Financial Report and Unaudited Condensed Financial Statements for the First Quarter Ended March 31, 2008

VIVENDI

Société anonyme with a Management Board and Supervisory Board with a share capital of €6,406,087,710.00

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Selected Key Consolidated Financial Data

	1st Quarter Ended March 31,		Year Ended December 31,			
Consolidated data	2008	2007	2007	2006	2005	2004
Revenues	5,280	5,020	21,657	20,044	19,484	17,883
EBITA (a)	1,203	1,274	4,721	4,370	3,985	3,504
Earnings attributable to equity holders of the Parent	555	932	2,625	4,033	3,154	3,767
Adjusted net income (a)	697	771	2,832	2,614	2,218	1,498
Financial Net Debt (a)	4,832	4,820	5,186	4,344	3,768	4,724
Equity	22,020	22,993	22,242	21,864	21,608	18,092
o/w attributable to equity holders of the Parent	19,872	20,714	20,342	19,912	18,769	15,449
Cash flow from operations (CFFO) (a)	1,087	1,163	4,881	4,466	4,157	4,354
Capital expenditures, net (capex, net) (b)	538	475	1,626	1,645	1,291	1,004
Financial investments	138	(13)	846	3,881	1,481	394
Financial divestments	(288)	(646)	(456)	(1,801)	(155)	(5,264)
Dividends paid with respect to previous fiscal year	na* (c)	na*	1,387	1,152	689	-
Per share amounts						
Weighted average number of shares outstanding	1,164.7	1,155.0	1,160.2	1,153.4	1,149.6	1,144.4 (d)
Adjusted net income per share	**0.60**	**0.67**	**2.44**	**2.27**	**1.93**	**1.31**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,164.7	1,153.8	1,164.7	1,155.7	1,151.0	1,144.9 (d)
Equity per share, attributable to equity holders of the Parent	17.06	17.95	17.47	17.23	16.31	13.49
Dividends per share with respect to previous fiscal year	**na*** (c)	**na***	**1.20**	**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 that the non-GAAP measures EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are relevant indicators of the group's operating and financial performance. Each of the indicators is defined in the appropriate section of the Financial Report or in the notes to the Condensed Financial Statements for the first quarter ended March 31, 2008. 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 Condensed Financial Statements and the related notes, or described in the Financial Report. Moreover it should be emphasized that other companies may define and calculate these indicators differently than Vivendi, thereby affecting comparability.

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

c. The dividend for fiscal year 2007 was set at €1.30 per share, representing a total distribution of approximately €1.5 billion and will be paid beginning May 14, 2008.

d. Includes shares to be issued under notes mandatory redeemable for new Vivendi shares which matured on November 2005.

I - Financial Report for the First Quarter Ended March 31, 2008

Preliminary comments:

The Financial Report and the Unaudited Condensed Financial Statements for the first quarter ended March 31, 2008 were approved by Vivendi's Management Board on May 13, 2008.

The Financial Report for the first quarter ended March 31, 2008 should be read in conjunction with the Financial Report for the year ended December 31, 2007 as published in the 2007 "Rapport annuel - Document de référence" that was filed under number D.08-131 with the "Autorité des marchés financiers" (AMF) on March 18, 2008 (the "Document de référence"). Please also refer to pages 130 to 160 of the English translation[1] of the "Document de Référence" (the "2007 Annual Report") which is provided on our website (www.vivendi.com) for informational purposes.

1 Main Developments

1.1 Main Developments for the First Quarter of 2008

1.1.1 ACQUISITIONS/DIVESTITURES OF INVESTMENTS

Sales of certain music publishing catalogs by UMG: On February 25, 2008, UMG completed the sale of certain music publishing catalogs including Rondor UK, Zomba UK, 19 Music, 19 Songs and BBC Catalog, to CP Masters BV and ABP, thus complying with the European Commission mandated conditions of the acquisition of BMG Music Publishing by UMG. For a detailed description of this transaction, please refer to Note 2.4 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 188 of the 2007 Annual Report).

1.1.2 OTHER

Results of the League 1 soccer bidding process: On February 6, 2008, following the completion of a bidding process, the French Professional Football League awarded Canal+ Group nine out of the ten television lots offered for League 1 broadcasting rights (2008-2009 to 2011-2012). Canal+ Group will therefore continue to broadcast all League 1 football events on its channels. Each season these events will notably include all matches of all League 1 clubs, the top ten matches of the season, the Sunday night match fixture, multiplex programs to open and close the championship, and all informational programs. Canal+ Group will pay €465 million per season for these rights (compared to €600 million for each of the last three seasons), representing an aggregate of €1,860 million for the four coming seasons. As of the date of this Financial Report, the new contracts have not yet been signed.

New borrowings (please refer to Section 5.3.1 of this Financial Report)**:**

- Vivendi obtained a €3.5 billion syndicated loan; and
- Vivendi raised $1.4 billion through the issuance of U.S. dollar notes.

Launch of zaOza: At the end of March, the zaOza offer was launched in France. It allows subscribers to share and to have an unlimited access on both PC and mobile telephone screens to new and exclusive content (music, games and videos) for a subscription fee of €3 per month. The company's objective is to expand zaOza internationally focusing initially on Europe, beginning with Germany where the launch is planned in fall 2008.

Dividend paid with respect to fiscal year 2007: At the Annual Shareholders' Meeting held on April 24, 2008, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2007. As a result, the

[1] *This translation is qualified in its entirety by reference to the "Document de référence".*

dividend was set at €1.30 per share, representing a total distribution of approximately €1.5 billion which will be paid beginning May 14, 2008.

1.2 Main Developments since March 31, 2008

Acquisition of Kinowelt by StudioCanal: On January 17, 2008, StudioCanal announced its planned acquisition of the entire share capital of Kinowelt, the leading German independent film company specializing in the acquisition and distribution of films. As a result of this transaction which followed the acquisition in 2006 of Optimum Releasing in the UK, StudioCanal will become the European leader in film distribution. Its operations will cover the three main European markets (UK, France and Germany) via local wholly-owned subsidiaries. StudioCanal will also join the American majors as the only companies to offer an all-media distribution network (theaters, video, audiovisual and VOD) covering a population of more than 230 million people. This transaction allows StudioCanal to strengthen its production tool and international sales in order to create an unique alternative for international filmmakers and directors.
This transaction has substantially increased StudioCanal's European and American film catalog, which already contained more than 5,000 titles. This transaction was completed on April 2, 2008.

Reimbursement of the Bonds Exchangeable for Sogecable SA shares (please refer to Section 5.3.1 of this document).

Acquisition of Univision Music Group by UMG: On February 27, 2008, UMG announced the acquisition of Univision Music Group from Univision Communications Inc. This transaction was completed on May 5, 2008.

1.3 Transactions underway as of March 31, 2008

Proposed creation of Activision Blizzard: On December 1, 2007, Vivendi and Activision, Inc. entered into an agreement to combine Vivendi Games with Activision, Inc. The transaction received the approval from the American and European competition authorities on January 16, and April 16, 2008, respectively. It remains subject to the approval of Activision's shareholders at their Meeting expected to be held by the end of the second quarter of 2008. For a detailed description of this transaction, please refer to Note 2.8 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 190 of the 2007 Annual Report).

Take over of Neuf Cegetel by SFR: On April 15, 2008, Vivendi and SFR received permission from the Minister of the Economy, Industry and Employment to proceed with the purchase of the Louis Dreyfus Group's equity stake in Neuf Cegetel. Consequently, in accordance with the agreement announced on December 20, 2007 (please refer to Note 2.9 to the Consolidated Financial Statements for the year ended December 31, 2007 - page 191 of the 2007 Annual Report), SFR acquired, on this same date, at a price of €34.50 a share with the 2007 coupon attached, the entire equity stake of the Louis Dreyfus Group in Neuf Cegetel (*i.e.* approximately 28%), and hence took over of Neuf Cegetel with a 68.13% ownership interest.

On April 22, 2008, in accordance with stock exchange regulations, SFR filed with the "Autorité des Marchés Financiers" (the Paris Stock Exchange Regulator) a Simplified Public Purchase Offer at a price of €36.50 a share with the 2007 coupon attached. This operation will be followed, if necessary, by a Public Withdrawal Offer at the same price. Neuf Cegetel's shareholders approved the payment of a dividend of €0.60 per share at the company's General Shareholders' Meeting on April 21, 2008. As a result of this payment, on May 2, 2008, the price of SFR's offer was adjusted to €35.90. In addition, before the launch of the Simplified Public Purchase Offer, SFR acquired approximately 10% of Neuf Cegetel shares at a price of €36.50 with the 2007 coupon attached, and holds now an approximately 78% equity interest in Neuf Cegetel.

The Minister's approval was given as a result of new commitments made by Vivendi and its subsidiaries. They address competitor access and new market entrants to wholesale markets on SFR's fixed and mobile networks, acceptance on the fixed network of an independent television distributor if such a player appears, as well as the availability, on a non-exclusive basis, on ADSL of eight new channels which are leaders in their particular themes (Paris Première, Teva, Jimmy, Ciné Cinéma Famiz, three M6 Music channels and Fun TV).

With 19 million mobile customers, 3.6 million Internet broadband customers, 10,000 employees and revenues totalling €12 billion, the newly expanded company will become, due to its size, a major operator capable of responding to the needs of all market segments: the general public, corporate and wholesale. This new-generation telecommunications company will play a leading role in the fields of innovation, development of new convergent services and convergent issues as well as rolling out very high-speed fixed (optic fiber) and mobile (3G/3G+) broadband networks in the best interests of consumers.

