



2009

**vivendi**

a world leader in communications and entertainment

# Vivendi,

a world leader in communications  
and entertainment



- N° 1** Video Games Worldwide
- N° 1** Music Worldwide
- N° 1** Alternative Telecoms in France
- N° 1** Telecoms in Morocco
- N° 1** Alternative Telecoms in Brazil
- N° 1** Pay-TV in France



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The Sustainable Development part is enhanced by additional information, marked by a link to the Sustainable Development section of Vivendi's website ([www.vivendi.com](http://www.vivendi.com)).

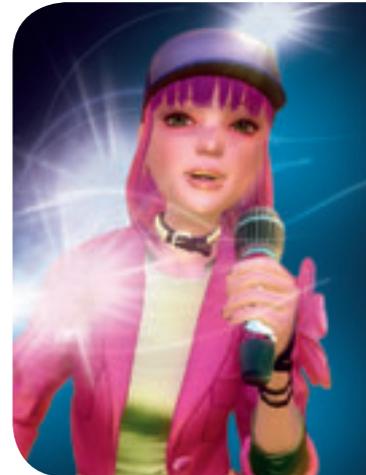


An audio reading of this report is available in the interactive version on Vivendi's website ([www.vivendi.com](http://www.vivendi.com))

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# Message

## from Jean-Bernard Lévy, Chairman of the Management Board and CEO

Vivendi is a world leader in communications and entertainment. It creates, publishes, assembles and distributes high-quality digital content to consumers and companies.

Vivendi is the world leader in video games and music, the leader alternative telecommunications operator in France, Number One in telecommunications in Morocco, the leading alternative fixed-line and Internet operator in Brazil and the leader in pay-TV in France.

The acquisition, in November 2009, of GVT (Global Village Telecom), of which Vivendi now owns 99%\*, has enabled the Group to enter the fast growing Brazilian market, opening up formidable opportunities for development. Vivendi has also increased its share of Canal+ France, acquiring the 10% held by TF1 and the 5% owned by M6, and has signed an agreement to divest its 20% share of NBC Universal. This will give Vivendi an additional boost. We predict new growth in EBITA for 2010.

The economic context of 2009 was difficult, but thanks to a development model based on subscriptions, commercial success, control of costs and many innovative actions in all business areas, Vivendi has remained on track and attained its operational and financial goals. These positive results will enable us to continue our investment and innovation policy, continue increasing the value of our content and our networks, and improve our mobility and broadband-access services. They will also enable us to reward the loyalty of our shareholders by maintaining a high dividend. Vivendi distributes

27% of its earnings. This year's was the highest dividend ever paid by the Group.

The acquisitions concluded in 2008 were the main driving forces of our growth. In 2009, Activision Blizzard strengthened its position as world leader, despite a flagging video-games market. The proof of that is the unchallenged leadership of *World of Warcraft*, with its 11.5 million subscribers; the record sales posted by *Call of Duty: Modern Warfare 2*, which sold more than 18 million\*\* copies around the world; the success of *DJ Hero*, which was the leading franchise launched during the year. As for SFR, it is now Europe's leading alternative global operator, thanks to the successful integration of Neuf Cegetel in 2009. The new Group has won market share in broadband Internet. In addition, smartphones and their new uses are opening up major perspectives.

Universal Music Group has never ceased to offer new products and services on the digital music market, and its artists continue to rank among the top sellers of recorded music. Maroc Telecom Group is showing new perspectives for growth with the acquisition of Sotelma, the historical telecommunications operator in Mali. The Group has maintained its leading position on all segments of the Moroccan market. Canal+ Group continues its expansion strategy in countries with strong growth: Vietnam, the Maghreb and Central Africa. The success of our recent investments in these countries, and in Brazil with GVT, is the top priority.

\* Since April 27, 2010.

\*\* Source: NPD Group, Charttrack and GfK.

"We attack this year with resolution and confidence in the soundness of our model, which will enable us to continue a pace of growth in conformity with our forecasts."



Vivendi has set itself the missions of accompanying youth in its cultural and media practices while building a more secure digital world, promoting cultural diversity as a necessary manifestation of human dignity and a pillar of social cohesion, and encouraging the sharing of knowledge. To better evaluate the Group's social impact, the Supervisory Board has decided in 2009 to include social responsibility criteria in the remuneration of Vivendi's senior executives. Sustainable development issues are examined by the Management Board and I personally commit myself to making them a part of the Group's strategy.

We attack this year with resolution and confidence in the soundness of our model, which will enable us to continue

a pace of growth in conformity with our forecasts. Our business areas are young ones, and with the digital revolution they offer important areas for growth. It is towards that objective that Vivendi's teams are focused. I would like to thank them.

*Jean-Bernard Livy*

# Key figures

Vivendi's revenues for 2009 were €27,132 million, an increase of 6.9%, and the EBITA was €5,390 million, up by 8.8%.

## Activision Blizzard

Activision Blizzard turned in exceptional sales and economic performance despite the worldwide downturn of the video-games market. Revenues stood at €3,038 million and EBITA at €484 million. The company's market share in Europe and the United States increased by 16%. On those continents, *Call of Duty: Modern Warfare 2* was the best-selling game of the year (more than \$1 billion in sales since its launch). *DJ Hero* led the franchises launched during the year. *World of Warcraft* continued to dominate the massively multi-player online role-playing game category worldwide\*, with approximately 11.5 million subscribers.

## Universal Music Group

Universal Music Group's (UMG) revenues were €4,363 million for 2009, a 6.2% decrease compared to 2008. Digital sales increased by 8.4%, thanks to a very strong growth in online sales, despite the slowdown of cellular telephones sales in the United States and Japan. Music publishing revenues increased 1.7%, and merchandising grew 24.6%. This proves the success of UMG's integration of that business activity. However, recorded music sales declined due to the drop in demand for CDs and the decrease in license fees. UMG's EBITA for 2009 was €580 million, down 14.7% at constant currency compared to 2008. This situation can be explained by the reduction in margins related to the drop in sales, partially compensated for by stringent cost-control.

## SFR

SFR's revenues were €12,425 million, up by 7.6% compared to 2008, figures include Neuf Cegetel from April 15, 2008. Revenues from the mobile business were stable at €8,983 million. "Data" revenues increased by 33%, essentially thanks to unlimited SMS and MMS offers and mobile Internet offers. In the course of the year 2009, SFR posted very good sales performance, with nearly 743,000 net new mobile customers.

That growth reflects SFR's leadership in the subscriber segment, with 1,225,000 net new subscribers since the start of 2009, for a market share of 36.2%. The subscriber base reached a level of 14.807 million customers at end December 2009. The launch of the iPhone is a success, with 670,000 sales between April and December 2009.

Due to smartphones, the share of data services in mobile revenues jumped from 17.7% in 2008 to 23.7% in 2009. In addition, the Broadband Internet total customer base was up 14.6%, with 4.444 million customers. SFR's EBITA was €2,530 million, down 74 million euros on a comparable basis.

## Maroc Telecom Group

Despite a difficult economic and regulatory environment, Maroc Telecom posted revenues of €2,694 million, up 3.6% compared to 2008. The growth in revenue is the result of the Group maintaining its leadership in Morocco and the good performance from its subsidiaries thanks to commercial efforts, investment, and commercial conquest. The Group's customer base reached 21.7 million at the end of 2009, up 12.6%, thanks to the growth of the mobile business in Morocco, a very strong increase in the subsidiaries' subscriber bases, and the integration of Sotelma in Mali. The Maroc Telecom Group's EBITA reached €1,244 million, up 1.6% compared to 2008. That modest increase was achieved while continuing the sales efforts necessary for stimulating the market and increasing depreciation as part of a major investment program. As a result, operating margin was 46.2%, down 0.9 point compared to end 2008.

## GVT

On November 13, 2009, Vivendi took control of the Brazilian company GVT, which was fully consolidated.

\* According to NPD Group, Activision Blizzard.

**2009 Revenues**

**€27,132**  
million (+6.9%)

**2009 EBITA**

**€5,390**  
million (+8.8%)

**2009 Adjusted Net Income**

**€2,585**  
(-5.5%)

**Dividend of**

**€1.40\***

per share for 2009

\* Submitted for the approval of the Ordinary Shareholders' Meeting on April 29, 2010.

**49,000\*\***

employees in 77 countries

\*\* As of December 31, 2009.

In Vivendi's consolidated statement of earnings for business year 2009, GVT's revenues and EBITA, from November 13 to December 31, 2009, stood at €104 million and €20 million, respectively. According to Brazilian accounting standards, GVT's 2009 revenues were 1,699 million Brazilian reais (BRL) for the twelve-month period ending December 31, 2009, compared to 1,320 million BRL in 2008, a 28.7% increase. Attractive offer and network expansion have enabled very strong growth in the number of lines in service. The net increase in lines was 916,000, or an increase of 36.6% compared to 2008, which included 404,000 voice, 227,000 broadband, 228,000 corporate data, 58,000 VoIP (Voice over Internet Protocol), and -1,269 ISP (Internet Service Provider). At the end of 2009, GVT's total installed base was 2.8 million lines. The number of broadband subscribers was approximately 669,000 by year-end 2009. Very-high-speed offerings, with speeds of 10 Mbps and above, have met with great success. They account for 56% of broadband sales and 39% of the broadband customer base at the end of 2009.

at year-end 2009, compared to 80% at the end of 2008, in particular due to the accelerated digitization of Canal+ analog subscribers. Customer churn among digital subscribers was 12.3%. The Average Revenue Per User (ARPU) increased by close to 1 euro over the period, to reach 44.70 euros, thanks in particular to increased subscriber fees and higher penetration of service options and programs such as FOOT+ on Xbox, Canal+ on iPhone, and +Le Cube. Operations in Africa and Overseas continued to grow, and contributed to the Group's positive performance. In 2009, Canal+ Group's EBITA increased by 14.8% to reach €652 million. Canal+ France's EBITA improved strongly as synergies related to the merger with TPS took full effect and thanks also to various cost reduction initiatives, the growth of Average Revenue Per User (ARPU), and Canal Overseas operations.

**Canal+ Group**

Canal+ Group's revenues were €4,553 million, up 1.6% at constant currency. At the end of 2009, the Group had a total of 10.8 million subscribers, compared to 10.6 million at year-end 2008 (12.5 million including international). The proportion of digital subscribers had reached 93%

# Governance

## Supervisory Board

Since April 29, 2010



**1 Jean-René Fourtou\***  
Chairman of the Supervisory Board

**2 Henri Lachmann**  
Vice-Chairman and Chairman of the Supervisory Board of Schneider Electric SA

**3 Claude Bébéar\***  
Honorary Chairman of AXA Group

**4 Daniel Camus**  
Executive Director of EDF Group, Member of the Executive Committee

**5 Jean-Yves Charlier**  
Chairman and Chief Executive Officer of Promethean

**6 Maureen Chiquet**  
Chief Executive Officer of Chanel

**7 Philippe Donnet**  
Member of the Supervisory Board of Financière Miro

**8 Dominique Hériard-Dubreuil**  
Chairwoman of the Board of directors of Rémy Cointreau

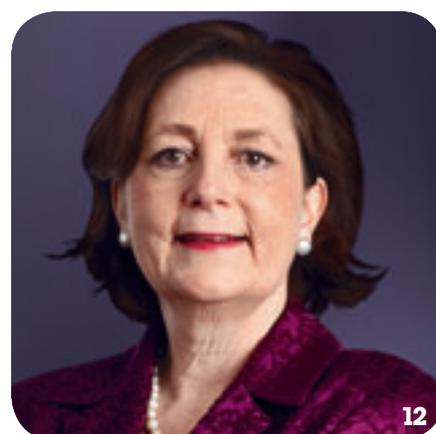
**9 Aliza Jabès**  
Chairwoman of Nuxe Laboratory

**10 Christophe de Margerie**  
Chief Operating Officer of Total and Chairman of the Executive Committee

**11 Pierre Rodocanachi**  
Chief Operating Officer of Management Patrimonial Conseil

**12 Jacqueline Tammenoms Bakker**  
Chairwoman of the National Council for Environment and Infrastructure (Netherlands)

\* Not independent.



Vivendi is directed by a Supervisory Board and a Management Board. The Supervisory Board, chaired by Jean-René Fourtou, defines major strategic orientations and supervises the management of the Group as conducted by the Management Board. It met ten times in 2009.

The Supervisory Board has created four committees – the Strategic Committee, the Audit Committee, the Human Resources Committee and the Corporate Governance Committee – which examine and prepare for the Board's deliberations.

On the advice of the Corporate Governance Committee, the Ordinary Shareholders' Meeting of April 29, 2010

approved the appointment of four new independent members to Vivendi's Supervisory Board: Ms. Dominique Hériard-Dubreuil, Chairwoman of the Board of directors of Rémy Cointreau, Ms. Aliza Jabès, Chairwoman of Nuxe Laboratory, Ms. Jacqueline Tammenoms Bakker, Chairwoman of the National Council for Environment and Infrastructure (Netherlands), and Mr. Daniel Camus, Executive Director of EDF Group and a member of its Executive Committee.

After approval by the Ordinary Shareholders' Meeting, Vivendi's Supervisory Board numbers twelve members, including four women. Vivendi is one of the first CAC 40 listed Groups one third of whose Board are women.

# Governance

## Management Board

Since April 29, 2010



Chaired by Jean-Bernard Lévy, the Management Board is currently comprised of six members, including three French, one German, one Moroccan and one British citizens. The Supervisory Board, at its meeting held on February 26, 2009, renewed the terms of office of the members of the Management Board and its Chairman for a four-year period, until April 26, 2013. The Management Board ensures the execution of Vivendi strategy. It met 18 times in 2009.

A Financial Information and Communication Procedures Committee ensures that the Group fulfills its disclosure requirements with respect to investors, the public, and the competent regulatory and market authorities.

A Risks Committee was created in 2007. It is chaired by the Chairman of Vivendi's Management Board and is comprised of at least four members, including – in addition to its Chairman – the Chief Financial

**1 Jean-Bernard Lévy**  
Chairman of the Management Board,  
Chairman of Activision Blizzard,  
Chairman of the Board of GVT

**2 Abdeslam Ahizoune**  
Chairman of the Management Board  
of Maroc Telecom

**3 Philippe Capron**  
Chief Financial Officer of Vivendi

**4 Frank Esser**  
Chairman and Chief Executive  
Officer of SFR

**5 Bertrand Meheut**  
Chairman of the Management Board  
of Canal+ Group

**6 Lucian Grange**  
Co-Chief Executive Officer  
of Universal Music Group

Officer, the General Counsel and the Senior Vice President of Internal Audit and Special Projects. Its purpose is to encourage exchange of best practices within the Group with regards to risk prevention and management, and to support the subsidiaries in their continuous-improvement actions. It reports its main conclusions and recommendations to the Audit Committee of Vivendi's Supervisory Board.

# General Management

Along with Jean-Bernard Lévy and Philippe Capron, Vivendi's Senior Executives are:



- 1 Jean-François Dubos**  
Senior Executive Vice President and General Counsel; Secretary of the Supervisory and Management Boards
- 2 Régis Turrini**  
Senior Executive Vice President, Strategy and Development
- 3 Stéphane Roussel**  
Senior Executive Vice President, Human Resources
- 4 Simon Gillham**  
Senior Executive Vice President, Communications and Sustainable Development



## Focus

### Inclusion of sustainable development criteria in senior executives' variable remuneration

At the Ordinary Shareholders' Meeting of April 30, 2009, the Chairman of the Supervisory Board announced that sustainable development and social responsibility goals will be taken into account in the remunerations of Vivendi's senior executives. This motion was submitted to the members of the Supervisory Board, which adopted it in September 2009. The goal set by the Supervisory Board is that of "developing innovative

actions for vulnerable persons." Accordingly, the Management Board asked that the criteria defined for each business unit be commensurate with the expertise and the positioning of each of them, and that they be pertinent, measurable and verifiable by a specialized firm. The purpose of these provisions is to measure the individual contribution of the Group's senior executives in terms of strategic sustainable development

issues, such as the protection and empowerment of youth in their media practices, the promotion of cultural diversity and the reduction of the digital divide.

Vivendi is one of the first CAC 40 companies to integrate performance objectives related to its social responsibility into the variable remuneration of senior executives.

# Strategy

Vivendi's strategy consists of both strengthening its leading position in communications and entertainment in the countries where the Group operates, and of developing a presence in countries undergoing strong growth where it can contribute its expertise.

Vivendi's top priority is to continue its development in current markets through an ongoing investment and innovation effort, offering diversified content and innovative services. Vivendi's second objective is to distribute a high dividend to its shareholders, the result of strong financial discipline founded on precise profitability requirements. The third objective is to acquire shares held by its minority partners, if the opportunity arises at a reasonable price. The fourth pillar of Vivendi's strategy is to continue the Group's expansion in countries undergoing strong growth, capitalizing on its business units expertise.

## Strengthen market positions

Whether in telecommunications or media, Vivendi's brands are known and appreciated by consumers and associated with reliability, quality, innovation and originality values. Backed by the strength of its teams of engineers and the creativity of its artists, the Group aims to accompany its business units in keeping customer trust and offering new

and innovative products and services, taking full advantage of new technologies to adapt them to consumers' new needs. Digitization of content, development of communities of consumers and increasing adoption of broadband communication have placed the digital economy at the heart of the world economy, creating major trends and opportunities which Vivendi anticipates in order to identify growth areas, innovate constantly, and invest advisedly.

These trends are proving the pertinence of the subscription model. This is a major advantage for several reasons: first, it provides recurring, predictable revenue, enabling reasoned investment decisions to improve the quality of content and services; the regular contact with customers enables their expectations to be anticipated, putting Vivendi in a position to constantly offer new, innovative products and services that match their day-to-day needs and habits. Armed with this expertise in understanding its customers, winning their loyalty, and adapting its services to suit them, Vivendi is increasing its presence across the value chain.

## Focus

### Innovation, a strong growth potential

In 2009, Vivendi continued its policy of innovation to make the fruits of the digital revolution available to consumers. Activision Blizzard, for example, continued its investments so as to offer new games and new, more original and intuitive game devices, with the view to improving the pleasure of gaming. Networked video games have become social activities, as have social sites, and the Group has developed real know-how through worldwide successes like *World of Warcraft*, *Call of Duty*, and *Guitar Hero* – and now *DJ Hero* and *Band Hero*, both gaining fantastic popular success.

In music, Vivendi continues Universal Music Group's development of digital distribution. Legal downloading is

developing very quickly and Vivendi aims to be a major player. The Group has multiplied initiatives for distribution via the Internet so as to be as close as it can to consumers' expectations.

UMG's launch of Vevo in the United States in late 2009 is an example. Vivendi now produces music in varied forms, and its objective is to offer a panoply of products and services – sales of digitized singles and albums, Internet subscriptions with access to musical content, merchandising, etc. Its teams work in that direction with all the new leading players in the market such as Deezer, Spotify, MySpace, and telecommunications operators. Vivendi offers products and services that are intuitive and simple to use, while continuing, in parallel,

to combat piracy. The signs are encouraging, since legal downloading now represents a growing share of the Group's revenues.

Mobile telephony and Internet access have become essential uses of telecommunications. SFR's deployment of fiber-optic networks in households is the next step and will represent strong growth potential for Vivendi.

In pay TV, Canal+ Group remains at the leading edge of innovation and is constantly offering new services to its subscribers, such as catch-up TV, remote recording with *+Le Cube*, and Web browsing from one's mobile device.

## Major events of 2009

# Vivendi acquires GVT and becomes the No. 1 alternative operator in Brazil

In November 2009, Vivendi entered into an agreement with the Swarth Group and Global Village Telecom (Holland) BV, the founders and controlling shareholders of GVT Holding SA, a listed company in Brazil. Vivendi took control of GVT, so becoming Brazil's leading alternative operator.

GVT, present in over 75 cities, is the alternative broadband fixed-line telecommunications operator in Brazil with the strongest growth.

### Fine growth perspectives

This important operation is fully in line with Vivendi's strategy of development

in strong growth countries. It opens major perspectives for expansion in this country of more than 190 million inhabitants and with approximately 65 million Internet users, possessing only 11 million broadband access points for the moment. Vivendi, with its know-how and its financial strength, can support GVT and contribute to accelerating the development of broadband in a country where services are still not widely distributed, particularly to the general public. GVT also has a considerable advantage in that it builds its own network and keeps as near as possible to residential areas in order to offer optimum quality of service and bandwidth.

### Deploying new areas and services

Vivendi expects to accompany GVT in its deployment in new areas and of new services. This accelerated expansion will enable GVT to take advantage of opportunities in markets until now not exploited, while continuing to optimize the capacities of its network, Brazil's most modern.



Amos Genish, CEO of GVT, and Jean-Bernard Lévy, Chairman of the Board of GVT

© Gustavo Lourenço/Valor/Folha Imagem

### Shared expertise, a guarantee of excellent operational performance

There exists a real continuity of skills within the Group's various activities involving digital content and technologies, marketing to the general public, and managing subscription activities.

This knowledge and expertise is shared and disseminated at the worldwide, regional, or territorial level depending on the activity – in Africa through the Maroc Telecom Group and its African subsidiaries; in France, Poland, Africa and Vietnam with Canal+ Group. The business units maintain strong operational autonomy and their shared skills are the foundation for fruitful and enriching sharing within the Group, contributing to their good performance.

### Developing in strong growth countries

Bolstered by its successes in Africa, Vivendi has acquired expertise in developing in strong growth countries. Technological communication resources proven in Europe are more easily accessible in such countries after a few years and can appeal

to a large audience, for whom they often make life easier.

Vivendi intends to position itself in these growth markets, while maintaining watchfulness as to the profitability of operations. Vivendi wants to develop in areas where it possesses real expertise. Its international growth strategy is centered on its four business areas – video games, music, telecommunications and pay-TV. Vivendi pursues this geographical expansion of the Group's skills in markets undergoing strong growth. In pay-TV, Canal+ Group, after launching the first pay-TV bundle in Maghreb, launched K+, the first nationwide pay-TV platform in Vietnam. Maroc Telecom Group extended its development in Africa with its acquisition of Sotelma, Mali's historical operator.

Vivendi's acquisition of GVT, an alternative telecommunications operator experiencing strong growth, is an operation that will contribute to structuring the Group. This opens the door to a dynamic and highly promising Brazilian market comprising more than 190 million residents. Vivendi, as it did for Maroc Telecom, is accompanying GVT in its deployment in new zones with new services.

