Includes €5 million paid to shareholders of Vivendi Exchangeco (former Seagram shareholders).

(b) Includes cumulative foreign currency translation adjustments of -€36 million.

Statement of Recognized Charges and Income for the First Quarters Ended March 31, 2007 and March 31, 2006 (unaudited) and the Year Ended December 31, 2006

(In millions of euros)	1st Quarter Ended March 31, 2007			1st Quarter Ended March 31, 2006			Year Ended December 31, 2006		
	Charges and income recorded over the period	Attributable to Vivendi S.A.'s shareholders	Attributable to Minority interests	Charges and income recorded over the period	Attributable to Vivendi S.A.'s shareholders	Attributable to Minority interests	Charges and income recorded over the period	Attributable to Vivendi S.A.'s shareholders	Attributable to Minority interests
Net Income	**€ 1,247**	**€ 932**	**€ 315**	**€ 977**	**€ 707**	**€ 270**	**€ 5,193**	**€ 4,033**	**€ 1,160**
- Foreign currency translation adjustments	**(139)**	**(134)** (a)	**(5)**	**(139)**	**(128)** (a)	**(11)**	**(1,021)**	**(977)** (a)	**(44)**
. Assets available for sale	*29*	*29*	-	*95*	*95*	-	*(847)*	*(847)*	-
- Valuation gains/(losses) taken to equity	29	29	-	155	155	-	(7)	(7)	-
- Transferred to profit or loss on divestiture	-	-	-	(60)	(60)	-	(840)	(840)	-
. Cash flow hedges	*6*	*5*	*1*	*7*	*7*	-	*25*	*20*	*5*
. Tax	*(1)*	*(1)*	-	*(10)*	*(10)*	-	*23*	*24*	*(1)*
- Unrealized gains (losses)	**34**	**33**	**1**	**92**	**92**	**-**	**(799)**	**(803)**	**4**
. Charges and income directly recorded in equity related to equity affiliates	-	-	-	*9*	*9*	-	*5*	*5*	-
. Other	*22*	*22*	-	*24*	*(7)*	*31*	*(1)*	*(36)*	*35*
- Other impacts on retained earnings	**22**	**22**	**-**	**33**	**2**	**31**	**4**	**(31)**	**35**
Charges and income directly recognized in equity	**(83)**	**(79)**	**(4)**	**(14)**	**(34)**	**20**	**(1,816)**	**(1,811)**	**(5)**
Total recognized charges and income for the period	**€ 1,164**	**€ 853**	**€ 311**	**€ 963**	**€ 673**	**€ 290**	**€ 3,377**	**€ 2,222**	**€ 1,155**

(a) Includes changes in foreign currency translation adjustments relating to the investment in NBC Universal of -€58 million for the first quarter 2007, -€102 million for the first quarter 2006 and -€662 million as of December 31, 2006.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

On May 11, 2007, the Management Board approved the Financial Report and the Condensed Financial Statements for the first quarter ended March 31, 2007.

The unaudited Condensed Financial Statements for the first quarter ended March 31, 2007 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2006, as published in the 2006 "*Document de Référence*" (annual report) that was filed under number D.07-0240 with the "*Autorité des marchés financiers*" (AMF) on March 28, 2007 ("the 2006 *Document de Référence*").

Note 1. Accounting policies and valuation methods

1.1. Interim financial statements

The Condensed Financial Statements of Vivendi for the first quarter of 2007 are presented and have been prepared based on the provisions of IAS 34 "Interim financial reporting" as approved by the European Union. As a result, Vivendi applied the same accounting methods used for the Consolidated Financial Statements for the year ended December 31, 2006 (please refer to Note 1 "Accounting policies and valuation methods" presented in those financial statements) and the following provisions were applied:

- Provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to the pre-tax earnings adjusted for any items subjected to a lower tax rate. However, where a lower tax rate is applicable, the current rate has been used for the calculation. The assessment of the annual effective tax rate takes into consideration notably the recognition of anticipated deferred tax assets for the full year which were not previously recognized.
- Compensation costs recorded for stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for non-recurring events which occurred over the period, if necessary.

The accompanying Condensed Financial Statements for the first quarter ended March 31, 2007 are unaudited but, in the opinion of Vivendi Management, contain all items (consisting of normal recurring accruals) considered necessary to present a fair statement of the group's financial position, the results of operations and cash flows for the period.

