



Vivendi

(a société anonyme established with limited liability in the Republic of France)

€500,000,000 4.50 per cent Notes due 2013

Issue Price: 99.366 per cent.

and

€700,000,000 Floating Rate Notes due 2011

Issue Price: 100 per cent.

*This prospectus constitutes a prospectus (the “**Prospectus**”) for the purposes of Article 5.3 of the Directive 2003/71/EC (the “**Prospectus Directive**”) and the relevant implementing measures in the Grand Duchy of Luxembourg. This Prospectus contains information relating to the issue by Vivendi (“**Vivendi**” or the “**Issuer**”) of its €500,000,000 aggregate principal amount of 4.50 per cent. Notes due 2013 (the “**Fixed Rate Notes**”) and €700,000,000 aggregate principal amount of Floating Rate Notes due 2011 (the “**Floating Rate Notes**” and, together with the Fixed Rate Notes, the “**Notes**” or “**Series**” and each a “**Note**”).*

The Notes will be deemed to be issued outside the Republic of France.

*The Fixed Rate Notes will mature, unless previously redeemed or purchased and cancelled, on 3 October 2013 (the “**Fixed Rate Notes Maturity Date**”), subject as provided below, at their principal amount, as set out in “**Terms and Conditions of the Fixed Rate Notes — Redemption and Purchase — Redemption at Maturity**”).*

*The Fixed Rate Notes will bear interest at the rate of 4.50 per cent. per annum from, and including, 3 October 2006 to, but excluding, the Fixed Rate Notes Maturity Date. Interest will be payable in equal instalments annually in arrear on 3 October of each year, commencing on 3 October 2007 (see “**Terms and Conditions of the Fixed Rate Notes — Interest**”).*

*The Floating Rate Notes will mature, unless previously redeemed or purchased and cancelled, on the Interest Payment Date (as defined in “**Terms and Conditions of the Floating Rate Notes — Interest**”) falling on 3 October 2011 (the “**Floating Rate Notes Maturity Date**”), subject as provided below, at their principal amount, as set out in “**Terms and Conditions of the Floating Rate Notes — Redemption and Purchase — Redemption at Maturity**”).*

*Interest on the Floating Rate Notes is payable quarterly in arrear on the Interest Payment Dates falling on, or nearest to 3 January, 3 April, 3 July, 3 October in each year, commencing on the Interest Payment Date falling on, or nearest to, 3 January 2007, at a rate equal to 0.50 per cent. per annum above the European interbank offered rate for three-month Euro deposits, all as more fully described in “**Terms and Conditions of the Floating Rate Notes — Interest**”).*

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list and traded on the regulated market of the Luxembourg Stock Exchange.

*The Notes will be issued on 3 October 2006 in the denomination of €50,000 each and will at all times be represented in book entry form (dématérialisés), in compliance with Article L.211-4 of the French Code monétaire et financier, in the books of the Account Holders (as defined in “**Terms and Conditions of the Fixed Rate Notes — Form, Denomination and Title**” and in “**Terms and Conditions of the Floating Rate Notes — Form, Denomination and title**”). No physical documents of title will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France S.A. (“**Euroclear France**”) which shall credit the accounts of the Account Holders including the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”). The Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg.*

Each of the Notes has been assigned a rating of Baa2 by Moody’s Investors Services Limited, BBB by Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. and BBB by Fitch Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

*This Prospectus is to be read and construed in conjunction with all documents which are incorporated herein by reference. See “**Incorporation by Reference**” below.*

*See “**Risk Factors**” of this Prospectus for certain information relevant to an investment in the Notes.*

Joint Lead Managers

Citigroup

JPMorgan

The date of this Prospectus is 2 October 2006.

Subject as set out below, the Issuer accepts responsibility for the information contained in this Prospectus and confirms that this document contains all information with respect to the Issuer, the Issuer and its subsidiaries taken as a whole (the “Group”) and the Notes which is material in the context of the issue and offering of the Notes; the statements contained in it relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading; the opinions and intentions expressed in this document with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

Having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of the Issuer’s knowledge, in accordance with the facts and contains no omission likely to affect its import. There are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this document misleading in any material respect or be likely to affect its import. All reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer accepts responsibility accordingly.

In connection with the issue and offering of the Notes, no person has been authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers (as defined in “Subscription and Sale”). Neither the delivery of this Prospectus, nor any sale made in connection with the issue of the Notes, shall, under any circumstances, create any implication that there has been no change in the affairs or the financial position of the Issuer or the Group since the date hereof, or that the information in this Prospectus is correct or complete as of any time subsequent to its date, or if different, the date indicated in the document containing the same.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone to any person to whom it is unlawful to make such offer or solicitation.

Neither this Prospectus nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and nor should any of them be considered as a recommendation or a statement of opinion (or a report on either of those things) by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Prospectus nor any information supplied in connection with the Notes constitute an offer or invitation or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or purchase any Notes.

No action has been or will be taken by the Issuer, the Joint Lead Managers or any other person that would permit a public offering of the Notes or the distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where regulatory action for that purpose is required.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the United States, the United Kingdom, France, Italy and the Netherlands (see “Subscription and Sale”).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “Securities Act”) or any state securities laws. The Notes are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”) and, except in a transaction exempt from the registration requirements of the Securities Act, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). For a description of this and certain further restrictions on offers, sales and transfers of the Notes and the distribution of this Prospectus, see “Subscription and Sale”.

This Prospectus has not been approved by, or registered or filed with, the French Autorité des Marchés Financiers (“AMF”). The Notes may not be offered or sold to the public in France and neither this Prospectus, nor any other offering material or information contained therein, may be released, issued or distributed or caused to be released, issued or distributed to the public in France, or used in connection with any offer for subscription or sale of notes to the public in France. Such offers, sales and distributions shall be made in France only to qualified investors (investisseurs qualifiés) as defined in Articles L. 411-2, D. 411-1 to

D. 411-3 of the French Code monétaire et financier. Persons into whose possession this Prospectus comes must inform themselves about and observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer to any person to whom it is unlawful to make such offer or a solicitation by anyone not authorised to so act.

Unless otherwise specified or the context requires, references herein to “€” and “euro” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community. In this Prospectus, any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding. References to “billions” are to thousands of millions.

Unless otherwise indicated, statements in this Prospectus relating to market share, ranking and data are derived from management’s estimates based on independent industry publications, reports by market research firms or other published independent sources.

In connection with the issue of the Notes of each Series, Citigroup Global Markets Limited and J.P. Morgan Securities Ltd. (each a “Stabilising Manager”) (or any persons acting on behalf of the Stabilising Manager) may over-allot Notes of each Series (provided that the aggregate principal amount of such Notes allotted does not exceed 105 per cent. of the aggregate principal amount of such Notes) or effect transactions with a view to supporting the market price of such Notes at a level higher than which might otherwise prevail for a limited period. However, there is no assurance that the Stabilising Manager (or any persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Such stabilisation will be carried out in accordance with all applicable laws and regulations and will be undertaken solely for the account of the Joint Lead Managers and not for or on behalf of the Issuer.

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RISK FACTORS

The following are certain risk factors of the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the following risk factors detailed below.

Further risk factors relating to the Issuer and its activities are contained in the Reference Document 2005. Prospective investors should make their own independent evaluations of all investment considerations. Terms defined in “Terms and Conditions of the Fixed Rate Notes” and “Terms and Conditions of the Floating Rate Notes” below shall have the same meaning where used below.

1 FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risk factors relating to Vivendi

Vivendi is subject to many risks and uncertainties that may affect its financial performance. The business, financial condition or results of operations of Vivendi could be materially adversely affected by the risks described in the Reference Document 2005 (please refer to section 10 (Risk Factors) of chapter 2). These risks are not the only ones facing Vivendi. Additional risks not presently known to Vivendi or that it currently deems immaterial may also impair its business operations.

Credit or corporate ratings may not reflect all risks.

One or more independent rating agencies may assign ratings to the Notes. The ratings assigned to the Notes by the rating agencies are based on the Issuer’s financial situation, but take into account other relevant structural features of the transaction, including, *inter alia*, the terms of the Notes, and reflect only the views of the rating agencies. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this paragraph, and other factors that may affect the value of the Notes. The ratings address the likelihood of full and timely payment to the Noteholders of all payments of interest on each interest payment date and repayment of principal on the final payment date. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the rating agencies as a result of changes in or unavailability of information or if, in the rating agencies’ judgement, circumstances so warrant.

A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

2 FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the market generally.

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Risks related to the structure of the Notes.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes in accordance with Condition 4.2 ("Redemption for Taxation reasons"), the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

An investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed Rate Interest Periods

Subsequent changes in interest rates where the Notes bear interest at the Fixed Rate of Interest may adversely affect the value of the Notes.

Floating Rate Interest Periods

Investors will not be able to calculate in advance their rate of return on the Notes in respect of Floating Rate Interest Periods.

A key difference between the Floating Rate of Interest and the Fixed Rate of Interest under the Notes is that interest income in respect of Floating Rate Interest Periods cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield on the Notes in respect of Floating Rate Interest Periods. As the terms and conditions of the Notes provide for quarterly interest payment dates in respect of the Floating Rate of Interest, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Exercise of Put Option in respect of certain Notes may affect the liquidity of the Notes in respect of which such Put Option is not exercised

Depending on the number of Notes in respect of which the Put Option provided in Condition 4.4 is exercised, any trading market in respect of those Notes in respect of which such Put Option is not exercised may become illiquid.

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Risks related to Notes generally

Modification and waiver

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The conditions of the Notes are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions, or in accordance with the applicable double tax treaty. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

EU Savings Directive

The EU Savings Directive of 3 June 2003 (in this section "Risk Factors", the "Directive") provides that each Member State is required, as from 1 July 2005 to give to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments unless the beneficiary elects for the exchange of information regime (the ending of such transitional period being dependent upon the conclusion of certain agreements relating to information exchange with certain other countries).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

INCORPORATION BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published or are published simultaneously with this Prospectus and filed with the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) in Luxembourg and which shall be incorporated in, and to form part of, this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise):

- (i) the *Document de Référence 2005* of Vivendi dated 28 March 2006 (which includes the audited annual consolidated financial statements and statutory auditors’ reports of Vivendi for the financial years ended 31 December 2005 (and the related notes)) but excluding any reference to the “*Attestation du Responsable du Document de Référence*” on page 305 and to the “*Rapport des Commissaires aux comptes sur les prévisions de résultat net ajusté, part du Groupe*” on page 301 (the “**Reference Document 2005**”);
- (ii) the *Document de Référence 2004* of Vivendi dated 18 April 2005 (which includes the audited annual consolidated financial statements and statutory auditors’ reports of Vivendi for the financial years ended 31 December 2004 (and the related notes)) but excluding any reference to the “*Attestation des Commissaires aux comptes*” on pages 13 and 14 (the “**Reference Document 2004**”);
- (iii) the semi-annual unaudited consolidated financial statements of Vivendi for the six month period ended 30 June 2006, in French language and the statutory auditors’ review report dated 6 September 2006, in French language.