2 Earnings for the First Quarter Ended March 31, 2008

2.1 Consolidated Earnings and Consolidated Adjusted Net Income

CONSOLIDATED STATEMENT OF EARNINGS	1st Quarter Ended March 31, 2008	1st Quarter Ended March 31, 2007	1st Quarter Ended March 31, 2008	1st Quarter Ended March 31, 2007	ADJUSTED STATEMENT OF EARNINGS
Revenues	**5,280**	**5,020**	**5,280**	**5,020**	**Revenues**
Cost of revenues	(2,494)	(2,273)	(2,494)	(2,273)	Cost of revenues
Margin from operations	**2,786**	**2,747**	**2,786**	**2,747**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,564)	(1,551)	(1,564)	(1,551)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(19)	78	(19)	78	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(85)	(60)			
Impairment losses of intangible assets acquired through business combinations	-	-			
EBIT	**1,118**	**1,214**	**1,203**	**1,274**	**EBITA**
Income from equity affiliates	85	82	85	82	Income from equity affiliates
Interest	(37)	(24)	(37)	(24)	Interest
Income from investments	2	2	2	2	Income from investments
Other financial charges and income	(22)	197			
Earnings from continuing operations before provision for income taxes	**1,146**	**1,471**	**1,253**	**1,334**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(276)	(224)	(236)	(246)	Provision for income taxes
Earnings from continuing operations	**870**	**1,247**			
Earnings from discontinued operations	-	-			
Earnings	**870**	**1,247**	**1,017**	**1,088**	**Ajusted net income before minority interests**
Attributable to :					*Attributable to :*
Equity holders of the Parent	**555**	**932**	**697**	**771**	**Adjusted net income**
Minority interests	315	315	320	317	Minority interests
Earnings, attributable to equity holders of the Parent per share - basic (in euros)	**0.48**	**0.81**	**0.60**	**0.67**	**Adjusted net income per share - basic (in euros)**
Earnings, attributable to equity holders of the Parent per share - diluted (in euros)	**0.47**	**0.80**	**0.60**	**0.66**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

2.2 Earnings Review

For the first quarter of 2008, **adjusted net income** was €697 million, or €0.60 per share, compared to €771 million, or €0.67 per share for the first quarter of 2007, a decrease of €74 million (-9.6%).

For the first quarter of 2008, **earnings attributable to equity holders of the parent** was €555 million, or €0.48 per share, compared to €932 million, or €0.81 per share for the first quarter of 2007, a decrease of €377 million (-40.5%), which was primarily due to the dilution profit on the sale of a 10.18% equity interest in Canal+ France to Lagardère (+€239 million) in the first quarter of 2007. The reconciliation of earnings attributable to equity holders of the parent with adjusted net income is presented in Note 5 to the Condensed Financial Statements for the first quarter ended March 31, 2008.

The €74 million decrease in **adjusted net income** was primarily due to the following impacts:

– a €71 million decrease which was mainly driven by the favorable settlement of a tax litigation (+€73 million) in the first quarter of 2007 and Vivendi Games (-€57 million), with the impact of the exceptionally successful release of the first expansion pack, *World* *of Warcraft: The Burning Crusade*, also in the first quarter of 2007. In addition, in the first quarter of 2008, EBITA included a net reduction in the provision for stock options and other share-based compensation plans (+€38 million) and Canal+'s two extra League 1 soccer match days compared to the first quarter of 2007 (-€32 million); and

– a €13 million increase in interest.

These impacts were partially offset by the following items:

– a €3 million increase in income from equity affiliates; and

– a €10 million decrease in tax expense.

Breakdown of the main items from the statement of earnings

Revenues were €5,280 million compared to €5,020 million for the first quarter of 2007, an increase of €260 million (+5.2%, representing +6.9% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 "Business Segment Performance Analysis".

Restructuring charges and other operating charges and income were a charge of €19 million compared to an income of €78 million for the first quarter of 2007, an unfavorable difference of €97 million. In the first quarter of 2008, it mainly included restructuring expenses at UMG, resulting from the acquisition of BMG Music Publishing and Sanctuary and from restructuring of the recorded music division (-€12 million), whereas, in the first quarter of 2007, it mainly included the favorable effect of the settlement in Vivendi SA's favor of a litigation instigated by it regarding its right to deduct VAT (+€73 million).

EBITA was €1,203 million compared to €1,274 million for the first quarter of 2007, a decrease of €71 million (-5.6%, or -3.9% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 "Business Segment Performance Analysis".

Amortization of intangible assets acquired through business combinations were -€85 million compared to -€60 million for the first quarter of 2007, an additional charge of €25 million, notably due to the amortization of BMG Music Publishing's music catalogs and publishing rights and Tele2 France's customer list since May and July 2007, respectively.

EBIT was €1,118 million compared to €1,214 million for the first quarter of 2007, a decrease of €96 million (-7.9%).

Income from equity affiliates was €85 million compared to €82 million for the first quarter of 2007. Our pro rata share of income earned by NBC Universal represented €53 million for the first quarter of 2008 compared to €65 million for the first quarter of 2007, a decrease driven by the decline of the U.S. dollar and NBC Universal's performance. SFR's pro rata share of income from Neuf Cegetel represented €33 million compared to €18 million for the first quarter of 2007.

Interest was -€37 million compared to -€24 million for the first quarter of 2007, an increase of €13 million, which was essentially due to the positive impact of the capitalization of interest relating to the acquisition of BMG Music Publishing (€15 million) in the first quarter of 2007. Excluding this non-recurring impact, interest would have decreased by €2 million. For more information, please refer to Note 3 to the Condensed Financial Statements for the first quarter ended March 31, 2008.

Other financial charges and income was a net charge of €22 million compared to a net income of €197 million for the first quarter of 2007, an unfavorable difference of €219 million primarily due to the dilution gain on the sale of a 10.18% equity interest in Canal+ France to Lagardère (+€239 million) in the first quarter of 2007. For more information, please refer to Note 3 to the Condensed Financial Statements for the first quarter ended March 31, 2008.

Provision for income taxes was a net charge of €276 million compared to a net charge of €224 million for the first quarter of 2007. This increase mainly resulted from the decline of the savings expected from the Consolidated Global Profit Tax System in 2009, in anticipation of the acquisition of Neuf Cegetel by SFR. In addition, excluding the impact of other items excluded from adjusted net income, income taxes was a net charge of €236 million, compared to €246 million in 2007, a decrease of €10 million, which reflected the decline of adjusted net income before taxes.

Earnings attributable to minority interests, mainly SFR, Maroc Telecom Group, and Canal+ France, was €315 million (unchanged compared to the first quarter of 2007).

2.3 Vivendi's Outlook for 2008

2008 outlook confirmed: Vivendi expects to deliver a profit growth similar to 2007, at constant perimeter.

3 Cash Flow from Operations Analysis

Preliminary comment: *Vivendi considers that the non-GAAP measures Cash flow from operations (CFFO) and cash flow from operations after interest and taxes (CFAIT), are relevant indicators of the group's operating and financial performance. These indicators should be considered in addition to, not as substitutes for, other GAAP measures as reported in Vivendi's cash flow statement, presented within the group's Condensed Financial Statements.*

For the first quarter ended March 31, 2008, cash flow from operations after interest and income tax paid (CFAIT) was €576 million compared to €759 million for the first quarter of 2007, a decrease of €183 million (-24%). This decrease mainly resulted from the increase in the capital expenditures and income tax paid and partially from the slight decrease in net cash provided by operating activities before income tax paid (-0.8%, to €1,625 million).

Cash flows from operations (CFFO) generated by businesses was €1,087 million compared to €1,163 million for the first quarter of 2007, a decrease of €76 million (-7%). This decrease reflected the increase in capital expenditures, net mainly at Maroc Telecom Group (+€58 million), and in restructuring charges paid by UMG (+€14 million), partially offset by the slight increase in EBITDA (after changes in net working capital) despite transition costs at Canal+ Group, as well as by the increase in dividends received from NBC Universal and the decrease in content investments. In addition, for the first quarter ended March 31, 2008, CFFO included the unfavorable impact of the payment of €68 million by Canal+ Group related to satellite contracts with Astra, whereas, for the first quarter ended March 31, 2007, CFFO included the favorable impact of the repayment of tax payments following the settlement in Vivendi's favor of the litigation instigated by it concerning its right to deduct VAT (+€50 million).