1.2. New IFRS applicable as of January 1, 2007

The new IFRS applicable as of January 1, 2007, as described in Note 1.5 to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006, were not applicable to the period.

1.3. Changes in the presentation

1.3.1 Changes in the presentation of the operating performance of the group as of June 30, 2006

Beginning June 30, 2006, Vivendi has made changes 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 segments and of the group. Please refer to Note 1 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2006.

a) Presentation of the consolidated statement of earnings and the consolidated statement of cash flows

- Simplification of the consolidated statement of earnings' presentation by eliminating certain subtotals which were not currently used by Vivendi Management and henceforth presenting a subtotal known as "EBIT". EBIT is defined as the difference between charges and income that do not result from financial activities, equity affiliates, discontinued operations and income tax.
- As a result, the presentation of the consolidated statement of cash flows has been modified in accordance with IAS 7. In particular, net cash provided by operating activities is henceforth calculated using the indirect method based on EBIT instead of earnings.

b) Presentation of operating performance by business segment and of the group

- Replacement of earnings from operations (EFO) with adjusted earnings before interest and income taxes (EBITA) as the key operating performance measure of the business units reported in the segment data: the difference between EBITA and EFO, as previously published, is due to the amortization of intangible assets acquired through business combinations that is excluded from EBITA.
- The difference between EBITA and EBIT is due to the amortization of intangible assets acquired through business combinations and the impairment losses of goodwill and other intangibles acquired through business combinations that are included in EBIT.
- Accordingly, the definition of adjusted net income has been modified to exclude the amortization of intangible assets acquired through business combinations, as it is presently the case for impairment losses of goodwill, or other intangibles acquired through business combinations, which have always been excluded from the definition.

Pursuant to IAS 1, Vivendi has applied these presentation changes to all the periods presented.

Reconciliation of earnings from operations and EBITA by business segment for the first quarter of 2006: please refer to Note 3 "Segment data".

Summary of effect of changes in presentation regarding adjusted net income for the first quarter of 2006:

(in millions of euros)		1st Quarter Ended March 31, 2006
Adjusted net income as previously published	**€**	**592**
Reversal of amortization of intangible assets acquired through business combinations		57
Related tax impacts		(20)
Minority interests		(1)
Adjusted net income (new definition)	**€**	**628**

1.3.2 Changes in the presentation of costs for the Canal+ Group beginning January 1, 2007

Beginning January 1, 2007, in order to be consistent with the accounting practices of other business segments, 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. Pursuant to IAS 1, Vivendi has applied these presentation changes to all the periods presented in these financial statements. The reclassified costs amounted to €108 million and €510 million for the first quarter of 2006 and the year ended December 31, 2006, respectively.

Note 2. Changes in the Scope of Consolidation for the First Quarter Ended March 31, 2007

2.1. Combination of the Canal+ Group and TPS pay-TV activities in France

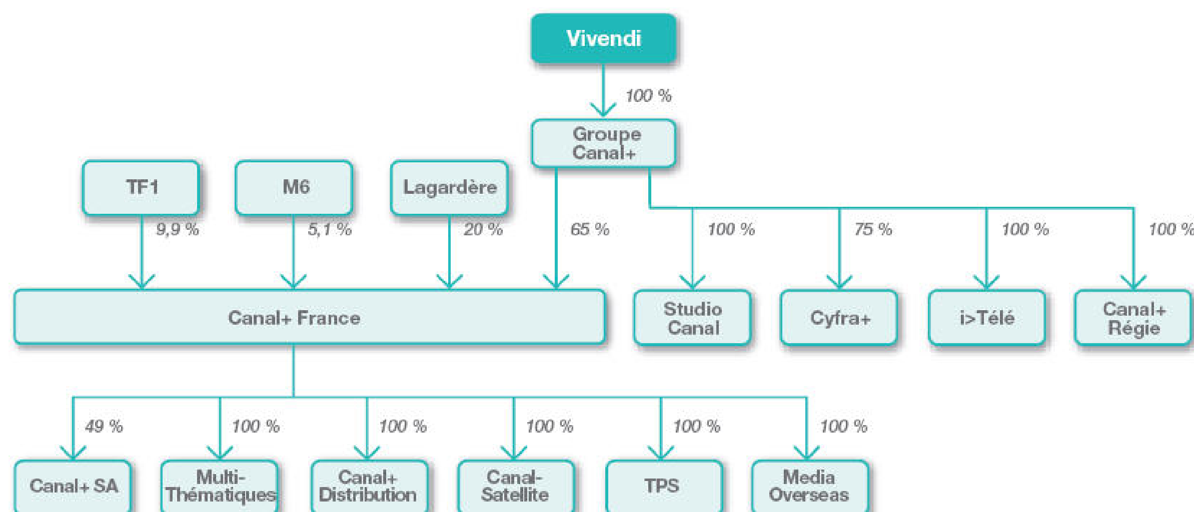
The combination of the Canal+ Group and TPS pay-TV activities in France was completed on January 4, 2007. At that date, TF1 and M6 contributed TPS in exchange for 15% of Canal+ France (9.9% and 5.1%, respectively). At the same time, Lagardère transferred its 34% stake in CanalSatellite in exchange for 10.18% of Canal+ France. Upon completion of this contribution and considering the €469 million cash consideration paid in December 2006, Lagardère holds a 20% interest in Canal+ France. Details of these transactions and the preliminary transactions that occurred during the fourth quarter of 2006 are presented in Note 2.1 from the Consolidated Financial Statements for the year ended December 31, 2006 as published in the 2006 Annual Report ("*Document de Référence*").