In application of European regulation 1606/2002 dated 19 July 2002 concerning international standards, the consolidated financial statements of Vivendi for the years ended 31 December 2004 and 31 December 2005, were prepared in accordance with the IFRS (International Financial Reporting Standards) decreed by the IASB (International Accounting Standards Board).

So long as any of the Notes are outstanding, this Prospectus and any document incorporated by reference herein will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and collection free of charge, at the specified office of the Paying Agents.

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

CROSS-REFERENCE LIST IN RESPECT OF INFORMATION INCORPORATED BY REFERENCE

Documents incorporated by reference and this Prospectus are available on the website of the Luxembourg Stock Exchange (www.bourse.lu)

Prospectus Regulation — Annex IX and Annex XIII		Reference Document 2005	Reference Document 2004
Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses	Audit report	Page 172	Page 161
	Consolidated financial statements for the latest two financial years	Page 174	Page 163
	Notes to consolidated financial statements for the latest two financial years	Page 179	Page 167
Administrative, Management, and Supervisory Bodies	Absence of conflicts of interest	Paragraphs 3.1.14 Page 84 and 3.1.2.4 Page 93	n/a
Board Practices	Audit Committee	Paragraph 3.1.1.13 Page 87	Page 280
	Corporate Governance Committee	Paragraph 3.1.1.13 Page 88	Page 282
	Internal Control and Risk Management	Section 4 Page 102	Page 288
Business Overview and Material Contracts		Page 26	Page 56
Litigation	Legal and arbitration proceedings	Page 47	Page 85
Risk Factors	Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligation under the securities to investors	Page 51	Page 88
Organisational Structure		Section 1 Page 17 and Page 13	Page 47
Major Shareholders		Page 75	Page 43
Interim financial information	Semi-annual unaudited consolidated financial statements for the six month period ended 30 June 2006 and related Notes		

TERMS AND CONDITIONS OF THE FIXED RATE NOTES

The terms and conditions of the Fixed Rate Notes will be as follows:

The issue outside the Republic of France of €500,000,000 aggregate principal amount of Notes due 2013 (the “**Notes**”) of Vivendi, a French *société anonyme* (the “**Issuer**”), was authorised by the *Président du Directoire* on 28 September 2006 pursuant to a resolution of the *Conseil de Surveillance* and a resolution of the *Directoire* of the Issuer dated 6 September 2006 and 29 August 2006, respectively.

The Issuer will enter into an agency agreement (the “**Agency Agreement**”) to be dated 3 October 2006 with BNP Paribas Securities Services, Luxembourg Branch as fiscal agent, principal paying agent and Luxembourg paying agent and BNP Paribas Securities Services as Paris paying agent for the Notes. The fiscal agent, principal paying agent, Paris paying agent, and Luxembourg paying agent for the time being for the Notes are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**” and the “**Paying Agents**” (which expression shall include the Principal Paying Agent), respectively. Each of such expressions shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. Copies of the Agency Agreement are available without charge at the specified offices of the Paying Agents. Holders of the Notes (the “**Noteholders**”) are deemed to have notice of the provisions of the Agency Agreement. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs contained in the terms and conditions of the Notes set forth herein.

1 Form, Denomination and Title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €50,000 per Note. Title to the Notes will be established and evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book-entries (*dématisation*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A., (“**Euroclear France**”), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any authorized financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers (*entreprise d’investissement habilitée à la tenue de compte-conservation*) with Euroclear France which includes the depositary banks for Clearstream Banking, *société anonyme* (“**Clearstream**”), and Euroclear Bank S.A./N.V (“**Euroclear**”).

Title to the Notes shall at all times be evidenced by entries in the books of the Account Holders, and transfer of Notes may only be effected through registration of the transfer in the books of Account Holders.

2 Status and Negative Pledge

2.1 Status of the Notes

The obligations of the Issuer in respect of the Notes constitute direct, unconditional, (subject as provided in Condition 2.2 “**Negative Pledge**” below) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

2.2 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien (other than a lien arising by operation of law) or other form of encumbrance or security interest (“**Security**”) upon the whole or any part of its undertakings, assets or revenues present or future (including any uncalled capital) to secure any Relevant Debt or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, its obligations under the Notes (a) are secured equally and rateably therewith or (b) have the benefit of such other security or other arrangement as shall be approved by the Masse (as defined in Condition 8) pursuant to Condition 8.

For the purposes of this Condition, “**Relevant Debt**” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that, at the time of issue, are, or are intended to be, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market.

3 Interest

The Notes will bear interest from, and including, 3 October 2006 (the “**Issue Date**”) at the rate of 4.50 per cent. per annum (calculated on the principal amount of the Notes), payable annually in arrear on 3 October of each year (each an “**Interest Payment Date**”), commencing on 3 October 2007.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the Actual/Actual-ICMA method being the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last). The period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an “**Interest Period**”.

Each Note will cease to bear interest from the date on which it is to be redeemed, unless payment of the full amount due in respect of the Note is improperly withheld or refused on such due date. In such event, such Note shall continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day after the Fiscal Agent has notified the Noteholders in accordance with Condition 9 of receipt of all sums due in respect of all Notes up to that day (except if and to the extent the subsequent payment to the relevant Noteholders is not made in accordance with these Conditions).

Interest payments will be made subject to, and in accordance with, the provisions of Condition 5.

4 Redemption and Purchase

The Notes may not be redeemed other than in accordance with this Condition 4 or Condition 7.

4.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed in cash at their principal amount (*i.e.* €50,000 per Note) on 3 October 2013 (the “**Maturity Date**”).

4.2 Redemption for Taxation Reasons

- (i) If, by reason of change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 6, the Issuer may, on an Interest Payment Date, subject to having given not more than sixty (60) nor less than thirty (30) days’ prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 9, redeem all, but, not some only, of the Notes, at their principal amount with accrued interest (if any) to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days’ prior notice to the Noteholders redeem all, but not some only, of the Notes, then outstanding at their principal amount plus any accrued interest to the date set for redemption provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or if such date has passed, as soon as practicable thereafter.

4.3 Purchases

The Issuer may, in accordance with all applicable laws and regulations, at any time purchase Notes in the open market or otherwise, without any limitation as to price or quantity, including in connection with a tender offer.

4.4 Change of Control and Rating Downgrade

If at any time while any Note remains outstanding (a) there occurs a Change of Control, and (b) within the Change of Control Period a Rating Downgrade occurs, and (c) such Rating Downgrade results from that Change of Control (a **“Put Event”**), each Noteholder will have the option (the **“Put Option”**) unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 4.2, to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of, that Note on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

A **“Change of Control”** shall be deemed to have occurred at each time that any person or persons acting in concert (the **“Relevant Person”**) come(s) to own or acquire(s) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer.

“Change of Control Period” means:

- (i) the period commencing on the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date which is 60 days thereafter (the **“Post-Change of Control Period”**); or
- (ii) the period commencing 60 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (the **“Pre Change of Control Period”**).

“Rating Agency” means any of the following: Moody’s Investors Services Limited; Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. and Fitch Inc.; any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating — and, in each case, their respective successors or affiliates.

A **“Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (A) the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (Baa3/BBB–, or its respective equivalents for the time being, or better) to a non-investment grade rating (Ba1/BB+, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from Ba1/BB+ to Ba2/BB or their respective equivalents) and (B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency; provided however that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was effected because of the Change of Control and (ii) any Rating Downgrade has to be confirmed in a letter sent to the Issuer and publicly disclosed.

Promptly after the date of occurrence of the Change of Control (if a Put Event has occurred during the Pre-Change of Control Period) or promptly upon the Issuer becoming aware that a Put Event has occurred (if such Put Event has occurred during the Post-Change of Control Period), the Issuer shall give notice (a **“Put Event Notice”**) to the Noteholders in accordance with Condition 9 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 4.4.

To exercise the Put Option to require redemption or, as the case may be, purchase of a Note under this Condition 4.4, the Noteholder must transfer or cause to be transferred by its Account Holder its Notes to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer within the period (the **“Put Period”**) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **“Put Option Notice”**) and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 4.4.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes the account

of the Paying Agent for the account of the Issuer as described above on the date which is the tenth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of any Note so transferred will be made in Euro to the holder to the specified Euro-denominated bank account in the Put Option Notice on the Optional Redemption Date via the relevant Account Holders.

4.5 Cancellation

All Notes which are redeemed (including upon exchange) or purchased by the Issuer will be promptly cancelled and accordingly may not be reissued or resold.

5 Payments

5.1 Method of Payment

Payments of principal, interest and other amounts in respect of the Notes will be made in Euros by credit or transfer to a Euro account (or any other account to which Euros may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all such payments so made to the relevant Account Holders shall discharge the liability of the Issuer under the Notes to the extent of the sums so paid.

Payments of principal, interest and other amounts on the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment. No commission or expenses shall be charged by the Issuer or the Agents to the Noteholders in respect of such payments.

5.2 Payments on Business Days

If any due date for payment of principal, interest or any other amount in respect of any Note is not a TARGET business day, then the Noteholder shall not be entitled to payment of the amount due until the next following day which is a TARGET business day and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment. In this condition, the expression “**TARGET business day**” means a day upon which the Trans-European Automated Real-time Gross-Settlement Express Transfer System (TARGET) is operating.

5.3 Fiscal Agent and Paying Agents

The names of the initial Agents and their specified offices are set forth below.

FISCAL AGENT, PRINCIPAL PAYING AGENT AND LUXEMBOURG PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch

33, rue de Gasperich
Howald — Hesperange
L-2085 Luxembourg
Grand Duchy of Luxembourg

PARIS PAYING AGENT

BNP Paribas Securities Services

Immeuble Tolbiac
25, quai Panhard et Levassor
75013 Paris
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent and a Principal Paying Agent having a specified office in a major European city, (ii) so long as any of the Notes are listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, a Paying Agent, having a specified office in Luxembourg (which may be the Principal Paying Agent) and (iii) a Paying Agent, having a specified office in Paris. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than 45 nor less than 30 calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 9.

6 Tax Status

6.1 Tax Exemption

The Notes, issued in Euros by a French legal entity are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*. Consequently, interest and other revenues with respect to the Notes paid to non-French residents benefit from the exemption of withholding tax provided for in Article 125 A III of the French *Code général des impôts*. Accordingly, such payments do not give right to any tax credit from any French source.

6.2 Additional Amounts

If French law should require payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, the Republic of France or any authority therein or thereof having power to tax (“**Taxes**”), the Issuer shall, to the extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding, provided, however, that the Issuer shall not be liable to pay any such additional amount in respect of any Note to a Noteholder (or beneficial owner (*ayant droit*)):

- (i) who is subject to such Taxes in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note; or
- (ii) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with or, introduced in order to conform to, such Directive.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6.2.