# Sustainable development policy

Vivendi's contribution to sustainable development is its commitment to empowering present and future generations to fulfill their need to communicate, satisfy their desire for entertainment, nourish their curiosity, develop their talents and encourage intercultural dialogue.

Vivendi conducts a stringent sustainable development policy that puts its economic, social and environmental performance into perspective with regard to its business activities and its geographical locations.

## Our main sustainable development issues

The sustainable development policy is defined by Vivendi's characteristics as a Group:

- producer and distributor of content;
- at the core of technological broadband and mobility evolutions;
- centered on the subscription model;
- conquering new markets in strong growth countries.

The first of those characteristics implies that the Group appraises the opportunities and risks its content and services can represent for various audiences. Vivendi has defined three specific sustainable development issues:

- accompanying youth in its uses of media;
- promoting cultural diversity;
- sharing knowledge.

The second characteristic necessitates Vivendi's reconciling the digital revolution with recognition of the needs of its stakeholders (employees, customers, artists, suppliers, civil society, and others) and with regulatory requirements. Managing human capital, leveraging content, vigilance towards suppliers, and dialogue with partners are all sustainable development issues.

## Focus

### Sustainable development indices and guidelines

In 2009, Vivendi renewed its referencing in the FTSE4 Good Index Series (drawn up by the FTSE), in the ASPI Eurozone index® (compiled by the rating agency Vigeo) – comprising 120 stocks and whose frame of reference is Dow Jones Euro Stoxx –, and in the Ethibel Excellence Sustainability Index (ESI – drawn up by Ethibel), whose frame of reference

is Standard & Poor's Global 1200. In December 2009, Vivendi also became part of the ECPI Ethical Indexes (ECPI Ethical Index Global, ECPI Ethical Index EMU, ECPI Ethical Index Euro) compiled by E.Capital Partners. In addition, as it has each year since 2002, Vivendi submits data to the Carbon Disclosure Project (CDP), which brings together the largest

institutional investors in the world with the objective of evaluating the impacts of climate change on companies' value. In 2009, Vivendi became a member of the CDP Supply Chain Process, and as such designated ten of its principal suppliers to take part in a specific study of CO<sub>2</sub> emissions conducted by the CDP.

**Also, in November 2009, Vivendi was classified by Goldman Sachs among the five worldwide best placed companies in the media sector as regards to economic performance and sustainable development criteria.**



“The Supervisory Board has made a unanimous decision to integrate sustainable development criteria in the remuneration of senior executives.”

**Jean-René Fourtou, Chairman of the Supervisory Board**

The third characteristic raises the issue of collection and processing of personal data of subscribers and customers of the Group's business units. In all countries where Vivendi operates, the expectations of subscribers as regards to content offerings and services must be satisfied while at the same time keeping to a stringent policy of personal data management.

The fourth characteristic requires an evaluation of Vivendi's contribution to local development in countries undergoing strong growth where the Group operates – as regards to employment, investment in infrastructures, development of local talent and access to new information and communication technologies, which is one of the keys to success focused on by governments in the education of young people.

### Our specific issues

In 2003, Vivendi defined three sustainable development issues specific to its activities as a producer and distributor of content: the protection and empowerment of youth, the promotion of cultural diversity and the sharing of knowledge. These issues are analyzed in the light of new uses enabled by the combination of mobility and broadband.

It is Vivendi's responsibility to accompany all segments of the public, and youth in particular, in their cultural and media practices, while working to build a more secure digital universe. To do this, Vivendi must reconcile the development of content offerings and services with protecting young audiences from uses or behaviors that can do them harm. Cellular telephones, the Internet, games, films, can be vehicles for harmful content or give rise to inappropriate modes of consumption. For that issue to be taken into account groupwide, the business units must work with Vivendi's Sustainable Development team.

Vivendi aims to promote cultural diversity as a necessary manifestation of human dignity and a pillar of social cohesion. Sharing the vision of UNESCO – whose Convention on the Protection and Promotion of the Diversity of Cultural Expressions (entered into force in March 2007) states that cultural diversity is “a mainspring for the sustainable development for communities, peoples and nations”, Vivendi's ambition is to encourage artistic creation in all its diversity, promote local talent, and protect and sustain heritage.

Encouraging the sharing of knowledge as a means of strengthening mutual understanding and open mindedness

towards others is the third specific sustainable development issue identified by Vivendi. Through its international positioning, the Group exercises a certain influence on how cultures are represented. It has an obligation to guarantee the quality of content, to encourage dialogue between cultures, to facilitate access to new technologies and to raise public awareness of sustainable development issues.

### Groupwide mobilization

The Chairman of the Management Board regularly includes sustainable development issues in the agenda of meetings of the Management Board and the Risks Committee. Throughout the year, he brings together experts from civil society to share analysis of the development of the Group's activities in the light of these sustainable development issues.

The Group's Sustainable Development Department leads the process by closely associating the head office functional divisions and the business units.

- With the Investor Relations Department, it organizes meetings with the financial community in order to present the Group's sustainable development policy. In the context of these road shows, specifically set up for this purpose, it met with 53 investors in 2009.
- It regularly works with the Audit Department for the Risks Committee's examination of sustainable development topics or more specific actions such as a questionnaire for the business units' principal suppliers.
- In liaison with the General Counsel's office, the Sustainable Development Department contributes to the application of the Program of compliance with environmental, health and workplace safety standards adopted by Vivendi in 2000. It also contributes to disseminating the Compliance Program throughout the Group and to its various partners. It takes part in monitoring Vivendi's policy regarding collection and processing of personal data.
- In close cooperation with the Human Resources Department, it contributes to integrating sustainable development criteria into the remuneration of the Group's senior executives. It also conducts awareness raising actions for employees and trade union and personnel representatives.
- Since 2003, the Sustainable Development Department has been backed by a Sustainable Development Committee which meets six times each year. The Department also organized the first Sustainable Development Seminar in January 2010 (see p. 54-55).

# Vivendi and its individual shareholders

The Group maintains strong ties to its individual shareholders. In 2009, further efforts were made to strengthen those ties.

## Communicating with shareholders

Vivendi conducts a policy of financial communication aimed at making sure that all its shareholders have access to exact, precise, transparent information.

The Group has put in place several communication and information media to meet the expectations of its individual shareholders. It also works to maintain direct contact with them throughout the year to enrich exchange and dialogue. Several media are available to shareholders to keep up with Vivendi news. Three times a year, the Group publishes a Shareholders' Newsletter, which can be read in the Shareholders' section of the Web site. A message is sent alerting readers when a new issue is published. Shareholders can also contact the Individual Shareholders Information Department. This vital go between the shareholder and the company provides rapid, individual responses to questions on Vivendi's stock, its results, financial outlooks, the Ordinary Shareholders' Meeting, dividends, strategic operations being carried out by the Group, and events, and handles requests for documents.

In 2009, Vivendi founded a Shareholders Committee whose role is both to improve information and reach out to shareholders and to enable a Group of shareholders to express their expectations and suggestions regarding communication and relations with the Group (see box).

## Going to meet shareholders

Vivendi holds many meetings with its shareholders.

Direct contact is a necessary and enriching way to answer their questions and learn how they feel about strategy. In addition to its presence at the annual French Actionaria exhibition, especially intended for meetings between companies and shareholders, Vivendi creates its own events especially for them. In 2009, for example, there were movie premieres, or a personalized tour of the Olympia music hall in Paris, a discussion in Toulouse with the Chairman of the Management Board and CEO, Jean-Bernard Lévy, and a *Jeudi c'est Vivendi* (a series of thematic informational meetings on activities

## Three questions for...

**Véronique Guisquet**, member of the Vivendi Shareholders Committee

### Why did you decide to become a member of the Vivendi Shareholders Committee?

I wanted to represent Vivendi's individual shareholders, hear what they have to say, and pass on their concerns to management. The Committee provides shareholders with tools and communications media that are suited to their requirements and expectations so that they can feel involved in the company's life, feel that there is a direct link between them and Vivendi. It also makes sure that the information given out is appropriate to the communication tools used and that it plays an instructional role

if anything is not understood. The Committee's goal is to facilitate exchange between the company and its shareholders and to make information more accessible.

### What were the Committee's initial tasks?

We looked at the communication tools made available to shareholders (shareholder newsletters, movie premieres, training days at the École de la Bourse, general and thematic informational meetings, the Web site) and discussed what could be done to improve proximity between Vivendi and the shareholders.

### What do you expect from the Committee?

The Committee must be a relay between the Individual Shareholders Information Department and the shareholders. During upcoming meetings, we'll need to discuss all the measures in Vivendi's current and future communication plans for shareholders. We have to work on the Ordinary Shareholders' Meeting, the meetings held for shareholders in Paris and elsewhere, the possibility of creating a shareholders' club, and so on. We're also waiting for proposals from all the other shareholders.

## The Shareholders Committee



© J.-F. Deroubaix, Caméra

Out of a desire to involve shareholders in the life of the Group more and more, Vivendi implemented a Shareholders Committee in 2009. The Committee brings Vivendi closer to its shareholders and their expectations, their needs, and their way of seeing the world, and thus enables the Group to enrich its communication with them.

The Committee is made up of nine members, including two employee-shareholders (from Canal+ Group and SFR), and Jean-Bernard Lévy is its honorary Chairman. The Committee reflects the diversity and richness of Vivendi's individual shareholders; its members are representative of various business units or areas, and there is also a student member. They come from various regions of France and gender parity is adhered to. They are elected for a renewable term of two years.

The Committee meets two to three times yearly. A meeting is held after the half-year results are released, and another before the Ordinary Shareholders' Meeting. The first two meetings were held on September 22, 2009 and March 19, 2010. They were an opportunity to explain the half-year results and Vivendi's strategy, including the acquisition of the Brazilian operator GVT.

Members expressed opinions on the events organized by the company, on the Shareholders' Newsletter, the Activity and Sustainable Development Report and the implementation of new communication tools. The discussions were fruitful and brought forth some new ideas. Members also met and talked with Jean-Bernard Lévy.

- 1 Lionel Masini, Reims (51), Manager in the Agrifood Industry
- 2 Céline Savoff, Villejuif (94), Employee savings plan manager, Canal+ Group
- 3 Christophe Payret, Narbonne (11), Civil-service employee, Ministry of the Budget
- 4 Diane Enoutor-Koutou, Bourg-la-Reine (92), Pharmacy student
- 5 Véronique Guisquet-Cordoliani, Paris (75), Deputy Secretary-General, *Fédération française des clubs d'investissement*
- 6 Marie-Catherine Boutard, Paris (75), Tour guide
- 7 Jean-Bernard Lévy, Chairman of Vivendi's Management Board and CEO
- 8 Noël Flageul, Lompret (59), university instructor
- 9 Sébastien de Tournemire, Rueil-Malmaison (92), SFR employee (replaced in January 2010 by Claude Scolan, Deuil-la-Barre (95), Director, construction services, SFR)
- 10 Antoine Lefort, Senior Vice President Communications, Vivendi
- 11 Frédéric Plantevin, La Roche-Vineuse (71), Anesthesiologist
- 12 Solange Maulini, Director, Press and Shareholder relations, Vivendi
- 13 Simon Gillham, Senior Executive Vice President, Communications and Sustainable Development, Vivendi

and issues specific to Vivendi) devoted to Canal+ Group. These activities continue in 2010, with a training session on "How to Read the Press" at Vivendi's headquarters given by the *École de la Bourse*, and in March a movie premiere in Lille. Other events in Paris and in the provinces include a *Jeu d'est Vivendi* on the Hadopi law (anti-piracy in France).

### The dividend distribution policy

Vivendi's dividend policy is aimed at distributing at least 50% of net income, with the constant priority being to maximize value in the interest of shareholders. This is a way for the Group to thank its shareholders for their loyalty and to render Vivendi attractive to new shareholders. Vivendi's economic model, built on subscription – which accounts for 70% of its total revenues – enables it to maintain a high dividend policy.

## Focus

### Individual Shareholders Information Department

#### To contact us

#### For shareholders calling from outside France:

+33 1 71 71 34 99  
This number also provides real-time information on Vivendi stock, highs and lows of each trading session,

and movement of the CAC 40 index.

**By mail:** Vivendi – Individual Shareholders Information Department – 42, avenue de Friedland – 75 380 Paris Cedex 08 – France.

**By e-mail:** [shareholders@vivendi.com](mailto:shareholders@vivendi.com)



© Olivier Roy

Jean-Pierre Burger, Solange Maulini, Viviane Sengthong, Antoine Lefort

# Our business units

## Overview



PAGE 18

### Activision Blizzard

#### **No. 1 worldwide in video games;**

it is an independent publisher of online and console video games, with leading positions in most segments of the high-growth sector of the interactive entertainment industry.

Vivendi owns a 57% share of Activision Blizzard



PAGE 26

### Universal Music Group

**No. 1 in recorded music** with more than 1 in 4 records sold around the world and the largest catalogue of music rights.

Universal Music Group is a fully-owned subsidiary of Vivendi



PAGE 32

### SFR

#### **No. 1 in alternative telecoms operator in France;**

the new SFR, following the combination with Neuf Cegetel, is Europe's premier alternative mobile and fixed-line operator.

Vivendi owns a 56% share of SFR

**Vivendi owns a 20%\* share of NBC Universal,** a major media player, present in film and television production, publishing of television channels, and theme-park operation.

\* As of December 31, 2009.

Vivendi is a world leader in communications and entertainment. The Group creates, publishes, assembles and distributes high-quality digital content for consumers and businesses and has expertise in technologies, marketing tools, platforms, and sales networks throughout that value chain.

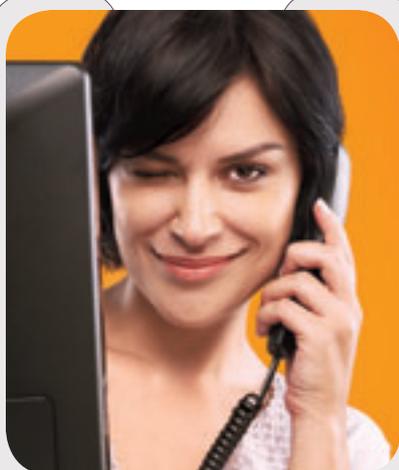


PAGE 36

## Maroc Telecom Group

**No. 1 in telecoms in Morocco:** Maroc Telecom Group is the leading fixed-line and mobile telecommunications operator and Internet service provider in Morocco. It also owns majority shares in the historical operators in Burkina Faso, Gabon, Mauritania and Mali.

Vivendi owns a 53% share of Maroc Telecom Group



PAGE 40

## GVT

**No. 1 alternative telecoms operator in Brazil,** GVT is Brazil's best-performing broadband operator and the one that best meets consumer quality and service expectations.

Vivendi owns 99%\* share of GVT

\* Since April 27, 2010.



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## Canal+ Group

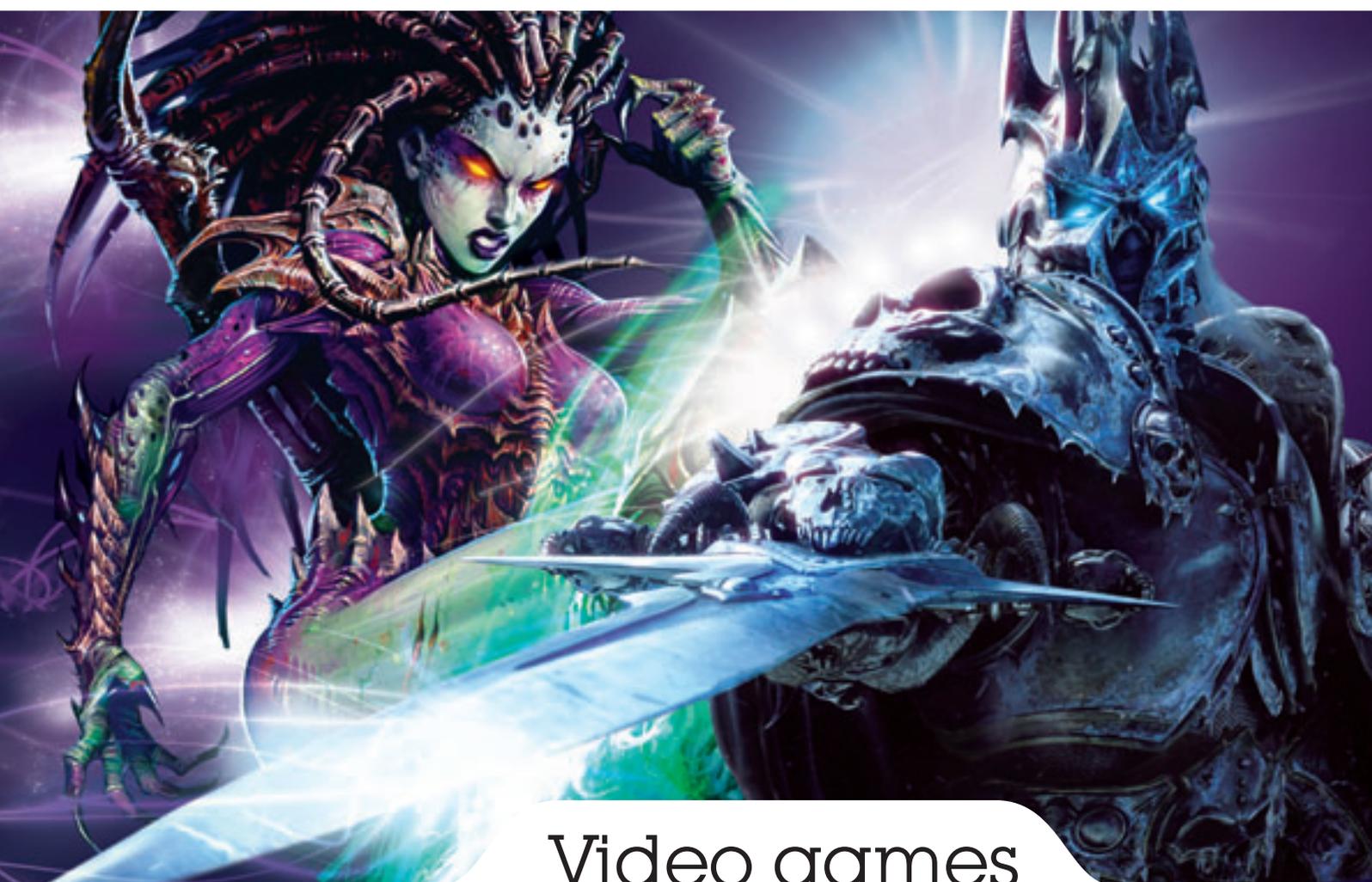
**No. 1 in pay-TV in France;** Canal+ is the leading French publisher of premium and thematic channels and the leading distributor of pay-TV offerings, and a major player in France and the rest of Europe in film production and distribution.

Canal+ Group is a fully-owned subsidiary of Vivendi

**ZaOza:** Vivendi Mobile Entertainment (VME), formed in 2007, is a fully-owned subsidiary of Vivendi. VME seeks to create a new entertaining distribution channel in order to exploit Vivendi and other groups media content.

Its ZaOza service was launched for the general public in 2008. ZaOza is a community site for legal exchange and sharing of content via subscription (television series, video, music, ringtones, games, applications, images, etc.).





Video games

# Activision Blizzard

Activision Blizzard is a worldwide leader in video games for PC, online and console platforms. The company was formed by combining Activision and Blizzard Entertainment, two major players in the field of interactive entertainment.

Headquartered in Santa Monica, California, USA, Activision Blizzard maintains operations in the United States, Canada, the United Kingdom, France, Germany, Ireland, Italy, Sweden, Spain, Norway, Denmark, the Netherlands, Australia, Russia, Japan, China, South Korea and Taiwan.

## Activision Publishing

Activision Publishing (“Activision”) develops, markets and sells products directly, by license, or through third-party publishers. Its products cover diverse game categories including action/adventure, action sports, racing, role-playing, simulation, first-person action, music and strategy. These games are intended for a broad customer base that ranges from casual players to game enthusiasts, and children to adults.

Activision develops and publishes multi-console and PC video games through internally developed franchises and license

agreements. Activision primarily offers games developed for the Sony (PlayStation 2, 3 and PSP), Nintendo (Wii and DS) and Microsoft (Xbox 360) platforms.

Activision Blizzard is the number one independent publisher in the US<sup>1</sup> with the number one franchise overall, *Call of Duty*<sup>®</sup> and the number two third-party franchise, *Guitar Hero*<sup>®</sup>.<sup>1</sup> *Call of Duty*<sup>®</sup>: *Modern Warfare*<sup>™</sup> 2, is the number one best selling title in the US and Europe, and surpassed \$1 billion in retail sales worldwide since its launch in November 2009.<sup>2</sup>

*Call of Duty* is a video game franchise in which the player embodies a soldier in the middle of a war. The realism of the fight and of the gaming environment contributes to making *Call of Duty* the number one war game on the market.

Additionally, in 2009 Activision Publishing released *Bakugan*<sup>®</sup>*Battle Brawlers*<sup>™</sup> based on the popular toy and animated television series; *iCarly* based on Nickelodeon’s hit



Guitar Hero 5 and Tony Hawk<sup>®</sup>: Ride<sup>™</sup>





### Point of view

## Our video games contribute to cultural diversity

**George Rose**, Chief Public Policy Officer, Activision Blizzard

Video games provide a medium that allows people from different cultures and walks of life to engage in a shared entertainment experience. Players from different countries, economic backgrounds, ethnicities and ages are able to connect with each other in a fun, meaningful and relevant manner as they play and discuss their favourite video games.

Blizzard Entertainment's *World of Warcraft* is available in several languages and includes local cultural references familiar to players in different regions of the world. Individuals see their own culture and history reflected in the way the game is presented to them. And because a great deal of dialogue occurs within player communities across borders, these cultural touchstones promote dialogue and raise cultural awareness among

players everywhere. Additionally, games like Activision Publishing's *Guitar Hero 5* are bridging the cultural divide through interactivity and music. The game exposes consumers to music from around the world, and the game's music studio allows them to compose songs using sound sets from instruments that are unique to various regions of the world.