<u>These transactions can be summarized as follows:</u>

- TF1 and M6 contributed 100% of TPS in exchange for 15% of Canal+ France. From an accounting standpoint, this contribution is treated as the acquisition by Vivendi and Canal+ Group of 85% of TPS and the sale of 15% of Canal+ France to TF1 and M6 (including the additional investment in CanalSatellite, purchased at the same time from Lagardère, see below).
- Lagardère contributed its 34% equity interest in CanalSatellite and a cash consideration of €469 million, in exchange for 20% of Canal+ France. From an accounting standpoint, this transaction is considered as the acquisition of minority interests in CanalSatellite, on which Canal+ France exercises full control, and the sale of 20% of Canal+ France to Lagardère.

– In addition, Vivendi, Canal+ Group, Lagardère, TF1 and M6 entered into certain other agreements, such as put options granted by Vivendi and Canal+ Group to TF1 and M6 on their stake in Canal+ France, a call option granted by Vivendi and Canal+ Group to Lagardère as well as some other contractual commitments which are not recorded in the statement of financial position, as described below.

The organizational chart of the new entity is as follows:



The effect of the combination on the condensed financial statements as of March 31, 2007 can be summarized as follows:

– Acquisition of 85% of TPS from TF1 and M6

Canal+ France fully consolidates TPS since January 4, 2007, on which date TF1 and M6 contributed to Canal+ France 100% of TPS Gestion, a company which wholly-owns TPS. From this date, Vivendi and Canal+ Group can exercise their shareholders' rights and therefore has the power to govern the financial and operational policies of TPS to obtain benefit from its operations. Giving this, Vivendi and Canal+ Group exercise full control on TPS from January 4, 2007.

TF1 and M6 contributed to Canal+ France 100% of the share capital of TPS Gestion, a company which wholly-owns TPS SNC. Such contribution was valued at €900 million for 100% of TPS. The purchase price of 85% of TPS (€786 million) was determined on the basis of the fair value of the TPS shares contributed by TF1 and M6, plus the costs directly attributable to the acquisition. In accordance with the accounting standards applicable to business combinations, Canal+ France has performed a preliminary allocation of the purchase price, in order to determine the fair value of identifiable assets acquired and liabilities incurred or assumed, based on analyses and appraisals performed by Canal+ France. The final allocation of the purchase price will be completed within the 12-month period prescribed by accounting standards and may significantly differ from the preliminary allocation, which can be summarized as follows:

(in millions of euros)	**January 4th, 2007**
Net carrying value of TPS'net assets	(119)
Customer list (a)	150
TPS trade name (b)	25
Assumed liabilities related to broadcasting rights and fair value adjustments to other long term contracts (c)	(475)
Deferred tax assets, net	120
Others, nets	1
Fair value of TPS'net assets	(298)
Fair value of TPS'net assets acquired (85 %)	**(254)**
Goodwill (d)	**1,040**
Purchase price of 85 % of TPS	**786**

(a) The fair value of the customer list has been assessed using the "Income Approach", on the basis of the discounted value of expected revenues attributable to existing customers at the acquisition date. The present value of the estimated future cash flows has been determined using a discount rate of return that considers the relative risk of achieving these cash-flows and the time value of money. This discount rate is consistent with the rate used by Vivendi for the purpose of evaluating similar businesses of Canal+ Group. This intangible asset is amortized over 5 years, based on the churn rate used for valuation purposes.