7 Event of Default

If any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (i) default is made for a period of 15 days or more in the payments of any amount on the Notes when and as the same shall become due and payable; or
- (ii) default is made in the performance of, or compliance with, any other obligation of the Issuer under the Notes, if such default shall not have been remedied within 30 days after receipt by the Fiscal Agent of written notice of such default given by the Representative(s) (as defined in Condition 8); or
- (iii) after there shall be a default by the Issuer in the due and punctual payment of the principal of, or premium or interest on, any indebtedness for borrowed monies of or assumed or guaranteed by it when and as the same shall become due and payable and giving effect to any applicable grace periods, there shall be an acceleration of any such indebtedness or guarantee, or there shall be a failure to pay such indebtedness upon maturity, provided that the aggregate amount of the relevant indebtedness for borrowed money in respect of which any one or more of the events mentioned in this sub-paragraph has or have occurred equals or exceeds €100,000,000 (or its equivalent); or
- (iv) the Issuer applies for the appointment of a *mandataire ad hoc* or enters into an amicable settlement (*procédure de conciliation*) with its creditors or any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) or, to the extent permitted by law, it ceases payments on its debts or is subject to any insolvency or bankruptcy proceeding or makes a conveyance or assignment for the benefit of, or enters into a composition with, its creditors; or
- (v) the Issuer sells or otherwise disposes of all or substantially all of its assets or ceases or threatens to cease to carry on the whole or substantially all of its business or an order is made or an effective resolution passed for its winding-up, dissolution or liquidation, unless such winding-up, dissolution, liquidation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination with or to, any other corporation and the liabilities under the Notes are transferred to and assumed by such other corporation; or

- (vi) all or any substantial part of the property, assets or revenues of the Issuer shall be attached or shall become subject at any time to any order of court or the enforcement of any security interests (*sûretés réelles*) and such attachment or order shall remain in effect and not be discharged for, or the steps taken to enforce any such security interests shall not be withdrawn or stayed within 30 calendar days; or
- (vii) (A) one or more defaults in the due and punctual payment of principal of or premium or interest, if any, on indebtedness of, or guaranteed by, any of the Material Subsidiaries of the Issuer aggregating €100,000,000 or more, when the same becomes due and payable at the stated maturity thereof, and such default or defaults shall have continued after any applicable grace period and shall not have been cured or waived or (B) the maturity of indebtedness of, or any indebtedness guaranteed by, any of the Material Subsidiaries of the Issuer aggregating €100,000,000 or more shall have been accelerated,

then each of the Noteholders may, by notice in writing to the Fiscal Agent before all continuing Events of Default shall have been remedied, cause its Notes to become immediately due and payable whereupon they shall become immediately due and payable without further formality at their principal amount together with any accrued interest thereon to the date of repayment.

For the purposes of this Condition,

“Material Subsidiary” means:

- (a) any Subsidiary (as defined below) of the Issuer which is consolidated by way of global integration (*intégration globale*) in the audited consolidated financial statements of the Group (as defined below):
 - (i) whose total revenues (consolidated in the case of a Subsidiary which itself has a Subsidiary) represent not less than 5 per cent. of consolidated total revenues of the Group (as shown in the then latest audited consolidated financial statements of the Group); and/or
 - (ii) whose EBITDA (as defined below) represents not less than 5 per cent. of the EBITDA of the Issuer (as shown in the then latest audited consolidated financial statements of the Group),
 in the case of a Subsidiary, as calculated from the then latest annual financial statements (consolidated or, as the case may be, unconsolidated), audited if prepared, of that Subsidiary;
- (b) the Subsidiary of the Issuer which owns the interest of the Group in National Broadcasting Company Universal Inc. and each direct or indirect Holding Company (as defined below) of that Subsidiary; or
- (c) each Subsidiary of the Issuer that acquires any assets or shares having, at the time of the acquisition, a value equal to 5 per cent. or more of the consolidated total assets of the Group (as shown in the then latest audited consolidated financial statements of the Group) and each direct or indirect Holding Company of that Subsidiary; and
- (d) any other Subsidiary of the Issuer (the **“receiving Subsidiary”**) to which after the date of the latest audited consolidated financial statement of the Group is transferred either:
 - (i) all or substantially all the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary (the **“disposing Subsidiary”**); or
 - (ii) sufficient assets such that the receiving Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the date of the latest audited consolidated financial statements of the Group,

where, in the case of (i) above, the disposing Subsidiary shall forthwith upon the transfer taking place cease to be a Material Subsidiary;

“EBITDA” means consolidated operating income adjusted by:

- (a) adding back depreciation of tangible assets and amortisation of intangible assets (to the extent that such depreciation and amortisation are deducted in computing the operating income);
- (b) deducting any gain (or adding back any loss) in connection with the disposal of any tangible and intangible asset (otherwise than in the ordinary course of trading) by a member of the Group during a Measurement Period; and
- (c) deducting any one-time gain and adding back any one-time loss, including any restructuring charges;

“Group” means the Issuer and its Subsidiaries;

“**Holding Company**” of any other person means a company in respect of which that other person is a Subsidiary;

“**Measurement Period**” means a period of 12 months ending on a Testing Date;

“**Subsidiary**” means, in relation to a person, an entity from time to time of which that person has direct or indirect control (in the case of a company incorporated in France, within the meaning of Article L.233-3 I.1 and I.2 of the French *Code de Commerce* (as the same is in force on the date of this Prospectus)) or an entity more than 50 per cent. of the voting rights in, or share capital of, which are owned by that person; and

“**Testing Date**” means 31 December of each year.

8 Representation of the Noteholders

The Noteholders will be grouped for the defence of their respective common interests in a *masse* (hereinafter referred to as the “*Masse*”).

The *Masse* will be governed by those provisions of the French *Code de Commerce* (the “**Code**”) with the exception of the provisions of Articles L. 228-48 and L. 228-59 of the Code and by decree no. 67-236 of 23 March 1967 (as modified or re-enacted from time to time) (the “**Decree**”) with the exception of Articles 218, 222 and 224 of the Decree, as amended by the conditions set forth below, provided that notices calling a general meeting of the Noteholders (a “**General Meeting**”) and the resolutions passed at any General Meeting and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition 9.

The Notes being issued outside the Republic of France, the *Masse* is, in accordance with Article L. 228-90 of the Code, governed solely by the legal provisions which are expressed as applicable to the Notes as stated above and subject to the foregoing paragraphs.

8.1 Legal Personality

The *Masse* will be a separate legal entity, by virtue of Article L. 228-46 of the Code acting in part through a representative (the “**Representative**”) and in part through a General Meeting. The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

8.2 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as a Representative:

- (i) the Issuer;
- (ii) any entity holding (directly or indirectly) at least 10 per cent. of the share capital of the Issuer or at least 10 per cent. of the share capital of which is held by the Issuer;
- (iii) any entity guaranteeing all or part of any obligations of the Issuer;
- (iv) any member of the *Conseil d'Administration* (Board of Directors), the *Conseil de Surveillance* (Supervisory Board) or of the *Directoire* (Management Board) of the Issuer, the Statutory Auditors of the Issuer, or any employee, managing director, director or general manager (*directeur général*) (or their respective *ascendants*, *descendants* and spouses) of the entities referred to in (i), (ii) or (iii) above; and
- (v) persons who have been prohibited from practicing as a banker or who have been deprived of the right to direct, administer or manage an enterprise in any capacity whatsoever.

The initial Representative for the Noteholders shall be:

Cécile Heiser
28, rue Chauveau
92200 Neuilly sur Seine
France

The alternative Representative for the Fixed Rate Noteholders shall be:

Jean-Pierre Pasquier
25, avenue de Verdun
94000 Créteil
France

The acting Representative will have the power, without restriction or reservation, to take, on behalf of the *Masse*, all actions of an administrative nature necessary to protect the interests of the Noteholders.

The Representative will exercise its duty until its dissolution, resignation or termination of its duty by a general meeting of the Noteholders or until it becomes unable to act. Its appointment shall automatically cease on the date of final or total redemption, prior to maturity or otherwise, of the Notes. This appointment may be automatically extended until the final resolution of any proceedings in which the Representative is involved and the enforcement of any judgements rendered or settlements made.

The Issuer shall pay to the Representative an amount of €400 per year.

All interested parties will at all times have the right to obtain the names and the addresses of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

8.3 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of a General Meeting of Noteholders, have the power to take all action to defend the common interests of the Noteholders.

All legal proceedings by or against the Noteholders must be brought by or against the Representative, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representatives may not interfere in the management of the affairs of the Issuer.

8.4 General Meetings

General Meetings of Noteholders may be held at any time, on convocation either by the Issuer or the Representative. One or more Noteholders holding together at least one-thirtieth of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided in Condition 9 not less than fifteen days prior to the date of the General Meeting for the first convocation and not less than six days for a second convocation.

Each Noteholder has the right to participate in General Meetings in person or by proxy. Each Note carries the right to one vote.

8.5 Powers of General Meetings

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of these Conditions, including:

- (i) any proposal whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of Noteholders;

it being specified, however, that a General Meeting may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares of the Issuer or any other entity.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one-fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a majority of two-third of votes cast by the Noteholders attending such meeting or represented thereat.

8.6 Information to the Noteholders

Each Noteholder will have the right, during the 15 day period preceding the holding of each General Meeting, personally or through the Representative, to consult or make a copy of the resolutions which will be proposed, and of any reports which may be presented, at the meeting, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of meeting.

8.7 Expenses

The Issuer will pay all expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and remuneration of the Representative, and more generally all administrative expenses resolved upon by a General Meeting, it being expressly stipulated that no expenses may be imputed against interest or other amounts payable on the Notes.

8.8 Notices of Decisions

Decisions of the meetings shall be published in accordance with the provisions set forth in Condition 9 not more than 90 days from the date thereof.

9 Notices

Any notice to the Noteholders shall be validly given if it is transmitted to Euroclear France and, so long as the Notes are listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, if it is published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or in a leading daily newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or if any such publication is not practicable, or the Notes are no longer so listed, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

10 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

11 Further Issues

The Issuer may from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes may, for the defence of their common interests, be grouped in a single *masse* having legal personality.

12 Modification of the Agency Agreement

The Agency Agreement may be amended by the parties to it, without the consent of the Noteholders, for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in it, or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable, provided that any such amendment does not adversely affect the interests of the Noteholders.

13 Governing Law and Jurisdiction

The Notes are governed by the laws of the Republic of France.

For the benefit of the Noteholders, the Issuer submits to jurisdiction of the competent courts in Paris. This submission shall not limit the right of any Noteholder to take proceedings in any other court of competent jurisdiction.

TERMS AND CONDITIONS OF THE FLOATING RATE NOTES

The terms and conditions of the Notes will be as follows:

The issue outside the Republic of France of €700,000,000 aggregate principal amount of Notes due 2011 (the “**Notes**”) of Vivendi, a French *société anonyme* (the “**Issuer**”), was authorised by the *Président du Directoire* on 28 September 2006 pursuant to a resolution of the *Conseil de Surveillance* and a resolution of the *Directoire* of the Issuer dated 6 September 2006 and 29 August 2006, respectively.

The Issuer will enter into an agency agreement (the “**Agency Agreement**”) to be dated 3 October 2006 with BNP Paribas Securities Services, Luxembourg Branch as fiscal agent, principal paying agent, Luxembourg paying agent and agent bank and BNP Paribas Securities Services as Paris paying agent for the Notes. The fiscal agent, principal paying agent, Luxembourg paying agent, agent bank and Paris paying agent for the time being for the Notes are referred to in these Conditions as the “**Fiscal Agent**”, the “**Principal Paying Agent**”, the “**Agent Bank**” and the “**Paying Agents**” (which expression shall include the Principal Paying Agent), respectively. Each of such expressions shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the “**Agents**”. Copies of the Agency Agreement are available without charge at the specified offices of the Paying Agents. Holders of the Notes (the “**Noteholders**”) are deemed to have notice of the provisions of the Agency Agreement. References below to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs contained in the terms and conditions set forth herein.