		1st Quarter Ended March 31,		
(In millions of euros)		2008	2007	% Change
Revenues		5,280	5,020	5%
Operating expenses excluding depreciation and amortization		(3,689)	(3,462)	-7%
EBITDA		*1,591*	*1,558*	*2%*
Restructuring charges paid		(20)	(6)	-233%
Content investments, net		(6)	(12)	50%
Neutralization of change in provisions included in EBITDA		(70)	(47)	-49%
Other cash operating items excluded from EBITDA		(6)	52	na*
Other changes in net working capital		(6)	(35)	83%
Net cash provided by operating activities before income tax paid	(a)	***1,483***	***1,510***	***-2%***
Dividends received from equity affiliates	(b)	142	128	11%
o/w NBC Universal		*142*	*128*	*11%*
Dividends received from unconsolidated companies	(b)	-	-	na*
Capital expenditures, net (capex, net)	(c)	(538)	(475)	-13%
o/w SFR		*(329)*	*(332)*	*1%*
o/w Maroc Telecom Group		*(130)*	*(72)*	*-81%*
Cash flow from operations (CFFO)		**1,087**	**1,163**	**-7%**
Interest paid, net	(d)	(37)	(39)	5%
Other cash items related to financial activities	(d)	(47)	6	na*
Financial activities cash payments		***(84)***	***(33)***	***-155%***
Income tax paid, net		(427)	(371)	-15%
Cash flow from operations after interest and income tax paid (CFAIT)		**576**	**759**	**-24%**

na*: not applicable

a. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

b. As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

c. Consists of capital expenditures, net of proceeds from property, plant and equipment and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

d. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

4 Business Segment Performance Analysis

(In millions of euros)	1st Quarter Ended March 31, 2008		2007	% Change	% Change at constant rate
Revenues					
Universal Music Group	1,033	(a)	1,027	0.6%	6.8%
Canal+ Group	1,115		1,067	4.5%	4.2%
SFR	2,302	(b)	2,096	9.8%	9.8%
Maroc Telecom Group	614	(c)	550	11.6%	13.8%
Vivendi Games	221		291	-24.1%	-18.2%
Non core operations and others, and elimination of inter segment transactions	(5)		(11)	54.5%	54.5%
Total Vivendi	**5,280**		**5,020**	**5.2%**	**6.9%**
EBITA					
Universal Music Group	111	(a)	57	94.7%	111.1%
Canal+ Group	170		164	3.7%	2.9%
SFR	624	(b)	643	-3.0%	-3.0%
Maroc Telecom Group	268	(c)	256	4.7%	7.2%
Vivendi Games	50		107	-53.3%	-50.7%
Holding & Corporate	(11)		46	na*	na*
Non core operations and others	(9)		1	na*	na*
Total Vivendi	**1,203**		**1,274**	**-5.6%**	**-3.9%**

na*: not applicable

a. Includes BMG Music Publishing and Sanctuary, fully consolidated since May 25, 2007 and August 2, 2007, respectively.

b. Includes fixed and ADSL activities of Tele2 France, fully consolidated since July 20, 2007.

c. Includes Gabon Telecom, fully consolidated since March 1, 2007.

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

Revenues

Revenues Universal Music Group's (UMG's) revenues of €1,033 million grew 0.6% compared to the same period last year. At constant currency, revenues grew 6.8% reflecting growth in music publishing and merchandising following the acquisition in 2007 of BMG Music Publishing and Sanctuary and a 33.0% increase in digital sales.

Best sellers in the period were releases from Jack Johnson, Janet Jackson and new Welsh artist Duffy. Amy Winehouse's 2006 album *Back to Black* sold over this quarter an additional 2.2 million copies, taking total sales over the 8 million mark.

EBITA

UMG's EBITA of €111 million was 94.7% above the same period last year (an increase of 111.1% at constant currency). This increase reflects the higher recorded music margins due to the sales mix shifting to owned (rather than distributed) product; the increase in digital sales, the inclusion of BMG Music Publishing and Sanctuary in the results, as well as credits from the downward valuation of compensation schemes linked to equity value. However, EBITA was impacted by restructuring costs of €12 million.

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

Revenues

Canal+ Group's revenues were €1,115 million, up 4.5%.

Revenues from pay-TV operations in France increased to €971 million (+5%), mainly driven by Canal+ and CanalSat portfolio growth, up 180,000 subscriptions compared to the same period last year, and higher advertising revenues. Subscription growth included a negative adjustment of 64,000 subscriptions resulting from a portfolio change of scope to include viable contracts only. As of March 31, 2008, nearly half of TPS subscribers had already been transferred to the CanalSat platform. Revenues from CanalOverseas grew 13% compared to last year and also contributed to the good performance of pay-TV operations in France.

Revenues from Canal+ Group's other operations amounted to €144 million, in line with last year's results. While StudioCanal posted lower revenues mainly due to calendar effects, revenues from i>Télé and Canal+ in Poland grew sharply.

EBITA

Canal+ Group reported EBITA, excluding transition costs linked to the TPS merger, of €197 million, versus €169 million for the first quarter of 2007, up 16.6%. Including transition costs, EBITA was €170 million, versus €164 million for the same period in 2007. These transition costs mainly resulted from technical migration of TPS subscribers to CanalSat.

EBITA growth was mainly driven by strong performance of pay-TV operations in France. In addition to higher revenues thanks to portfolio growth, EBITA benefited from lower subscriber acquisition and programming costs. Results were, however, negatively impacted (-€32 million) by an unfavorable but temporary Ligue 1 broadcasting schedule (two extra match days compared to the first quarter of 2007).

EBITA from other operations were slightly down due to lower royalties paid to StudioCanal under the Working Title deal and despite higher revenues from i>Télé and Canal+ in Poland.

SFR (56% Vivendi economic interest)

Revenues

SFR's revenues increased by 9.8% to €2,302 million compared to the same period in 2007 (+4% on a comparable basis[2]).

Mobile revenues increased by 4.1% to €2,176 million compared to the same period in 2007. Mobile service revenues[3] increased by 2.8% to €2,077 million.

The favorable effects of an increase in the customer base along with growth in "voice" and "data" usage and the Enterprise segment dynamism were offset by cuts on mobile voice termination rates (13%) as of January 1, 2008. Excluding the impacts of regulated tariff cuts, SFR mobile service revenues would have increased by 4.8%.
In the first quarter of 2008, SFR added 57,000 net new customers, taking its registered customer base to 18.823 million[4], a 5.1% increase versus March 2007. The contract customer base grew by 6.2% year-on-year to 12.434 million, leading to an improved customer mix of 0.7 percentage point in one year.
Net data revenues improved by 21.7% mainly due to interpersonal services (SMS and MMS), content (music, TV-Videos and games) and the development of mobile Internet and corporate segment operations. Net data revenues represented 16.2% of service revenues at the end of March 2008, compared to 13.7% at the end of March 2007. The number of text messages (SMS) sent by SFR customers grew by 55% on a year-on-year basis to 2.7 billion and revenues from data services, excluding SMS and MMS, increased by 32.7%.

Fixed and ADSL revenues reached €126 million, increasing by 4.5% versus the same period in 2007, on a comparable basis. In total, SFR had 438,000 ADSL customers and 1.852 million fixed voice customers at the end of March 2008.

EBITA

SFR's mobile EBITDA increased by €10 million to €873 million. This increase was achieved due to a 2.8% increase in mobile service revenues and the strong control of other costs. They were partly offset by a 1.2 percentage point increase in customer acquisition and retention costs to 12.8% of mobile service revenues.

SFR's fixed and ADSL EBITDA was -€17 million, and EBITA was -€28 million, reflecting the launch of SFR ADSL and the integration of Tele2 France operations[5].

SFR's EBITDA was €856 million and EBITA was €624 million, decreases of 0.5% and 3%, respectively compared to the first quarter of 2007.

[2] Comparable basis mainly illustrates the full consolidation of Tele2 France as if this acquisition had taken place on January 1, 2007. For reference, Tele2 France's revenues for the first quarter of 2007 amounted to €111 million.
[3] Mobile service revenues correspond to mobile revenues excluding revenues from net equipment sales.
[4] SFR excluding wholesale customer total base. Wholesale customer base was estimated at 1.302 million at the end of March 2008 (excluding pre-activations).
[5] For reference, Tele2 France's EBITA for the first quarter of 2007 amounted to - €7 million.

Maroc Telecom Group (53% Vivendi economic interest)

Revenues

Maroc Telecom Group's revenues increased by 11.6% to €614 million compared to the same period last year (+8.3% at constant currency and at constant perimeter[6]).

Group mobile revenues grew by 15.5% to €432 million compared to the same period last year (+13.6% at constant currency and at constant perimeter).

Regarding Maroc Telecom SA, despite increased competition, the mobile customer base[7] experienced strong growth and reached 13.697 million customers, a 20.4% increase compared to the end of March 2007 (a net increase of 370,000 customers during the first quarter of 2008), driving the sharp evolution of mobile revenue. The blended ARPU[8] reached €8.7, an 8.1% decrease at constant currency compared to the same period last year.
Regarding Maroc Telecom's subsidiaries, the mobile customer base reached 2.200 million customers, a 41.2% increase compared to March 2007 (a net increase of 185,000 customers during the first quarter of 2008).

Group fixed and Internet revenues grew by 3% to €242 million compared to the same period last year (-2% at constant currency and at constant perimeter).
Regarding Maroc Telecom SA, the fixed customer base[9] reached 1.335 million lines, stable during the first quarter of 2008. Voice average monthly invoice decreased by 5.5% (at constant currency) compared to the same period last year, in particular the "Teleboutique" business segment. The ADSL customer base still experienced growth and reached almost 482,000 lines, representing a net increase of approximately 12,000 lines during the first quarter and increasing by 15.3% compared to the end of March 2007.
Regarding Maroc Telecom's subsidiaries, the fixed customer base reached 191,000 lines, representing a net increase of more than 9,000 lines during the first quarter of 2008.

EBITA

Maroc Telecom Group's EBITA increased by 4.7% to €268 million compared to the first quarter of 2007 (+8.7% at constant currency and at constant perimeter[10]). This performance resulted from the combined effect of revenue growth, the control of acquisition costs in the context of steady growth in the mobile customer base and the control of operational expenses. It also reflects the investments in Gabon Telecom and in Mobisud.