(b) The TPS trade name has been valued based on the "royalty relief" method, which involves assessing the royalties that would have been paid to third parties for the use of the trade name had Vivendi not owned it. The present value of the estimated future cash flows has been determined using a discount rate of return consistent with the rate used by Vivendi for the purpose of evaluating similar businesses of Canal+ Group.

(c) Corresponds to liabilities incurred in connexion with the business combination and mainly relating to "broadcasting rights" as well as the fair value adjustment of other long-term contractual commitments.

(d) The residual goodwill reflects the expected synergies of costs and revenues.

– Sale of 15% interest in Canal+ France to TF1 and M6.

In accordance with accounting standards, the sale to TF1 and M6 of a 15% interest in the share capital of Canal+ France had no impact on earnings considering the put options granted at the same time to TF1 and M6 on such interest in Canal+ France. The dilution gain (€156 million) has been accounted for against the goodwill generated by the recognition of these put options (please see below).

– Acquisition by Canal+ France from Lagardère of 80% of its 34% in CanalSatellite, in exchange for 10.18% of Canal+ France and for 20% of TPS.

Lagardère Active contributed to Canal+ France its 24% interest in CanalSatellite and 100% of its interest in Lagardère Television Holdings S.A., which owns 10% of CanalSatellite's share capital. This contribution of assets was valued at €891 million and paid for in Canal+ France shares (10.18%). Upon completion of this contribution of assets and considering the Canal+ France shares acquired on December 19, 2006, Lagardère Active holds an interest of 20% in the share capital of Canal+ France. This transaction was completed as follows:

- The acquisition of the 34% stake in CanalSatellite, a company controlled by Canal+ France, was treated as the purchase of minority interests and resulted in €694 million goodwill.

- The 10.18% dilution of Canal+ Group in Canal+ France resulted in a dilution gain of €239 million. As a reminder, on December 19, 2006, Canal+ Group sold 9.8% of Canal+ France to Lagardère Active (without TPS and with 66% of CanalSatellite) for a total cash consideration of €469 million. This disposal resulted in a capital gain of €128 million, which was recorded in 2006 earnings.

– TF1's and M6's put options

Each TF1 and M6 were granted by Vivendi a put option on their shares in Canal+ France. These options are exercisable in February 2010 at fair market value, to be determined by a third-party expert, with a floor of €1,130 million for 15% of Canal+ France (corresponding to a valuation of €7.5 billion for 100% of Canal+ France). This commitment of Vivendi to purchase minority interests was accounted for in long term financial liabilities on January 4, 2007 for its present value, mainly against goodwill. As of March 31, 2007, the present value of this commitment amounted to €1,011 million.

– Other items

The payback of the €150 million advance paid by Vivendi in January 2006 to TF1 and M6 as well as the unwinding of the €469 million cash collateral established in December 2006 were completed on January 4, 2007.

In addition, this combination has generated the following contractual commitments, which are not recorded in the statement of financial position:

– Lagardère's call option

Lagardère was granted a call option by Canal+ Group pursuant to which Lagardère may increase to 34% the level of its equity interest in Canal+ France. The option is exercisable in October 2009 at fair market value, to be determined by an expert (which exercise price will be the same as the exercise price of the put options held by TF1 and M6 if one and/or the other is exercised) with a floor of €1,055 million for 14% of Canal+ France (corresponding to a valuation of €7.5 billion for 100% of Canal+ France). If Lagardère decides to exercise such call option, the transaction would take place following the exercise (or failing that, the lapse) of the put options held by TF1 and M6. As of March 31, 2007, the present value of this received commitment amounted to €944 million.

- Shareholders' Agreement between Vivendi, TF1 and M6, strategic Agreements between Vivendi, Canal+ Group, Lagardère and Lagardère Active, dated as of January 4, 2007 and the commitments undertook by Vivendi and Groupe Canal+ in connection with the authorization of the combination, pursuant to the merger control regulations, by a decision of the French Minister of the Economy, Finance and Industry: see Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2006**.**

- Vendor warranties received from TF1 and M6

Canal+ Group and Vivendi received vendor warranties from TF1 and M6 capped at €112 million (excluding exemption).