1 Form, Denomination and Title

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €50,000 per Note. Title to the Notes will be established and evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book-entries (*dématérialisation*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France S.A., (“**Euroclear France**”), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, “**Account Holders**” shall mean any authorised financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers (*entreprise d’investissement habilitée à la tenue de compte-conservation*) with Euroclear France, which includes the depositary banks for Clearstream Banking, *société anonyme* (“**Clearstream**”), and Euroclear Bank S.A./N.V. (“**Euroclear**”).

Title to the Notes shall at all times be evidenced by entries in the books of the Account Holders, and transfer of Notes may only be effected through registration of the transfer in the books of Account Holders.

2 Status and Negative Pledge

2.1 Status of the Notes

The obligations of the Issuer in respect of the Notes constitute direct, unconditional, (subject as provided in Condition 2.2 “Negative Pledge” below) unsecured and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

2.2 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien (other than a lien arising by operation of law) or other form of encumbrance or security interest (“**Security**”) upon the whole or any part of its undertakings, assets or revenues present or future (including any uncalled capital) to secure any Relevant Debt or any guarantee of or indemnity in respect of any Relevant Debt, unless, at the same time or prior thereto, its obligations under the Notes (a) are secured equally and rateably therewith or (b) have the benefit of such other security or other arrangement as shall be approved by the *Masse* (as defined in Condition 8) pursuant to Condition 8.

For the purposes of this Condition, “**Relevant Debt**” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that, at the time of issue, are, or are intended to be, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market.

3 Interest

(a) Interest Payment Dates

The Notes bear interest at the Rate of Interest (as defined in Condition 3(c) below) from and including the Issue Date payable quarterly in arrear on 3 January, 3 April, 3 July and 3 October of each year (each an “**Interest Payment Date**”), and for the first time on 3 January 2007.

If any Interest Payment Date would otherwise fall on a day which is not a TARGET business day (as defined in Condition 3(c)(iv) below), it shall be postponed to the next day which is a TARGET business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding TARGET business day. The period from (and including) 3 October 2006 (the “**Issue Date**”), to (but excluding) the first Interest Payment Date and each successive period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**”.

(b) Interest Payments

Each Note will cease to bear interest from the date on which it is to be redeemed, unless payment of the full amount due in respect of the Note is improperly withheld or refused on such due date. In such event, such Note shall continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (b) the day after the Fiscal Agent has notified Noteholders in accordance with Condition 9 of receipt of all sums due in respect of all Notes up to that day (except if and to the extent the subsequent payment to the relevant Noteholders is not made in accordance with these Conditions).

Interest payments will be made subject to, and in accordance with, the provisions of Condition 5.

(c) Rate of Interest

The rate of interest from time to time in respect of the Notes (the “**Rate of Interest**”) will be determined by the Agent Bank on the following basis:

- (i) On the second TARGET business day before the beginning of each Interest Period (the “**Interest Determination Date**”) the Agent Bank will obtain the European inter-bank offered rate for three-month deposits in Euro (“**EURIBOR**”), as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers Association and published for information purposes only on Reuters (“**EURIBOR01**”) (or such other page or service as may replace either for the purposes of displaying European inter-bank offered rates of leading reference banks for deposits in euro) (the “**EURIBOR Page**”), as at 11.00 am (Brussels Time) on such Interest Determination Date. The Rate of Interest for such Interest Period shall be the aggregate of 0.50 per cent. per annum and the rate which so appears as determined by the Agent Bank.
- (ii) If, for any reason, on any Interest Determination Date, no rate is calculated and is published on the EURIBOR Page, the Agent Bank will request any four major banks selected by it (but which shall not include the Agent Bank) in the European inter-bank market (the “**Reference Banks**”) to provide it with their respective quotations of the rates offered by such banks at approximately 11.00 am (Brussels time) on such Interest Determination Date, to prime banks in the European inter-bank market for three-month deposits in Euro in an amount that is, in the reasonable opinion of the Agent Bank, representative for a single transaction in the relevant market at the relevant time. The Rate of Interest for such Interest Period shall be the aggregate of 0.50 per cent. per annum and the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted.
- (iii) If only two or three rates are so quoted on any Interest Determination Date, the Agent Bank will determine the arithmetic mean (rounded, if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the rates so quoted and the Rate of Interest for such Interest Period shall be the aggregate of 0.50 per cent. per annum and such arithmetic mean. If fewer than two rates are so quoted on the Interest Determination Date, the Rate of Interest in respect of such Interest Period shall be the Rate of Interest already in effect on such Interest Determination Date.
- (iv) In this Condition, the expression “**TARGET business day**” means a day upon which the Trans-European Automated Real time Gross-settlement Express Transfer System (TARGET) is operating.

(d) Determination of Rate of Interest and Calculation of Interest Amount

The Agent Bank will, as soon as practicable after 11.00 am (Luxembourg time) on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable in respect of each Note (the “**Interest Amount**”) for the relevant Interest Period. The Interest Amount in respect of a Note shall be calculated by applying the Rate of Interest to the principal amount of such Note and multiplying such product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

(e) Publication of Rate of Interest and Interest Amount

The Agent Bank will cause the Rate of Interest, the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified (a) to the Issuer, the Fiscal Agent (if different from the Agent Bank), the Paying Agents, the Luxembourg Stock Exchange and any stock exchange on which the Notes are at the relevant time listed and (b) to the Noteholders in accordance with Condition 9 as soon as possible after their determination but in no event later than the fourth TARGET business day thereafter. The Interest Payment Date so published may subsequently be amended (or appropriate arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 7 or under Conditions 4.2(ii) or 4.4 other than on an Interest Payment Date, the accrued interest and the Rate of Interest shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 3 but no publication of the Rate of Interest or the Interest Amount so calculated needs to be made.

(f) Agent Bank

The Issuer reserves the right at any time to vary or terminate the appointment of the Agent Bank and to appoint a substitute Agent Bank as set out in Condition 5.3. If the Agent Bank is unable or unwilling to continue to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount, the Issuer shall appoint some other major European bank engaged in the Euro inter-bank market (acting through its principal Paris office) to act in its place, subject to having given notice to the Noteholders not more than 45 nor less than 30 days prior to such appointment. The Agent Bank may not resign its duties without a successor having been so appointed.

(g) Certificates to be final

All certificates, notifications, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition whether by the Reference Banks (or any of them) or the Agent Bank shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Luxembourg Stock Exchange and any other stock exchange, the Reference Banks, the Agent Bank, the Paying Agents, the Fiscal Agent and all the Noteholders. No Noteholder shall (in the absence as aforesaid) be entitled to proceed against the Reference Banks or the Agent Bank or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions.

4 Redemption and Purchase

The Notes may not be redeemed other than in accordance with this Condition 4 or Condition 7.

4.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed in cash at their principal amount (*i.e.* €50,000 per Note) on the Interest Payment Date falling on 3 October 2011.

4.2 Redemption for Taxation Reasons

(i) If, by reason of change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 6, the Issuer may, on an Interest Payment Date, subject to having given not more than sixty (60) nor less than thirty (30) days’ prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 9, redeem all, but, not some only, of the Notes at their principal amount with accrued interest (if any) to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make

payment of principal and interest without withholding for French taxes or, if such date has passed, as soon as practicable thereafter.

(ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven (7) days' prior notice to the Noteholders redeem all, but not some only, of the Notes then outstanding at their principal amount plus any accrued interest to the date set for redemption provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding for French taxes or if such date has passed, as soon as practicable thereafter.

4.3 Purchases

The Issuer may, in accordance with all applicable laws and regulations, at any time purchase Notes in the open market or otherwise, without any limitation as to price or quantity, including in connection with a tender offer.

4.4 Change of Control and Rating Downgrade

If at any time while any Note remains outstanding (a) there occurs a Change of Control, and (b) within the Change of Control Period a Rating Downgrade occurs, and (c) such Rating Downgrade results from that Change of Control (a **"Put Event"**), each Noteholder will have the option (the **"Put Option"**) unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 4.2 to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

A **"Change of Control"** shall be deemed to have occurred at each time that any person or persons acting in concert (the **"Relevant Person"**) come(s) to own or acquire(s) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer.

"Change of Control Period" means:

- (i) the period commencing on the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date which is 60 days thereafter (the **"Post-Change of Control Period"**); or
- (ii) the period commencing 60 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (the **"Pre-Change of Control Period"**).

"Rating Agency" means any of the following: Moody's Investors Services Limited; Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. and Fitch Inc.; any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating — and, in each case, their respective successors or affiliates.

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period (A) the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (Baa3 / BBB-, or its respective equivalents for the time being, or better) to a non-investment grade rating (Ba1 / BB+, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from Ba1 / BB+ to Ba2 / BB or their respective equivalents) and (B) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (x) and (y)) or to its earlier credit rating or better (in the case of (z)) by such Rating Agency; provided however that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed

not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was effected because of the Change of Control and (ii) any Rating Downgrade has to be confirmed in a letter sent to the Issuer and publicly disclosed.

Promptly after the date of occurrence of the Change of Control (if a Put Event has occurred during the Pre-Change of Control Period) or promptly upon the Issuer becoming aware that a Put Event has occurred (if such Put Event has occurred during the Post-Change of Control Period), the Issuer shall give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 9 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 4.4.

To exercise the Put Option to require redemption or, as the case may be, purchase of a Note under this Condition 4.4, the Noteholder must transfer or cause to be transferred by its Account Holder its Notes to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer within the period (the “**Put Period**”) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Put Option Notice**”) and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 4.4.

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes the account of the Paying Agent for the account of the Issuer as described above on the date which is the tenth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of any Note so transferred will be made in Euro to the holder to the specified Euro-denominated bank account in the Put Option Notice on the Optional Redemption Date via the relevant Account Holders.

4.5 Cancellation

All Notes which are redeemed (including upon exchange) or purchased by the Issuer will be promptly cancelled and accordingly may not be reissued or resold.

5 Payments

5.1 Method of Payment

Payments of principal, interest and other amounts in respect of the Notes will be made in Euros by credit or transfer to a Euro account (or any other account to which Euros may be credited or transferred). Such payments shall be made for the benefit of the Noteholders to the Account Holders and all such payments so made to the relevant Account Holders shall discharge the liability of the Issuer under the Notes to the extent of the sums so paid.

Payments of principal, interest and other amounts on the Notes will, in all cases, be made subject to any applicable fiscal or other laws and regulations in the place of payment. No commission or expenses shall be charged by the Issuer or the Agents to the Noteholders in respect of such payments.

5.2 Payments on Business Days

If any due date for payment of principal, interest or any other amount in respect of any Note is not a TARGET business day (as defined in Condition 3.2 (c) (iv) above), then the Noteholder shall not be entitled to payment of the amount due until the next following day which is a TARGET business day and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

5.3 Fiscal Agent, Agent Bank and Paying Agents

The names of the initial Agents and their specified offices are set forth below.