And lastly, our games are developed at studios all over the world including the US, Canada, UK, China, Romania and others. Each studio's work often reflects their unique perspectives and cultural sensibilities. As we enter countries like China, Canada or Romania, we are creating jobs and opportunities in the region that otherwise would not exist.

# 7,382

employees

television series; *Ice Age III™: Dawn of the Dinosaurs*, based on Twentieth Century Fox's feature film; *Marvel™: Ultimate Alliance 2*, a game featuring the largest collection of Super Heroes from the Marvel Universe; *Monsters vs. Aliens*, based on DreamWorks Animation's feature film of the same name; *Prototype™*, a third-person open world game; *Tony Hawk®: Ride™* which redefined skateboarding through an innovative motion-sensing skateboard controller; *Transformers™: Revenge of the Fallen*, based on the Paramount Pictures and DreamWorks Pictures' feature film; *X-Men Origins: Wolverine* based on the feature film from Twentieth Century Fox; and *Wolfenstein*, the latest game in the popular franchise. In February 2010, Activision also launched *Percy Jackson and the Olympians: The Lightning Thief*, a tactical role-playing game adapted from the acclaimed fantasy book series by Rick Riordan.

### Guitar Hero, a success

*Guitar Hero* is a musical game. It lets players engage with music by pressing color buttons and strumming a guitar controller in rhythm with colored notes that scroll on a screen. The game's easy-to-learn, yet challenging-to-master gameplay, coupled with its revolutionary guitar-shaped controller, offers a deep and authentic rock and roll experience complete with avatars of rockers and scenes from concerts.

In 2009, the company released two new products under the *Guitar Hero* franchise – *DJ Hero™* and *Band Hero™*.

*DJ Hero* introduces players to an innovative turntable controller that immerses fans into the authenticity of DJ culture as they utilize and master various DJ techniques including scratching, crossfading and sampling. With over 100 individual songs, highlighted in 93 unique never-before-released mixes that blend genres of music, including hip hop, pop, rock and dance, the game delivers the most diverse and international collection of music ever assembled in a music video game.

*DJ Hero* was the number one new intellectual property launched in 2009 in the US and Europe.<sup>2</sup>

Additionally, the company released *Band Hero* which allows players to form a band by using new wireless instruments including drums and a microphone and includes a virtual recording studio where players can create their own music to share with others. The game delivers an exciting new music collection featuring top-40 hits designed to appeal to broad family audiences.

*The Guitar Hero* franchise remains the benchmark for music video games because of the quality of its wireless instruments, the customization options available and its online functionalities.

*Band Hero*, *DJ Hero* and *Guitar Hero* offer the largest variety of music genres, innovative technologies, new social entertainment

ACTIVISION

BLIZZARD™



*World of Warcraft: Wrath of the Lich King*

**2009 Revenues**

**€3,038**  
million

**2009 EBITA**

**€484**  
million

experiences and a broad range of music that is localized in the geographic territories where the game is released.

### **Blizzard Entertainment**

Blizzard Entertainment is a world class development studio and publisher, best known as the creator of *World of Warcraft*<sup>®</sup>, *Diablo*<sup>®</sup> and *StarCraft*<sup>®</sup>.

Blizzard Entertainment generates revenues worldwide through various means, including: subscription revenues (from players of *World of Warcraft*, prepaid-cards and other ancillary online revenues), retail sales of physical “boxed” products and licensing revenue from distribution agreements with local partners.

### **World of Warcraft, the most popular online role-playing game**

With the success of *World of Warcraft*, Blizzard Entertainment is the world leader in terms of subscriber base and revenues generated on the subscription-based MMORPG (Massively Multiplayer Online Role-Playing Games) market.

A massively multiplayer online role-playing game is a video game played only online via an Internet connection simultaneously with thousands of other connected players. The player, after having purchased a copy of the game and installed it on a computer, takes out a subscription for a period of his or her choice allowing access to the game universe,

whose principal characteristic is constancy. As a result of this principle, customer assistance is required 24 hours a day, seven days a week. This service is provided by “game masters” who step in at any time to help players overcome their difficulties, whether they be technical incidents, or problems related to their success in the game or to the illicit behavior of other players.

During 2008, Blizzard Entertainment released *World of Warcraft*<sup>®</sup>: *Wrath of the Lich King*<sup>™</sup>, the second expansion pack of *World of Warcraft*, simultaneously in several countries. Blizzard Entertainment also released a Russian-language version of *World of Warcraft* and expanded the sale of support services for *World of Warcraft* in Russia and in the Spanish-speaking countries of Latin America.

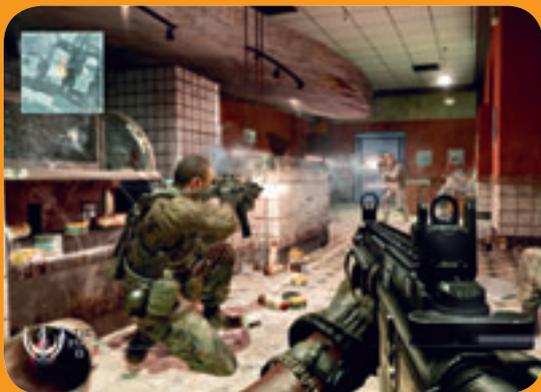
In the Asian market, Blizzard Entertainment distributes *World of Warcraft* directly through its local subsidiaries (Korea) and through partners and license agreements. In 2009, Blizzard Entertainment entered into a license agreement with NetEase.com, Inc. for the operation of *World of Warcraft* in China and with SoftWorld in Taiwan. In addition, Blizzard granted a license to NetEase for the operation in China of *StarCraft*<sup>®</sup> II<sup>™</sup>, *Warcraft*<sup>®</sup> III: *Reign of Chaos*<sup>™</sup>, *Warcraft*<sup>®</sup> III: *The Frozen Throne*<sup>™</sup> and for the Battle.net platform.

*World of Warcraft* is now available in North America, Europe (including Russia), China, Korea, Taiwan, Australia, New Zealand, Malaysia, Mexico, Thailand and Hong Kong.

1: Source: NPD Group.

2: Source: NPD Group, Charttrack and GfK.

# Activision Blizzard 2009 Highlights



## **Call of Duty: Modern Warfare 2** *sets sales record*

The latest title in the *Call of Duty* franchise, *Call of Duty: Modern Warfare 2* became the first video game ever to surpass \$550 million in retail sales in its first five days of release\*. To date, the *Call of Duty* franchise has sold in excess of 55 million units and has generated more than \$3 billion in revenue worldwide.

\* Source: Activision Publishing internal estimate.

## **Band Hero**

**the best of pop for the entire family**

*Band Hero* offers the most exciting and accessible set lists everyone can enjoy, featuring chart-topping tracks from the most popular bands of yesterday and today. Up-and-coming pop superstars can create the band of their dreams with any combination of multiple guitarists, bassists, drummers and vocalists or hit all the high notes together in the new karaoke-style Sing-Along mode. The game is available for Wii™, Xbox 360® video game and entertainment system from Microsoft, PlayStation®3 and PlayStation®2 computer entertainment systems and Nintendo DS™ Lite.



## **DJ Hero**

**a unique experience!**

Expanding upon the revolutionary easy to pick up/challenging to master gameplay mechanics developed and refined in *Guitar Hero*®, *DJ Hero*™ delivers an all-new interactive music experience that allows players to start the party and not only experience, but to hear music in an all-new way. The game is available for Wii™, Xbox 360® video game and entertainment system from Microsoft, PlayStation®3 and PlayStation®2 computer entertainment systems.





Music

# Universal Music Group

Universal Music Group is the world's leading music company with global businesses in recorded music, music publishing, artist services and merchandising. UMG leads the way in the digital distribution of music by offering consumers the world's largest digital music catalog through the widest range of products and services.

## World's No.1 in recorded music

UMG is the world's leader in recorded music. The Group has particularly strong positions in North America and Europe – markets which alone account for close to 70% of total world revenues in the sector. Thanks to their diversity and their locations, both worldwide and local, UMG's labels complement each other, through their focus on different genres and music segments.

UMG discovers, develops, markets and distributes some of the world's most popular artists through its many pop-music labels, including Island Def Jam Music Group, Interscope Geffen A&M Records, MCA Nashville, Mercury Nashville, Mercury records, Polydor, and Universal Motown Republic Group, and classical

music and jazz labels such as Decca, Deutsche Grammophon and Verve. UMG artists include U2, Amy Winehouse, Rihanna, Lady Gaga, Lil Wayne, Jack Johnson, Eminem, and Roberto Alagna.

Catalog releases account for a significant and stable part of UMG's recorded music each year. UMG's recorded music catalog, the largest in the world, features some of the most popular and influential artists of our time, including ABBA, Louis Armstrong, Alain Bashung, James Brown, Eric Clapton, Elvis Costello, Frank Sinatra, Serge Gainsbourg, Bob Marley, Nirvana, Luciano Pavarotti, Edith Piaf, Michel Sardou, the Police, The Rolling Stones, Caetano Veloso and Herbert Von Karajan.



© Pamela Litky



© UMG

Justin Bieber and Rihanna



© J.-F. Deroubaix Gamma/Eyedea

### Point of view

## Our success relies on local artists

**Olivier Robert-Murphy**, Head of International Business Development, Universal Music Group International

Music can unify people in a way that few other things can. Sociologists found that Music is one of only two ways we define our nations. The culture of a nation is reflected in the artist and the music they create from and for their people. Nurturing an economy of Sustainable Creativity and embracing cultural diversity has ensured our commercial success over the years. In a world of increased homogenisation and globalisation, we could focus purely on a few acts that sell globally, like the Black Eyed Peas, U2 and Lady Gaga but we have a different approach. We invest in global priorities, yet we believe in nurturing talent at a local level as well. We credit our success to the fact that we invest directly in local artists and provide the infrastructure to help them connect with their fans; first locally then globally. As a result, 65% of our sales come

from local repertoire. Further testament to the success of this strategy: in the past two years, our German company has secured 91 nominations for various music awards, by 41 different local artists. Our local investments also pay international dividends with local artists like André Rieu breaking through in Europe and Australia, becoming a global superstar. And through cooperations between global and local stars, we help territories maximise the potential of their local talent. Technological developments enable us to distribute music that is no longer available physically through worldwide digital channels, exposing repertoire from France to consumers in China and vice versa. This is what enables sustainable creativity.

# 7,524

employees

UMG markets its artists' recordings and promotes them via advertising in the media and at the point of sale. Public appearances, concerts and partnerships between artists and brands are increasingly important aspects of UMG's marketing policy. They are an alternative source of revenue for the Group and provide additional media exposure for the artists.

### The digital music market

UMG continues to play a leading role in the expansion of the digital music market place. The Group supports the launch of innovative services like Spotify and the growth of existing services such as iTunes in order to offer a greater and greater number of outlets where consumers can access music legally. UMG takes many initiatives and enters into agreements with partners like Netbiscuits and FreeAllMusic.com to extend its offering of content available directly to consumers via mobile devices and offer more and more alternatives to music fans for downloading their favorite titles legally and free of charge. In 2009, UMG and Apple announced a new agreement for marketing titles on iTunes without a digital "padlock" and making them available for downloading on iPhone mobile devices. UMG also launched VEVO in the United States and Canada, a revolutionary new online syndication network and platform for premium entertainment content. UMG did this

in association with Sony Music, EMI, Google/YouTube and Abu Dhabi Media Company. VEVO will begin deploying its service to additional markets outside North America.

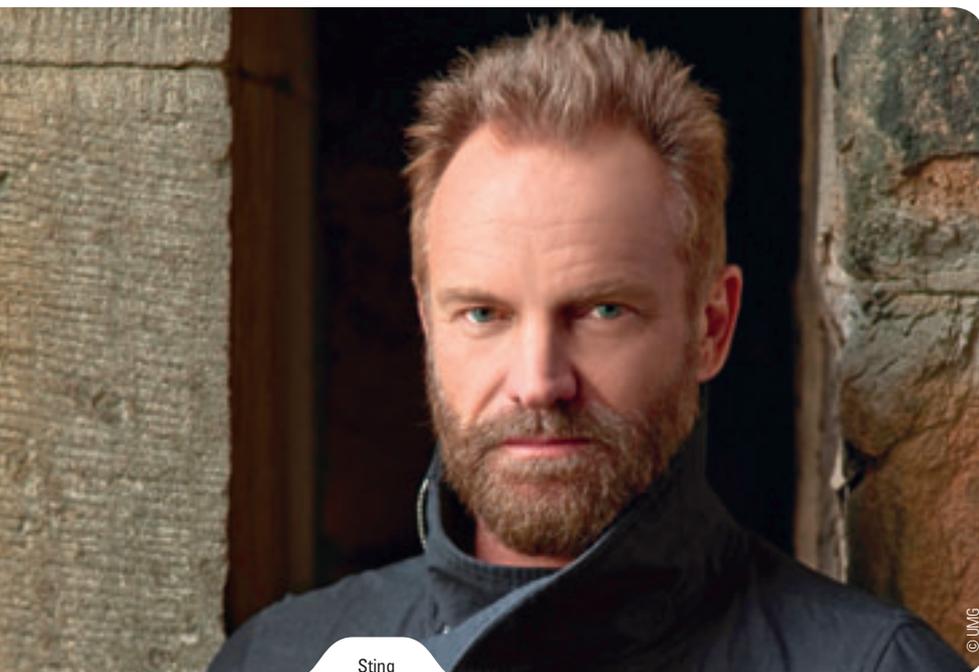
VEVO's content is free to the consumer and generates its revenues from major brand advertising. Within only a month after its launch on December, 2009, VEVO was named the #1 online music destination, with over 35 million individual users.

### No.1 in music publishing

UMG's publishing subsidiary, Universal Music Publishing Group (UMPG), is the world's leader in music publishing. UMPG owns and acquires rights to musical compositions (as opposed to recordings) and licenses their use. The compositions are then recorded or used in films, commercials and a variety of public performances.

UMPG is also a world leader in classical music and production music libraries, and administers the publishing rights to an impressive list of traditional classical composers such as Verdi, Puccini, Ravel, Debussy and Stravinsky. The production music library business supplies a vast catalogue of original music and





Sting

**2009 Revenues**

**€4,363**

**million**

**2009 EBITA**

**€580**

**million**

arrangements for use in films, television, advertising and in new media.

UMPG's catalogue contains such seminal recordings as *Respect*, *American Pie*, *Strangers in the Night*, *Copacabana*, *Born to be Wild*, *Good Vibrations*, *I Want to Hold Your Hand*, *Sweet Dreams (Are Made of This)*, *I Will Survive*, *Smoke Gets in Your Eyes* and *(Sitting on) the Dock of the Bay*. UMPG also represents renowned authors-composers and performers who rank among the finest of our time, with titles by 50 Cent, ABBA, Jon Bon Jovi, Mariah Carey, Eminem, Gloria Estefan, Jenifer, Juanes, Linkin Park, Andrew Lloyd Webber, Maroon 5, Mika, Prince, André Rieu, the Beach Boys, the Mamas & The Papas, Justin Timberlake, T-Pain and U2. Among renowned composers represented are Leonard Bernstein, Elton John, Henry Mancini, Paul Simon and Bernie Taupin.

In 2009, UMG signed new publishing contracts with such chart-topping artists and songwriters as Eminem, Keith Urban, Tricky Stewart, Alela Diane, A.R. Rahman and Wolfmother, among others. UMG also signed contracts to become worldwide publishing administrator for the catalogue of Jimi Hendrix, as well as for Warner Bros. Entertainment Film and Television's music catalogue. This year, UMG also acquired the production music library of Kapagama Music in France.

**Artist services & merchandising**

Bravado, UMG's merchandising operation, has emerged as the only global, 360° full service merchandise company in the industry. It develops and markets high-quality licensed

merchandise to a world-wide audience. The company works closely with new and established entertainment clients, creating innovative products carefully tailored to each artist or brand. Product is sold on live tours, via selected retail outlets and through web-based stores. Bravado also licenses rights to an extensive network of third party licensees around the world. The company has offices in London, Los Angeles, New York, Berlin, Paris, Tokyo and Sydney. Now under the Universal Music Group umbrella, Bravado is able to leverage a global sales and distribution network from the world's largest record company, as well as the Group's significant marketing strength. Bravado artists include The Rolling Stones, Michael Jackson, Paul McCartney, Elton John, Beyoncé, No Doubt, Nickelback, Lady Gaga, Katy Perry, Kanye West, Guns 'N Roses, Metallica, Led Zeppelin, Green Day and The Killers, among many others. For some of these artists, Bravado continues to leverage UMG's artist portfolio.

The Artist Services division is comprised of events management and artist management units. These include renowned companies like Twenty First Artists and Trinifold and represent artists including the Who, Elton John and Lily Allen. In 2009, UMG secured management rights with the Australian Group Wolfmother in the United States and launched the first F1 Rocks event in Singapore with LG as the main sponsor. Universal Music Classical Management and Productions (UMCMP) continued the expansion of its activities with major live and media events with their production of the *A Winter's Night... Live from Durham Cathedral* show by Sting, a UMG artist, also released on CD and DVD on UMG's Deutsche Grammophon label. UMCMP also produced artist Bryn Terfel's tour of the UK.

# Universal Music Group 2009 Highlights

## World's first virtual concert tour

One of the most popular bands in Europe, Germany's multi-million-selling Tokio Hotel, made history with the music industry's first-ever 3D holographic tour – a "virtual" performance shown in 12 cities across 7 countries. Through ground-breaking new technology, Tokio Hotel performed songs from their latest album, *Humanoid*, for fans in France, Spain, the Netherlands, Germany, Austria, Switzerland and Belgium. Their performance was broadcast via 3D holographic images in 12 stores of Europe's leading consumer electronics retailer, the Media-Saturn Group. By the use of lasers, hologram technology allows 3D images of the four musicians to be projected on stage.

## Top sales of 2009

UMG's best sellers in 2009 include titles from new talents like Lady Gaga, Taylor Swift and Justin Bieber, and from such established artists as U2, Black Eyed Peas, Eminem, Andrea Bocelli, Bon Jovi, Mylène Farmer, Olivia Ruiz and Calogero.

## UMG

### re-issues the Rolling Stones

Universal Music Group is re-issuing the Rolling Stones' entire catalogue in remastered versions. Universal, which already held the rights to albums from the Group's Decca period (1964-1971), now manages the entire Rolling Stones discography.

## The entire UMG catalogue on MP3

Universal Music and UK Internet Service Provider (ISP) Virgin Media announced the launch of the first unlimited download online music subscription service by the end of 2010 in the UK.

## Music

### at the Formula One Grand Prix

Universal Music Group International and its joint venture company All The Worlds announced the signing of an agreement with Formula One Administration for the creation of F1 Rocks™, an international platform for innovative entertainment. Prestigious Formula One circuits will host musical events featuring world-renowned artists, and the first was held Sept. 24-26 in Singapore with Beyoncé, Black Eyed Peas and No Doubt, among others. The Singapore event telecast reached more than 25 million viewers worldwide. The live concerts will contribute to the creation of television broadcasts and digital content that will be distributed and rebroadcast continuously around the world.

## More than 30 Grammy Awards in 2010

UMG artists won over 30 trophies at the 52nd Grammy Awards ceremony in February, 2010. Taylor Swift won four awards, including the top prize, Album of the Year, for *Fearless* and Best Country Vocal Performance. Black Eyed Peas won three Grammy awards, including for Best Pop Vocal Album, while Lady Gaga took home two awards (including Best Dance Recording). Precedent-setting rapper Eminem also won two awards, including Best Rap Album.





# Telecommunications

# SFR

SFR is France's leading alternative telecommunications operator, with over €12 billion in revenues, and Europe's leading alternative operator. SFR is an integrated operator, owner of its mobile and fixed-line infrastructures, able to respond effectively to the needs of all customers – the general public, professionals, businesses and other operators.

## Leading alternative telecoms operator

2009 was marked by the successful merger between Neuf Cegetel and SFR. SFR's excellent performance with ADSL and the maintenance of its mobile subscriber leadership are strong symbols of the merger success. SFR is France's leading alternative telecommunications operator with 20.4 million mobile customers at the end of 2009 (+3.8% compared to 2008), for a market share of 33.2%, and 4.4 million broadband Internet customers (+14.6% compared to 2008), for a market share of 23%. The number of 3G/3G+ customers was 8.4 million at year-end 2009, compared to 5.9 million the previous year.

## Internet offerings suited to the market

Mobile Internet developed strongly, encouraged by the arrival of terminals with ever better performance like the iPhone and Android telephones, specifically suited for this type of use. The "Full Internet" range of offers and options, allowing for all

mobile Internet services on an unlimited basis without restriction as to time or download volume, met with great success and had been adopted by more than 700,000 general-public customers at year-end 2009.

The remote Internet access offering was broadened in 2009 to respond to customer needs, with a prepaid offering, an adjustable rate plan, and an offering for ADSL customers. On the ADSL market (with SFR's neufbox terminal, launched in early October 2008, associating broadband Internet, TV, fixed-line telephony and customer services), SFR posted 30.2% of net sales on the market, increasing its subscriber base to 4.4 million households.

## A global approach for businesses

2009 is the first year of SFR Business Team's existence. This entity, dedicated to the business market, offers a single fixed-line/mobile platform with convergence offerings enabling companies to rationalize their costs. In early 2010,



SFR's neufbox



### Point of view

## SFR facilitates access to information and communication technologies

Marie-Christine Théron, Director of Human Resources, SFR

The fight against the digital divide remains a major challenge for the telecommunications sector. The technologies that play an essential role as bridges to content must be accessible to everyone. With this in mind, SFR continues to extend the coverage of its mobile network and provides an Internet-via-satellite offering in areas not eligible for ADSL. SFR is also committed to the idea of reducing the digital divide that affects disabled persons, seniors, and the disadvantaged.

SFR has continued its commitment regarding disability for several years. In partnership with specialized associations, SFR provides appropriate offerings and services, vocalization and character enlargement software, Braille translation of contractual documents, and preferential rates. A major effort was made in 2009 to make information accessible and visible at the point of

sale and on the Internet. SFR, in partnership with Europ Assistance (a worldwide insurance and assistance provider), designed a special offering to enable seniors to remain in permanent contact with their families, simplify their lives, and provide assistance, if needed, at any time of the day or night. The offering features a simple, sturdy telephone, suitable rate plans, and 24-hour health assistance as an option.