Vivendi Games (100% Vivendi economic interest)

Revenues

Vivendi Games continues to make strong headway with Blizzard Entertainment, inc and *World of Warcraft®,* adding 2 million incremental subscribers compared to end of March 2007; After reaching the 10-million-subscriber milestone at the end of 2007, *World of Warcraft's* subscriber base grew to more than 10.7 million by the end of the first quarter of 2008.

A comparison of the first quarters of 2007 and 2008 performances is not representative because the first quarter of 2007 included the hugely successful release of *World of Warcraft*: *The Burning Crusade*. Blizzard Entertainment's second expansion, *World of Warcraft: Wrath of the Lich King*, is scheduled to be released in the second half of 2008. Consequently, Vivendi Games' revenues for the first quarter of 2008 are 24.1% lower (-18.2% on a constant currency basis) when compared to the same period last year. Vivendi Games' revenues were €221 million.

Blizzard Entertainment's revenues were €192 million. Sierra Entertainment, Sierra Online and Vivendi Games Mobile revenues were slightly higher than their performance for the same period last year; in the face of unfavorable currency exchange movements on all business segments.

EBITA

Vivendi Games' EBITA amounted to €50 million. Excluding the allocation of Group overheads, Blizzard Entertainment's EBITA was €99 million.

[6] Constant perimeter illustrates the full consolidation of Gabon Telecom as if this transaction had occurred on January 1, 2007. For reference, Gabon Telecom's revenue for the first quarter of 2007 amounted to €28 million.

[7] The customer base includes prepaid customers making or receiving a voice call during the last 3 months and not resiliated postpaid customers.

[8] ARPU (Average Revenue Per User) is defined as revenues 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.

[9] Maroc Telecom SA's fixed customer base is now displayed in numbers of equivalent lines. It was previously displayed in number of access.

[10] For reference, Gabon Telecom's EBITA for the first quarter of 2007 amounted to - €4 million.

Sierra Entertainment's EBITA of -€34 million (excluding the allocation of Group overheads) was effected by higher costs related to increased investment in Sierra product development and accelerated royalties expense for released products. Vivendi Games' EBITA also includes continued start up expenses for the Sierra Online and Vivendi Games Mobile divisions.

Holding & Corporate

EBITA

Holding & Corporate EBITA was -€11 million, a €57 million decrease compared to the first quarter of 2007. In the first quarter of 2007, EBITA included the favorable impact of the settlement in Vivendi SA's favor of a litigation instigated by it regarding its right to deduct VAT. This resulted in the recognition of income of €73 million. In addition, in the first quarter of 2008, EBITA included a net reduction in the provision for share-based compensation plans (+€23 million).

5 Treasury and Capital Resources

Preliminary comment: *Vivendi considers Financial Net Debt, a non-GAAP measure, to be an important indicator measuring Vivendi's indebtedness. Financial Net Debt should be considered in addition to, not as a substitute for, other GAAP measures 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.*

5.1 Financial Net Debt changes

As of March 31, 2008, Financial Net Debt amounted to €4,832 million, compared to €5,186 million as of December 31, 2007.

(In millions of euros)	March 31, 2008	December 31, 2007
Borrowings and other financial liabilities	7,843	7,376
o/w long-term (a)	*5,650*	*5,610*
o/w short-term (a)	*2,193*	*1,766*
Derivative financial instruments in assets (b)	(24)	(69)
Cash deposits backing borrowings (b)	(30)	(72)
	7,789	**7,235**
Cash and cash equivalents (a)	(2,957)	(2,049)
Financial Net Debt	**4,832**	**5,186**

a. As presented in the Consolidated Statement of Financial Position.

b. Included in the Financial Assets items of the Consolidated Statement of Financial Position.

For the first quarter of 2008, Financial Net Debt decreased by €354 million. This decrease resulted from the following:

- Net cash generated during the period was €908 million, reflecting net cash provided by operating activities (€1,056 million) and financing activities (€117 million, including €437 million due to the net increase in borrowings, partially offset by the dividends paid by SFR to its minority shareholder amounting to €237 million). These net cash inflows were partially offset by net cash used for investing activities of €246 million (including the capital expenditures, net for €538 million, partially offset by the dividends received from NBC Universal for €142 million).
- Non-cash activities impacting Financial Net Debt amounted to €554 million which mainly comprised the €437 million net increase in borrowings.

(In millions of euros)	Cash and cash equivalents	Borrowings and other (a)	Impact on financial net debt
Financial Net Debt as of December 31, 2007	**(2,049)**	**7,235**	**5,186**
Outflows/(inflows) generated by:			
Operating activities	(1,056)	-	(1,056)
Investing activities	246	43	289
Financing activities	(117)	526	409
Foreign currency translation adjustments	19	(15)	4
Change in financial net debt over the period	(908)	554	(354)
Financial Net Debt as of March 31, 2008	**(2,957)**	**7,789**	**4,832**

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

5.2 Analysis of Financial Net Debt changes

(In millions of euros)		Refer to section	1st Quarter Ended March 31, 2008 Impact on cash and cash equivalents	Impact on borrowings and other	Impact on Financial Net Debt
EBIT		2	(1,118)	-	(1,118)
Adjustments			(377)	-	(377)
Content investments, net			6	-	6
Gross cash provided by operating activities before income tax paid			***(1,489)***	***-***	***(1,489)***
Other changes in net working capital			6	-	6
Net cash provided by operating activities before income tax paid		3	***(1,483)***	***-***	***(1,483)***
Income tax paid, net		3	427	-	427
Operating activities	**A**		**(1,056)**	**-**	**(1,056)**
Financial investments					
Purchases of consolidated companies, after acquired cash			73	-	73
Purchases of investments in equity affiliates			1	-	1
Increase in financial assets			64	(2)	62
Total financial investments			***138***	***(2)***	***136***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			10	-	10
Sales of investments in equity affiliates			-	-	-
Decrease in financial assets			(298)	45	(253)
Total financial divestments			***(288)***	***45***	***(243)***
Financial investment activities			**(150)**	**43**	**(107)**
Dividends received from equity affiliates		3	(142)	-	(142)
Dividends received from unconsolidated companies			-	-	-
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**(292)**	**43**	**(249)**
Capital expenditures			565	-	565
Proceeds from sales of property, plant, equipment and intangible assets			(27)	-	(27)
Capital expenditures, net		3	***538***	***-***	***538***
Investing activities	**B**		**246**	**43**	**289**
Transaction with shareholders					
Net proceeds from issuance of common shares			-	-	-
(Sales) purchases of treasury shares			(1)	-	(1)
Dividends paid by consolidated companies to their minority shareholders			237	-	237
o/w SFR			*237*	*-*	*237*
Total dividends and other transactions with shareholders			***236***	***-***	***236***
Transactions on borrowings and other financial liabilities					
Setting up of long-term borrowings and increase in other long-term financial liabilities			(265)	265	-
o/w the increase in SFR's credit facility (due in April 2011)			*(260)*	*260*	-
Principal payments on long-term borrowings and decrease in other financial liabilities			8	(8)	-
Principal payments on short-term borrowings			184	(184)	-
Other changes in short-term borrowings and other short-term financial liabilities			(364)	364	-
o/w SFR			*(238)*	*238*	-
Non cash transactions			-	94	94
Interest paid, net		3	37	-	37
Other cash items related to financial activities		3	47	(5)	42
Total transactions on borrowings and other financial liabilities			***(353)***	***526***	***173***
Financing activities	**C**		**(117)**	**526**	**409**
Foreign currency translation adjustments	D		19	(15)	4
Change in Financial Net Debt	**A+B+C+D**		**(908)**	**554**	**(354)**

For further information about net cash provided by operating activities before income tax paid and capital expenditures, net, please refer to Section 3 "Cash Flows from Operations Analysis" above.

5.3 Changes in Borrowings in 2008

5.3.1 EXTERNAL BORROWINGS

As part of the planned acquisitions of Neuf Cegetel and Activision (please refer to Section 1.3 above), Vivendi and certain of its subsidiaries carried out the following new external borrowings in 2008:

- **Vivendi obtained a new syndicated loan.** On January 18, 2008, Vivendi obtained a €3.5 billion syndicated loan underwritten by a pool of banks, which was completed on February 29, 2008. This new facility consists of 3 tranches:
  - a €1.5 billion tranche under a bridging loan repayable with capital raised through a rights issue in the approximate same amount to be carried out upon completion of the acquisition of Neuf Cegetel or within a 18-month period; and
  - a €2 billion tranche under a "revolving" facility, half of which will be available during a three-year period and the other half during a five-year period. These credit lines have been available since February 29, 2008.

- **SFR obtained additional credit lines.** SFR increased the amount of notes redeemable in July 2012 from €600 to €800 million in April 2008. SFR also entered into a new revolving credit facility of €600 million for five years with an option to increase the amount available up to €900 million. This borrowing is in addition to other credit lines already obtained and detailed in the 2007 Annual Report (please refer to Section 5.3.2 to Financial Report – page 159).

- **Vivendi raised $1.4 billion through the issuance of U.S. dollar notes.** On April 2, 2008, Vivendi SA agreed to sell $700 million in aggregate principal amount of 5.75% senior notes due 2013 at a price equal to 99.397% of the principal amount thereof and $700 million in aggregate principal amount of 6.625% senior notes due 2018 at a price equal to 99.675% of the principal amount thereof (together the "Senior Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-US persons in compliance with Regulation S under the Securities Act.
  The objective of this new borrowing is to rebalance Vivendi's debt structure between bank debt and bond debt and to lengthen the maturity profile of its debt.
  This financing is a substitute to drawings under bank facilities which are available to Vivendi today and which are already largely sufficient to ensure the financing of the acquisitions of Activision and Neuf Cegetel.