FISCAL AGENT, PRINCIPAL PAYING AGENT, PARIS PAYING AGENT AND AGENT BANK

BNP Paribas Securities Services

Immeuble Tolbiac
25, quai Panhard et Levassor
75013 Paris
France

LUXEMBOURG PAYING AGENT

BNP Paribas Securities Services, Luxembourg Branch

23, avenue de la Porte Neuve

L-2805 Luxembourg

Grand Duchy of Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent and a Principal Paying Agent having a specified office in a major European city, (ii) so long as any of the Notes are listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Principal Paying Agent) and (iii) a Paying Agent having a specified office in Paris. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than 45 nor less than 30 calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 9.

6 Tax Status

6.1 Tax Exemption

The Notes issued in Euros by a French legal entity are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*. Consequently, interest and other revenues with respect to the Notes paid to non-French residents benefit from the exemption of withholding tax provided for in Article 125 A III of the French *Code général des impôts*. Accordingly, such payments do not give right to any tax credit from any French source.

6.2 Additional Amounts

If French law should require payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, the Republic of France or any authority therein or thereof having power to tax (“**Taxes**”), the Issuer shall, to the extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding, provided, however, that the Issuer shall not be liable to pay any such additional amount in respect of any Note to a Noteholder (or beneficial owner (*ayant droit*)):

- (i) who is subject to such Taxes in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note; or
- (ii) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with or, introduced in order to conform to, such Directive.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6.2.

7 Event Of Default

If any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (i) default is made for a period of 15 days or more in the payments of any amount on the Notes when and as the same shall become due and payable; or
- (ii) default is made in the performance of, or compliance with, any other obligation of the Issuer under the Notes, if such default shall not have been remedied within 30 days after receipt by the Fiscal Agent of written notice of such default given by the Representative(s) (as defined in Condition 8); or
- (iii) after there shall be a default by the Issuer in the due and punctual payment of the principal of, or premium or interest on, any indebtedness for borrowed monies of or assumed or guaranteed by it when and as the same shall become due and payable and giving effect to any applicable grace periods, there shall be an acceleration of any such indebtedness or guarantee, or there shall be a failure to pay

such indebtedness upon maturity, provided that the aggregate amount of the relevant indebtedness for borrowed money in respect of which any one or more of the events mentioned in this sub-paragraph has or have occurred equals or exceeds €100,000,000 (or its equivalent); or

- (iv) the Issuer applies for the appointment of a *mandataire ad hoc* or enters into an amicable settlement (*procédure de conciliation*) with its creditors or any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) or, to the extent permitted by law, it ceases payments on its debts or is subject to any insolvency or bankruptcy proceeding or makes a conveyance or assignment for the benefit of, or enters into a composition with, its creditors; or
- (v) the Issuer sells or otherwise disposes of all or substantially all of its assets or ceases or threatens to cease to carry on the whole or substantially all of its business or an order is made or an effective resolution passed for its winding-up, dissolution or liquidation, unless such winding-up, dissolution, liquidation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination with or to, any other corporation and the liabilities under the Notes are transferred to and assumed by such other corporation; or
- (vi) all or any substantial part of the property, assets or revenues of the Issuer shall be attached or shall become subject at any time to any order of court or the enforcement of any security interests (*sûretés réelles*) and such attachment or order shall remain in effect and not be discharged for, or the steps taken to enforce any such security interests shall not be withdrawn or stayed within 30 calendar days; or
- (vii) (A) one or more defaults in the due and punctual payment of principal of or premium or interest, if any, on indebtedness of, or guaranteed by, any of the Material Subsidiaries of the Issuer aggregating €100,000,000 or more, when the same becomes due and payable at the stated maturity thereof, and such default or defaults shall have continued after any applicable grace period and shall not have been cured or waived or (B) the maturity of indebtedness of, or any indebtedness guaranteed by, any of the Material Subsidiaries of the Issuer aggregating €100,000,000 or more shall have been accelerated;

then each of the Noteholders may, by notice in writing to the Fiscal Agent before all continuing Events of Default shall have been remedied, cause its Notes to become immediately due and payable whereupon they shall become immediately due and payable without further formality at their principal amount together with any accrued interest thereon to the date of repayment.

For the purposes of this Condition,

“Material Subsidiary” means:

- (a) any Subsidiary (as defined below) of the Issuer which is consolidated by way of global integration (*intégration globale*) in the audited consolidated financial statements of the Group (as defined below):
 - (i) whose total revenues (consolidated in the case of a Subsidiary which itself has a Subsidiary) represent not less than 5 per cent. of consolidated total revenues of the Group (as shown in the then latest audited consolidated financial statements of the Group); and/or
 - (ii) whose EBITDA (as defined below) represents not less than 5 per cent. of the EBITDA of the Issuer (as shown in the then latest audited consolidated financial statements of the Group),
in the case of a Subsidiary, as calculated from the then latest annual financial statements (consolidated or, as the case may be, unconsolidated), audited if prepared, of that Subsidiary;
- (b) the Subsidiary of the Issuer which owns the interest of the Group in National Broadcasting Company Universal Inc. and each direct or indirect Holding Company (as defined below) of that Subsidiary; or
- (c) each Subsidiary of the Issuer that acquires any assets or shares having, at the time of the acquisition, a value equal to 5 per cent. or more of the consolidated total assets of the Group (as shown in the then latest audited consolidated financial statements of the Group) and each direct or indirect Holding Company of that Subsidiary; and
- (d) any other Subsidiary of the Issuer (the **“receiving Subsidiary”**) to which after the date of the latest audited consolidated financial statement of the Group is transferred either:
 - (i) all or substantially all the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary (the **“disposing Subsidiary”**); or

- (ii) sufficient assets such that the receiving Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the date of the latest audited consolidated financial statements of the Group,

where, in the case of (i) above, the disposing Subsidiary shall forthwith upon the transfer taking place cease to be a Material Subsidiary;

“**EBITDA**” means consolidated operating income adjusted by:

- (a) adding back depreciation of tangible assets and amortisation of intangible assets (to the extent that such depreciation and amortisation are deducted in computing the operating income);
- (b) deducting any gain (or adding back any loss) in connection with the disposal of any tangible and intangible asset (otherwise than in the ordinary course of trading) by a member of the Group during a Measurement Period; and
- (c) deducting any one-time gain and adding back any one-time loss, including any restructuring charges;

“**Group**” means the Issuer and its Subsidiaries;

“**Holding Company**” of any other person means a company in respect of which that other person is a Subsidiary;

“**Measurement Period**” means a period of 12 months ending on a Testing Date;

“**Subsidiary**” means, in relation to a person, an entity from time to time of which that person has direct or indirect control (in the case of a company incorporated in France, within the meaning of Article L.233-3 I.1 and I.2 of the French *Code de Commerce* (as the same is in force on the date of this Prospectus)) or an entity more than 50 per cent. of the voting rights in, or share capital of, which are owned by that person; and

“**Testing Date**” means 31 December of each year.

8 Representation of the Noteholders

The Noteholders will be grouped for the defence of their respective common interests in a *masse* (hereinafter referred to as the “*Masse*”).

The *Masse* will be governed by those provisions of the French *Code de Commerce* (the “**Code**”) with the exception of the provisions of Articles L. 228-48 and L. 228-59 of the Code and by decree no. 67-236 of 23 March 1967 (as modified or re-enacted from time to time) (the “**Decree**”) with the exception of Articles 218, 222 and 224 of the Decree, as amended by the conditions set forth below, provided that notices calling a general meeting of the Noteholders (a “**General Meeting**”) and the resolutions passed at any General Meeting and any other decision to be published pursuant to French legal and regulatory provisions will be published only as provided under Condition 9.

The Notes being issued outside the Republic of France, the *Masse* is, in accordance with Article L. 228-90 of the Code, governed solely by the legal provisions which are expressed as applicable to the Notes as stated above and subject to the foregoing paragraphs.

8.1 Legal Personality

The *Masse* will be a separate legal entity, by virtue of Article L. 228-46 of the Code acting in part through a representative (the “**Representative**”) and in part through a General Meeting. The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

8.2 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as a Representative:

- (i) the Issuer;
- (ii) any entity holding (directly or indirectly) at least 10 per cent. of the share capital of the Issuer or at least 10 per cent. of the share capital of which is held by the Issuer;
- (iii) any entity guaranteeing all or part of any obligations of the Issuer;

- (iv) any member of the *Conseil d'Administration* (Board of Directors), the *Conseil de Surveillance* (Supervisory Board) or of the *Directoire* (Management Board) of the Issuer, the Statutory Auditors of the Issuer, or any employee, managing director, director or general manager (*directeur général*) (or their respective *ascendants*, *descendants* and spouses) of the entities referred to in (i), (ii) or (iii) above; and
- (v) persons who have been prohibited from practicing as a banker or who have been deprived of the right to direct, administer or manage an enterprise in any capacity whatsoever.

The initial Representative for the Noteholders shall be:

Cécile Heiser
28, rue Chauveau
92200 Neuilly sur Seine
France

The alternative Representative for the Noteholders shall be:

Jean-Pierre Pasquier
25, avenue de Verdun
94000 Créteil
France

The acting Representative will have the power, without restriction or reservation, to take, on behalf of the *Masse*, all actions of an administrative nature necessary to protect the interests of the Noteholders.

The Representative will exercise its duty until its dissolution, resignation or termination of its duty by a general meeting of the Noteholders or until it becomes unable to act. Its appointment shall automatically cease on the date of final or total redemption, prior to maturity or otherwise, of the Notes. This appointment may be automatically extended until the final resolution of any proceedings in which the Representative is involved and the enforcement of any judgements rendered or settlements made.

The Issuer shall pay to the Representative an amount of €400 per year.

All interested parties will at all times have the right to obtain the names and the addresses of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

8.3 Powers of the Representative

The Representative shall, in the absence of any decision to the contrary of a General Meeting of Noteholders, have the power to take all action to defend the common interests of the Noteholders.

All legal proceedings by or against the Noteholders must be brought by or against the Representative, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

8.4 General Meetings

General Meetings of Noteholders may be held at any time, on convocation either by the Issuer or the Representative. One or more Noteholders holding together at least one-thirtieth of outstanding Notes may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place, agenda and quorum requirements of any General Meeting will be published as provided in Condition 9 not less than fifteen days prior to the date of the General Meeting for the first convocation and not less than six days for a second convocation.

Each Noteholder has the right to participate in General Meetings in person or by proxy. Each Note carries the right to one vote.

8.5 Powers of General Meetings

A General Meeting is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common

rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A General Meeting may further deliberate on any proposal relating to the modification of these Conditions, including:

- (i) any proposal whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of Noteholders;

it being specified, however, that a General Meeting may not increase amounts payable by the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares of the Issuer or any other entity.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one-fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a majority of two — third of votes cast by the Noteholders attending such meeting or represented thereat.

8.6 Information to the Noteholders

Each Noteholder will have the right, during the 15 day period preceding the holding of each General Meeting, personally or through the Representative, to consult or make a copy of the resolutions which will be proposed, and of any reports which may be presented, at the meeting, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of meeting.