SFR is also using technology in the service of social ties by enabling persons in precarious situations to remain in communication with a special account for beneficiaries of the RSA welfare allotment and the Reconnect project. Winner of the SFR Jeunes Talents Innovation competition in 2009, Reconnect provides disadvantaged persons with a personal telephone number and an answering service that can be consulted free of charge.

# 9,945

employees

SFR Business Team launched the "Business Pack," an innovative "quadruple play" offering for small businesses. Data services also grew, with the Business Mail (mobile e-mail reception) subscriber base up by 33%.

### An effective mobile network

At the end of 2009, SFR's GSM/GPRS network (enabling mobile telephony) covered close to 99% of the French population; the UMTS network (used for third-generation mobile telephony, known as 3G/3G+) covers 81% and the EDGE/3G/3G+ network (standards enabling mobile circulation of data) 97%.

SFR multiplied the capacity of its mobile network by a factor of three in 2009 to support new uses of mobile Internet.

It was also the first operator to converge its mobile and fiber-optic networks. That innovation, which extended the HSDPA network (a software enhancement of UMTS) through the coupling of this very-high-speed mobile technology with fiber optic, rationalizes the network, makes it autonomous end to end, and prepares it for the uses of the future.

Also in 2009 in order to offer its customers the best possible 3G coverage at home, SFR launched the first femtocell service in

France. Called "SFR Home 3G," the service uses convergence of SFR's fixed and mobile networks and enables the operator to offer the best of 3G in its subscribers' homes by making use of broadband Internet. All communications (voice and data) originating from mobile devices transit via the fixed network, ensuring optimum coverage in the household.

### France's leading alternative fixed network

By end 2009, SFR had the largest alternative fixed network in France, with nearly 57,000 km of broadband fiber-optic network. This network connects 2,900 subscriber-connection units (SCUs). These make it possible to offer broadband data services such as ADSL 2+ and fiber optic at optimized costs with the widest coverage of the French population of any alternative operator. In 2009, development in the area of domestic fiber continued, strengthening the direct connection strategy to consumers.



Espace SFR sales outlet

**2009 Revenues**

**€12,425**  
million

**2009 EBITA**

**€2,530**  
million

**A partner in music**

SFR, a forerunner among operators on the digital music market, has anticipated the evolution of different modes of consumption and offer its customers the services best suited to the current expectations. SFR has continued to offer new music experiences with several recent launches – the SFR Music digital platform and the iPhone application, the first *Nuit Électro Communautaire* at the Grand Palais in Paris (7,600 spectators, 30,000 remote viewers, 150,000 contacts), the new events channel SFR Music on channel 80 of the SFR neufbox, the creation of SFR Music radio in partnership with GOOM Radio, etc. SFR continues to invest in music in 2010 by supporting distribution of digital music via new offerings accessible on PC or mobile.

**Ever more fans of mobile TV-VoD**

TV-VoD (television on demand) on mobile numbered over 3 million subscribers at the end of 2009, compared to 2.1 million at the end of 2008, with more than 80 channels (including the 50 channels of the CanalSat bundle, which has 700,000 customers, the five channels of the Canal+ bundle, and the 30 Pass TV channels) and content suited to mobile devices (VoD and content loops).

**Strong growth for VoD via ADSL**

SFR offers more than 7,000 video programs (films, documentaries, series, etc.) on demand. Its VoD offer grew strongly in 2009, logging 17 million consumptions

of Video on Demand (pay, free, subscription and catch-up TV-VoD), compared to 2.7 million in 2008. The number of TV via ADSL users increased from 1.3 million in late 2008 to 2 million in late 2009.

**More than 25.6 billion SMS messages**

The number of text (SMS) and multimedia messages sent via SFR continued to break records, with 25.6 billion SMS messages at the end of 2009, compared to 14.6 billion in 2008.

**More than 4.6 million games downloaded**

SFR offers more than 1,000 games for downloading, including 40 High Definition games. The game offering was a big success in 2009, with more than 4.6 million video games downloaded.

**SFR extends its sales network**

SFR extended its sales coverage throughout France and now numbers more than 7,000 points of sale, including 800 espace SFR sales outlets. At the beginning of 2010, 80% of the French metropolitan population was less than twenty minutes from an espace SFR.

# SFR

## 2009 Highlights

### Environmentally-friendly SIM cards

SFR has opted for new, environmentally designed SIM cards: EcoSIM. The new card is half the size of the current card. Manufactured using 50% less material, the environmental footprint of the new card has been halved.

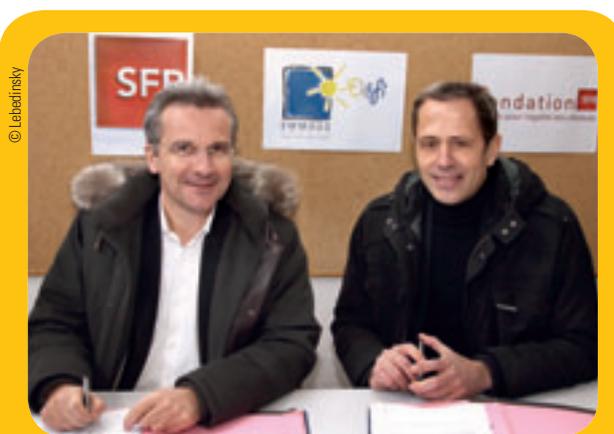
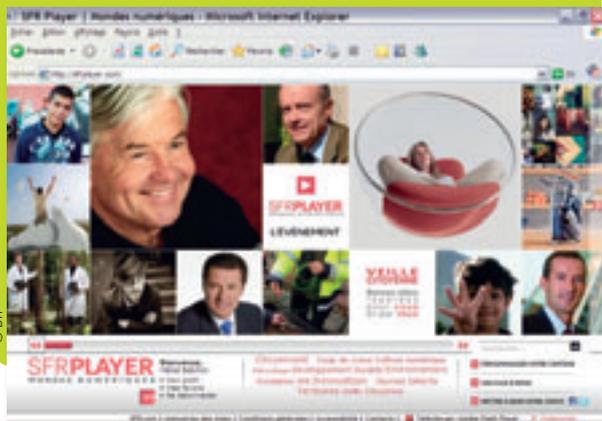
### An Internet offering for areas without broadband access

In partnership with Eutelsat, SFR launched an Internet via satellite offer for areas not covered by ADSL, under the SHD (*Société du haut débit*) brand. The new service is part of the *France numérique 2012* plan.

### SFR Player

#### A new platform

SFR is accompanying its audiences to conquer the digital world. To facilitate understanding, SFR founded SFR Player, which is a magazine, a Facebook page, and a rich media Web platform. The site lets users personalize content and share it on Facebook, Twitter, and blogs.



### SFR and Emmaüs Défi start innovative partnership

SFR has committed itself to the jobs program Emmaüs Défi in a new type of partnership that goes beyond financial support and uses skills sponsorship thanks to the involvement of SFR employees. Signed by Frank Esser, CEO of SFR, and Jean Deydier, President of Emmaüs Défi, the partnership supports the projected opening of Emmaüs Défi's secondhand store in Paris.

### Innovations for the general public

In 2009, SFR continued its innovations aimed at the general public, notably with: the arrival of the iPhone; the launch of HTC Magic (T-Mobile) – the first touchscreen mobile device using the new Android operating system developed by Google –; the market launch of the Hubster, a mini-touchscreen device which, when connected to the modem router, provides access to a multitude of Internet services; the launch of the first Windows® phones in France in partnership with Microsoft; and SFR HomeScope, a new home video surveillance service via a camera connected to the modem router.



# Maroc Telecom Group

Maroc Telecom Group, a 53%-owned subsidiary of Vivendi, is the leading global operator on the Moroccan telecommunications market, with a presence in mobile, fixed-line telephony and Internet access. Listed on the Casablanca and Paris stock exchanges, the Group is firmly committed to its international development and is currently established in six countries.

## Number one for mobiles

Maroc Telecom Group is Morocco's leading mobile-telephony operator, with a customer base that increased in 2009 (+5.6% compared to 2008), and 95% is prepaid customers.

The prepayment system is in line with customers' need to control their communication expenditures and avoid overruns. To gain customer loyalty, win new customers, and develop usage, Maroc Telecom Group continues to enrich its offering and introduce new services.

In 2009, the Group continued its policy of promotions featuring unlimited voice and data communications to all operators and different types of recharges. For prepaid subscribers, the Group also launched its Jawali offering, a point-based loyalty program exclusively for them. For postpaid subscribers, Maroc Telecom Group has continued to promote its unlimited offers, while

reducing rates, increasing the durations of rate plans, and offering more and more new services. After extending access to 3G+ Internet to all its postpaid and prepaid clients, Maroc Telecom Group reduced rates and increased bandwidth.

Always a market forerunner, in January 2010 the Group launched MobiCash, the first fund transfer and payment service via mobile telephone in Morocco, an event which takes place in parallel with the spread of banking services in the country. Also, it continued to promote other value-added services such as the BlackBerry®, 3G mobile Internet, customized ringtones, mobile instant messaging, as well as backup of subscribers' address books. To enable all customers to acquire devices while at the same time gaining their loyalty, the range of available terminals was extended, notably with pack prices starting at 199 dirhams, tax included (approximately €18).



Advertising campaigns of MobiCash and Jawali

## Point of view

## Maroc Telecom contributes to reducing the digital divide

**Abderrahim Koumaa**, Director of Network Planning and Control, Networks & Systems, Maroc Telecom Group

For several years, Maroc Telecom has been engaged in efforts to reduce the digital divide in order to fight exclusion, encourage access and sharing of knowledge, while strengthening connectivity with the rest of the world in the Kingdom and Africa.

As a global operator, our responsibility efforts contribute to the sustainable development of populations in Morocco and in other African countries where the Group is present. Working towards universal service, Maroc Telecom has taken charge of 80% of the telecoms access program PACTE, which will cover all the out-of-coverage areas in the Kingdom by the end of 2011. Some 7,400 localities will have mobile telephony coverage and so have easier access to basic services like healthcare and weather forecasts, which are essential for farmers. Maroc Telecom is democratizing the use of the Internet for the school and university communities. The Group

installs connections in schools and offers PC packs and connections to students at highly advantageous rates. Via its participation in national programs for promoting the NICT (New Information and Communication Technologies), Maroc Telecom has provided some 4,500 engineering students with laptop PCs and 3G Internet subscriptions, and has provided some 80,000 3G connections to teachers.

With the development of new uses of – and growing needs for – broadband Internet, we have greatly increased our capacities for international links, with the laying of an Atlas Offshore submarine cable which now links Morocco and Europe and the launch of deployment of a fiber-optic link between El Aaiún (Morocco) and Nouakchott (Mauritania). These investments contribute to strengthening the competitiveness of local companies and facilitate domestic uses.



# 14,142

employees

### Yet more SMS

Maroc Telecom Group is the benchmark for text (SMS) and multimedia (MMS) messages in Morocco. It offers MMS roaming to all its customers and GPRS roaming to postpaid customers. In 2009, more than 2.2 billion SMS messages were sent over its network, up 3% compared with 2008.

### A complete fixed-line telephony offering

Maroc Telecom Group, through 2006, was the sole supplier of fixed-line telephony services as well as the main producer of Internet and data transmission services in Morocco. In 2007, following the opening of these markets to competition, two new operators launched their services. Maroc Telecom Group offers the general public and businesses a complete range of fixed-line telecommunications services – voice, data transmission, Internet access and television via ADSL. It remains the leader in this market, with over 1.2 million fixed lines\*, excluding restrained mobility, at the end of 2009. Marketed under El Manzil brand, the fixed-line telephony offering aimed at individuals include communications rate plans, packs and limited rate plans with the possibility of recharging. The “Phony” unlimited communications contracts have also been highly successful since their launch in 2006. They were

complemented in 2009 by the launch of the MTBox, a “triple play” offering including unlimited fixed-line calling, broadband Internet and television via ADSL.

Thanks to a full offering (voice, data, Internet) and the introduction of new services, Maroc Telecom Group has seen regular growth in the number of its professional and business customers.

### A richer, more accessible TV experience via ADSL

Since its launch in 2006, Maroc Telecom Group enables its customers to receive, via ADSL, four different bundles and more than 80 national and international generalist and thematic channels – a first for Morocco, in Africa and in the Arab world. Thanks to this offering, enriched with the Canal+ option (Canal+ Essentiel, Canal+ Cinéma and Canal+ Family), subscribers can watch more movies, series, news, documentaries and entertainment. This varied programming is aimed at the entire family and has something to satisfy all tastes.

The TV-via-ADSL bundles were enriched with new channels in 2009: Ciné Cinéma Star, Ciné Cinéma Frisson, Infosport, Planète Thalassa, and Ma Chaîne Sport, plus radio stations: Vibration, FG Radio and Radio Jazz.

\* Source: ANRT.





MTBOX advertising campaign, "3 in 1"

2009 Revenues

**€2,694**

million

2009 EBITA

**€1,244**

million

In early 2009, Maroc Telecom Group reduced its subscription rates for the first three months by 50% for all bundles, making television programs more accessible to Moroccan viewers, who can watch legally and for less with no dish antenna and no recharging of cards.

### **National coverage**

Maroc Telecom Group's fixed-line telephony and data transmission network has a switching capacity of almost 1.9 million lines and provides national coverage. Its mobile-telephony network covers more than 97% of Moroccan population.

### **Nearly 160,000 public telephone lines**

Public telephony in Morocco comprises a network of public booths and a broad network of phone centers. By end 2009 there were 158,000 lines, and the Maroc Telecom Group's market share reached 92% of that number of lines\*.

### **The leading Moroccan Internet service provider**

Maroc Telecom Group is Morocco's leading Internet service provider, under the Menara brand. It has a 54% market share in the sector, all modes of access taken together, and offers residential and business customers a broad range of innovative packages and services to bring Internet access to as many people as possible. By end 2009, Maroc Telecom Group numbered more than 471,000 accesses to its Internet services, down 2.3%, of which 469,000 are ADSL subscribers; there are

an additional 174,000 Mobile 3G broadband customers (compared to 30,000 in late 2008). The Group holds a very strong position on the ADSL market, which accounts for 45% of Internet accesses, with a market share of more than 98%. \*

### **Promising subsidiaries**

Leveraging its leading position in its country, Maroc Telecom Group has entered into long-term strategic partnerships with a view of developing the telecommunications sector in Africa, owning 51% shares in the historical operators in Mauritania (Mauritel), Burkina Faso (Onatel), Gabon (Gabon Telecom), and Mali with the acquisition of Sotelma in 2009. The aim is to become a benchmark operator in these areas and develop new information and communication technologies to reduce the digital gap.

Thanks to the modernization of infrastructures (close to 28% of revenues of the subsidiaries are devoted to investments) and the quality of service offered at competitive prices, Maroc Telecom Group's subsidiaries in Africa are performing very promisingly. By end 2009, the subsidiaries' mobile customer base numbered more than 4.3 million customers, up by nearly 35%, with growth of 60% in Burkina Faso, 17% in Mauritania and 15% in Gabon.

\*Source: ANRT.

# Maroc Telecom Group 2009 Highlights

## Maroc Telecom Group

### acquires Sotelma in Mali

In 2009, Maroc Telecom Group continued its policy of external growth with the acquisition, on July 31, of 51% of the share capital of Sotelma, the incumbent telecommunications operator in Mali. This acquisition creates a geographical continuity from Morocco to Burkina Faso, which will enable improved connections and synergies between the Group's subsidiaries.

## Best performance

### on the Ai40 index

At the ceremony held in late September 2009 at the New York Stock Exchange, Maroc Telecom Group was awarded the prize for Best Performing Ai40 Company. The Ai40 index lists the 40 biggest and most traded stocks in Africa, whose performance was calculated between April 2008 and April 2009. The prize is awarded to institutional investors, exchanges, brokers, listed companies and regulators of capital markets across the African continent.

## MobiCash

### a Maroc Telecom Group exclusive

Maroc Telecom Group launched MobiCash, the first mobile phone-based payment and money transfer service in Morocco. This innovative service enables easy transfers of money and basic banking operations from a mobile device, simply and with full security. With this new service, Maroc Telecom Group simplifies its customers' lives by providing them with a new tool that facilitates access to financial services, saving time and avoiding travel.

## Maroc Telecom

### launches MTBox

Maroc Telecom Group launched MTBox, the first "3 in 1" offering that allows subscribers to take full advantages of unlimited fixed-line telephone usage, high-speed Internet and ADSL television services at the best price. The package includes a standard (POTS) line, a second Voice-over-IP (VoIP) line, broadband Internet access, a bundle of 25 to 80 national and international television channels (depending on the option chosen), and 20 radio stations. Subscribers can make and receive calls, browse the Web, and watch their favorite TV channel with no restrictions.

## Prepaid mobile customers

### Prepaid mobile customers

Maroc Telecom Group created Jawali offer, a points-based customer loyalty program offered to Jawali and Mobisud prepaid customers exclusively. The program lets customers accumulate loyalty points that can be converted into gifts. With Jawali, prepaid mobile customers are now rewarded for their loyalty just like postpaid customers.

## Business Go

### Special rates, Optimis plans: Business-dedicated services

To meet the needs of professionals and businesses, Maroc Telecom Group launched Business Go, an offering aimed at start-up businesses and professionals, to give them 50% reductions on their first three fixed-line, mobile, and Internet bills. Maroc Telecom Group also continued to extend offerings such as *Tarifs privilèges*, which grants significant rate reductions on fixed-line offerings, and *Forfaits Optimis*, which gives businesses unlimited intra-fleet communication.

# GVT

GVT is the leading alternative telecommunications operator in Brazil. The fastest growing telecom provider in the country, it offers innovative fixed telephony and broadband solutions and products nationwide.

Headquartered in Curitiba, in the state of Paraná in Brazil, GVT has undergone rapid and continuous growth since its creation in 2000. The company is the leader in next generation services such as high-speed broadband and VoIP (Voice over Internet Protocol). The company's robust and well-established presence in these services, combined with its strong core values in the traditional sectors and a superior consumer value proposition, play an important role in achieving its primary objectives of revenue and subscriber growth. Fixed telephony and broadband services are provided via monthly subscriptions that account for 68% of GVT's total revenues. The penetration of ADSL products in the retail consumer base is the highest in the country – 77% in December 2009. Thanks to the best cost-benefit ratio in the market associated with the highest standards of customer service, GVT is the choice of millions of customers.

## Present in all of Brazil's key markets

GVT began operating as the second operator, in addition to the local incumbent, in the Federal District (Distrito Federal) and states in the South, Center-North and part of the North (corresponding to Region II, as determined by the general

concession plan that divided the country for the provision of fixed telephony services). By the beginning of 2010, it was present in 86 cities, including the most important ones in Region II, as well as certain metropolitan areas in the Southeast and Northeast, namely São Paulo, Rio de Janeiro, Belo Horizonte, Salvador, Vitória/Vila Velha and Recife. Its operating results in these cities are accounting for an increasingly large share of its overall results. The company plans to expand to other areas outside Region II, ensuring a national presence in all of Brazil's key markets.

At the end of 2009, GVT launched operations in three more cities in the Northeast: Recife and Jaboatão dos Guararapes, in the state of Pernambuco, and Serra, in Espírito Santo. With first-phase investments of more than R\$ 60 million, the installation works were concluded with an initial coverage of 30% in all three cities.

In 2009, GVT's adjusted EBITDA increased by 37%, giving an adjusted EBITDA margin of 39%, and the company closed the year with more than 2.8 million lines in service (including voice, broadband, data and VoIP services).



GVT advertising campaign and customer service

## Point of view

**GVT accompanies young audiences on the Internet**

Gustavo Pinto Gachineiro, GVT Legal and Human Resources Chief Officer

GVT takes society's awareness of the use of new technologies, especially the Internet, seriously. With the vision of being the leader in Next Generation Services in Brazil, we consider that the ultra-high speed access requires Internet users' constant attention.

To do a consistent and relevant job, the Company has entered into strategic partnerships with such respected Non-Governmental Organizations as the IT Democratization Committee (CDI), Safernet and Ciranda, linked to the National News Agency of the Fundamental Rights of the Child (ANDI).

The activities involve empowerment of children and parents to take informed decisions while selecting web content, dialogue with stakeholders in the blog

[www.postdobem.com.br](http://www.postdobem.com.br) and active cooperation with competent authorities working against the dissemination of unlawful content. GVT maintains in its online channels, a link to the National Center for Cyber Crimes ([www.denuncie.org.br](http://www.denuncie.org.br)), which receives 2,500 calls relating to human rights violations on the Internet, every day. GVT's nationwide campaign for "Responsible Internet Use" has the support of well-known Brazilian artists and consists of videos, comics and printed guides, distributed in cyber cafes, as well as private and public schools. The content is also available at [www.internetresponsavel.com.br](http://www.internetresponsavel.com.br) and is taken to schools and educational institutions by GVT employees who serve as volunteers.



# 5,289

employees

**Innovative products and advanced solutions**

GVT offers a diversified portfolio of innovative products and advanced solutions for conventional and VoIP telephony, corporate data transfer, broadband and other Internet services for all market segments: Retail/Small and Medium Enterprises (SMEs) and Corporate. They are marketed directly under its own brands: GVT, POP (free ISP) and VONO (a residential service offering a range of VoIP products). GVT provides first-class customer service, which makes it the exception in the Brazilian telecom and Internet market. This exemplary service is a critical component in the company's success and will help it expanding its market share and minimize churn.

Given the increase in the number of computers and Internet users in Brazil, GVT is ideally positioned to respond to customer demand for faster access, technological innovation and reduced costs and has enormous development potential. To give just one example, POP is the leading free ISP in Region II and is already among the national leaders.

GVT pioneered the introduction of VoIP-based products in Brazil and VONO has been recognized as the best solution of its type for years. The company believes VoIP is a revolutionary

technology that will continue to record rapid growth, fueled by increasing broadband use.

In 2009, GVT launched POWER, a new family of broadband services that offer speeds of up to 100 Mbps for affordable prices and which has generated massive consumer interest. The current best sellers are the 10 Mbps and 15 Mbps speeds for residential users. In the future, however, when applications such as Web TV, VoD and IPTV arrive on the market, GVT expects its ultra-high speeds will make it the leader in these segments.