- TPS commitments

As of March 31, 2007, contractual content commitments and other long term obligations of TPS amounted to less than €800 million. They are mainly composed of film and television rights and satellite capacity contracts. Some of these film and television rights were recorded as liabilities in the statement of financial position as part of the preliminary purchase price allocation of TPS by Canal+ France (see above).

As a reminder, Vivendi granted a counter guarantee in favour of TF1 and M6 in order to assume commitments and guarantees made by TF1 and M6 in connection with TPS's liabilities. Vivendi has also guaranteed TF1's commitments and guarantees in connection with an output arrangement between TF1 and The Weinstein Company. Such arrangement was transferred to TPS on January 4, 2007. These counter guarantees, which represent an amount of €300 million, are intended to remain in place so long as TPS' obligations guaranteed by TF1 and M6 remain outstanding.

2.2. Acquisition of a 51% stake in Onatel in Burkina Faso by Maroc Telecom

In December 2006, following the completion of a bidding process, Maroc Telecom acquired a 51% stake in Onatel, the national telecommunications operator in Burkina Faso for a purchase price of €222 million (including acquisition fees). Onatel has been fully consolidated since January 1st, 2007. Until now, the goodwill is estimated at €180 million. The allocation of the purchase price will be finalized within the 12-month period prescribed by accounting standards.

(in millions of euros)	January 1st, 2007
Net assets acquired	42
Estimated goodwill	180
Purchase price	**€ 222**

Note 3. Segment data

The group operates through five different entertainment businesses: Universal Music Group, the Canal+ Group, SFR, Maroc Telecom, and Vivendi Games.

Condensed Statement of Earnings for the first quarters ended March 31, 2007 and March 31, 2006

1st Quarter Ended March 31, 2007 (In millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom	Vivendi Games	Holding & Corporate	Non core operations	Eliminations	**Total Vivendi**
External revenues	€ 1,025	€ 1,059	€ 2,095	€ 546	€ 291	€ -	€ 4	€ -	€ 5,020
Inter-segments revenues	2	8	1	4	-	-	-	(15)	-
Revenues	**€ 1,027**	**€ 1,067**	**€ 2,096**	**€ 550**	**€ 291**	**€ -**	**€ 4**	**€ (15)**	**€ 5,020**
Operating expenses excluding amortization and depreciation	(960)	(861)	(1,236)	(223)	(168)	(23)	(6)	15	(3,462)
Sub-total (EBITDA)	**€ 67**	**€ 206**	**€ 860**	**€ 327**	**€ 123**	**€ (23)**	**€ (2)**	**€ -**	**€ 1,558**
Restructuring charges	1	-	-	-	-	(1)	-	-	-
Gains (losses) on tangible and intangible assets	1	-	(2)	-	(1)	-	-	-	(2)
Other non recurring items	(1)	-	-	-	-	72	6	-	77
Depreciation of tangible assets	(11)	(30)	(131)	(56)	(9)	(2)	(3)	-	(242)
Amortization of intangible assets excluding those acquired through business combinations	-	(12)	(84)	(15)	(6)	-	-	-	(117)
Adjusted earnings before interest and income taxes (EBITA)	**€ 57**	**€ 164**	**€ 643**	**€ 256**	**€ 107**	**€ 46**	**€ 1**	**€ -**	**€ 1,274**
Amortization of intangible assets acquired through business combinations	(47)	(7)	-	(6)	-	-	-	-	(60)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**€ 10**	**€ 157**	**€ 643**	**€ 250**	**€ 107**	**€ 46**	**€ 1**	**€ -**	**€ 1,214**
Income from equity affiliates									82
Interest									(24)
Income from investments									2
Other financial charges and income									197
Provision for income taxes									(224)
Earnings from discontinued operations									-
Earnings									**€ 1,247**
Attributable to :									
Equity holders of the parent									**932**
Minority interests									315