8.7 Expenses

The Issuer will pay all expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and remuneration of the Representative, and more generally all administrative expenses resolved upon by a General Meeting, it being expressly stipulated that no expenses may be imputed against interest or other amounts payable on the Notes.

8.8 Notices of Decisions

Decisions of the meetings shall be published in accordance with the provisions set forth in Condition 9 not more than 90 days from the date thereof.

9 Notices

Any notice to the Noteholders shall be validly given if it is transmitted to Euroclear France and, so long as the Notes are listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of that stock exchange so require, if it is published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or in a leading daily newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or, if any such publication is not practicable, or the Notes are no longer so listed, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

10 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

11 Further Issues

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such

assimilation, the Noteholders and the holders of any assimilated notes may, for the defence of their common interests, be grouped in a single masse having legal personality.

12 Modification of the Agency Agreement

The Agency Agreement may be amended by the parties to it, without the consent of the Noteholders, for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in it, or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable, provided that any such amendment does not adversely affect the interests of the Noteholders.

13 Governing Law and Jurisdiction

The Notes are governed by the laws of the Republic of France.

For the benefit of the Noteholders, the Issuer submits to jurisdiction of the competent courts in Paris. This submission shall not limit the right of any Noteholder to take proceedings in any other court of competent jurisdiction.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, which will be approximately €1,196,530,000 (€496,830,000 in respect of the Fixed Rate Notes and €699,700,000 in respect of the Floating Rate Notes), will be applied by the Issuer for the refinancing of its floating rate notes due in 2007 and for its general corporate purposes.

DESCRIPTION OF THE ISSUER

History and Development of Vivendi

Corporate Name, Seat and Registered Office

The corporate name of the issuer is Vivendi.

Its registered office is located 42, avenue de Friedland, 75380 Paris Cedex 08, France. Its telephone number is + 33.1.71.71.10.00.

Legal form, Governing law and Registration

Vivendi is a limited liability company (*société anonyme*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de surveillance*). The Company is governed by French law.

The Issuer is registered with the *Registre du Commerce et des Sociétés de Paris* (Paris Commercial and Corporate Registry) under the reference 343 134 763.

Date of Incorporation and Duration of Vivendi

Vivendi was incorporated on 18 December 1987. Its term shall expire on 17 December 2086, except in the event of an early dissolution or if an extension is obtained.

Purpose of Vivendi

Pursuant to the provisions of Article 2 of the by-laws, the Issuer has the main following purposes, directly or indirectly, in France and in all countries:

- To provide any direct or indirect telecommunications, including media and entertainment activities, and any interactive services, to individual, business or public-sector customers,
- To market any products and services related to the foregoing,
- To engage in any commercial, industrial, financial, stock, share and real-estate transactions, directly or indirectly, related to the aforementioned purpose or to any other similar or related purposes, or contributing to the fulfillment of these purposes,

and more generally, the management and acquisition, either by subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities or companies already existing or to be formed and the right to sell such securities.

Financial Year

The Issuer's financial year starts on 1 January and ends on 31 December of each year.

Authorised and Issued Share Capital

At the date of this document, Vivendi's share capital is €6,355,968,393.50 divided into 1,155,630,617 shares with a nominal value of €5.50.

All shares may be held in registered or bearer form and are freely negotiable. The shares are traded on the compartment A of Eurolist, Euronext Paris S.A. (ISIN Code: FR 0000127771).

Securities Granting Access to Vivendi's Capital

Except for stock options granted for the subscription for Vivendi's shares, there are no securities that give access, immediately or over time, to the share capital of Vivendi.

Business Overview and Material Contracts

Please refer to page 26, Section 2 (Description of the Businesses) of the Reference Document 2005 of Vivendi which is incorporated by reference in this Prospectus.

Recent Developments

Deutsche Telekom (DT) announced on 6 September 2006 that it had acquired an additional 48 per cent. stake in PTC from Elektrim after exercising a call option based on an arbitration award issued in Vienna in November 2004. Vivendi challenged this announcement, on the basis that this arbitration award had no effect in Poland at that time.

In September 2006, Vivendi made an offer to DT for the acquisition of its 50 per cent. shareholding in PTC, for an amount of €2.5 billion. This offer is subject to the prior implementation of the agreements that Vivendi considers to have concluded with DT and Elektrim on 29 March 2006.

Vivendi and Universal Music Group (UMG), 100 per cent. owned by Vivendi, announced on 6 September 2006 that they have signed with Bertelsmann a definitive agreement for the purchase of BMG Music Publishing Group for a total consideration (in enterprise value) of €1.63 billion. The transaction has been approved by the Management Board and the Supervisory Board of Vivendi. It is subject to the regulatory approvals of the competition authorities in the relevant countries.

Organisational Structure

Please refer to page 13 of Section 1 (Key Figures — Simplified Organization Chart) and to page 17 of Section 2 (Description of the Group) of the Reference Document 2005 of Vivendi which is incorporated by reference in this Prospectus.

Administrative, Management and Supervisory Bodies

The Supervisory Board

Vivendi's Supervisory Board, which can be comprised of 3 to 18 members, currently has 11 members. the appointment of members of the supervisory board is approved by Vivendi's shareholders for renewable terms of a maximum of four years, subject to provisions of its by-laws (*statuts*) relating to age limits. The following table sets forth the composition of Vivendi's Supervisory Board as at the date of this Prospectus.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Expiration of term⁽¹⁾</u>
Jean-René Fourtou ⁽²⁾⁽³⁾	67	Chairman of the supervisory board	2008
Henri Lachmann ⁽³⁾	68	Vice-Chairman and Member of the supervisory board	2008
Claude Bébéar ⁽²⁾⁽³⁾	71	Member of the supervisory board	2008
Gérard Brémond ⁽³⁾	69	Member of the supervisory board	2008
Fernando Falcó y Fernández de Córdova ⁽³⁾⁽⁴⁾	67	Member of the supervisory board	2009
Sarah Frank	60	Member of the supervisory board	2009
Gabriel Hawawini ⁽³⁾⁽⁴⁾	59	Member of the supervisory board	2009
Patrick Kron	52	Member of the supervisory board	2009
Andrzej Olechowski	59	Member of the supervisory board	2009
Pierre Rodocanachi ⁽³⁾	67	Member of the supervisory board	2008
Karel Van Miert ⁽³⁾	64	Member of the supervisory board	2008

(1) Term expires at the annual shareholders' meeting approving the financial statements for the year set forth in this column.

(2) According to the criteria of the AFEP/Medef report, this member of the supervisory board is not considered independent.

(3) This member was a director prior to the change of our corporate form and was appointed as member of the supervisory board for the remainder of his term as director.

(4) Term of office renewed at the shareholders' meeting held on 20 April 2006.

The Management Board

Members of the Management Board are nominated by the Supervisory Board. The following table sets forth the names of the members of our Management Board, their ages, positions and principal responsibilities as at the date of this Prospectus.

<u>Name</u>	<u>Age</u>	<u>Positions and Responsibilities</u>
Jean-Bernard Lévy	51	Chairman of the Management board and Chief Executive Officer of Vivendi
Abdeslam Ahizoune	51	Chairman of the management board and Chief Executive Officer of Maroc Telecom
Jacques Espinasse	63	Chief Financial Officer of Vivendi
Frank Esser	48	Chairman and Chief Executive Officer of SFR
Bertrand Meheut	55	Chairman of the executive board and Chief Executive Officer of the Canal+ Group. Chairman and Chief Executive Officer of Canal+ SA
Doug Morris	67	Chairman and Chief Executive Officer of Universal Music Group
René Pénisson	64	Chairman of Vivendi Games, Member of the management board and Senior Executive Vice-President, Human Resources of Vivendi

Senior Executives

The following table sets forth the names of Vivendi's senior executives and members of the executive committee, their ages, positions and principal responsibilities as at the date of this Prospectus.

<u>Name</u>	<u>Age</u>	<u>Positions and Responsibilities</u>
Jean-Bernard Lévy	51	Chairman of the Management board and Chief Executive Officer of Vivendi
Jacques Espinasse	63	Member of the management board and Chief Financial Officer of Vivendi
Robert de Metz	54	Senior Executive Vice-President, Strategy and Development
René Pénisson	64	Chairman of Vivendi Games, Member of the management board and Senior Executive Vice-President, Human Resources of Vivendi
Jean-François Dubos	61	Executive Vice-President and General Counsel, Secretary of the management and supervisory boards
Michel Bourgeois	56	Executive Vice-President, Communications and Public Affairs
Régis Turrini	47	Executive Vice-President, Mergers and Acquisitions

For more information on the Supervisory Board and the Management Board and their members, please refer to Section 3 (Information Concerning the Company — Corporate Governance) Part 3 (Corporate Governance) of the Reference Document 2005 of Vivendi which is incorporated by reference in this Prospectus.

Administrative Management and Supervisory bodies conflict of interests

To the knowledge of the Issuer, there are no actual or potential conflict of interests between Vivendi and the members of the Supervisory Board or the members of the Management Board with regard to their personal interests or other responsibilities.

Major Shareholders

Please refer to Section 3 (Information Concerning the Company — Corporate Governance) Part 2.3 of the Reference Document 2005 of Vivendi which is incorporated by reference in this Prospectus.

Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

Please refer to Section 4 of the Reference Document 2005 (Management Board's Operation and Financial Review and Prospects. Report of Independent Registered Public Accounting Firms. Consolidated Financial Statements. Condensed Statutory Financial Statements) page 169.

**SELECTED FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2005 AND 2004**

**CONSOLIDATED STATEMENT OF EARNINGS FOR THE YEARS ENDED 31 DECEMBER 2005
AND 2004**

	Year Ended December 31,	
	2005	2004
	(In millions of euros, except per share amounts)	
Revenues	19,484	17,883
Cost of revenues	(9,898)	(9,100)
Margin from operations	9,586	8,783
Selling, general and administrative expenses	(5,807)	(5,464)
Other operating expenses	(33)	(86)
Earning from operations	3,746	3,233
Other income from ordinary activities	75	89
Other charges from ordinary activities	(170)	(25)
Income from equity affiliates	326	221
Earnings before interest and other financial charges and income and provision for income taxes	3,977	3,518
Interest	(218)	(406)
Other financial and income taxes	619	1,226
Interest and other financial charges and income	401	820
Earning from continuing operations before provision for income taxes	4,378	4,338
Provision for income taxes	(204)	(292)
Earnings from continuing operations	4,174	4,046
Earnings from discontinued operations	92	777
Earnings	4,266	4,823
<i>Attributable to:</i>		
Equity holders of the parent	3,154	3,767
Minority interests	1,112	1,056
Earnings from continuing operations, attributable to the equity holders of the parent per share — basic (in euros)	2.70	2.61
Earnings from continuing operations, attributable to the equity holders of the parent per share — diluted (in euros)	2.68	2.59
Earnings from discontinued operations per share — basic (in euros)	0.08	0.68
Earnings from discontinued operations per share — diluted (in euros)	0.08	0.68
Earnings, attributable to the equity holders of the parent per share — basic (in euros)	2.74	3.29
Earnings, attributable to the equity holders of the parent per share — diluted (in euros)	2.72	3.27
Adjusted net income, attributable to equity holders of the parent	2,078	1,338
Adjusted net income, attributable to equity holders of the parent per share — basic (in euros)	1.81	1.17
Adjusted net income, attributable to equity holders of the parent per share — diluted (in euros)	1.79	1.16