Bonds Exchangeable for Sogecable SA shares: Following the tender offer launched by Prisa for the share capital of Sogecable at €28.00 per share, Vivendi offered to deliver to the holders of these bonds Sogecable shares on the basis of a ratio of one bond for 1.0118 Sogecable shares plus €2.00 in cash. This offer, which expired on April 18, 2008, resulted in virtually all the outstanding bonds being returned to Vivendi. Thereafter, Vivendi redeemed the remaining bonds, at a price of €29.32 plus interest accrued to the redemption date. Following this operation, Vivendi owned only 0.64% of Sogecable capital and contributed these shares to Prisa's takeover bid for Sogecable. For a detailed description of this borrowing, please refer to Note 24.3 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 238 of the 2007 Annual Report).
This operation would result in a reduction of approximately €217 million in Vivendi's Financial Net Debt.

5.3.2 INTERCOMPANY LOANS

As part of the planned acquisitions of Neuf Cegetel and Activision, Vivendi implemented the following intercompany loans:

- **Credit line granted to SFR.** On April 4, 2008, Vivendi SA granted to SFR a revolving credit facility of €3 billion. This loan is redeemable in the amount of €1 billion at each maturity period, *i.e.* on July 1, 2009, July 1, 2010 and January 1, 2013, with a margin of 0.35% based on the Euribor rate. This borrowing is in addition to a revolving credit facility of €700 million, with a margin of 0.15% based on the Euribor rate granted by Vivendi SA to SFR in December 2006 and maturing in December 2009.

- **Borrowing granted to Activision Blizzard.** On April 29, 2008, under the terms of the agreement signed on December 1, 2007 between Vivendi and Activision (please refer to Note 2.8 to the Consolidated Financial Statements for the year ended December 31, 2007 - page 190 of the 2007 Annual Report), Vivendi agreed to grant to Activision Blizzard a borrowing of up to $1,025 million. This facility consists of 3 tranches:
  - a tranche, due March 31, 2010, of up to $400 million, with a margin of 0.85% based on the LIBOR rate, to be used to fund that portion of the post-closing tender offer consideration, if any, in excess of $3.628 billion.
  - a tranche, due March 31, 2011, of up to $150 million, with a margin of 1.20% based on the LIBOR rate, to be used to repay after closing the borrowing under a Vivendi Games credit facility outstanding at the closing date of the transaction.
  - a revolving credit facility of up to $475 million, due March 31, 2011, with a margin of 1.20% based on the LIBOR rate, to be used after the closing of the transaction for general corporate purposes.

5.3.3 FINANCIAL NET DEBT CHANGES FOR THE SECOND QUARTER OF 2008

As of March 31, 2008, Vivendi's Financial Net Debt was €4.8 billion. During the second quarter of 2008, Financial Net Debt is expected to increase by approximately €6.6 billion which would be due to the following:

- the increase resulting from the takeover of Neuf Cegetel for approximately €5.3 billion, including (i) the purchase by SFR of the Louis Dreyfus Group's equity stake in Neuf Cegetel (approximately 28%) for approximately €2.1 billion, (ii) the purchase by SFR of the equity stake in Neuf Cegetel held by public shareholders (approximately 32%) for approximately €2.2 billion, conditioned upon total success of the Public Purchase Offer which will be followed, if necessary, by a Public Withdrawal Offer (please refer to Section 1.3 above) and (iii) the consolidation of Neuf Cegetel's Financial Net Debt of €1 billion;
- the increase resulting from the payment by Vivendi of the 2007 dividend planned on May 14, 2008 for €1.5 billion; and
- offset by the decrease resulting from the reimbursement of the Bonds Exchangeable for Sogecable SA shares for €0.2 billion. This operation has no impact on cash for the group as Vivendi delivered Sogecable shares that were recorded in its Statement of Financial Position (please refer to Note 15 to the Consolidated Financial Statements for the year ended December 31, 2007 - page 212 of the 2007 Annual Report).

In addition, the creation project of Activision Blizzard may generate an additional increase in Vivendi's Financial Net Debt of approximately €1.8 billion at the closing date of the operation.

5.3.4 AVERAGE MATURITY

As of May 13, 2008, taking into account the new borrowings detailed in Section 5.3.1 above, the "economic" average term[11] of Vivendi's consolidated debt is expected to be 4.5 years (compared to 4.2 years at the end of 2007).

5.3.5 CREDIT RATINGS

As of May 13, 2008, the date of the Management Board meeting which approved the financial statements for the first quarter of 2008, the credit ratings were as follows:

Rating agency	Rating date	Type of debt	New ratings	Outlook
Standard & Poor's	July 27, 2005	Long-term *corporate* Short-term *corporate* Senior unsecured debt	BBB A-2 BBB	Stable
Moody's	September 13, 2005	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	December 10, 2004	Long-term senior unsecured debt	BBB	Stable

6 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 successful completion of the Activision Blizzard transaction, the risk that Vivendi will not be able to obtain the necessary approvals in connection with certain transactions as well as the risks described in the 2007 Document de référence of the group filed with the Autorité des marchés financiers (French securities regulator) and which is also available in English on Vivendi's web site (www.vivendi.com). 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.

[11] *Considers that all undrawn amounts on available medium-term credit lines may be used to repay group borrowings with the shortest term.*

7 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, 2008 (Unaudited)

Condensed Statement of Earnings

	Note	1st Quarter Ended March 31, (Unaudited) 2008	2007	Year Ended December 31, 2007
Revenues	2	**5,280**	**5,020**	**21,657**
Cost of revenues		(2,494)	(2,273)	(9,876)
Selling, general and administrative expenses		(1,649)	(1,611)	(7,202)
Restructuring charges and other operating charges and income		(19)	78	(159)
Impairment losses of intangible assets acquired through business combinations		-	-	(34)
Earnings before interest and income taxes (EBIT)	2	**1,118**	**1,214**	**4,386**
Income from equity affiliates		85	82	373
Interest	3	(37)	(24)	(166)
Income from investments		2	2	6
Other financial charges and income	3	(22)	197	(83)
Earnings from continuing operations before provision for income taxes		**1,146**	**1,471**	**4,516**
Provision for income taxes	4	(276)	(224)	(747)
Earnings from continuing operations		**870**	**1,247**	**3,769**
Earnings from discontinued operations		-	-	-
Earnings		**870**	**1,247**	**3,769**
Attributable to :				
Equity holders of the parent		**555**	**932**	**2,625**
Minority interests		315	315	1,144
Earnings from continuing operations, attributable to the equity holders of the parent per share - basic	6	0.48	0.81	2.26
Earnings from continuing operations, attributable to the equity holders of the parent per share - diluted	6	0.47	0.80	2.25
Earnings, attributable to the equity holders of the parent per share - basic	6	**0.48**	**0.81**	**2.26**
Earnings, attributable to the equity holders of the parent per share - diluted	6	0.47	0.80	2.25
Adjusted net income	5	**697**	**771**	**2,832**
Adjusted net income per share - basic	6	**0.60**	**0.67**	**2.44**
Adjusted net income per share - diluted	6	0.60	0.66	2.43

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

(In millions of euros)	Note	March 31, 2008 (Unaudited)	December 31, 2007
ASSETS			
Goodwill		15,058	15,427
Non-current content assets		2,862	3,127
Other intangible assets		2,716	2,772
Property, plant and equipment		4,571	4,675
Investments in equity affiliates		6,317	6,825
Non-current financial assets		1,061	1,215
Deferred tax assets		1,366	1,422
Non-current assets		**33,951**	**35,463**
Inventories		406	429
Current tax receivables		653	646
Current content assets		805	964
Trade accounts receivable and other		4,623	5,208
Short-term financial assets		130	187
Cash and cash equivalents		2,957	2,049
		9,574	**9,483**
Assets held for sale		-	133
Current assets		**9,574**	**9,616**
TOTAL ASSETS		**43,525**	**45,079**
EQUITY AND LIABILITIES			
Share capital		6,406	6,406
Additional paid-in capital		7,332	7,332
Treasury shares		(2)	(2)
Retained earnings and other		6,136	6,606
Equity, attributable to Vivendi SA's shareholders		**19,872**	**20,342**
Minority interests		2,148	1,900
Total equity		**22,020**	**22,242**
Non-current provisions		1,453	1,594
Long-term borrowings and other financial liabilities		5,650	5,610
Deferred tax liabilities		1,014	1,096
Other non-current liabilities		949	1,078
Non-current liabilities		**9,066**	**9,378**
Current provisions		682	705
Short-term borrowings and other financial liabilities		2,193	1,766
Trade accounts payable and other		9,514	10,784
Current tax payables		50	204
Current liabilities		**12,439**	**13,459**
Total liabilities		**21,505**	**22,837**
Contractual obligations and other commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		**43,525**	**45,079**