1st Quarter Ended March 31, 2006 (In millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom	Vivendi Games	Holding & Corporate	Non core operations	Eliminations	**Total Vivendi**
External revenues	€ 1,122	€ 886	€ 2,134	€ 480	€ 134	€ -	€ 10	€ -	€ 4,766
Inter-segments revenues	3	13	1	3	-	-	2	(22)	-
Revenues	**€ 1,125**	**€ 899**	**€ 2,135**	**€ 483**	**€ 134**	**€ -**	**€ 12**	**€ (22)**	**€ 4,766**
Operating expenses excluding amortization and depreciation	(964)	(822)	(1,270)	(209)	(104)	(39)	(11)	22	(3,397)
Sub-total (EBITDA)	**€ 161**	**€ 77**	**€ 865**	**€ 274**	**€ 30**	**€ (39)**	**€ 1**	**€ -**	**€ 1,369**
Restructuring charges	(6)	-	-	(1)	-	-	-	-	(7)
Gain (losses) on tangible and intangible assets	-	-	(2)	-	-	-	(1)	-	(3)
Other non recurring items	-	-	-	-	-	5	10	-	15
Depreciation of tangible assets	(14)	(26)	(128)	(48)	(5)	(2)	(3)	-	(226)
Amortization of intangible assets excluding those acquired through business combinations	-	(18)	(69)	(12)	(2)	-	-	-	(101)
Adjusted earnings before interest and income taxes (EBITA)	**€ 141**	**€ 33**	**€ 666**	**€ 213**	**€ 23**	**€ (36)**	**€ 7**	**€ -**	**€ 1,047**
Amortization of intangible assets acquired through business combinations	(51)	-	-	(6)	-	-	-	-	(57)
Earnings from operations	**€ 90**	**€ 33**	**€ 666**	**€ 207**	**€ 23**	**€ (36)**	**€ 7**	**€ -**	**€ 990**
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**€ 90**	**€ 33**	**€ 666**	**€ 207**	**€ 23**	**€ (36)**	**€ 7**	**€ -**	**€ 990**
Income from equity affiliates									68
Interest									(49)
Income from investments									12
Other financial charges and income									97
Provision for income taxes									(141)
Earnings from discontinued operations									-
Earnings									**€ 977**
Attributable to :									
Equity holders of the parent									**707**
Minority interests									270

Note 4. Financial Charges and Income for the First Quarters Ended March 31, 2007 and March 31, 2006 and the Year Ended December 31, 2006

4.1. Interest

(In millions of euros)	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Interest expense on borrowings	€ (73)	€ (71)	€ (286)
Capitalized interest relating to the acquisition of BMG Publising	15	-	3
Interest income from cash and cash equivalents	34	22	80
Interest at nominal rate	**€ (24)**	**€ (49)**	**€ (203)**
Impacts of amortized cost on borrowings (a)	*(7)*	*(6)*	*(26)*
Interest at effective rate	***(31)***	***(55)***	***(229)***

(a) Impact of amortized cost on borrowings is recorded under "other financial charges". Please refer to Note 4.3 hereafter. This impact represents the difference between the interest at nominal rate and the interest at effective rate (please refer to Note 1.3.7 "Financial liabilities" to the Consolidated Financial Statements for the year ended December 31, 2006).

4.2. Income from investments

(In millions of euros)	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Dividends received from non consolidated companies	€ -	€ 6	€ 36
Interest income from loans to equity affiliates and other financial receivables	2	6	18
Income from investments	**€ 2**	**€ 12**	**€ 54**

4.3. Other financial charges and income

(In millions of euros)	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Other capital gain on the divestiture of businesses	€ 241 (a)	€ 57	€ 189
Downside adjustment on the divestiture of businesses	-	(1)	(104)
Other capital gain on financial investments	-	81	932
Downside adjustment on financial investments	(1)	(3)	(631)
Financial components of employee benefits	(7)	(9)	(32)
Impacts of amortized cost on borrowings	(7)	(6)	(26)
Change in derivative instruments	(14)	3	24
Other	(15)	(25)	(41)
Other financial charges and income	**€ 197**	**€ 97**	**€ 311**

(a) Includes the dilution profit (€239 million) linked to the sale of a 10.18% equity interest in Canal+ France to Lagardère (please refer to Note 2.1).

Note 5. Income Taxes for the First Quarters Ended March 31, 2007 and March 31, 2006 and the Year Ended December 31, 2006

(In millions of euros)	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Provision for income taxes:			
Impact of the Consolidated Global Profit Tax System	€ 132 (a)	€ 148	€ 561
DuPont shares litigation settlement	-	-	1,082
Other components of the provision for income taxes	(356)	(289)	(1,096)
Provision for income taxes	**€ (224)**	**€ (141)**	**€ 547**

(a) Corresponding to 25% of the expected tax savings relating to the 2008 fiscal year.