The accompanying notes are an integral part of these Consolidated Financial Statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2005 AND 31 DECEMBER 2004**

	<u>31 December</u>	
	<u>2005</u>	<u>2004</u>
	(In millions of euros)	
ASSETS		
Goodwill	13,796	13,154
Non current content assets	2,462	2,431
Other intangible assets	1,937	2,177
Property, plant and equipment	4,331	4,740
Investments in equity affiliates	6,856	5,773
Non current financial assets	3,783	3,787
Deferred tax assets	1,784	1,282
Non current assets	34,949	33,344
Inventories	375	315
Current tax receivables	822	772
Current content assets	790	579
Trade accounts receivable and other	4,531	4,528
Short-term financial assets	114	162
Cash and cash equivalents	2,902	3,159
	9,534	9,515
Assets held for sale	—	180
Current assets	9,534	9,695
TOTAL ASSETS	44,483	43,039
EQUITY AND LIABILITIES		
Share capital	6,344	5,899
Additional paid-in capital	6,939	7,313
Retained earnings and other	5,486	2,237
Equity associated with assets held for sale	—	—
Equity, attributable to equity holders of the parent	18,769	15,449
Minority interests	2,839	2,643
Total equity	21,608	18,092
Non current provisions	1,220	1,561
Long-term borrowings and other financial liabilities	4,545	5,357
Deferred tax liabilities	3,476	3,282
Other non current liabilities	1,342	1,955
Non current liabilities	10,583	12,155
Trade accounts payable and other	8,737	8,187
Current tax payables	762	1,298
Current provisions	578	357
Short-term borrowings and other financial liabilities	2,215	2,842
	12,292	12,684
Liabilities associated with assets held for sale	—	108
Current liabilities	12,292	12,792
Total liabilities	22,875	24,947
Contractual obligations and contingent assets and liabilities	—	—
TOTAL EQUITY AND LIABILITIES	44,483	43,039

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED
31 DECEMBER 2005 AND 2004**

	Year Ended December 31	
	2005	2004
Operating activities:		
Earnings, attributable to equity holders of the parent	3,154	3,767
Minority interests	1,112	1,056
Adjustments	876	(80)
Dividends received from equity affiliates	355	404
Content investments, net	(15)	219
Gross cash flow from operations excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets	5,482	5,366
Other changes in net working capital	166	114
Cash flow from operations excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets	5,648	5,480
Interest paid	(218)	(406)
Other financial items (excluding sales of financial assets)	(486)	(214)
Income tax paid	(1,386)	(622)
Net cash provided by operating activities	3,558	4,238
Investing activities:		
Capital expenditures	(1,580)	(1,322)
Purchases of consolidated companies, after acquired cash	(1,406)	(364)
Purchases of investments in equity affiliates	—	(30)
Increase in financial assets	—	—
Investments	(2,986)	(1,716)
Proceeds from sales of property, plant, equipment and intangible assets	89	196
Proceeds from sales of consolidated companies, after divested cash	(200)	4,967
Sales of investments in equity affiliates	54	274
Decrease in financial assets	226	23
Divestments	169	5,460
Net cash provided by (used for) investing activities	(2,817)	3,744
Financing activities:		
Net proceeds from issuance of common shares	39	18
Sales (purchases) of treasury shares	(108)	(27)
Dividends paid by Vivendi Universal S.A.	(689)	—
Dividends paid by consolidated companies to their minority shareholders	(965)	(1,832)
Transactions on equity	(1,723)	(1,841)
Setting up of long-term borrowings and increase in other long-term financial liabilities ..	2,380	1,148
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1,649)	(3,448)
Principal payment on short-term borrowings	(963)	(4,547)
Other changes in short-term borrowings and other short-term financial liabilities	920	1,143
Transactions on borrowings and other financial liabilities	688	(5,704)
Net cash provided by (used for) financing activities	(1,035)	(7,545)
Foreign currency translation adjustments	37	(15)
Net cash related to discontinued operations	—	11
Change in cash and cash equivalents	(257)	433
Cash and cash equivalents:		
At beginning of the year	3,159	2,726
At the end of the year	2,902	3,159

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

**ADJUSTED STATEMENT OF EARNINGS AND CONSOLIDATED
STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED 30 JUNE 2006
AND 30 JUNE 2005**

(IFRS, Unaudited)

	Six Months Ended June 30,	
	2006	2005
	(In millions of euros, except per share amounts)	
<i>Adjusted Statement of Earnings^(a)</i>		
Revenues	€ 9,610	€ 9,131
Cost of revenues	<u>(4,683)</u>	<u>(4,438)</u>
Margin from operations	4,927	4,693
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,568)	(2,611)
Restructuring charges and other operating charges and income	<u>(11)</u>	<u>39</u>
EBITA^(a)	2,348	2,121
Income from equity affiliates	155	172
Interest	(115)	(101)
Income from investments	<u>46</u>	<u>42</u>
Adjusted earnings from continuing operations before provision for income taxes ..	2,434	2,234
Provision for income taxes	<u>(463)</u>	<u>(433)</u>
Adjusted net income	€ 1,971	€ 1,801
<i>Attributable to:</i>		
Minority interests	<u>593</u>	<u>558</u>
Equity holders of the parent^(a)	€ 1,378	€ 1,243
	<i>% change: + 10.9%</i>	
Adjusted net income, attributable to the equity holders of the parent per share — basic (in euros)	€ 1.20	€ 1.08
Adjusted net income, attributable to the equity holders of the parent per share — diluted (in euros)	€ 1.19	€ 1.08

(a) Vivendi Management evaluates the performance of the business segments and allocates necessary resources to them based on certain operating indicators (segment earnings and cash flow from operations). Until 30 June 2006, segment earnings corresponded to earnings from operations of each business. As of 30 June 2006, earnings from operations (EFO) were replaced by adjusted earnings before interest and income taxes (EBITA). The difference between EBITA and previously published EFO consists of the amortization of intangible assets acquired through business combinations that is excluded from EBITA. As a result, the definition of adjusted net income has been modified to exclude the amortization of intangible assets acquired through business combinations, as is presently the case for impairment losses of goodwill, or other intangibles acquired through business combinations, that have always been excluded.

	Six Months Ended June 30,	
	2006	2005
	(In millions of euros, except per share amounts)	
Consolidated Statement of Earnings^(a)		
Revenues	€ 9,610	€ 9,131
Cost of revenues	<u>(4,683)</u>	<u>(4,438)</u>
Margin from operations	4,927	4,693
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,568)	(2,611)
Restructuring charges and other operating charges and income	(11)	39
Amortization of intangible assets acquired through business combinations	(113)	(112)
Impairment bases of intangible assets acquired through business combinations	<u>—</u>	<u>(154)</u>
EBIT	2,235	1,855
Income from equity affiliates	155	172
Interest	(115)	(101)
Income from investments	46	42
Other financial charges and income	<u>(519)</u>	<u>240</u>
Earnings from continuing operations before provision for income taxes	1,802	2,208
Provision for income taxes	<u>651</u>	<u>(385)</u>
Earnings from continuing operations	2,453	1,823
Earnings from discontinued operations	<u>—</u>	<u>(34)</u>
Earnings	€ 2,453	€ 1,789
<i>Attributable to:</i>		
Minority interests	<u>591</u>	<u>532</u>
Equity holders of the parent	€ 1,862	€ 1,257
	<i>% change: + 48.1%</i>	
Earnings, attributable to the equity holders of the parent per share — basic (in euros)	€ 1.62	€ 1.10
Earnings, attributable to the equity holders of the parent per share — diluted (in euros)	€ 1.60	€ 1.09

(a) Vivendi Management evaluates the performance of the business segments and allocates necessary resources to them based on certain operating indicators (segment earnings and cash flow from operations). Until 30 June 2006, segment earnings corresponded to earnings from operations of each business. As of 30 June 2006, earnings from operations (EFO) were replaced by adjusted earnings before interest and income taxes (EBITA). The difference between EBITA and previously published EFO consists of the amortization of intangible assets acquired through business combinations that is excluded from EBITA. As a result, the definition of adjusted net income has been modified to exclude the amortization of intangible assets acquired through business combinations, as is presently the case for impairment losses of goodwill, or other intangibles acquired through business combinations, that have always been excluded.

REVENUES AND EBITA ON A COMPARABLE BASIS BY BUSINESS SEGMENT

(IFRS, Unaudited)

Comparable basis essentially illustrates the effect of the divestitures or abandonment of operations that occurred in 2005 and 2006 (mainly the Paris Saint-Germain soccer club (PSG) and NC Numéricable at Canal+ Group, and Annuaire Express SFR's phone directory activities) and includes the full consolidation of stakes in distribution subsidiaries at SFR as if these transactions had occurred as at 1 January 2005. Comparable basis results are not necessarily indicative of the results that would have occurred had the events actually occurred at the beginning of 2005.

Three Months Ended June 30,				(In millions of euros)	Six Months Ended June 30,			
2006	2005	% Change	% Change at constant rate		2006	2005	% Change	% Change at constant rate
				Revenues				
€1,077	€1,054	2.2%	0.7%	Universal Music Group	€2,202	€2,092	5.3%	1.7%
162	125	29.6%	27.0%	Vivendi Games	296	238	24.4%	18.7%
914	800	14.3%	13.8%	Canal+ Group	1,795	1,622	10.7%	10.3%
2,166	2,154	0.6%	0.6%	SFR	4,301	4,229	1.7%	1.7%
510	454	12.3%	11.3%	Maroc Telecom	993	877	13.2%	11.5%
				Non core operations and elimination of intersegment transactions	(1.5)	(12)	-25.0%	-25.0%
(5)	(2)	-150.0%	-150.0%	Total Vivendi	€9,572	€9,046	5.8%	4.6%
€4,824	€4,585	5.2%	4.6%					
				EBITA				
€ 154	€ 157	-1.9%	-1.0%	Universal Music Group	€ 295	€ 241	22.4%	20.0%
39	5	x7.8	x7.3	Vivendi Games	62	19	226.3%	214.6%
154	80	92.5%	93.0%	Canal+ Group	190	191	-0.5%	-0.8%
723	740	-2.3%	-2.3%	SFR	1,389	1,340	3.7%	3.7%
197	166	18.7%	17.2%	Maroc Telecom	410	352	16.5%	14.6%
16	(20)	na*	na*	Holding & Corporate	(20)	(56)	64.3%	62.7%
15	30	-50.0%	-47.0%	Non core operations	22	27	-18.5%	-20.1%
€1,298	€1,158	12.1%	11.7%	Total Vivendi	€2,348	€2,114	11.1%	10.3%

na*: not applicable.