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

Condensed Statement of Cash Flows

(In millions of euros)	1st Quarter Ended March 31, (Unaudited) 2008	2007	Year Ended December 31, 2007
Operating activities			
EBIT	1,118	1,214	4,386
Adjustments	377	343	1,857
Including amortization and depreciation of tangible and intangible assets	*460*	*419*	*1,833*
Content investments, net	(6)	(12)	(97)
Gross cash provided by operating activities before income tax paid	***1,489***	***1,545***	***6,146***
Other changes in net working capital	(6)	(35)	20
Net cash provided by operating activities before income tax paid	***1,483***	***1,510***	***6,166***
Income tax paid, net	(427)	(371)	(1,072)
Net cash provided by operating activities	**1,056**	**1,139**	**5,094**
Investing activities			
Capital expenditures	(565)	(477)	(1,647)
Purchases of consolidated companies, after acquired cash	(73)	73	(398)
Investments in equity affiliates	(1)	-	(254)
Increase in financial assets	(64)	(60)	(194)
Investments	***(703)***	***(464)***	***(2,493)***
Proceeds from sales of property, plant, equipment and intangible assets	27	2	21
Proceeds from sales of consolidated companies, after divested cash	(10)	469	304
Disposals of equity affiliates	-	-	23
Decrease in financial assets	298	177	129
Divestitures	***315***	***648***	***477***
Dividends received from equity affiliates	142	128	340
Dividends received from unconsolidated companies	-	-	1
Net cash provided by (used for) investing activities	**(246)**	**312**	**(1,675)**
Financing activities			
Net proceeds from issuance of common shares	-	-	149
Sales (purchases) of treasury shares	1	4	(212)
Dividends paid by Vivendi SA to its shareholders	-	-	(1,387)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their minority shareholders	(237)	(316)	(1,048)
Transactions with shareholders	***(236)***	***(312)***	***(2,498)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	265	11	758
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(8)	(12)	(180)
Principal payment on short-term borrowings	(184)	(29)	(1,805)
Other changes in short-term borrowings and other financial liabilities	364	165	181
Interest paid, net	(37)	(39)	(191)
Other cash items related to financial activities	(47)	6	(24)
Transactions on borrowings and other financial liabilities	***353***	***102***	***(1,261)***
Net cash provided by (used for) financing activities	**117**	**(210)**	**(3,759)**
Foreign currency translation adjustments	(19)	(1)	(11)
Change in cash and cash equivalents	**908**	**1,240**	**(351)**
Cash and cash equivalents			
At beginning of the period	**2,049**	**2,400**	**2,400**
At end of the period	**2,957**	**3,640**	**2,049**

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

Condensed Statement of Changes in Equity

First Quarter Ended March 31, 2008 (unaudited)

		Attributable to Vivendi SA shareholders										
		Common shares				Retained Earnings and Other						
(In millions of euros, except number of shares)	Note	*Number of shares* (In thousands)	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**	Minority interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2007		**1,164,743**	**6,406**	**7,332**	**(2)**	**9,209**	**134**	**(2,737)**	**6,606**	**20,342**	**1,900**	**22,242**
Dividends and other transactions with Vivendi SA shareholders		**-**	**-**	**-**	**-**	**9**	**-**	**-**	**9**	**9**	**-**	**9**
Dividends		-	-	-	-	-	-	-	-	**-**	(40)	**(40)**
Other transactions with minority interests		-	-	-	-	-	-	-	-	**-**	(9)	**(9)**
Transactions with minority interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(49)**	**(49)**
Earnings		-	-	-	-	555	-	-	555	**555**	315	**870**
Charges and income directly recognized in equity		-	-	-	-	(5)	(110)	(919)	(1,034)	**(1,034)**	(18)	**(1,052)**
Total recognized charges and income for the period	7	**-**	**-**	**-**	**-**	**550**	**(110)**	**(919)**	**(479)**	**(479)**	**297**	**(182)**
Total changes over the period		***-***	***-***	-	-	***559***	***(110)***	***(919)***	***(470)***	***(470)***	***248***	***(222)***
BALANCE AS OF MARCH 31, 2008		**1,164,743**	**6,406**	**7,332**	**(2)**	**9,768**	**24**	**(3,656)**	**6,136**	**19,872**	**2,148** (a)	**22,020**

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

a. Includes cumulative foreign currency translation adjustments of -€67 million.

First Quarter Ended March 31, 2007 (unaudited)

(In millions of euros, except number of shares)	Note	Attributable to Vivendi SA shareholders: Common shares: Number of shares (In thousands)	Common shares: Amount	Additional paid-in capital	Treasury shares	Retained Earnings and Other: Retained earnings	Retained Earnings and Other: Net unrealized gains (losses)	Retained Earnings and Other: Foreign currency translation adjustments	Retained Earnings and Other: Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
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 SA 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	7	**-**	**-**	**-**	**-**	**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.

Year Ended December 31, 2007

(In millions of euros, except number of shares)	Note	Attributable to Vivendi SA shareholders: Common shares: *Number of shares* (In thousands)	Common shares: Amount	Additional paid-in capital	Treasury shares	Retained Earnings and Other: Retained earnings	Retained Earnings and Other: Net unrealized gains (losses)	Retained Earnings and Other: Foreign currency translation adjustments	Retained Earnings and Other: Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
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**
Dividends paid by Vivendi SA (€1.2 per share)		-	-	-	-	(1,387)	-	-	(1,387)	**(1,387)**	-	**(1,387)**
Exercise of stock options		7,733	43	74	-	-	-	-	-	**117**	-	**117**
Capital increase in connection with the employee Share Purchase (July 18, 2007)		1,276	6	25	-	-	-	-	-	**31**	-	**31**
Treasury shares cancellation		(1,300)	(7)	(24)	31	-	-	-	-	**-**	-	**-**
Other transactions with shareholders		-	-	-	-	62	-	-	62	**62**	-	**62**
Dividends and other transactions with Vivendi SA shareholders		**7,709**	**42**	**75**	**31**	**(1,325)**	**-**	**-**	**(1,325)**	**(1,177)**	**-**	**(1,177)**
Dividends		-	-	-	-	-	-	-	-	**-**	(1,047)	**(1,047)**
Other transactions with minority interests		-	-	-	-	-	-	-	-	**-**	(133)	**(133)**
Transactions with minority interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,180)**	**(1,180)**
Earnings		-	-	-	-	2,625	-	-	2,625	**2,625**	1,144	**3,769**
Charges and income directly recognized in equity		-	-	-	-	2	38	(1,058)	(1,018)	**(1,018)**	(16)	**(1,034)**
Total recognized charges and income for the period	7	**-**	**-**	**-**	**-**	**2,627**	**38**	**(1,058)**	**1,607**	**1,607**	**1,128**	**2,735**
Total changes over the period		***7,709***	***42***	***75***	***31***	***1,302***	***38***	***(1,058)***	***282***	***430***	***(52)***	***378***
BALANCE AS OF DECEMBER 31, 2007		**1,164,743**	**6,406**	**7,332**	**(2)**	**9,209** (a)	**134**	**(2,737)**	**6,606**	**20,342**	**1,900** (b)	**22,242**

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

a. Mainly includes previous years' earnings which were not distributed and 2007 earnings attributable to equity holders of the parent.

b. Includes cumulative foreign currency translation adjustments of -€53 million.

Notes to the Condensed Financial Statements

On May 13, 2008, the Management Board approved the Financial Report and the Condensed Financial Statements for the first quarter ended March 31, 2008.

The unaudited Condensed Financial Statements for the first quarter ended March 31, 2008 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2007, as published in the 2007 "Rapport annuel - Document de référence" that was filed under number D.08-131 with the "Autorité des marchés financiers" (AMF) on March 18, 2008 (the "Document de référence"). Please also refer to pages 161 to 256 of the English translation[1] of the "Document de référence" (the "2007 Annual Report") which is provided on our website (www.vivendi.com) for informational purposes.

Note 1. Accounting Policies and Valuation Methods

1.1. Interim Financial Statements

The Condensed Financial Statements of Vivendi for the first quarter of 2008 are presented and have been prepared based on the provisions of IAS 34 "Interim financial reporting" as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, Vivendi applied the same accounting methods used for the Consolidated Financial Statements for the year ended December 31, 2007 (please refer to Note 1 "Accounting policies and valuation methods" presented in those financial statements (from pages 169 to 185 of the 2007 Annual Report)) 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.

1.2. New IFRS applicable as of January 1, 2008

The new IFRS applicable as of January 1, 2008, as described in Note 1.5 "New IFRS standards and IFRIC interpretations that have been published but are not yet effective" to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2007 (pages 184 and 185 of the 2007 Annual Report), were not applicable to the first quarter of 2008.

[1] This translation is qualified in its entirety by reference to the "Document de référence".