Note 6. Earnings per Share for the First Quarters Ended March 31, 2007 and March 31, 2006 and the Year Ended December 31, 2006

	1st Quarter Ended March 31,				Year Ended December 31,	
	2007		2006		2006	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings from continuing operations, attributable to the equity holders of the parent	€ 932	€ 932	€ 707	€ 707	€ 4,033	€ 4,033
Earnings from discontinued operations	-	-	-	-	-	-
Earnings, attributable to the equity holders of the parent	932	932	707	707	4,033	4,033
Adjusted net income	771	771	628	628	2,614	2,614
Weighted average number of shares (in millions)	1,155.0	1,166.1	1,151.6	1,161.6	1,153.4	1,162.4
Earnings per share (in euros)						
Earnings from continuing operations, attributable to the equity holders of the parent per share	€ 0.81	€ 0.80	€ 0.61	€ 0.61	€ 3.50	€ 3.47
Earnings from discontinued operations per share	€ -	€ -	€ -	€ -	€ -	€ -
Earnings, attributable to the equity holders of the parent per share	€ 0.81	€ 0.80	€ 0.61	€ 0.61	€ 3.50	€ 3.47
Adjusted net income per share	€ 0.67	€ 0.66	€ 0.55	€ 0.54	€ 2.27	€ 2.25

Reconciliation of earnings, attributable to equity holders of the parent and adjusted net income is as follows:

(In millions of euros)	Note	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Earnings, attributable to equity holders of the parent (a)		**€ 932**	**€ 707**	**€ 4,033**
Adjustments				
Amortization of intangible assets acquired through business combinations		60	57	223
Impairment losses of intangible assets acquired through business combinations (a)		-	-	-
Other financial charges and income (a)	4.3	(197)	(97)	(311)
Earnings from discontinued operations (a)		-	-	-
Deferred tax asset related to the Consolidated Global Profit Tax System		2	(3)	43
Non recurring items related to provision for income taxes		-	(14)	(1,284) (b)
Provision for income taxes on adjustments		(24)	(20)	(83)
Minority interests in adjustments		(2)	(2)	(7)
Adjusted net income		**€ 771**	**€ 628**	**€ 2,614**

(a) As presented in the consolidated statement of earnings.

(b) Corresponds mainly to the reversal of tax liabilities relating to risks extinguished over the period.

The number of shares used in the calculation of earnings per share is as follows:

(In number of shares)	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2006	Year Ended December 31, 2006
Weighted average number of shares outstanding over the period	**1,157,019,287**	**1,153,561,893**	**1,154,793,341**
Treasury shares at the end of the period	(1,969,564)	(1,919,878)	(1,379,953)
Weighted average number of shares outstanding restated over the period	**1,155,049,723**	**1,151,642,015**	**1,153,413,388**
Potential dilutive effect :			
- Vivendi stock option plans	10,406,040	9,922,018	8,499,531
- Vivendi stock plans	603,650	-	535,184
Potential dilutive effect of financial instruments outstanding	**11,009,690**	**9,922,018**	**9,034,715**
Weighted average number of shares after potential dilutive effect	**1,166,059,413**	**1,161,564,033**	**1,162,448,103**

Note 7. Adjustments of the Condensed Statements of Cash Flows for the First Quarters Ended March 31, 2007 and March 31, 2006 and the Year Ended December 31, 2006

(In millions of euros)	1st Quarter Ended March 31, 2007		1st Quarter Ended March 31, 2006		Year Ended December 31, 2006	
Items related to operating activities with no cash impact						
Amortization and depreciation of tangible and intangible assets	€	419	€	384	€	1,580
Change in provision, net		(77)		(23)		80
Gains (losses) on tangible and intangible assets		(1)		(16)		11
Items related to investing and financing activities						
Proceeds from sales of property, plant, equipment and intangibles assets		2		3		32
Adjustments	**€**	**343**	**€**	**348**	**€**	**1,703**

Note 8. Contractual Obligations and Contingent Assets and Liabilities

The following note should be read in conjunction with Note 29 "Contractual obligations and contingent assets and liabilities" to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006, as published in the 2006 *Document de Référence* (annual report).

The main contractual or amended commitments undertaken during the first quarter ended March 31, 2007 and their impact on the Condensed Financial Statements are described below.