**Integrated offering**

GVT offers comprehensive and advanced telecommunications services in markets that range from conventional telephony to broadband, Internet services, VoIP, and, in the future, VoD and IPTV. This approach allows the company to target a broad market and offer one-stop shopping for all fixed telecommunications, Internet and pay-TV services, bundling diversified products in integrated offerings at attractive prices with the highest service standards in line with customers' needs.





POP and VONO advertising campaigns

2009 Revenues

€104

million

2009 EBITA

€20

million

### Residential and SME

GVT offers local and long-distance telephony and broadband services to high-end residential customers and SMEs; long-distance services to customers with lines supplied by other operators in cities in which it does not maintain a presence; and Internet services through POP, its ISP, which includes dial-up and broadband connections.

GVT also offers content, e-mail and other multimedia services such as blogs, photoblogs and hosting, regardless of whether the buyers have also acquired the company's Internet access services. In addition, it offers VoIP services through VONO to residential and SME customers in Brazil and abroad who have a broadband connection with any operator.

### Corporate

GVT focuses on companies and provides pioneering products and services of the highest quality, offering integrated solutions and managed services including conventional telephony, Internet services, private-data networks, hosting and VoIP. GVT's services are already available for corporate customers in the two most important cities in Brazil: São Paulo and Rio de Janeiro.

GVT leverages its most up-to-date NGN architecture to provide customized solutions based on conventional telephony and IP technology, with increased functionality. In 2009, it launched a series of NGN-based products that make it a leader in complex IP solutions for the corporate market.

### The most modern network in Brazil

Designed with state-of-the-art technology, GVT's network is the most modern in Brazil, with one of the country's most extensive local access networks and long-distance fiber backbones, supporting its leading position in the NGS segment (broadband, IP and video) and allowing it to extend its presence nationwide.

Thanks to GVT's NGN architecture, it can provide its customers with sophisticated services at a lower cost and develop and launch innovative products with faster deployment. This unique access architecture is based on FTTH (Fiber to the Home) technology. Proximity to its customers' premises allows GVT to provide the most advanced and highest quality broadband and video over the Internet. In fact, GVT offers higher ADSL speeds than its main competitors.

Thanks to its modern and flexible network, GVT is the only operator capable of delivering ultra-high speeds of up to 100Mbps to the mass market, and supporting growing demand for a wide range of telecommunications, high-speed broadband and multimedia services.

# GVT

## 2009 Highlights



**POWER GVT É O PODER DA INTERNET DE ULTRAVELOCIDADES A PREÇOS INCRÍVEIS.**

**GVT elected as Latin America's Best Broadband Provider**

GVT received the Frost&Sullivan Best Practices Award as Latin America's Best Broadband Provider in 2009 due to its network and market strategy, while the readers of INFO, Brazil's leading technology magazine, elected GVT's POWER broadband offering as the best in the country.

### Educando GVT

GVT's social responsibility project "Educando GVT" benefited 1,000 students in 50 public schools by providing volunteers for the Responsible Internet Use program.

### VONO

#### launches "Click To Call"

This new service offers subscribers an alternative means of communicating with their clients. Users can automatically transfer from a web session to a phone call, ideal for firms with Internet sales.



### GVT leads the portability rankings in its operational area

GVT ended 2009 as the fixed telephony company with the most numbers transferred to its customer base through number portability, which allows customers to change their operator without changing their number. All in all, it received 353,200 transfers, equivalent to 62% of all portability operations in its operational area.



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Television  
and cinema

# Canal+ Group

Canal+ Group is the leading pay-TV Group in France. It is the leader in production of premium and specialized channels and numbers 12.5 million subscriptions to its offerings. A pioneer in the new uses of television, the Group is also a benchmark player in film production and distribution.

## Channels for every taste with *Les Chaînes Canal+*

At the core of Canal+ Group's offering, *Les Chaînes Canal+* offers five premium-content channels, each with its own editorial line and identity: Canal+, Canal+Cinéma, Canal+Sport, Canal+Family and Canal+Décalé. Their programs are based on exclusivity, innovation and originality. Canal+ holds exclusive first-release rights with several major American studios including Twentieth Century Fox, NBC Universal, Sony/Columbia and DreamWorks.

Canal+ is a premium generalist channel that offers a unique programming format, with recent films on an exclusive basis, sports, news, American cult series, French fiction, documentaries and entertainment. Canal+'s strengths are original creation, development of new talent, and exclusivity.

TPS Star completes Canal+'s premium offering, carrying mainly movies, sports, series and magazines. A first-release channel, it broadcasts films at all times of day, seven days a week, along with major European soccer programming.

Canal+ Group also publishes a range of approximately 20 channels covering the most popular themes: films (CinéCinéma channels), sports (Sport+, InfoSport), news (i>Télé), documentaries (Planète channels), lifestyle (Cuisine TV, Seasons), series (Jimmy, Comédie!), and youth (Pivi, Télétoon).

## Canal+, the cinema channel

In 2009, Canal+ broadcast 400 films and more than 35 new films each month. Canal+ offers its subscribers all cinema genres and exclusive access to all the major film-industry events (The Cannes Film Festival, the Césars, the Oscars). Canal+ devotes €152 million to the acquisition of original French-language films.

## The benchmark for television sports

Canal+ has developed widely-recognized expertise in sports coverage. *Les Chaînes Canal+* cover some sixty of France's top sports events: League 1 soccer, the major foreign championships (including the English Premier League, Spain's Liga and Italy's



French league 1 soccer championship and *Entre les murs*



© 2007 Haut et Co

## Point of view

**Canal+, a creator of progressive documentaries**

Christine Cauquelin, Director, Documentaries, Canal+ Group

In 2009, Canal+ reaffirmed its documentary policy of engaging today's world. Playing a major role in exploring major national and international issues, the channel makes a habit of engaging subscribers via its documentaries to make them feel that they too can take action. Since looking at the world with ever-new eyes and endeavoring to understand, decrypt, and underline its specificities and its mutations is native to the documentary genre, it naturally has its place as an ally of sustainable-development issues.

By nourishing discussion of human values, social cohesion, diversity, the impacts of our activities and decisions on the environment, or more generally the notion of living together, our documentaries take a humanistic and progressive view

of the world. Through our series *Cinéma documentaire*, we pay tribute to great filmmakers whose work has never been distributed in France before, encouraging a plurality of quality narratives.

In awakening citizens' consciences to the values of democracy, being vigilant regarding tendencies that endanger it, reaffirming a common destiny in a France of social solidarity, tolerance, and progress; but also in promoting openness towards others, opening windows onto different peoples, cultures, and lifestyles, and raising our subscribers' awareness of the major challenges of the new century and the building of a sustainable world, television reaffirms its citizenship role. And the task of our Documentaries Department is to enable that.

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# 4,347

employees

Serie A), the Champions League, and also the rugby Top 14, Southern-hemisphere rugby, tennis (including Wimbledon), golf (Vivendi Trophy), boxing, and athletics. In 2009, approximately 5,000 hours of sports coverage were broadcast, mostly live.

**Topical Programming**

Canal+ continues to set the bar for entertainment programming and news with its topical programs: *Le grand journal*, *Les guignols de l'information*, *le SAV des émissions*, *La musicale*, *La matinale*, *Dimanche+* and *Spécial investigation*.

**CanalSat, the leading multichannel offering**

CanalSat is the leading multichannel offering in France with some 300 channels, 55 of them exclusive. CanalSat is available via satellite, ADSL, DTT and catch-up TV.

**At the leading edge of new uses of television**

The leading pay-TV channel in France and a digital pioneer in Europe, Canal+ Group is the leader in new uses of television. It is at the leading edge of television on demand via its catch-up TV offerings, Canal+ and CanalSat on demand, as well as of

multi-screen video distribution. It also operates the first legal downloading service in France, CanalPlay.

**HD precursor**

A precursor of HD via satellite in France, Canal+ Group has the most complete and diversified HD offering with 16 channels: Canal+ HD, TF1 HD, France 2 HD, M6 HD, Arte HD, National Geographic HD, CinéCinéma premier HD, Disney Cinémagic HD, 13<sup>ème</sup> Rue HD, Syfy Universal HD, Ushuaïa TV HD, Eurosport HD, MTV HD, Brava HD TV, Penthouse HD and Discovery Showcase HD. HD offerings are also available on cable, ADSL and DTT.

**Canal+ and CanalSat on demand: watch when you want**

Canal+/CanalSat on demand let subscribers watch or replay their programs when they want. This new catch-up TV service, included in the subscription, is available directly on the television set via satellite or ADSL and on PC. It logged 20 million viewings in 2009.

**CANAL+**  
GROUP



© Braquod: Canal+, Pigalle la nuit: Tibo & Anoukha/Lincolntv/Canal+

Braquod and Pigalle la nuit: French series

2009 Revenues  
**€4,553**  
 million

2009 EBITA  
**€652**  
 million

### CanalPlay: Legal downloading of video

CanalPlay is Canal+ Group's legal video downloading service. Available on PC and television via cable or ADSL, CanalPlay offers close to 7,500 titles. In 2009, following an agreement entered into with Thomson, CanalPlay became the first VoD offering on the market to become available on the new generations of connected televisions. CanalPlay is also the exclusive VoD partner of AlloCiné, the leading movie information Web site. At the end of 2009, CanalPlay had passed the bar of 15 million downloads since its launch.

### Canal+ Group internationally

Canal Overseas, a fully-owned subsidiary of Canal+ Group, is Canal+ and CanalSat's operator in Poland, the Maghreb, Sub-Saharan Africa, the Indian Ocean, the Caribbean, the Oceania-South Pacific region and Vietnam. Canal Overseas also publishes the Canal+ channel for Sub-Saharan Africa and the Maghreb. Canal+ Poland publishes some twenty premium and thematic channels. Canal Overseas' bundles are marketed in more than 40 countries.

Canal+ Group is a television leader in Poland through its subsidiary Cyfra+ – a 75% owned subsidiary –, which provides a bundle of more than 100 television and radio channels, 63 in Polish. At year-end 2009, Cyfra+ had more than 1.5 million subscribers.

### StudioCanal, a major player in European cinema

StudioCanal, a fully-owned subsidiary of Canal+ Group, is Europe's leader in production, acquisition and distribution of motion pictures on all media: theater, video, audiovisual, and video on demand. The company exploits an extensive film library with more than 5,000 French, British, and American titles,

including *Basic Instinct*, *Les Bronzés*, *The Pianist*, and *Podium*. Each year, StudioCanal distributes fifteen films in theaters and 150 in video.

Outside France, StudioCanal operates directly in the two other largest European markets – the UK and Germany. StudioCanal's UK operations are conducted through its subsidiary Optimum Releasing, specialized in distribution of films to all media. StudioCanal expanded its operations in Germany since the acquisition in 2008 of Kinowelt, a major player in the theater distribution of films and a leader on video market. The company also exploits the most extensive catalogue of German films.

Along with its distribution activities, StudioCanal is active in production and international sales, in particular remakes and sequels of films from its catalogue. It also has privileged partnerships with independent studios with worldwide reputations, such as Working Title.

### Stronger presence in the sports world

Canal+ Group became involved in organizing sports events through its subsidiary Canal+ Events, acquired in 2008. Canal+ Events organizes such events as the Lyon (France) tennis Grand Prix, the Masters tennis tournament France, the Lyon marathon, the Vivendi Golf Trophy (France) and the VIP operations for the French Open at Roland-Garros.

It became a recognized international player after acquiring and marketing the international distribution rights for the French League 1 and League 2 and League Soccer Championships, and more recently for rugby with the Top 14, OM TV, the French basketball team and the French basketball championship. It distributes these products on all continents.

# Canal+ Group 2009 Highlights

## TV

### with mobility

Canal+ Group has launched its mobile TV application on iPhone and iPod Touch. Available in 3G/3G+ and Wi-Fi, it offers free access to unencrypted programs from Canal+ and i>Télé and subscription access to Canal+ channels and the CanalSat bundle on mobile devices. With the Web+ Mobile option, launched in parallel, subscribers receive their offerings on PC as well as mobile, and so can make use of their subscription while at home as well as on the go.



## K+

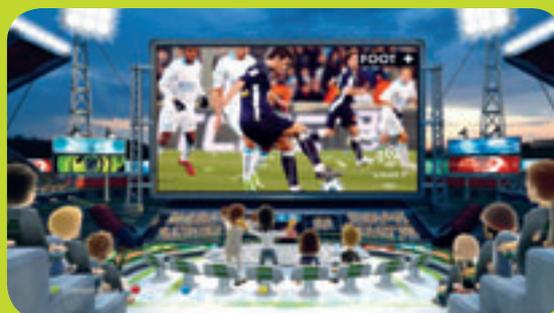
### Canal+ Group bundle in Vietnam

Canal+ Group has launched a satellite pay-TV bundle in Vietnam. This launch is the fruit of a partnership between Canal+ Group and VTV, Vietnam's public television network. The K+ offering is made up of more than 50 channels offering a selection of the best Vietnamese and international channels, the majority of which are subtitled or dubbed in Vietnamese. It is available throughout Vietnam, in both urban and rural areas, with digital image and sound quality.

## Canal+ Group

### makes its offerings available on Microsoft devices

Microsoft and Canal+ Group have associated to distribute Canal+ Group offerings and services on Microsoft platforms. Canal+ Group has launched its FOOT+ service on Xbox 360 game consoles and unencrypted Canal+, i>Télé, and InfoSport on all computers running Microsoft Windows 7.



## Canal+

### available on the first connected television sets

Canal+ Group and TCL have launched the first television set with a built-in Video-on-Demand offering. The Mywish TV LCD TV set, from Thomson, is the first Internet-connected television set on the market to offer direct access to the Video-on-Demand platform of CanalPlay. This partnership is an example of Canal+ Group's desire to facilitate access to its offerings on all the new connected media.



# Our sustainable development issues



PAGE 52

## Dialogue with our stakeholders

Dialogue with our different stakeholders was strengthened in 2009. It enabled Vivendi to discuss the Group's specific "footprint" in terms of sustainable development and progress in evaluating its approach.



PAGE 56

## Our economic issues

In order to maximize its potential for innovation and creativity, Vivendi must attract the best talents, produce original and quality content, be attentive to customers, build trust and remain vigilant in its relations with suppliers.



PAGE 60

## Our social issues

Vivendi has chosen a decentralized form of human resource management in order to best meet the desires of its employees who work in creative and high-technology sectors. The Group also endeavors to contribute to the development of the countries where it is present.

Vivendi's ambition is to enable current and future generations to satisfy their need to communicate and their desire for entertainment, nourish their curiosity, develop their talents and encourage intercultural dialogue. Vivendi highlights the economic, social and environmental performance related to its business activities and its geographical locations. Three sustainable development issues specific to the Group's content production and distribution activities were defined in 2003: protection and empowerment of youth, promotion of cultural diversity and sharing of knowledge.



PAGE 64

## Our environmental issues

While operating in business sectors where exposure to environmental risks is relatively low, Vivendi has adopted a proactive, responsible approach that includes obtaining EMAS registration for its Corporate Headquarters. The Group also maintains particular attention to the issue of health and mobile telephony.



PAGE 66

## Our specific issues

**Protecting and empowering youth** in their cultural and media practices, while working to build a more secure digital universe: evaluating the opportunities and risks of new uses in media. Page 66

**Promoting cultural diversity** as a necessary manifestation of human dignity and a pillar of social cohesion: encouraging diversity of musical, cinematic and televisual expression, empowering local talent and promoting cultural heritage. Page 70

**Sharing knowledge** to strengthen mutual understanding and promote openness towards others: promoting pluralism and quality of content, developing awareness of sustainable development issues, encouraging dialogue between cultures and facilitating access to new technologies. Page 74

# Dialogue with our stakeholders

Dialogue with our different stakeholders was strengthened in 2009. It enabled Vivendi to discuss the Group's specific "footprint" in terms of sustainable development and progress in evaluating its approach.

## Vivendi's footprint

By choosing to promote cultural diversity and dialogue between cultures at a worldwide level, Vivendi contributes to stimulating creativity and innovation, which in turn promote competitiveness as well as economic and social development.

In the 2008 edition of the Report, a list of indicators regarding our specific issues (promoting cultural diversity, protecting youth, sharing knowledge) was drawn up. These indicators are aimed at better measuring progress in the areas of knowledge, well-being, or social ties encouraged by the content and service offerings of our different business units (see p. 82-83). This is intended to contribute to the effort being made at European and international levels to better evaluate the role played by culture and the new information and communication technologies in a society of innovation and knowledge.

The Council of the European Union recommends, in its May 2009 "Conclusions on Culture as a Catalyst for Creativity and Innovation," that we "Further explore the close – but still largely underestimated – links between culture, creativity, innovation, economic performance and the wider economy" (see Christian de Boissieu's point of view, p. 83).

## Sharing experiences with civil society

In this quest for innovation accelerated by the digital revolution, it is highly important to nourish strong, regular exchanges with civil society's various actors in order to maintain the richest and most diverse range of points of view and expertise possible.

Vivendi, partner of the EU Commission's Safer Internet program, supports the setting up of a panel of young Europeans aged 14 to 17,

## Point of view

### Forging sustainable relationships with talent, guaranteeing the independence of content, being present on local markets

**Isabelle Cabie**, Head of Sustainable & Responsible Investment (SRI), Dexia AM

The Principles for Responsible Investment (PRI), established in partnership with the United Nations Global Compact, are becoming more and more important. There is a growing view among investment professionals that environmental, social and corporate governance (ESG) issues can affect the performance of portfolios. Companies are also becoming increasingly aware of the impact of ESG challenges in their business models. Vivendi has clearly understood this.

Attracting and retaining the best talent is essential for success in the media industry. Vivendi has good initiatives on career and training management. The various diversity programs across Vivendi divisions not only ensure that the talent is utilized effectively,

but also that the content Vivendi delivers is suitable for potentially larger markets.

Safeguards to preserve the independence of content are essential in maintaining the trust of audiences as well as the reputation of media. Vivendi shows best practices against anti-competitive practices by implementing a strong code of conduct and commitment against such practices.

With regard to the challenge of growing and developing populations, Vivendi has understood the need for presence on local markets (for example in Africa via Maroc Telecom). Vivendi's presences are held in a responsible manner as Vivendi implements robust policies to ensure its sustainable development policy is also implemented off-shore.



## Focus

### Vivendi, partner of the Pan-European Youth Panel

"The Pan-European Youth Panel has my full support. This is a very valuable initiative which allows European youngsters to voice their own opinions, concerns and suggestions about the impact of the new technologies on their everyday lives. I would like to congratulate Insafe for organizing this event, and thank the sponsors for giving it their backing. It is a good example of public-private partnership".

**Viviane Reding**, EU Commissioner for Information Society and Media, October 21, 2009



## 53 investors were met in 2009 during Sustainable Development road shows

which is regularly consulted by the various EU entities, of which the Commission (see focus above). The panel met in Luxembourg in October 2009. It was the first time, in the context of the Safer Internet program, that such a representative panel, made up of 54 young people from the 27 Member States, had expressed its expectations regarding the use of new technologies (see p. 68-69).

Vivendi has taken part in several debates to present its sustainable development policy. The Group did so at New York University (NYU) in front of students of the Media, Culture and Communication Department, at professional events such as the summer workshop of the management lobby MEDEF, the Avignon Forum, or at international meetings like the Women's Forum Global Meeting.

### Exchanges with the financial and extra-financial community

In 2009, the Sustainable Development Department, in collaboration with the Investor Relations Department, presented the sustainable development policy, its results, and its forecasts to 53 investors representing 40 investment funds. More than 20 such meetings have been held in Paris, London and Frankfurt.

Targeting SRI (Socially Responsible Investment) analysts in particular, this communication is increasingly shared by financial analysts, who integrate the table of opportunities and risks

highlighted by the sustainable development process (see Isabelle Cabie's point of view, opposite) into their analytic approach.

This progress is also visible in the number of investors who are involved. Since 2006, the year Vivendi held its first road shows on sustainable development policy, the number of investors has multiplied by five.

Vivendi is also continuing its exchanges with several extra-financial rating agencies. This contributes to a better understanding of our sectoral positioning and more efficiently analyzing the progress to be made (see focus p. 12 and p. 55).

### The sectoral network

In the light of the Group's specific footprint, Vivendi has moved forward in the necessary but delicate task of compiling indicators related to its specific issues (see p. 82-83).

This process, in progress for several years, has put Vivendi among the contributors and founders of the Media sectoral working group implemented by the Global Reporting Initiative (GRI) (see Katherine Miles' point of view, p. 82). GRI's mission is to define guidelines to help organizations account for their economic, social and environmental performance. These guidelines meet the requirements of the ten principles of the United Nations Global Compact and are broken down by business sector. The GRI Media Sector Supplement Working Group is made up of several international companies and NGOs and met for the first time in December 2009.

# Sustainable Development Seminar

Speeches and debates marked these meetings between Vivendi's top executives and its stakeholders



"Vivendi occupies a leading position in the area of sustainable development in its business sector."

Marie-Pierre Peillon



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## Raising employees' awareness

Employees of Corporate Headquarters and of the business units attended meetings of the Sustainable Development Committee (see p. 13) during 2009 to discuss and exchange opinions on several themes, including the integration of disabled persons into the Company, psychosocial risks, the environmental impacts of digital lifestyles, and the protection of young Internet users' personal data.

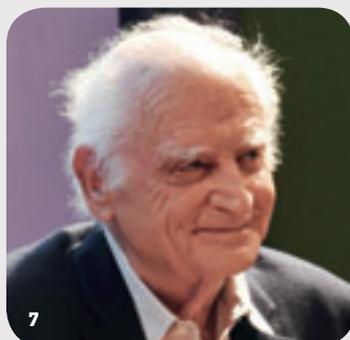
During the year, the Sustainable Development Department, in liaison with the Human Resources Department, organized a day of training for trade union and personnel representatives. This resulted in a fruitful exchange between outside speakers representing financial and extra-financial organizations and speakers from within the Group, resulting in a deeper and better understanding of the sustainable development issues for an international Group.

Vivendi's first Sustainable Development Seminar, held January 14 and 15, 2010 in Paris, brought together 70 participants and

speakers representative of civil society and the Group's business units around the world (see above).

The Seminar was an occasion for Vivendi's senior executives to recall the main axes of the Group's sustainable development policy, then to listen to stakeholders – investors, rating agencies, experts, academics, representatives of NGOs – who shared their analyses and expressed their expectations. The business units also presented the integration of the sustainable development issues in their particular business activities.