Note 2. Condensed Statements of Earnings by Business Segment

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

1st Quarter Ended March 31, 2008 (In millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and other	Eliminations	**Total Vivendi**
External revenues	1,032	1,116	2,299	612	221	-	-	-	5,280
Inter-segments revenues	1	(1)	3	2	-	-	-	(5)	-
Revenues	**1,033**	**1,115**	**2,302**	**614**	**221**	**-**	**-**	**(5)**	**5,280**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(913)	(903)	(1,444)	(264)	(167)	(34)	(7)	5	(3,727)
Charges related to stock options and share-based compensation plans	13	(2)	(2)	(1)	7	23	-	-	38
EBITDA	**133**	**210**	**856**	**349**	**61**	**(11)**	**(7)**	**-**	**1,591**
Restructuring charges	(12)	-	-	1	-	1	-	-	(10)
Gain (losses) on tangible and intangible assets	-	-	(6)	3	-	-	-	-	(3)
Other non recurring items	1	1	-	(1)	-	1	(2)	-	-
Depreciation of tangible assets	(11)	(27)	(130)	(63)	(10)	(2)	-	-	(243)
Amortization of intangible assets excluding those acquired through business combinations	-	(14)	(96)	(21)	(1)	-	-	-	(132)
Adjusted earnings before interest and income taxes (EBITA)	**111**	**170**	**624**	**268**	**50**	**(11)**	**(9)**	**-**	**1,203**
Amortization of intangible assets acquired through business combinations	(64)	(8)	(7)	(6)	-	-	-	-	(85)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**47**	**162**	**617**	**262**	**50**	**(11)**	**(9)**	**-**	**1,118**
Income from equity affiliates									85
Interest									(37)
Income from investments									2
Other financial charges and income									(22)
Provision for income taxes									(276)
Earnings from discontinued operations									-
Earnings									**870**
Attributable to :									
Equity holders of the parent									**555**
Minority interests									315

1st Quarter Ended March 31, 2007 (In millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and other	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 as well as charges related to share-based compensation plans	(952)	(860)	(1,234)	(222)	(158)	(19)	(6)	15	(3,436)
Charges related to stock options and share-based compensation plans	(8)	(1)	(2)	(1)	(10)	(4)	-	-	(26)
EBITDA	**67**	**206**	**860**	**327**	**123**	**(23)**	**(2)**	**-**	**1,558**
Restructuring charges	1	-	-	-	-	(1)	-	-	-
Gain (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

Income from equity affiliates mainly comprised the group’s pro rata share in earnings of NBC Universal (€53 million compared to €65 million for the first quarter of 2007), an investment allocated to the Holding & Corporate business segment, and the group’s pro rata share in earnings of Neuf Cegetel (€33 million compared to €18 million for the first quarter of 2007), an investment allocated to the SFR business segment.

Note 3. Financial Charges and Income

Interest

(In millions of euros)	1st Quarter Ended March 31, 2008	1st Quarter Ended March 31, 2007	Year Ended December 31, 2007
Interest expense on borrowings	66	73	301
Capitalized interest relating to the acquisition of BMG Music Publising	-	(15)	(25)
Interest income from cash and cash equivalents	(29)	(34)	(110)
Interest at nominal rate	**37**	**24**	**166**
Impacts of amortized cost on borrowings	*9*	*7*	*28*
Interest at effective rate	***46***	***31***	***194***

Impact of amortized cost on borrowings is recorded under "other financial charges" (below). This impact represents the difference between the interest at nominal rate and the interest at effective rate.

Other financial Charges and Income

(In millions of euros)	1st Quarter Ended March 31, 2008	1st Quarter Ended March 31, 2007	Year Ended December 31, 2007
Other capital gain on the divestiture of businesses	1	241	262
o/w capital gain on the divestiture of 10.18 % of Canal+ France to Lagardère	-	*239*	*239*
Downside adjustment on the divestiture of businesses	-	-	(40)
Other capital gain on financial investments	11	-	4
Downside adjustment on financial investments	(1)	(1)	(185)
o/w the write-off of the minority stake in Amp'd	-	-	*(65)*
Financial components of employee benefits	(6)	(7)	(29)
Impacts of amortized cost on borrowings	(9)	(7)	(28)
Change in derivative instruments	(11)	(14)	9
Effect of undiscounting liabilities (a)	(11)	(13)	(75)
Other	4	(2)	(1)
Other financial charges and income	**(22)**	**197**	**(83)**

a. This line item mainly corresponds to the effect of undiscounting of liabilities related to the combination of pay-TV activities of Canal+ Group and TPS in France.

Note 4. Income Taxes

(In millions of euros)	1st Quarter Ended March 31, 2008	1st Quarter Ended March 31, 2007	Year Ended December 31, 2007
Provision for income taxes:			
Impact of the Consolidated Global Profit Tax System	79 (a)	132	605
Other components of the provision for income taxes	(355)	(356)	(1,352)
Provision for income taxes	**(276)**	**(224)**	**(747)**

a. Corresponding to 25% of the expected tax savings relating to the 2009 fiscal year, which decreased due to the anticipation of the acquisition of Neuf Cegetel by SFR. As of May 13, 2008, the date of the Management Board meeting which approved the financial statements for the first quarter of 2008, Vivendi intends to apply for permission to use the Consolidated Global Profit Tax System for an additional three-year period, in accordance with applicable law. Please refer to Note 6.1 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 198 of the 2007 Annual report).

Note 5. Reconciliation of Earnings, attributable to Equity Holders of the Parent and adjusted Net Income

(In millions of euros)	1st Quarter Ended March 31, 2008	1st Quarter Ended March 31, 2007	Year Ended December 31, 2007
Earnings, attributable to equity holders of the parent (a)	**555**	**932**	**2,625**
Adjustments			
Amortization of intangible assets acquired through business combinations	85	60	301
Impairment losses of intangible assets acquired through business combinations (a)	-	-	34
Other financial charges and income (a)	22	(197)	83
Change in deferred tax asset related to the Consolidated Global Profit Tax System	69	2	(53)
Non recurring items related to provision for income taxes	4	-	74
Provision for income taxes on adjustments	(33)	(24)	(155)
Minority interests in adjustments	(5)	(2)	(77)
Adjusted net income	**697**	**771**	**2,832**

a. As presented in the condensed statement of earnings.

Note 6. Earnings per share

	1st Quarter Ended March 31,				Year Ended December 31,	
	2008		2007		2007	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings attributable to the equity holders of the parent	555	555	932	932	2,625	2,625
Adjusted net income	697	697	771	771	2,832	2,832
Number of shares (in millions)						
Weighted average number of shares outstanding restated (a)	1,164.7	1,164.7	1,155.0	1,155.0	1,160.2	1,160.2
Potential dilutive effects related to share-based compensation	-	5.7	-	11.1	-	7.6
Adjusted weighted average number of shares	**1,164.7**	**1,170.4**	**1,155.0**	**1,166.1**	**1,160.2**	**1,167.8**
Earnings per share (in euros)						
Earnings attributable to the equity holders of the parent per share	0.48	0.47	0.81	0.80	2.26	2.25
Adjusted net income per share	0.60	0.60	0.67	0.66	2.44	2.43

Earnings from discontinued operations are not applicable over presented periods. Therefore, earnings from continuing operations, attributable to the equity holders of the parent, correspond to earnings attributable to the equity holders of the parent.

a. Net of treasury shares (80,728 shares as of March 31, 2008).

Note 7. Statement of Recognized Charges and Income

(In millions of euros)	1st Quarter Ended March 31, 2008 Attributable to Vivendi SA's shareholders	Minority interests	Total	1st Quarter Ended March 31, 2007 Attributable to Vivendi SA's shareholders	Minority interests	Total	Year Ended December 31, 2007 Attributable to Vivendi SA's shareholders	Minority interests	Total
Net Income	**555**	**315**	**870**	**932**	**315**	**1,247**	**2,625**	**1,144**	**3,769**
Foreign currency translation adjustments	**(919)** (a)	**(15)**	**(934)**	**(134)** (a)	**(5)**	**(139)**	**(1,058)** (a)	**(17)**	**(1,075)**
Assets available for sale	(1)	-	(1)	29	-	29	2	-	2
Valuation gains/(losses) taken to equity	*(1)*	-	*(1)*	*29*	-	*29*	*2*	-	*2*
Transferred to profit or loss on divestiture	-	-	-	-	-	-	-	-	-
Hedging instruments	(111)	(5)	(116)	5	1	6	38	2	40
Tax	2	2	4	(1)	-	(1)	(2)	(1)	(3)
Unrealized gains (losses)	**(110)**	**(3)**	**(113)**	**33**	**1**	**34**	**38**	**1**	**39**
Charges and income directly recorded in equity related to equity affiliates	(4)	-	(4)	-	-	-	(2)	-	(2)
Other	(1)	-	(1)	22	-	22	4	-	4
Other impacts on retained earnings	**(5)**	**-**	**(5)**	**22**	**-**	**22**	**2**	**-**	**2**
Charges and income directly recognized in equity	**(1,034)**	**(18)**	**(1,052)**	**(79)**	**(4)**	**(83)**	**(1,018)**	**(16)**	**(1,034)**
Total recognized charges and income for the period	**(479)**	**297**	**(182)**	**853**	**311**	**1,164**	**1,607**	**1,128**	**2,735**

a. Includes changes in foreign currency translation adjustments relating to the investment in NBC Universal of -€445 million for the first quarter of 2008, -€58 million for the first quarter of 2007 and -€481 million in 2007.

Note 8. Contractual Obligations and Other Commitments

The following note should be read in conjunction with Note 26 "Contractual obligations and other commitments" to the Consolidated Financial Statements for the year ended December 31, 2007 (page 241 to 249 of the 2007 Annual report).

The main contractual or amended commitments undertaken during the first quarter ended March 31, 2008 and their impact on the Condensed Financial Statements are described below.

- **Investment commitments:**
  - Commitments of Maroc Telecom Group related to the agreement signed in 2006 with the government of the Kingdom of Morocco have been fulfilled (please refer to Note 26.1 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 243 of the 2007 Annual Report). Therefore, as of March 31, 2008, Maroc Telecom Group no longer has any outstanding commitment related to this agreement.
  - On May 4, 2008, as part of the PACTE universal service program, Maroc Telecom Group signed a convention and committed to cover by mobile telephony 1,500 isolated areas in Morocco by the end of 2008 for a total investment of MAD 762 million (€66 million). In exchange, Maroc Telecom Group will be exempted from universal service contribution related to the 2008 fiscal year for MAD 396 million (€35 million).