- Commitments regarding the combination of the Canal+ Group and TPS pay-TV activities in France: please refer to Note 2.1.
- ***New satellite capacity contract by Canal+ Group***: please refer to Note 32 to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006.
- ***Commitments related to transactions underway as of March 31, 2007.***

As of March 31, 2007, Vivendi was involved in the acquisition of various companies, the completion of which is subject to the approval of competition authorities or to consultation with the relevant labor relations and employee representative committees. These companies mainly include:

- The music publishing activities of the Bertelsmann Group (BMG Music Publishing Group, BMGP), and
- The fixed telephony and broadband activities of Télé2 France: the European Commission announced on March 20, 2007 that the transaction will be subject to a Phase II inquiry. The decision will be taken no later than August 2, 2007.

Note 9. Litigations

Vivendi is subject to various litigations, arbitrations or administrative proceedings in the normal course of its business.

Some litigation in which Vivendi or its subsidiaries are defendants are described in the 2006 "*Document de Référence*" (annual report). The following paragraphs update those disclosures through May 11, 2007, day of the Management Board meeting held to approve Vivendi's financial statements for the period ended on March 31, 2007.

To the Company's knowledge, there are no legal or arbitration proceedings or any facts of an exceptional nature which may have or have had in the recent past a significant effect on the company and on its group's financial position, profit, business and property.

AMF Investigation in Connection with the Issuance of Mandatorily Redeemable Notes (ORA) in November 2002

On January 18, 2005, Vivendi was served with a notice of complaint issued by the AMF following the inquiry made into observed movements in the Vivendi share price at the time of the issuance of notes mandatorily redeemable for new shares of Vivendi in November 2002.

Vivendi challenged the allegations before the Sanctions Commission of the AMF (Commission des Sanctions).

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi, Messrs. Jean-Marie Messier and Guillaume Hannezo in the United States District Court for the Southern District of New York and in the United States District Court for the Central District of California. On September 30, 2002, the New York court decided to consolidate these claims in a single action under its jurisdiction entitled In re Vivendi Universal S.A. Securities Litigation.

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934. On January 7, 2003, they filed a consolidated class action suit that may benefit potential groups of shareholders. Damages of unspecified amount are claimed. Vivendi contests these allegations.

The proceedings are currently in the stage of discovery in which the plaintiffs have to prove a violation that caused a loss to the shareholders.

In parallel with these proceedings, the Court, on March 22, 2007, has decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that the persons from the United States, France, England and the Netherlands who purchased or acquired shares or ADS of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class. On April 9, 2007, Vivendi filed an appeal against this decision. On May 8, 2007, the United States Court of Appeals for the Second Circuit denied both Vivendi's and some other plaintiffs' petitions seeking review of the district court's decision with respect to class certification.

French Competition Council – Mobile Telephone Market

On December 1, 2005, the French Competition Council issued an order against French mobile telephone operators in respect of the operation of the mobile telephone market, principally during the period 2000-2002. The resulting fine paid by SFR amounted to €220 million was entered in SFR's accounts as an expense and was paid during the 2005 fiscal year. On February 9, 2006, SFR appealed this order. The hearings before the Court of Appeal were held on September 12, 2006. On December 12, 2006, the Paris Court of Appeal confirmed the French Competition Council's order and dismissed the claim brought by UFC-QUE CHOISIR association to have the case submitted to the Public Prosecutor. On January 11, 2007, SFR, as well as Bouygues Telecom and Orange, appealed this decision before the French Supreme Court (Cour de Cassation).

The hearing is scheduled for June 26, 2007.

SFR is involved in contentious proceedings connected with this order brought by customers and consumer associations before the Commercial Court of Paris. Since SFR is challenging the merits of these proceedings, it is not in a position to determine the potential impact of their outcome.

Furthermore, SFR is involved in other contentious proceedings commenced in connection with competition law, proceedings which are often common with other telephone operators. The management of SFR is not in a position to determine the potential impact of the outcome of these proceedings and, consequently, has made no provision in its accounts in this respect.

Note 10. Subsequent Events

The main events that occurred since March 31, 2007, were as follows:

- **Dividend paid with respect to fiscal year 2006**. At the Annual Shareholders' Meeting held on April 19, 2007, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2006. As a result, the dividend was set at €1.20 per share, representing a total distribution of €1,387 million and was paid on April 26, 2007.
- **Voluntary redundancy plan at the Canal+ Group level,** described in Note 32 to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006. Pursuant to the method agreement, the Works Councils issued their opinion on April 6, 2007 and the new organization is therefore being implemented. Given the existence of a number of vacant positions within Canal+ and TPS, the plan could result in 128 employees leaving the company.