A large share of the discussion was devoted to the specific issues (promoting cultural diversity, protecting and empowering youth, sharing knowledge) and fully taken into account at Group level, recognized as strategic by stakeholders. Indeed, during the Seminar, representatives of the financial community and extra-financial rating agencies made it clear that the consideration of specific issues in the Group's strategy puts Vivendi in a sustainable development leadership position for its business sector.



*"You are some of the few people who know that and who practice it: Information forms the world, it is lasting, sustainable and immortal and it develops everything."*

**Michel Serres**



Other sustainable development issues, such as human capital management, protection of personal data and the respect of human rights in supplier relations, were also addressed with during the sessions.

The next steps in maintaining and improving Vivendi's positioning were underlined:

- progress in extra-financial reporting by strengthening indicators related to its three specific issues;
- better measure and evaluate the Group's contribution to local development through the conquest of new markets in emerging countries;
- optimize exchange of information within the Group.

1. Jean-René Fourtou, Chairman of the Supervisory Board\*
2. Jean-Bernard Lévy, Chairman of the Management Board and CEO\*
3. (From left to right) Janie Letrot, Member of the Management Board – Maroc Telecom Group; Michael Lang, President – Deutsche Grammophon, Decca; and Olivier Robert-Murphy, Head of International Business Development – UMGI
4. (From left to right) Arielle Saracco, Head of Original Programming – Canal+ Group; Christine Cauquelin, Head of Documentaries – Canal+ Group; Pascale Thumerelle, VP Sustainable Development\*; Chuck Shapiro, VP Internal Audit – Activision Blizzard; and Jean-Philippe Agati, Managing Director, Europe – Blizzard Entertainment
5. (From left to right) Marie-Pierre Peillon, Head of Financial and Extra-Financial Analysis – Groupama AM; Jean-Michel Bonamy, EVP Investor Relations\*; Andrew Howard, Executive Director Global Investment Research – Goldman Sachs; and Florence Fouquier, Project Director, Social Responsibility Audits Department – Vigeo
6. (From left to right) Pascal Ory, Culture and Media Historian, Professor – Sorbonne, Sciences-Po Paris, EHES; Solange Maulini, Director Press and Shareholder Relations\*; Marc Valleur, Head Doctor – Marmottan Hospital; and Janice Richardson, Senior advisor – European Schoolnet/European Commission Insafe Coordinator
7. Michel Serres, Philosopher and Historian of the Sciences, Member of the *Académie française* and Professor at Stanford University
8. Philippe Capron, Member of the Management Board and CFO\*
9. (From left to right) Marie-Estelle Baufumé, Risks and Internal Audit Director\*; Luc Jodry, Purchasing Manager – SFR; Solange Maulini, Director Press and Shareholder Relations\*; Chuck Shapiro, VP Internal Audit – Activision Blizzard; and Paramjit Jassal, VP Finance/Supply Chain – UMGI
10. Simon Gillham, SEVP Communications and Sustainable Development\*
11. Stéphane Roussel, SEVP, Human Resources\*
12. (From left to right) Frédéric Mion, General Counsel – Canal+ Group; Marie-Hélène Huertas, VP Competition, Contracts, Litigation and Ethics\*; Vincent Vallejo, SVP Audit and Special Projects\*; Blandine de Montivault, SVP Internal Audit – SFR; and Selma Meryem Benslimane, Head of Information Quality and Safety – Maroc Telecom Group

\* Of Vivendi.

# Our economic issues

In order to maximize its potential for innovation and creativity, Vivendi must attract the best talents, produce original, quality content, be attentive to customers, build trust and remain vigilant in its relations with suppliers.

## Investing in creation and leveraging our content

Vivendi leverages its assets, which hold leading positions on their respective markets, by maintaining a significant level of investment in content (2.5 billion euros in 2009) and in its networks (2.4 billion euros). This ensures that our business units, who are leaders in the communication and entertainment sectors, have the necessary resources for encouraging innovation and organic growth.

To continue meeting the expectations of tens of millions of consumers looking for original content and innovative services, Vivendi needs to continue to attract and retain the best creative talent (artists, film directors, game developers, etc.).

Thanks to their expertise, the Group's business units attract international creators and artists. Universal Music Group develops the

careers of many artists from around the world and promotes them internationally – for example, the Japanese pop singer Masaharu Fukuyama, Italian mezzo-soprano Cecilia Bartoli, Malian jazz singer Rokia Traoré and the Austrian Cistercian monks whose album *Chant*, with its almost planet-wide success not only in Europe but also in China, South Africa and Venezuela, was a major surprise. Activision Blizzard has had unequalled worldwide successes with innovative games such as Activision Publishing's *Call of Duty* and *DJ Hero* or Blizzard Entertainment's *World of Warcraft*. The Canal+ Group is a benchmark player in cinema creation and programming.

In order to bring out maximum value from its investments, Vivendi works to ensure the respect of intellectual property rights – a priority for the Group – while satisfying consumers eager to explore new media and cultural practices.



© Xavier Lapeche/Canal+



© 2009 Les Productions du Trésor



© Felix Broede/DG

Vivendi promotes the discovery and development of talent. Canal+ is working with and promoting Romanian-born French director and screenwriter Radu Mihaileanu, whose film *The Concert* won two César awards in 2010. UMG promotes young artists such as German-Japanese pianist Alice Sara Ott, signed by Deutsche Grammophon.

## Point of view

## The Group's business is based essentially on the subscription economic model

**Jean-François Dubos**, Executive Vice President and General Counsel, Secretary of the Supervisory and Management Boards

The Group's business is based essentially on the subscription economic model, which requires that personal data directly related to the consumer be collected. These administrative and financial data are essential to managing commercial relations with our customers.

Any commercial relation is first of all one of trust, and when payment for products and services is made via subscription, that relation becomes even

more demanding. Customers have chosen us as a commercial partner out of trust – not only because we have a worthwhile product, but also because they know that the information they entrust us with will be stored securely and protected from indiscretion and fraudulent use.

In conformity with the commitments made by Vivendi in its Data and Content Protection Charter, the Group's subsidiaries have worked out rules,

procedures and protocols to ensure the confidentiality and protection of personal data.

Commercial activity also requires that these data be entrusted to third parties. That being the case, Vivendi's business units must ensure that their commercial partners respect the same obligations and demands regarding data protection as they themselves do. This is a strategic issue for Vivendi. The Group's image is at stake.

© Olivier Roy



**€2.5 billion**  
invested in content in 2009

To this end, the business units conduct awareness raising actions, strengthen technical solutions for fighting piracy, involve themselves in the regulatory field, develop new economic models and put together ambitious legal offerings for distributing musical, audiovisual and cinematic content.

As an example, CanalPlay, the legal video downloading service launched in 2005 by the Canal+ Group, has a rich, complete and attractive offering of cinematic and audiovisual content. This service contributes to supporting and developing the creation of new programs while providing protection for the files downloaded in the interest of the rights holders. With near 8,000 items of content, including almost 4,000 films, some in High Definition (HD), CanalPlay has the finest film offering on the French market. CanalPlay is developing a range of initiatives for broadening its distribution and reaching growing audience. The service is available via computer, television (ADSL and cable) and, since March 2010, via satellite (with new-generation connected set-top boxes like +Le Cube). In 2009, CanalPlay crossed the bars of 15 million Video on Demand viewings since its launch and one million unique customers.

Universal Music Group experienced a growth of 8.4% in its revenues from sales of digital downloads in 2009, thanks in particular to an increase in downloading of 30%. While continuing its ambitious program of digital reissues, UMG continued

to encourage and support innovation by offering new modes of music consumption, such as the premium service Spotify or the launch of MusicStation on the Android platform. UMG is the principal promoter of Vevo, a service launched in December 2009 which immediately earned the rank of leading music video website in the United States, with 35 million individual visitors.

### Ensuring the protection of personal data

Vivendi, whose revenues are drawn essentially from the subscription model, adheres to stringent guidelines regarding collection and management of personal data (see Jean-François Dubos' point of view, above).

In 2009, the business units continued applying and harmonizing the principles defined in the Data and Content Protection Charter. Throughout the year 2010, Vivendi's General Counsel will ask the business units to present their protocols and actions.

Following the adoption of the Charter and at the request of General Management, a "Guide to good practice regarding sensitive data" was put together in cooperation with the Internal Audit Department. This guide, aimed at IT system administrators within Vivendi entities among others, makes recommendations for measures in order to limit the risk of alteration, loss or distribution of personal data to unauthorized third parties and ensure that partners (suppliers and providers) share that vigilance.

In 2009, the Risks Committee analyzed the advancement of the action plans submitted by three business units on this theme in 2008. The Committee also examined how these entities are applying the "Guide to good practice regarding sensitive data."

### Ongoing attention to customers' needs

Customer relations require attentiveness to customers and feedback of information enabling continuous improvement to best meet their expectations for innovative, creative services. The subscription model, which is a know-how shared by the Group's business units, can be leveraged to provide a personalized service for customers in order to better understand their needs regarding the use of products and services, to keep better track of incidents resolution and to anticipate needs for new services.

In all the geographic regions where the game *World of Warcraft* is available (the Americas, Europe, and Asia), Blizzard Entertainment has put local customer-relation teams in place. These teams include "game masters" who aid players with the game and keep track of their observations, then sent each week to the company headquarters in the USA to help developers improve the game.

The Canal+ Group, whose Customer Relations Department was commended in 2009 by the French Customer Relations Association, is putting in place a Customer Satisfaction Department.

SFR and Maroc Telecom have a stringent approach to customer relations both for individual and business customers, and have undertaken certification processes. For its business clientele, SFR Business Team was granted Qualicert certification by SGS ICS (world leader in inspection and certification services) for its commitment to quality in its fixed-line and mobile services throughout the service-delivery chain in 2009. Maroc Telecom conducts annual surveillance audits according to the ISO 9001 certification granted for all its activities in the context of a total quality approach and in 2009 began new programs for refining indicators of customer satisfaction.

This quality approach also applies to enriching the skills of the sales and technical teams. In 2009, training at Maroc Telecom stressed mastery of the new offerings aimed at the general public and versatility from its sales staff in its agencies.

Role-playing games were organized to work on relationships with clients and as a way of sharing good practices.

Transparency regarding rates and information on products and services also gives rise to measures for continuous improvement, thanks in particular to the dialogue with customers that has been established. In response to the demands of customers willing to control their consumption of broadband Internet service and who use paperless billing, SFR chose to change from bimonthly to monthly billing.

SFR has also launched a new line of prepaid plans centered on voice and aimed at adults experiencing financial difficulties who want to control their budget.

Since 2009, GVT has been using customer satisfaction surveys as an indicator to determine employees' share of profits.

In France, discussions among telecom operators have led to two major initiatives in 2009: the creation of a platform through which individuals can report *spam* and the implementation of a procedure for rapid restoration of service, free of charge and with compensation, for customers who have suffered unsolicited line changes (wrongful cutting off of Internet access).

### Vigilance towards suppliers

During the year 2009, several initiatives were taken to increase the awareness of the Group's business units on the nature of the commitments made by suppliers regarding respect for human rights and social and environmental responsibility. This took

## Focus

### Key figures of digital revenues

- Blizzard Entertainment's online game *World of Warcraft* has approximately 11.5 million subscribers.
- Sales of digital music accounted for 26% of UMG's sales of recorded music, compared to 22% in 2008.
- SFR's total Mobile Data revenues increased by 33% in 2009. The fixed broadband Internet customer base increased by 15%.
- Total Data revenues from Maroc Telecom's fixed-line and Internet businesses increased by 10.6% in 2009. The 3G+ broadband mobile Internet customer base increased by a factor of six, from 30,000 to 174,000.
- Total revenues from Next Generation Services (NGS) at GVT increased by more than 40% in a year, accounting for 32% of total revenues in 2009 compared to 28% in 2008.
- The proportion of digital subscribers reached 93% of Canal+'s total subscriber base as of end December 2009, compared to 80% in 2008. During the year, the Group switched a total of 490,000 subscribers to digital.

## Point of view

## Activision Blizzard regularly audits its suppliers to ensure that human rights are respected

**Chuck Shapiro**, Vice President Internal Audit, Activision Blizzard

Activision Blizzard pays a great deal of attention to ensuring that human rights are respected by its suppliers and supports, together with Vivendi, the principles of the UN Global Compact.

Activision Blizzard has been manufacturing *Guitar Hero* peripherals in China for approximately three years and has successfully implemented

a program whereby its Internal Audit Department periodically inspects the facilities of its Chinese manufacturing partners. These reviews ensure that our manufacturing partners are providing the basic international standards of safety, health and wages to their employees and that their product testing meets all international requirements for the safety of our consumers.

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the form of providing all the Group's business units with a new sustainable development clause based on the principles of the United Nations Global Compact. To get a better idea of how these principles are being put into practice by suppliers and providers, a questionnaire was developed jointly by the Audit and Special Projects Department and the Sustainable Development Department. It comprises a series of precise questions on the content of the initiatives and commitments made by suppliers in terms of the provisions of the United Nations Global Compact. The questionnaire complements the tools used during audits.

Also, during the Sustainable Development Seminar held early in 2010, a session was dedicated to the issue of human rights within supplier relations. On this occasion, the Headquarters' Audit and Special Projects Department as well as the business units described how they take the issue of human rights into account in managing the supply chain in the light of Vivendi's commitments, and in particular its adherence to the United Nations Global Compact. The Audit and Special Projects Department pointed out that vigilance towards suppliers can also be shown through the work carried out as part of the audit plans, where sustainable development issues are taken into account within the scope of the audit missions and made part of the audit tests. In 2010, the audit efforts and projects will include Bravado, the UMG subsidiary in charge of merchandising activities, and GVT, the Brazilian operator that recently joined the Group.

The Seminar demonstrated the fact that all the business units are engaged in a demanding process regarding suppliers at the contractual level (see Chuck Shapiro's point of view, above).

Activision Blizzard, which manufactures parts of its *Guitar Hero* game in China, pays close attention to its suppliers located in that country. For the third consecutive year, Activision Blizzard inspected the facilities of its Chinese subcontractors to verify that international labor standards are applied.

UMG has also begun a process of verifying its external suppliers' adherence to international labor standards. The increasing importance of the merchandising business activity also require enhanced vigilance towards involved providers.

For SFR, exposure to risks differs depending on whether suppliers of network equipment or services such as call centers are being evaluated. As regards to the purchase of equipment, particular vigilance is applied to purchases of the "ADSL boxes" manufactured in Asia. Regarding call centers, a third of which are located outside the EU, working conditions of employees are evaluated at the time of requests for bids. They are regularly re-examined by operational teams during quality inspections. SFR's goal is to broaden the sustainable development criteria included in assessments of its suppliers.



Activision Blizzard audits local suppliers who provide manufacturing services for games such as *Guitar Hero*.

# Our social issues

Vivendi has chosen a decentralized form of human resource management in order to best meet the desires of its employees who work in creative and high-technology sectors. The Group also endeavors to contribute to the development of the countries where it is present.

## The importance of employee fulfillment

### Training

In response to the expectations of its employees and demands related to the rapid pace of technological change in our business environment, the Group and each of its business units work to develop appropriate, innovative training plans. [www.VV](#) The major training areas developed are aimed at preparing employees for changes in their activities and technologies as well as enabling them to gain recognition as being the best in their fields of expertise and helping them better anticipate and understand customers' demands.

Considering the fact that training is an investment for the future, expenditures for training by the Group's French business units greatly exceed the minimum legal requirements. While there are no comparable regulations for companies operating outside France, investments in training remain high in their respective labor markets.

In 2009, the average duration of training dispensed at Vivendi was 27.7 hours per employee trained, compared to 22.2 in 2007, in other words an increase of close to 25% between 2007 and 2009.

## Mobility

Employees' desires as to career evolution are studied at internal mobility meetings. The Group's rate of internal mobility is approximately 50% of jobs filled within a business unit. Tools and assistance are provided to help employees define their career projects. For example, in 2009, SFR published a guide called "I Build My Career," (*Je construis mon parcours*) and Canal+ Group has implemented "Career development points" (*Points carrière*) – two good practices Vivendi's Corporate Headquarters plans to use as guides in 2010.

Despite the existence of a Mobility Charter for more than ten years and an internal job platform (Invivo) that publishes all positions to be filled in France, inter-business unit mobility is still not up to expectations. A complete overhaul of this tool was launched in 2009 in the context of a larger program entitled "Vivendi helps you build your career within the Group." [www.VV](#)

## Well-being, health and safety

The CHSCT (Health, safety and working conditions committees) and workplace health services are key partners for dealing with safety and health risks. In 2009, Group's business units continued to focus on workplace safety. The frequency rate of workplace accidents decreased in 2009, to reach 2.03 compared to 3.14 in 2008. Since that rate is higher for workers on site, specific prevention programs exist, notably at SFR, Maroc Telecom and Canal+. In regards to prevention, workplace safety and proper working conditions, studies are conducted by the different group entities to enable the implementation of training programs in these areas. In 2009, 4,103 Group employees were trained on safety rules.

Preventive measures that go beyond the latest legal requirements have been implemented to deal with problems related to managing stress and psychosocial risks. The plan implemented at Headquarters was presented to the business units during a session of the Sustainable Development Committee. The measures taken are specific to each entity of the Group (information sessions for personal representatives from a specialized doctor, a free hotline for employees and a "Well-Being at Work Week" event).



GVT encourages its young employees' career progress.

## Point of view

## Innovation also means anticipating change in order to reconcile technological time with social time

Stéphane Roussel, Senior Executive Vice President, Human Resources

Vivendi, with its positioning as world leader in communications and entertainment, and given its business sector, driven by the accelerated pace of the new technologies, must count on the talent of its employees.

That talent is the very foundation of the innovation on which the Group's success is based. That capacity for innovation, regardless of the jobs an employee does, must be encouraged, supported, and recogni-

zed. That is why the Group has chosen to adopt a decentralized form of human resources management so that each business unit can remain close to its own business concerns and its specific realities while easing the passage from one unit to another, with Vivendi's business units becoming more and more complementary.

Innovation also means anticipating change in order to reconcile technological time

and social time. Dialogue with trade unions and personnel representatives is an essential factor. While the company's responsibility is to conduct reorganizations, it is also to accompany employees in their careers. And the more we develop the ability to discuss and negotiate with unions and personnel representatives upstream, the better we can meet that social requirement. This process is shared by the Group's business units.

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## Supervisory Board

**1/3** women      **4** nationalities

(After approval at the Ordinary Shareholders' Meeting of April 29, 2010)

The business units are also vigilant towards ensuring that the working environment and the balance between their employees' private lives and working lives are optimized, and offer flexibility in working hours and telecommuting programs. [www.W.](#)

They also encourage their employees to get involved in solidarity actions (examples: the status of citizen-employee implemented by SFR; volunteer programs offered to employees of GVT who want to get involved in educational programs in Internet use; the commitment made by employees of Activision Blizzard towards American veterans returning to civil life). [www.W.](#)

## Diversity and equal opportunity

Vivendi clearly defines its commitment to diversity and its refusal of any form of discrimination in its Compliance Program. Diversity is considered a lever of performance for the Group. This diversity among employees (see p. 62) contributes to promoting the Group's "cultural footprint" in its content production and distribution activities. The Group's management structures also reflect this diversity (see focus p. 84 and p. 06-09).

The Diversity Skills Network, implemented in 2007 by the Sustainable Development Department, meets each year. In 2009, the members of the network discussed the topic of integration of disabled workers.

Moreover, the Group works to strengthen bridges for young people. Recognizing that apprenticeship is both a key to employment of young people and a plus for the company, Vivendi has continued to promote it in order to increase the number of alternance (cooperative education) contracts within the Group. As part of this effort, in 2009 Vivendi took part in the Alternance mission together with a Group of 45 companies amongst the largest in France, with the task of drawing up a report for the Government on the promotion and development of alternance. As of late 2009, Vivendi employed 526 persons on alternance contracts, compared to 307 in 2008 on a comparable basis. [www.W.](#)



© Pictures: Jean-Pierre Angei, Audrey Bardou, Raphaël Blasselle, Lise Grosperin, Sébastien Nadaut, Claire Soubrier, Yuri Toroptsov, Jeunes Talents SFR

The campaign for employee citizenship involvement conducted by SFR in 2009 was rewarded by a Gold Top Com Award.

“ Among the best performers of 2009, Canal+ is still ranked top. The private channel conjugates diversity in a very natural manner with great ease.”

2009 Report of Club AVerroes whose purpose is to watch over diversity in the media in France.

**Accompanying our employees following changes in activities**

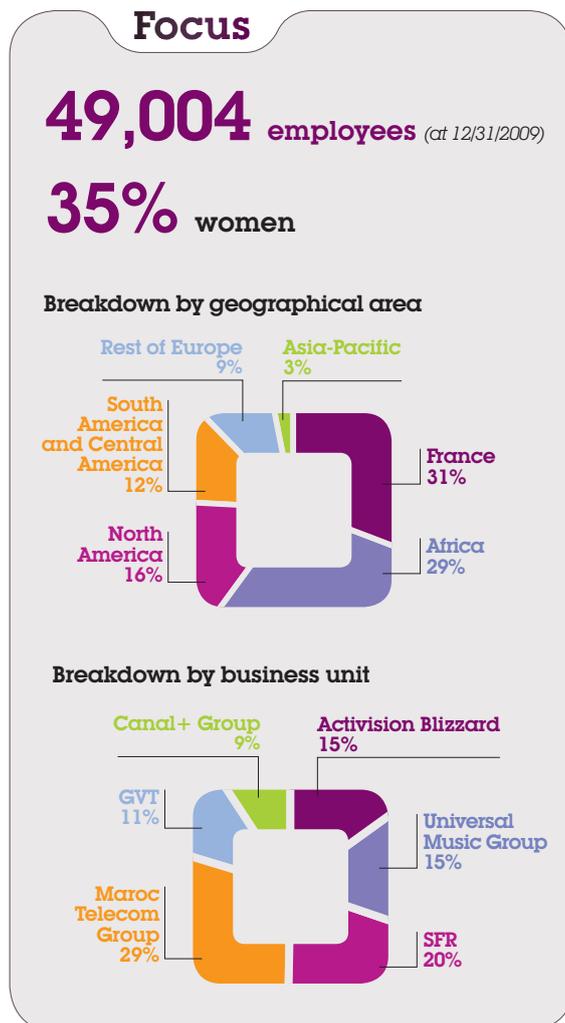
The Group endeavors to treat its employees under the best possible conditions by offering job transition help and opportunities, as well as programs aimed at rapid return to employment (outplacement firms; aids mobility, training and business creation) to those affected by restructurings, as well as financial measures, including compensation superior to that required by law in the countries where Vivendi operates.