REVENUES AND EBITA AS PUBLISHED BY BUSINESS SEGMENT

(IFRS, unaudited)

Three Months Ended June 30,			(In millions of euros)	Six Months Ended June 30,		
2006	2005	% Change		2006	2005	% Change
			Revenues			
€1,077	€1,054	2.2%	Universal Music Group	€2,202	€2,092	5.3%
162	125	29.6%	Vivendi Games	296	238	24.4%
934	816	14.5%	Canal+ Group	1,833	1,697	8.0%
2,166	2,175	-0.4%	SFR	4,301	4,239	1.5%
510	454	12.3%	Maroc Telecom	993	877	13.2%
			Non core operations and elimination of intersegment transactions	(15)	(12)	-25.0%
(5)	(2)	-150.0%	Total Vivendi	€9,610	€9,131	5.2%
€4,844	€4,622	4.8%				
			EBITA			
€ 154	€ 157	-1.9%	Universal Music Group	€ 295	€ 241	22.4%
39	5	x7,8	Vivendi Games	62	19	226.3%
157	67	134.3%	Canal+ Group	190	198	-4.0%
723	740	-2.3%	SFR	1,389	1,340	3.7%
197	166	18.7%	Maroc Telecom	410	352	16.5%
16	(20)	na*	Holding & Corporate	(20)	(56)	64.3%
15	30	-50.0%	Non core operations	22	27	-18.5%
€1,301	€1,145	13.6%	Total Vivendi	€2,348	€2,121	10.7%

na*: not applicable.

TAXATION

The statements herein regarding taxation are based on the laws in force in France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of state, local or foreign laws including French or, as the case may be, the Luxembourg of any investment in or ownership and disposition of the Notes.

1 Eu Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interests payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The Directive was implemented into French law under Article 242 ter of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005 (the “**Laws**”).

2 Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July, 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

3 French Taxation

The Notes issued in euros by a French legal entity are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code général des impôts*. Consequently, interest and other revenues with respect to the Notes paid to non-French residents benefit from exemption from the withholding tax provided for in Article 125 A III of the French *Code général des impôts*.

SUBSCRIPTION AND SALE

Underwriting Arrangements

Citigroup Global Markets Limited and J.P. Morgan Securities Ltd. (the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement dated 2 October 2006 (the “**Subscription Agreement**”), agreed jointly and severally with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment for, failing which to subscribe and pay for, the Notes at (i) in the case of the Fixed Rate Notes, 99.366 per cent. and (ii) in the case of the Floating Rate Notes, 100 per cent. in each case of their respective principal amounts, less any applicable commission. The Issuer will also pay certain costs incurred by it and the Joint Lead Managers in connection with the issue of the Notes.

The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or its affiliates in the ordinary course of business.

Selling Restrictions

General

Except for action in connection with the listing of the Notes on the Luxembourg Stock Exchange, no action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus (in proof or final form) or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each of the Joint Lead Managers and the Issuer will comply with all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distributes the Prospectus or any such other material. Each Joint Lead Manager will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. Accordingly, each of the Joint Lead Managers has agreed that it will not, directly or indirectly, offer, sell or deliver any Notes or distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms. The Issuer and the Joint Lead Managers will have no responsibility for, and each Joint Lead Manager will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Joint Lead Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or as is consistent with the contents of, the Prospectus (in final form) or any amendment or supplement to it, any publicly available information or any other information supplied by the Issuer to the Joint Lead Managers specifically for the purpose of being used in connection with the issue, subscription and sale of the Notes.

Neither the Issuer, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

France

Each of the Joint Lead Managers and the Issuer has acknowledged that the Notes being denominated in euro, are deemed to be issued outside the Republic of France and, accordingly, has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in the Republic of France (an *appel public à l'épargne* as defined in Article L. 411-1 of the French *Code monétaire et financier*) and (ii) offers and sales of Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*) as defined in Articles L. 411-2 and D. 411-1 to D. 411-3 of the French *Code monétaire et financier*. In addition, each of the Joint Lead Managers and the Issuer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that it will not offer or sell the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the date of issue of the Notes, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The offering of the Notes has not been registered with the Italian securities and exchange commission (*Commissione Nazionale per la Società e la Borsa*) pursuant to the Italian securities legislation and, accordingly, the Notes cannot be offered, sold or distributed nor any copies of the Prospectus or any other document relating to the Notes can be distributed in the Republic of Italy (“**Italy**”) in a solicitation to the public at large within the meaning of Article 1, paragraph 1, letter (t) of Legislative Decree no. 58 of 24 February 1998, unless an exemption applies. Accordingly, the Notes in Italy:

- (i) shall only be offered or sold to “Professional Investors”, as defined in Article 31.2 of CONSOB Regulation No. 11522 of 1 July 1998 as amended (“**Regulation No. 11522**”), and effected in compliance with the terms and procedures provided therein; or
- (ii) shall only be offered or sold in circumstances which are exempted from the rules of solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 as amended (the “**Financial Services Act**”), and Article 33 first paragraph, of CONSOB Regulation No 11971 of 14 May 1999,
- (iii) but, in any case, cannot be offered, sold and/or delivered, either in the primary or in the secondary market, to individuals in Italy, and in any event, the offer or sale of the Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, the Notes may not be offered, sold or delivered and neither the Prospectus nor any other material relating to the Notes may be distributed or made available in Italy unless such offer, sale or

delivery of Notes or distribution or availability of copies of the Prospectus or any other material relating to the Notes in the Italy is:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Italian Banking Act**”), the Regulation No. 11522 and any other applicable laws and regulations; and
- (b) in compliance with Article 129 of the Italian Banking Act and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities (e.g., Notes) in Italy is subject to a prior and subsequent notification to the Bank of Italy, unless an exemption, depending, inter alia, on the amount of the issue and the characteristics of the securities, applies; and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive, such requirements shall be replaced by the applicable requirements under the Prospectus Directive.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

GENERAL INFORMATION

Corporate Authorisations

The issue of the Notes was authorised by the *Président* of the *Directoire* on 28 September 2006 pursuant to a resolution of the *Directoire* dated 29 August 2006 and to a resolution of the *Conseil de Surveillance* of the Issuer dated 6 September 2006.

Admission to trading of the Notes

Application has been made for the Notes to be listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange in accordance with the Prospectus Directive (as defined above). The estimated total expenses relating to the admission to trading of the Fixed Rate Notes and of the Floating Rate Notes is in aggregate €9,195. The Prospectus shall be available on the web site of the Luxembourg Stock Exchange.

Clearing of the Notes

The Fixed Rate Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg under the following reference numbers:

ISIN Number	FR0010369629
Euroclear and Clearstream, Luxembourg Common Code	026881188

The Floating Rate Notes have been accepted for clearance through Euroclear France, Euroclear and Clearstream, Luxembourg under the following reference numbers:

ISIN Number	FR0010369637
Euroclear and Clearstream, Luxembourg Common Code	026881099

The address of Euroclear France is 155 rue de Réaumur, 75081 Paris Cedex 02, France.

EURIBOR

Information on EURIBOR may be found on the following website: www.euribor.org

Material change

Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2005 and no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2005.

Litigation

To the Issuer's knowledge, there are no governmental, legal or arbitration proceedings during the 12 months preceding the date of this Prospectus, which may have or have had in the recent past significant adverse effects on the financial position or profitability of the Issuer and/or the Group other than mentioned in this Prospectus and in Section 2 (Description of the Group and its Businesses — Litigation — Risk Factors) Part 9 of the Reference Document 2005 of Vivendi and in Part A, Chapter 1 of Vivendi's semi-annual unconsolidated consolidated financial statements as of 30 June 2006 which are incorporated by reference in this Prospectus.

Auditors

Ernst & Young et Autres (formerly named Barbier Frinault et Autres (Ernst & Young) or Barbier Frinault et Cie (Ernst & Young)) and Salustro Reydel member of KPMG International (formerly named Salustro Reydel) are the statutory auditors of the Issuer and are both members of the regional professional body of the **Commissaires aux Comptes**, comply with the rules issued by the **Compagnie Nationale des Commissaires aux Comptes** and are regulated by the **Haut Conseil du Commissariat aux Comptes**.

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2005 prepared in accordance with IFRS have been audited by Barbier Frinault et Autres (Ernst & Young) and Salustro Reydel member of KPMG International (formerly named Salustro Reydel) as stated in their report incorporated by reference in this Prospectus.

The consolidated financial statements of the Issuer as at and for the year ended 31 December 2004 prepared in accordance with accounting principles generally accepted in France have been audited by Barbier Frinault et Cie (Ernst & Young) and Salustro Reydel member of KPMG International (formerly named Salustro Reydel) as stated in their report incorporated by reference in this Prospectus.

Documents Available

For so long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and listed on the Luxembourg Stock Exchange, the following documents or copies thereof may be available free of charge during usual business hours on any day (except Saturdays, Sundays and public holidays) at the specified offices of the Paying Agents:

- (i) the *statuts* of the Issuer;
- (ii) the Agency Agreement;
- (iii) the *Document de Référence 2005*⁽¹⁾;
- (iv) the *Document de Référence 2004*⁽²⁾;
- (v) the semi-annual unaudited consolidated financial statements of the Issuer for the six months period ended 30 June 2006 and the statutory auditors' review report dated 6 September 2006;
- (vi) the audited consolidated financial statements of the Issuer as at, and for the two years ended, 31 December 2004 and 31 December 2005, and the related notes and audit report, financial report 2004 and 2005, consolidated and non-consolidated financial statements of the Issuer as at 31 December 2004 and 31 December 2005;
- (vii) the latest annual report of the Issuer ; and
- (viii) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Prospectus.

The interim statements described in (v) above are unaudited. The Prospectus, the *Document de Référence 2005*⁽³⁾, the *Document de Référence 2004*⁽⁴⁾ and the semi-annual unaudited consolidated financial statements of the Issuer for the six months period ended 30 June 2006 and the related statutory auditors' review report shall be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Yield of the Fixed Rate Notes

The yield of the Fixed Rate Notes is 4.608 per cent. per annum and is calculated at the issue date on the basis of the issue price of the Fixed Rate Notes. It is not an indication of future yield.

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- (1) It is reminded that the "Attestation du Responsable du Document de Référence" and the "Rapport des Commissaires aux comptes sur les prévisions de résultat net ajusté", part du Groupe" appearing in the *Document de Référence 2005* of Vivendi are not incorporated by reference in this Prospectus.
 - (2) It is reminded that the "Attestation des Commissaires aux comptes" appearing in the *Document de Référence 2004* of Vivendi is not incorporated by reference in this Prospectus.
 - (3) It is reminded that the "Attestation du Responsable du Document de Référence" and the "Rapport des Commissaires aux comptes sur les prévisions de résultat net ajusté", part du Groupe" appearing in the *Document de Référence 2005* of Vivendi are not incorporated by reference in this Prospectus.
 - (4) It is reminded that the "Attestation des Commissaires aux comptes" appearing in the *Document de Référence 2004* of Vivendi is not incorporated by reference in this Prospectus.

REGISTERED OFFICE OF THE ISSUER

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To the Joint Lead Managers

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**FISCAL AGENT, PRINCIPAL PAYING AGENT, AGENT BANK AND LUXEMBOURG
PAYING AGENT**

BNP Paribas Securities Services, Luxembourg Branch

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Grand Duchy of Luxembourg

PARIS PAYING AGENT

BNP Paribas Securities Services

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BNP Paribas Securities Services, Luxembourg Branch

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