- **Results of the Bidding Process relating to League 1 Broadcasting Rights:** On February 6, 2008, following the completion of a bidding process, the French Professional Football League awarded Canal+ Group nine out of the ten television lots offered for League 1 broadcasting rights (2008-2009 to 2011-2012). Canal+ Group will therefore continue to broadcast all League 1 football events on its channels. Each season these events will notably include all matches of all League 1 clubs, the top ten matches of the season, the Sunday night match fixture, multiplex programs to open and close the championship, and all informational programs. Canal+ Group will pay €465 million per season (*i.e.* €1,860 million) for these rights. These commitments will be recognized in the statement of financial position upon the opening of every season. As of the date of this Financial Report, the new contracts have not yet been signed.

- **Acquisition of Kinowelt:** As part of the acquisition of Kinowelt finalized on April 2, 2008, global and customary guarantees were granted by the sellers to StudioCanal. In addition, some specific guarantees, notably on film rights, were also granted.

- **Take over of Neuf Cegetel by SFR:** On December 20, 2007, SFR and the Louis Dreyfus Group signed a draft agreement under which the Louis Dreyfus Group would sell its entire interest in Neuf Cegetel (approximately 28%) to SFR, at a price of €34.50 per share, with the 2007 coupon attached, for a total amount of €2.1 billion. On February 19 and 20, 2008, this draft agreement received positive opinions from SFR and Neuf Cegetel labor relations and employee representative committees, respectively.
  In order to manage this operation according to the conditions, a contract for the sale of shares was signed on February 29, 2008 between SFR, Louis Dreyfus Technologies SAS, Kurosawa and Vivendi and this contract was subject to the receipt of all necessary regulatory approvals.

After the permission from the Minister of the Economy, Industry and Employment on April 15, 2008, this sale of share was realized the same day, which allows SFR to control Neuf Cegetel with 68.13% of its capital. At this date, the shareholders' agreement between SFR and Louis Dreyfus Group ended (please refer to Note 26.5 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 249 of the 2007 Annual Report).

On April 22, 2008, in agreement with stock exchange regulations, SFR filed with the "Autorité des Marchés Financiers" (the Paris Stock Exchange Regulator) a Simplified Public Purchase Offer at a price of €36.50 a share with the 2007 coupon attached. Neuf Cegetel's shareholders approved the payment of a dividend of €0.60 per share at the company's General Shareholders' Meeting on April 21, 2008. As a result of this payment, on May 2, 2008, the price of SFR's offer was adjusted to €35.90. This operation will be followed, if necessary, by a Public Withdrawal Offer at the same price. In case of success, the maximum amount to pay should reach €2.2 billion. In addition, before the launch of the Simplified Public Purchase Offer, SFR acquired approximately 10% of Neuf Cegetel shares at a price of €36.50 with the 2007 coupon attached. Then, SFR owns an approximately 78% equity interest in Neuf Cegetel.

Furthermore, the Minister's approval was given as a result of new commitments made by Vivendi and its subsidiaries. They address competitor access and new market entrants to wholesale markets on SFR's fixed and mobile networks, acceptance on the fixed network of an independent television distributor if such a player appears, as well as the availability, on a non-exclusive basis, on ADSL of eight new channels which are leaders in their particular themes (Paris Première, Teva, Jimmy, Ciné Cinéma Famiz, three M6 Music channels and Fun TV).

Transactions underway as of March 31, 2008

As of March 31, 2008, Vivendi was involved in the acquisition of various companies or assets, the completion of which is subject to the approval of competition authorities and/or shareholders, or to consultation with the relevant labor relations and employee representative committees. These transactions include mainly the combination of Vivendi Games with Activision in order to create Activision Blizzard (please refer to Note 2.8 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 190 to 191 of the 2007 Annual Report)) as well as the acquisition project of Univision Music Group by UMG.

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 2007 Annual Report (page 250 to 254). The following paragraphs update those disclosures through May 13, 2008, the date of the Management Board meeting held to approve Vivendi's financial statements for the first quarter ended on March 31, 2008.

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, other than those described therein.

COB/AMF Investigation Opened in July 2002

On December 19, 2006, the Commercial Chamber of the French Supreme Court (Cour de Cassation), upon appeal of the Autorité des Marchés Financiers (AMF), partially reversed the Paris Court of Appeal's decision held on June 28, 2005. In its decision, the Commercial Chamber of the French Supreme Court ruled that the statements made orally by Jean-Marie Messier at the company's 2002 Annual Shareholders' Meeting were binding on the company, regardless of whether such statements were accurate or complete, due to the fact that he made the statements while performing his duties as chief executive officer of the Company. However, the French Supreme Court confirmed the accuracy and appropriateness of the consolidation methods applied by Vivendi. The case has been partially remanded to the Paris Court of Appeal in a different composition. A procedural hearing is scheduled on May 19, 2008.

Elektrim Telekomunikacja

As of today, Vivendi is a 51% shareholder in each of Elektrim Telekomunikajca Sp. z o.o. (Telco) and Carcom Warszawa (Carcom), companies organized under and existing under the laws of Poland which own, either directly or indirectly, 51% of the capital of Polska Telefonia Cyfrowa Sp. Z.o.o. (PTC), one of the primary mobile telephone operators in Poland. These shareholdings are the subject of several litigation proceedings the most recent developments are described below:

Arbitration Proceedings before the London Court of International Arbitration (LCIA)

On August 22, 2003, Vivendi and Vivendi Telecom International SA (VTI) lodged an arbitration claim with an arbitration court under the auspices of the London Court of International Arbitration (LCIA) against Elektrim, Telco and Carcom. This request for arbitration relates to the Third Amended and Restated Investment Agreement dated September 3, 2001, entered into by and among Elektrim, Telco, Carcom, Vivendi and VTI (the "TIA"). The purpose of the TIA, amongst other things, is to govern relations between Vivendi and Elektrim within Telco and Carcom. The subject matter of the dispute mainly relates to alleged breaches of the TIA by Vivendi and Elektrim.

On March 19, 2008, the arbitral tribunal issued an award in favor of Vivendi and found that Elektrim breached the basic premise of the TIA by systematically acting against the interest of Telco in furtherance of its own interest and by refusing to acknowledge Telco's right to the economic benefit of the PTC Shares, and breached several provisions of the TIA. It dismissed all of Elektrim's counterclaims against Vivendi.

Proceedings against Deutsche Telekom before the Paris Commercial Court

In April 2005, Vivendi summoned Deutsche Telekom (DT) before the Paris Commercial Court for wrongful termination of negotiations. In September 2004, DT ended, without prior notice and without legitimate justification, tri-party negotiations with Elektrim and Vivendi which had begun one year earlier in relation to the transfer of 51% of PTC to DT. Vivendi has made an indemnity claim in the amount of €1.8 billion against DT. On March 18, 2008, the Paris Commercial Court rejected Vivendi's claim.

Claim against Compagnie Immobilière Phénix Expansion

Compagnie Immobilière Phénix Expansion (CIP Expansion), a former subsidiary of Vivendi, is the subject of a claim by Tso Yaroslavstroi, the Russian public corporation, relating to a contract for the construction of prefabricated houses in the Yaroslav region. On March 30, 2005, Tso Yaroslavtroi filed a claim against CIP Expansion with the ICC International Court of Arbitration, seeking an order for the payment of sums representing, in particular, the loss of profits envisaged from the sale of the prefabricated houses and compensation for the loss suffered. The award is expected to be issued during the first half of 2008.

Parabole Réunion

In July 2007, the group Parabole Réunion filed a claim against Groupe Canal+ before the tribunal of first instance of Paris following the termination of the distribution of the TPS channels in Réunion Island, Mayotte, Madagascar and Mauritius on an exclusive basis. Pursuant to a decision dated September 18, 2007, Groupe Canal+ was enjoined, under fine, from allowing the broadcast of these channels by a third party, unless it offers to Parabole Réunion the replacement of these channels by other channels of a similar attractivity, to be distributed on an exclusive basis. Groupe Canal+ appealed this decision. A mediation procedure is currently underway.

Complaint of Bouygues Telecom against SFR and Orange

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices on the call termination and mobile markets. On March 13, 2008, SFR received a notification of grievances and must file its response within two months.

Investigation initiated by the French Competition Council

Further to a claim initially brought by certain companies of the AB group against Groupe Canal+ for alleged unfair trading practices, the French Competition Council initiated an analysis of the practices implemented in the pay-TV area. In this framework, Vivendi and Groupe Canal+ have been heard by the Council. As of today, no notification of grievances has been served.

Note 10. Subsequent Events

The main events that occurred since March 31, 2008 were as follows:

- On April 2, StudioCanal completed the acquisition of Kinowelt.
- On April 2, Vivendi raised US $1.4 billion through the issuance of U.S. dollar notes.
- On April 15, Vivendi and SFR received the permission from the Minister of the Economy, Industry and Employment for the acquisition of the entire equity stake of the Louis Dreyfus Group in Neuf Cegetel. A detailed description of the transaction is presented in Note 8 of this document.
- On April 16, the proposed creation of Activision Blizzard received the approval from the European authorities.
- In April, following the tender offer launched by Prisa for the share capital of Sogecable, Vivendi repaid its bonds exchangeable for Sogecable SA shares.