In the context of its policy encouraging individual entrepreneurship, SFR, whose voluntary departure program ended in 2009, validated and supported 24 business-startup projects.

**Encouraging constructive social dialogue**

The Work Council and the European Social Dialogue Committee meetings were opportunities for trade unions and personnel representatives to discuss the Group’s financial situation and social policies with General Management. They also had the opportunity to take part in three days training in 2009 focusing on strategic and transverse sustainable development issues as well as knowledge of Vivendi’s business activities.

In addition to the annual agreements on wage policy, profit sharing, participation, training, as well as jobs and skills management policies, all the business units have worked on the issue of senior employment. The Group’s agreements and plans (for example, the action plan on management of seniors within the SFR Social and Economic Unit (UES) and the agreement on senior employment within the Canal+ UES) call for maintaining jobs for employees age 55 and over, second-part-of-career interviews, retirement preparation modules and, if the situation lends itself, programs for skills transfer via tutoring.



**Continuing an ambitious policy of employee shareholding**

Vivendi feels that the fruits of the efforts of its employees should be evaluated fairly. Therefore the Group has implemented a profit-sharing system that goes well beyond legal obligations and strongly encourages the development of employee shareholding. The employee shareholding policy was strengthened two years ago by an international operation (Opus), simultaneous with the usual annual operation reserved for employees of the Group’s French entities. The goal of this leveraged operation, with guaranteed capital and yield, is to enable employees in the main countries where the Group is located to benefit, risk-free, from the advantages of employee shareholding. In 2009, 4.8 million new shares were created, bringing the percentage of capital held by employees of Vivendi from 1% to 1.6% in two years. The program has been renewed again, and the 2010 version of Opus will be open to GVT employees.

**Contributing to the development of territories**

In the areas of employment, investment in infrastructures, development of local talent and access to new information and communication technologies, Vivendi actively contributes to the development of the territories where it is present.

## In France

### Job creation in disadvantaged employment basins

In conformity with the commitments it made to the public authorities in 2004 for the period 2005/2009, Vivendi, in 2009, contributed to the creation of jobs in regions affected by unemployment and industrial restructuring selected by the Ministry of the Economy, Industry and Employment. As of December 31, 2009, with 3,203 jobs created, Vivendi had more than doubled the initial goal (a commitment to create 1,500 jobs). In five years, Vivendi spent 27.2 million euros on the program over a totality of eleven designated areas and territories, surpassing its initial commitment of 25 million euros.

In Spring 2009 Vivendi made new, similar commitments for the years 2010 to 2012. Under them, three new missions had already been launched in the first quarter of 2010.

### Out-of-coverage areas

In 2009, SFR's commitment to local authorities enabled mobile-telephony coverage (second-generation) to more than 98% of the localities in the "out-of-coverage areas" program and made GPRS available to all of them.

For broadband, *SFR Collectivité*, a subsidiary of SFR, operates public-service delegations that provide coverage for the majority of the out-of-coverage areas in their territory. As an example, Moselle Télécom, a public-service delegation of *SFR Collectivité*, provides broadband coverage to over 99.7% of all households, with a satellite solution offered as a complement. SFR's involvement in achieving digital coverage remains an essential factor for the development of heretofore inaccessible territories.

## In Africa

### Support for artistic creation

By the very nature of its business activity, Vivendi contributes to strengthening local production capacities in Africa.

The recognition of African artistic expression is part the Group's promotion of cultural diversity; it is a source of economic and human development.

Universal Music France has signed and promotes several artists including Salif Keita, Tiken Jah Fakoly, Rokia Traoré, Sorry Bamba and Tinariwen. Canal Overseas Africa (COSA), a subsidiary of the Canal+ Group, supports many directors, including Souleymane Cissé, Jacques Trabi, Issaka Compaore and Boubakar Diallo. In 2009, COSA produced its first series of short films, *Zem*, in 26 episodes (see opposite).

### Investments in networks

In order to reduce the isolation of rural areas, an ambitious program called *Pacte* was implemented in Morocco for achieving universal service, aimed at eradicating all out-of-coverage areas by end of 2011. Maroc Telecom has assumed responsibility for 80% of this telecommunications access program by providing coverage to 7,400 localities.

Maroc Telecom has also invested in the laying of a submarine cable, Atlas Offshore, linking Morocco and Europe, and in the deployment of fiber optics between Laâyoune in Morocco and Nouakchott in Mauritania, which has doubled the bandwidth capacity of international Internet.

In its subsidiaries located in Mauritania, Gabon, Burkina Faso, and Mali, the Maroc Telecom Group has invested the equivalent of 28% of their total revenues in reducing the digital gap in those countries.

These investments encourage the development of activities and enable the provision of proximity services such as access to healthcare for local populations.

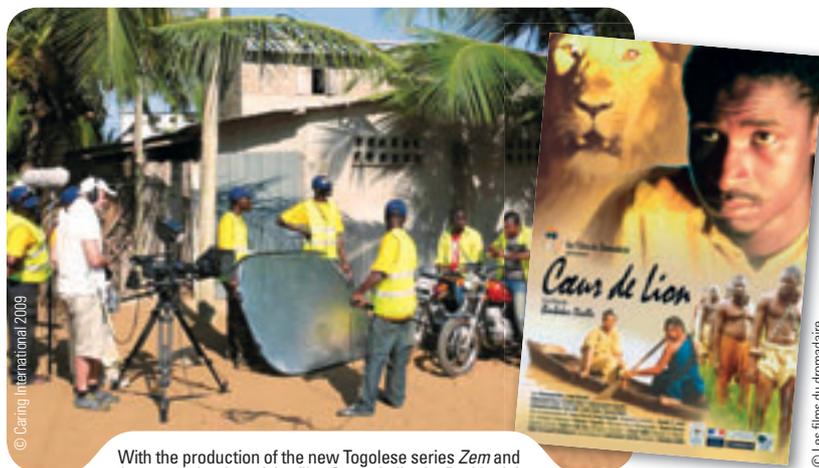
## In Brazil

In December 2009, GVT, the leading alternative telecommunications operator in Brazil, joined Vivendi. GVT includes one of the most modern local access networks and long-distance fiber backbones in the country, supporting its leading position in the Next Generation Services segment of the market and allowing the company to extend its presence nationwide.

To develop its network, GVT invested in state-of-the-art technology providing numerous functions and capable of satisfying the growing market need for a large range of telecommunication services, broadband services and multimedia services.

GVT has 30,053 route kilometers of cable (fiber + copper network) in metropolitan areas and 91,439 buildings connected. In addition, GVT's long-distance fiber network has 21,000 route kilometers, covering 73% of its traffic needs as of December 2009.

With over 5,000 employees, GVT also estimates at 15,000 the total number of indirect employees generated by its local suppliers.



With the production of the new Togolese series *Zem* and the co-production of the film *Cœur de lion* by Burkinabé filmmaker Boubakar Diallo, Canal Overseas Africa contributes to the development of local production capacities.

# Our environmental issues

While operating in business sectors where exposure to environmental risks is relatively low, Vivendi has adopted a proactive, responsible approach that includes obtaining EMAS registration for its Corporate Headquarters. The Group also maintains particular attention to the issue of health and mobile telephony.

## A rigorous policy

### Environmental reporting

In 2009, in the area of environmental data reporting, the main focus was the training sessions for the Regional Divisions of Maroc Telecom. In 2010, the new operator GVT, recently added to the environmental process, will be trained in the environmental reporting procedures.

### Internal audits

As part of the Program of compliance with environmental, health and workplace safety standards, ten new sites (out of a total of 95) were audited in 2009, including two Activision Blizzard facilities in the United Kingdom and two facilities in SFR's fixed network. During these audits, no significant non-compliance issues were found.



### Certification processes

Vivendi's Corporate Headquarters and several subsidiaries of the Group are pursuing environmental certifications. In 2009, Vivendi obtained EMAS (Eco-Management Audit Scheme) registration for its Corporate Headquarters in Paris as part of its environmental programs (see Francis Borensztein's point of view, opposite). SFR renewed its ISO 14001 certification for management of its mobile telecommunication activities (maintenance and deployment of strategic sites and relay antennas) and for the operation and maintenance of its principal tertiary sites. Activision Blizzard's Centersoft site in the United Kingdom was also ISO 14001 certified. 

### Evaluation of suppliers and distributors

In 2009, Vivendi joined the Carbon Disclosure Project Supply Chain Program and identified ten key suppliers for inclusion in the Program. The Supply Chain Program collects information (on greenhouse gas emissions, activities linked with climate change, etc.) on more than 700 suppliers. The information enables Vivendi to better identify and evaluate potential environmental risks and opportunities in its supply chain. Vivendi has renewed its participation in the program for 2010. Activision Blizzard and UMG have also participated

with their main distributors in the United States (Wal-Mart, Best Buy, etc.) in efforts to reduce the environmental impact of their products and distribution. 

## The energy issue

### Energy from renewable sources

The amount of renewable energy purchases is constantly growing in the Group. Since 2005, six Universal Music Group sites and nine Activision Blizzard sites in California have been buying renewable energy.  In Southern regions, Maroc Telecom uses solar energy to power the base stations of its radiotelephony network whenever possible and also uses photovoltaic power in its subsidiaries. SFR uses solar energy at certain relay antenna sites and plans to launch an economic feasibility study in 2010 on the installation of photovoltaic panels at its strategic and tertiary sites.

### Optimization of energy consumption at Group sites and eco-design of products

The Group's business units have continued their efforts to optimize energy consumption at their sites. The Group's business units have also begun discussions on the topic of their products' energy impact at the Sustainable Development Committee session devoted to "Digital uses and energy consumption." Furthermore, initiatives for eco-design products are also multiplying. Activision Blizzard, for example, uses eco-designed boxes for its PC, Nintendo and Microsoft games and, on the television studio sets of the program *Les nouveaux explorateurs*, Canal+ uses environmentally friendly materials. SFR and Maroc Telecom are also involved in this process. During 2009, SFR issued eco-designed SIM cards and implemented an eco-design process for its new generation of modem router "boxes" and TV set-top boxes. SFR also offers its customers an information sheet that evaluates the environmental performance of cellular telephones as well as to encourage customers towards environmentally responsible behavior.  Maroc Telecom marketed a GSM pack designed with environmentally responsible packaging emphasizing the Group's commitment to reducing its environmental footprint.

## Point of view

**Environmental initiatives at Vivendi Headquarters**

Francis Borensztein, Vice President in charge of Administrative Services

In 2009, Vivendi's Corporate headquarters obtained EMAS (Eco-Management and Audit Scheme) registration. As part of the process, several environmental protection initiatives were implemented during the year.

A sustainable development clause is now included in new supplier contracts, in order to include environmental protection in contracted activities. To raise

awareness, a brochure on eco-driving, aimed at limiting CO<sub>2</sub> emissions and fuel consumption, was sent to all employees of Corporate Headquarters. ODS (Ozone Depleting Substances) have been totally removed from equipment at Headquarters, and as part of the prevention of pollution risks related to WEEE (Waste Electrical and Electronic Equipment), 45 kg of obsolete and used professional telephony

equipment was collected by a specialized company for recycling. Finally, the choice of office supplies has led to an increase in the number of "green" products in the catalogue available to employees (33% "green" products in 2009 compared to 20% in 2008). Vivendi's Corporate headquarters is pursuing these actions and plans to extend the collection of WEEE to employees' personal cell phones during 2010.

© Olivier Roy



Distribution of the packs was accompanied by a "Let's Protect Our Environment" SMS campaign sent to all Maroc Telecom's customers.

**Health and mobile telephony****A collaborative process**

The Group closely follows the progress of scientific studies and statements by the public authorities.

The Management Board, of which the Chairmen of SFR and Maroc Telecom are members, includes the issues of health and mobile telephony on the agenda of its meetings. In 2009, during two sessions of the Risks Committee the Group's senior executives reviewed the actions completed by SFR and Maroc Telecom and studies monitored consistent with their health and mobile telephony policy.

In France, the Ministry of Health and the Secretaries of State for the Environment and Development of the digital economy confirmed in October 2009, that "exposing the public to the radio-frequency electromagnetic fields emitted by mobile telephony relay antennas results in no identified health risk for the resident population." Concerning exposure to the electromagnetic fields emitted by cellular telephones, the ministries concerned stated that "biological, clinical and epidemiological studies show that it is without consequences for health. However, a risk small enough not to have been identified by these studies cannot be totally ruled out. The precautionary attitude recommended by the Government and the value of continuing research in this area are therefore legitimized."

Since April 2009, SFR has participated in the work of the "Radiofrequencies and Health Round Table" organized by the French public authorities and the associated working groups that have been set up. [www.WV](#)

**A commitment to increase awareness**

In this regard, SFR and Maroc Telecom, have continued a dialogue with stakeholders (residents' associations, local

municipalities, etc.) for the past few years, while maintaining attention to suppliers' equipment standards and measurements of the electromagnetic fields emitted by installations. In 2009, Maroc Telecom completed two measurement campaigns in urban areas. In addition, SFR intensified its approach of providing information to customers, distributing 12.5 million copies of its brochure "My cell phone and my health." And, since mid 2009, SFR has also inserted an additional user notice with use recommendations in its SIM card packs. As a member of the Moroccan telecommunications operators' association (MATI), Maroc Telecom has worked on a new version of the brochure "Mobile telephony and safety" which will be put online on its website soon.



© Thierry Gonzalez

Since 2003, collection points for used cell phones have been available to customers in the "espace SFR" sale outlets. 116,272 mobile devices were collected in 2009. [www.WV](#)

## Our specific issues

# Protecting and empowering youth

Vivendi has the responsibility of protecting and empowering young audiences in their cultural and media practices. The Group needs to evaluate the opportunities and risks of the new uses enabled by technological developments.

### Promoting rules of professional ethics

Vivendi endeavors to provide teenagers with a safe digital environment and to offer tools to parents for better controlling content and uses related to the Group's products and services. The business units accompany the development of their activities with a high degree of vigilance especially with regards to user practices, whether it be in the area of game-playing behaviors, use of services, or modes of expression in chat rooms and forums.

In conformity with the Data and Content Protection Charter, available on the Group's website, the business units have strengthened their commitments to protecting and empowering youth. The charter is accessible at the bottom of each Universal Music France's websites.

Blizzard Entertainment has defined several charters, accessible online, that outline the rules of "Playing with Others" when playing *World of Warcraft*. These rules are aimed at setting strict guidelines for the game.

Game masters ensure that players follow these rules of conduct, and in case of infractions, players are issued warnings or penalized by temporary suspension or permanent closure of their accounts. Tens of thousands of accounts are permanently closed for such violations.

Canal+, in its Ethics Charter devoted to professional ethics, recalls its commitment to displaying symbols signaling the ratings of its programs. SFR applies the Mobile Multimedia Charter intended for mobile operators, which includes recommendations on supervision of inappropriate content and strengthening the fight against illicit content.

Finally, the moderation rules adopted by all the business units make it possible to regulate the content posted on their websites and ensure that users' language is in conformity with their rules of conduct.

### Continuing to raise parents' and children's awareness

Vivendi promotes messages aimed at informing parents and children of the risks digital behaviors can entail.

In the context of its partnership with the EU Commission's Safer Internet program, Vivendi's institutional site presented the Commission's "Think Before You Post" video clip launched on the occasion of Safer Internet Day, dedicated in February 2010 to the theme of protection of online personal data. The clip is aimed at promoting young Internet users' awareness of the need to think before posting texts, videos or photos that reveal their private lives. [www.VV](#)

Vivendi devoted a meeting of its Sustainable Development Committee to the theme "New uses and the private life of young Internet users" to make all the business units more aware of the issue of young Internet users' personal data.



GVT is taking part in the nationwide "Responsible Internet Use" campaign by publishing a guide distributed throughout Brazilian schools.

## Point of view

## Increasing parental awareness and helping young people control themselves

**Marc Valleur**, Psychiatrist and Head Physician at the Hôpital Marmottan specializing in care and accompaniment of addictive practices

What is addiction? Addiction is an interaction between a product, a personality, and an environment. For the person affected, it is a desire to reduce or cease a practice without being able to. Addiction implies the loss of the freedom not to do something. It is easy to see why that should be an obvious concern of sustainable development in its societal aspect: it is one of the limits on the positive aspect of consumption. If we want to reduce or cease consuming, it is because it no longer brings us the pleasure and enrichment we found in it at the beginning. It becomes a purely stereotyped practice, and what was desire has become simply a need. Excessive playing of video games is a qualitatively different problem from addictions like drug or alcohol dependency.

What we are dealing with is a reassurance mechanism. Repeated immersion in network games is a refuge, an avoidance of risk taking. Vivendi's responsibility as world leader in video

games is manifest, because we are dealing with cultural problems, and reflection on these cultural objects is fundamental. What can we do, for example, to limit "addiction" to network games? We can warn parents and help people control themselves. Parental control mechanisms can be used by players themselves to help set limits, which is not always possible with all forms of games. Displaying signage, such as the PEGI system, is absolutely essential. But the most important thing is to diversify and increase the quality of the games, because the more captivating, interesting, complicated and multifarious games there are, the less addictive rapports with these games will occur.

In parallel, Vivendi must continue to work with sociologists and anthropologists who are studying this new form of socialization made possible by the Internet, mobile telephony, network games, etc., so that basic research can be conducted.

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Vivendi distributed the EU Commission's "Think Before You Post" video clip.

The Group's business units conduct many awareness actions to accompany parents in familiarizing themselves with their children's new entertainment universe. SFR publishes a specific brochure on parental control, available on the [www.sfr.fr](http://www.sfr.fr) website and in sale outlets. A new version of the document presenting the principle of parental control on ADSL, mobile and television will be published in 2010.

With its "Ratings are not a game" information campaign, Activision Publishing wants to guide parents in their purchase decisions to ensure that games are suitable for their children. Activision Blizzard is also a driving force in promoting the age and content guidelines drawn up by industry organizations – PEGI and PEGI Online in Europe and ESRB in the United States.

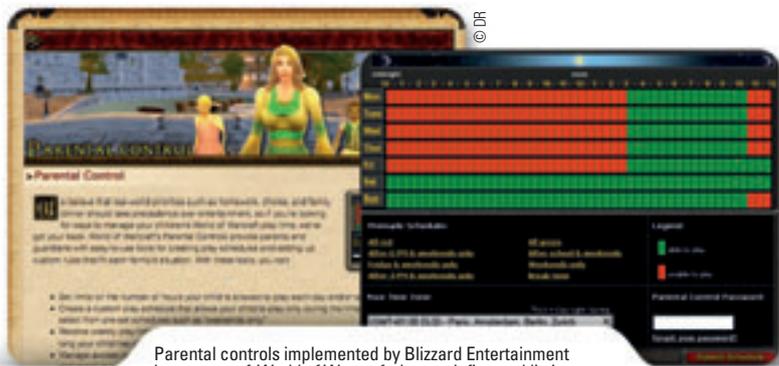
The "Safe Surfing Guide", available online from the UMG website, reminds young users of the basic rules of caution when using the site. Titles available for downloading from the site that contain inappropriate content are flagged by an informational pop-up. This signage is also reproduced on CD packaging.

In Brazil, since 2005, GVT has been taking part in a nationwide "Responsible Internet Use" campaign and in 2009 launched the second issue of its Responsible Internet Guide, distributed

in schools throughout the country. The Guide informs children, parents and teachers of potential risks related to new technologies and stresses positive behaviors. GVT has also launched a Socially Responsible blog to promote the campaign. The blog is run by employees who carry on dialogue with Internet users, dispensing information and advice on safe and proper Web browsing. Also, cooperation is underway with three NGOs (CDI – *Comitê para Democratização da Informática*, CIRANDA – *Central de Notícias dos Direitos da Infância e Adolescência*, and *Safernet*) for the production of comic strips and institutional films portraying a 12-year-old boy called "Edu" which young audiences can relate to (see p. 66 and Gustavo Pinto Gachineiro's point of view on p. 41). These awareness raising actions are also relayed on the field by employees of GVT who visit schools. In 2009, 35 employees were involved in this initiative.



Activision Blizzard has an information campaign aimed at reminding parents and children that the pictograms with age ratings and the content descriptions that appear on the packaging of video games are there to guide them in making their choice.



Parental controls implemented by Blizzard Entertainment let parents of *World of Warcraft* players define and limit their children's gaming time.

### Offering parental control

As they continue to develop new services, the business units make sure that parents are provided with tools for better controlling their children's digital practices.

The game *World of Warcraft*, developed by Blizzard Entertainment, offers several functionalities to parents for supervising their children's gaming time. Thanks to these functionalities, parents can set time frames during which gaming is permitted, as well as rest times.

These tools are available on the website and are accessible from any computer with Internet access (see Jean-Philippe Agati's point of view, below).

Use of the voice chat function can also be limited. Blizzard Entertainment continues to refine and enhance these tools, and recently added to the range of existing tools a new functionality which gives parents a weekly report on the amount of time their children spend online.

The new generations of set boxes, including the latest version of the Cube launched by Canal+, include innovative functionalities for parental control that go beyond legal requirements.

Each subscriber can lock access to programs in accordance with the viewing age recommended by the French Audiovisual Superior Council (-10, -12, -16, -18). The locking works for broadcast as well as recorded programs. After-the-event locking of recorded programs is also possible.

SFR, which offers a two-level system of control on cell phones depending on children's age, along with software for parental control on its ADSL box, is part of the working Group set up by the French standardization agency AFNOR on standardizing parental control tools in France.

### Empowering youth in the new uses

Vivendi enters into partnerships bringing together young people and experts in order to better grasp the opportunities related to digital practices.

During 2009, through its participation in the EU Commission's Safer Internet program, Vivendi was a partner of the first Pan-European Youth Panel for a Safer Internet. This event brought together 54 young people between the ages of 14 and 17 from all 27 EU Member States to discuss their digital practices. [www.VV](#)

During the Group's Sustainable Development Seminar, Dr. Marc Valleur and Janice Richardson (see their points of view p. 67 and p. 69 respectively) threw constructive light on video game practices and young people's behavior with regards to new uses of digital technology.

The business units are also continuing initiatives for evaluating the opportunities offered by the new technologies. Activision Blizzard Publishing has associated with Dr. Cheryl Olson, co-director for the Center for Mental Health and Media of the Massachusetts General Hospital (USA) to increase parents' and teachers'



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### Point of view

## The Rest System in *World of Warcraft*

Jean-Philippe Agati, Managing Director, Europe, Blizzard Entertainment

*World of Warcraft's* Rest System rewards players when they take breaks and are offline for a period of time. This comes in the form of a boost to their character's rate of advancement in the game. When the players return, their characters progress faster thanks to this "rested bonus."

Once the bonus runs out, a message informs the player that the character is no longer rested and thus no longer gaining any

advantage. As a result, the player may feel this is a good time to take a break from the game in order to regain rested status.

While this system was created to enhance the game's fantasy atmosphere by encouraging heroes to retire in an inn after the day's adventures, it is also ultimately a feature that helps players manage their game time. Another such feature is the design of the game's quests, many of

which can be done in 30 minutes or less. Also the dungeons, where players can collaborate to take on the game's toughest challenges, are mostly designed to be completed in under an hour, with many broken into wings that can be explored in separate play sessions. Beyond this, the game's interface supports play-time management with a built-in alarm clock that players can set for themselves.



### Point of view

## Young Europeans' point of view at their digital practices

**Janice Richardson**, Senior Advisor, European Schoolnet; coordinator of the Insafe network

Young people are the innovators when it comes to using online technology and very often the unexpected applications they come up with not only open new learning opportunities but very often also give rise to new risks. The Insafe Pan-European Youth Panel for online safety, whose first face-to-face meeting in October 2009 was made possible by the co-sponsorship of Vivendi, has set the cornerstone for the work to be carried out by the Insafe network for the coming year. It provided an invaluable opportunity for awareness raising teams from 27 countries in Europe to look at online safety

issues from a young person's perspective and understand what today's youth expect from their parents and teachers to help them handle the challenges they encounter in the virtual world. The three-day meeting highlighted the added value of working together at the European level, benefiting from cultural diversity to enrich and empower tomorrow's leaders in our global society. Insafe's partnership with Vivendi is proving to be a rewarding experience in many other areas too, and providing unique knowledge-building opportunities in an extremely complex field.

awareness of the use of video games by children. The partnership has resulted in the creation of seven videos that provide parents with information on the suitability of video games for their children and on how games can be beneficial to parent-child relations.

Late 2009, the Italian Ministry of Education implemented an experimental learning project based on games in a Milanese middle school. The goal was to discover a multiplayer online game that could aid development and strengthen quality in education that called on cooperation among students. ANSAS, the Italian ministerial agency in charge of educational research and teacher training, picked *World of Warcraft* as the most appropriate game for testing its theory. Blizzard Entertainment agreed to participate in the project and provided game accounts and software. One hundred students took part in the project and played the game for a limited time each week. After a period of three months, the students were assigned specific missions to carry out; their behaviors and interactions during the game were evaluated. Depending on the results, expected in April 2010, online games may be introduced as educational tools in Italy. [www.vv.vv](http://www.vv.vv)

With Menara Junior, Casanet, a subsidiary of Maroc Telecom, responds to parents' need for reassurance that their children are safe in their online environment. The communication space especially for children on the Menara portal allows young Internet users to express themselves on the web, access news, have fun and discover other cultures.

Early in 2010, UNICEF and Casanet signed a partnership agreement for promoting children's rights and increasing young Internet users' awareness of this issue through the Menara Junior site.

This partnership will also facilitate access to UNICEF documentation for the Menara Junior editorial team, providing them with more complete information concerning children's rights.

The need to accompany users in the new uses of technology while teaching them to control expenditures for this type of leisure activity is another aspect taken into account by the business units. Indeed, they develop offers with built-in systems for controlling spending, such as time-limited mobile telephony rate plans and prepaid cards with limits.



Menara Junior, the first Moroccan website dedicated to children, offers many online activities.

## Our specific issues

# Promoting cultural diversity

Vivendi invests massively in creation (2.5 billion euros in 2009) and promotes cultural diversity as an indispensable source of development of its business activities. Vivendi shares UNESCO's position, whose Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which took effect in March 2007, states that cultural diversity is "a mainspring for the sustainable development for communities, peoples and nations". Encouraging diversity in music repertoires and cinematic expression, promoting local talents and cultural heritage are all objectives shared by the Group's business units.

### Encouraging creation in all its diversity

As a world leader in communications and entertainment, Vivendi has the responsibility of producing and distributing its content in all its diversity. This content must respond to the curiosity of present and future generations as well as their desire to express their talent or to get involved in the cultural industries. The latter are sources of jobs and wealth creation. This diversity nourishes the intercultural dialogue encouraged by our business activities – music, film, the Internet and video games (see George Rose's point of view, p. 21).

### Diversity of talent and music repertoires

Universal Music Group, the world leader in recorded music, music publishing and digital-music distribution, has put diversity

at the core of its business activities. Its catalogue, with over 50 record labels, reflects a broad variety of local and international repertoires: rock, jazz, rap, country, hip hop and classical music. In 2010, Deutsche Grammophon, UMG's famous classical music record label, celebrates "111 Years of Excellence". UMG leverages this diversity of musical genres and local talent (see Olivier Robert-Murphy's point of view, p. 27). In 2009, within a scope encompassing 56 countries, close to 65% of physical and digital sales were accounted for by local artists, compared to 28% by international artists (excluding the domestic market). UMG's ambition is to discover the best talents and accompany them on the international scene. Thus artists who had achieved a great local success locally have been revealed to the general public thanks to the know-how of UMG



© Forum d'Avignon



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© Maestri Académie européenne de musique du Festival d'Aix-en-Provence

As a partner in international events, Vivendi demonstrates its commitment to cultural diversity. Above left, the duo of Ballaké Sissoko and Vincent Segal, invited by Vivendi to the Avignon Forum; in the center, the Malian singer Rokia Traoré, a Universal Music Jazz France artist, at the concert organized by Vivendi for the Women's Forum; above right, a master class at the Aix-en-Provence Festival, of which Vivendi is the main private partner.

## Point of view

**Promoting cultural diversity is a clever choice**

**Pascal Ory**, Culture and Media Historian, Professor at the Sorbonne, Sciences-Po Paris, and EHESS (*École des hautes études en sciences sociales*)

We all know that cultural globalization has never been as advanced as it is today. But deep down, the phenomenon is as old as humanity. The same is true for hegemony: there have always been dominant cultures. But we tend to forget that domination also means circulation, exchange, and crossbreeding – even leaving identity-bound reactions aside. As astounding as it may seem, diversity is the result of globalization. Promoting that cultural diversity, quite simply, is a clever choice.

In addition, even if modern societies function on the basis of individualistic constructs, which cultural technology encourages, they have not eradicated the need for community. Individual + community = tribe. Languages disappear every year, but forms of cultural

communities are created every day. In the 21st century, we are all of mixed race. Music, which has never been so present in our societies, is a good example. The niche effects of musical genres generated by tribes contribute to diversification and crossbreeding. Thus lucidity dictates offering diversity in an individualistic society.

Finally, it is evident that innovation, which is at the core of Vivendi's businesses, generates diversity, because true innovation always surprises. But what is innovative acclimates and crossbreeds very quickly. Globalized culture companies have a role to play as a driving force on this shifting terrain. Illustrating, defending and developing cultural diversity, then, is not a question of virtue, but of rational calculation.



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staff: in the United States, Adam Young, who was discovered via MySpace, and California singer-composer Colbie Caillat; in India, the Bohemia phenomenon, which blends the Punjabi language with Hip Hop; in New Zealand, singer Savage, recently signed by UMG, who won the award for best solo artist at the 2009 NZ Music Awards.

During the summer of 2009 the telecommunications operator Maroc Telecom organized once more its musical caravan *Jawla*, which contributes to promoting musical diversity to some ten thousand spectators. During a month-long tour from the South to the North of the Kingdom, famous artists shared the stage with local talent. During the rest of the year, Maroc Telecom continued its partnerships with the Kingdom's major festivals. 

**Diversity in cinematic expression**

Vivendi also encourages diversity in cinematic expression through the Canal+ Group, a major contributor to cinematic radiance in France, also influential in Poland (see Dorota Zawadzka's point of view, p. 72), in the Overseas Territories, and on the African continent with Canal Overseas Africa.

Canal+ participated actively in supporting French cinema creation in 2009 (see focus opposite) by financing 58.3% of the French films approved by the CNC (*Centre national du cinéma et de l'image animée*), including 66.5% of the French initiative films alone (121 out of 182). Also, Canal+ invests 25 million euros per year in films with separate budgets under 4 million euros.

Cinematic diversity is a key element of Canal+'s editorial line. 90% of subscribers say they find that the channel offers a variety of film genres. As of late 2009, 87% of subscribers were satisfied with Canal+'s movie offerings, compared to 60% in 2003.  That level of subscriber satisfaction is the result of a particularly rich, innovative and original programming. The broadcasting schedule of the Canal+ Cinéma channel, whose goal is to enable viewers to

Close to **65%** of UMG sales were accounted for by local artists within a scope encompassing 56 countries

**87%** of subscribers say they are satisfied with Canal+'s film offerings

discover the best of cinematic diversity, is structured around three weekly time slots (*Nouveau genre*, *Un ticket pour deux*, and *Le cercle*) and a monthly program (*Cinéma de Tiekar*) that give film enthusiasts ample opportunities to satisfy their curiosity.

Alongside Canal+, StudioCanal also contributes to expressing diversity. A major player in France and Europe in film financing, acquisition and distribution, the company has developed a production policy that reflects the variety of cinema genres around the world. 

In 2009, 500 screenplays were reviewed by StudioCanal, which worked with 15 French producers and 23 foreign producers on all continents. In addition, via StudioCanal Features – the production entity of its British subsidiary Optimum –, StudioCanal seeks to contribute to producing five to seven films per year in the UK.

**Focus****Canal+'s commitments towards European audiovisual works**

On December 18, 2009, Canal+ renewed its agreement with film industry organizations, effective January 1, 2010 for a duration of five years. On that occasion, Canal+ made several commitments:

- devote at least 9.5% of its total revenues to acquisition of works of French original expression, included in its obligation of 12.5% of total revenues dedicated to acquisition of European works;
- devote 17% of its obligation to acquire cinematic works of French original expression to the acquisition of films with a budget no larger than 4 million euros;
- contribute to financing a wide variety of films and balance financing equally over all types of budgets.



© Krzysztof Dubiel/Canal+

**Point of view**

**Canal+ in Poland has produced 120 feature films and 30 documentaries**

**Dorota Zawadzka**, Director of Communications, Canal+ Poland

In Poland, Canal+ not only presents film to its subscribers – broadcasting 400 films a year, including some of the best work from Poland and around the world – but also contributes to Polish cinema with financial support for some of the most interesting projects developed in the past 15 years. More than 120 feature films and 30 documentaries have been made thanks to the channel's support. Many of them have entered the annals of Polish, European and even world cinema. Examples are Roman Polanski's *The Pianist*, which won awards at the Oscars and the Cannes Festival, or Jacek Borcuch's

*Wszystko, co kocham (All That I Love)*, which won awards at the 2009 Polish Film Festival and was selected for the main competition of the Sundance independent film festival in 2010. Canal+ co-produced the next film by Jerzy Skolimowski, *The Essence of Killing*, and the international production *The Flying Machine* on the occasion of the bicentennial of the birth of Frédéric Chopin. This project perfectly symbolizes the channel's attachment to Polish and European tradition and its commitment to promoting Polish culture throughout the world.



© Canal+

**Promoting young talent**

Vivendi devotes particular attention to discovering, developing and building the career of young talent.

The Canal+ Group plays a major role in promoting young directors. Canal+ supported more than 70 first and second French films in 2009 (pre-purchase of 41 first films, or 34% of all the French initiative films pre-purchased by the channel, and 30 second films, or 25%). Also, the scouting program *Repérages* put in place by Canal+ in 2004 is a real pool of talent for the network, on both sides of the screen. September 2009 saw the debut of *Repérages l'Émission*, which gives expo-

sure to a selection of a dozen of comedians from among the best ones spotted over the preceding months. Spotting young talent is also the purpose of *La fabrique*, which produces three series in a 26-minute format per year, written and directed by undiscovered authors and directors. Some of these series (*Hard, Sweet Dream*) have been aired in prime time.

Universal Music Group makes efforts to promote and develop the new generation of artists. Throughout the world, the artists, and in particular the new talent, supported by Universal Music figured among the best sellers of 2009 and won many awards and prestigious distinctions in all repertoires.

The Group's other business units also play a very active role in discovering and nurturing young talent. Maroc Telecom is the official partner of the Moroccan artistic competition *Génération Mawazine*, whose winners are invited to take part in the Mawazine Festival and given support for recording an album. Maroc Telecom also supported the production and promotion of the latest album by the Group Hoba Hoba Spirit, representative of Morocco's new music scene.

In France, SFR has a specific program, *SFR Jeunes Talents*, for spotting young artists – in areas ranging from music to photography, and including writing and video –, promoting them, and putting them in touch with professionals. *SFR Jeunes Talents* has met with great success, with over 21,400 artists online, 125,500 works, a community numbering more than 130,000 members, and 115 young talents receiving awards in 2009. 

**Focus**

**Vivendi's promotion of languages**

**36** languages sung by artists in the Universal Music France catalogue

**8** languages offered for Blizzard Entertainment's massively multiplayer online role-playing game *World of Warcraft*

**15** languages used by Studio Canal in film subtitles

**5** languages available for Activision Publishing's video game *Guitar Hero: World Tour*

**2** languages (Arabic and Tamazight) available in Maroc Telecom's mobile telephony offering

**2** languages (Arabic and French) offered by Maroc Telecom's portal *Menara*

**Contributing to strengthening production capacities in Africa**

Vivendi, via its activities located in Africa, is committed to strengthening local capacities for artistic production while focusing attention on artists of the African continent.

The accompaniment of African artistic expression is an aspect of the cultural diversity promoted by the Group and recognized as a source of economic and human development.

Universal Music France has many African artists promoted at an international level, such as Salif Keita (*Victoire de la Musique* award in 2010, new album in late 2009, world tour in 2010); Tiken Jah Fakoli (new album planned in 2010); Rokia Traoré (*Victoire de la musique* award in 2009, world tour in 2009/2010); Okou (first album released in late 2009, tour in 2010); the band Tinariwen (new album released in late 2009); and Richard Bona (new album in late 2009).

The Canal+ Group subsidiary Canal Overseas Africa has been supporting African cinema for several years. In 2009, the company was again a leading financial partner of the African cinema with its support for five projects: *Sans regrets*, a feature-length film by Jacques Trabi (Ivory Coast), *Sory et les pilleurs*, a feature-length film by Souleymane Cissé (Mali), *Tango negro*, a documentary by Dom Pedro (Angola), *Guillah*, a documentary by Jean-Christian Chavivhot (Gabon/France), and *Regards d'Afrique*, a series of documentaries by Issaka Compaore (Burkina Faso) that portrays ten African filmmakers. Subscribers to Canal+ Horizons, the benchmark pay channel in Africa, were able to discover the series produced by Canal Overseas Africa, *Zem*, a Togolese production in a short format of 26 episodes (see p. 63). Through its programming of magazines such as *Talents d'Afrique*, *Zoom Horizons*, *Afrik'Art* and *Couleurs Horizons*, the channel contributes to gaining recognition for African artists around the world.

In 2009, Vivendi continued its professional training program for sound engineers in Mali. This long-term program, launched in partnership with UNESCO in 2006, consists in accompanying Malian author-composer and performer Salif Keita, a Universal Music France artist, in his desire to promote talented young people in Mali and the neighboring countries. At the end of the last training session, which took place in December 2009, the young trainees were awarded a professional diploma. Salif Keita held a press conference at his studio *Le Moffou* in Bamako to acknowledge the results of the program (see below). By supporting this training program, Vivendi contributes to consolidating professional cultural skills in Mali.

### Promoting heritage

Diversity of cultural expressions is a common heritage of humanity that must be celebrated and preserved for the benefit of all. Thanks to its editorial choices and its ambitious policies of digitizing the content it produces and distributes, Vivendi is contributing to the transmission of that heritage.

UMG, a pioneer in this area, continued its program of digital reissues in 2009, for example by making available content that had disappeared from the physical catalogue of its Swedish branch and of the American label Concord Music. Among the artists whose repertoires have once again been made accessible are Charlie Byrd, Ella Fitzgerald, and Mel Tormé. These

recordings, like the 60,000 titles already digitized, are now available to providers of digital music services around the world. In parallel with this vast program of digitization, UMG works in close cooperation with its local subsidiaries to supply music from other countries. The digitization program will continue in 2010.

Via its digital offering, the Canal+ Group also contributes to leveraging cinema heritage. The offering enables the Group to satisfy all kinds of television consumption for all different types of viewers. With nearly 8,000 content items accessible via multiple media, including nearly 4,000 films (some in High Definition), CanalPlay can lay claim to having the finest cinema offering on the French Video on Demand market (see p. 57).

StudioCanal, a wholly-owned subsidiary of the Canal+ Group, also contributes to the radiance of cinema heritage with its worldwide marketing of its catalogues. With more than 10,000 films and audiovisual works covering more than a century of the cinema – from the first short films of Georges Méliès in 1896 to our time – and from more than 60 countries, StudioCanal owns the most extensive catalogue of films in Europe. In 2009, 5% of the company's investments were devoted to the preservation and maintenance of this priceless heritage. This major initiative involves the restoration of works, digitization of content to optimize viewing of films on new media (Video on Demand, mobile television, etc.), transfer of content to High Definition (since 2003, more than 800 films have been restored or remastered in HD), and internationalization of the catalogue (systematic subtitling or dubbing of films).  In 2009, StudioCanal subtitled 157 films in 15 languages and dubbed 38 films in 6 languages. The *StudioCanal Collection*, made up of exclusive Blu-ray editions of the films that have most strongly marked the history of the cinema, was launched in Europe, Australia and Japan, and will be available in the United States in 2010. These new editions guarantee optimum image and sound quality for these cinema masterpieces.



Salif Keita held a press conference in December 2009, in Bamako, in his studio *Le Moffou*, to acknowledge the results of the sound-engineer training course.

## Our specific issues

# Sharing knowledge

Encouraging the sharing of knowledge is a key sustainable development issue for Vivendi, a company which, as a world leader in communications, must contribute to developing openness towards others, encourage dialogue between cultures and facilitate access to information technologies and knowledge.

### Promoting pluralism and quality of content

Through its content production and distribution activity and its worldwide service offering, Vivendi must satisfy vast and diverse audiences and contribute to nourishing exchange between them, while stimulating a critical mind and encouraging pluralism of expressions.

As a major player in the pay-audiovisual market, the Canal+ Group is particularly exposed to these issues. The Canal+ channel, known for its freedom of tone and its stand on citizenship matters, is highly involved in the effort to nourish its subscribers' critical spirit (see Christine Cauquelin's point of view, p. 47). Rigorousness, clarity and realism in the handling of subjects, respect for pluralism and independence, and inclusion of an international point of view are key elements of its editorial policy, which is applied to all the Group's thematic channels as well as the news channel i>Télé.

Canal Overseas Africa, a subsidiary of the Canal+ Group, again increased its offering of channels in Africa, to fourteen as of late 2009. These channels are accessible to customers of CanalSat Horizons in more than 20 countries in Sub-Saharan Africa and thus contribute to the plurality of information. 

StudioCanal, a subsidiary of the Canal+ Group which owns the most extensive catalogue of films in Europe, make sure that this cinematic treasure is promoted internationally and is accessible to the greatest possible amount of people. The new Internet portal of StudioCanal, a showcase for the Group's films with 1,600 titles referenced (with a goal of 2,000 titles by the end of the year), was launched in early 2010.

Maroc Telecom actively contributes to this sharing of knowledge. Menara, managed by its subsidiary Casanet, is the first information and service web portal in two languages: Arabic and French. With nearly 1.5 million unique visitors per month in 2009, Menara offers new content that is close to the concerns and interests of its users. In 2009 it launched Menara SIAM (on the occasion of the International Agricultural Fair in Meknès) and the new versions of Menara Junior (see p. 69) and Menara Ramadan. Menara Actualités, an online news channel updated 24/7, deals with all aspects of national and international news (Morocco, the world, the economy, technology, sciences, culture, etc.)

### Raising awareness of sustainable development

Vivendi has many relays for raising its audiences' awareness on sustainable development issues such as promotion of human rights and protection of natural resources.

Universal Music Group, present in 77 countries, supports the actions undertaken by artists committed to a range of causes (support for persons living with the AIDS virus, denunciation of discrimination, military use of children, etc.). Promotion of environmental protection is also among the messages sent



© nWave Studios

StudioCanal, with the Belgian company nWave, has co-produced a feature-length 3D animated film, *Sammy's Adventures*, to be released in summer 2010. Following a sea turtle throughout its life since its birth in the 1960s, audiences will take a tour of the world that reveals the extent of past and future destruction of the oceans. The film takes a playful, original, and effective approach to raising public awareness on the importance of preserving the seas and oceans.

## Focus

## September 21, a day for peace

On the International Day of Peace September 21, 2009, the Canal+ Group carried special programming for its subscribers.

Exclusively for that special day, Canal+ broadcast the animated film *Vaise avec Bachir* by Ari Folman. The film, winner of the César for the Best Foreign Film in 2009, was followed by the documentary by Britain's Jeremy Gilley, *The Day After Peace*. The documentary recounts Gilley's ten-year effort to establish an annual day of cease-fire and non-violence



© Canal+ Group

worldwide. To close this special day of programming, the channel aired an exceptional concert organized two days earlier for the tenth anniversary of the Peace One Day association with Lenny Kravitz, Ayo, Olivia Ruiz, Keziah Jones, Charlie Winston and actress Elsa Zylberstein, the association's ambassador in France.

by UMG to its customers. Universal Music Enterprises, the company's catalog marketing division, issued the first 100% recyclable CD packaging (both jewel cases and sleeve) in the record industry. An estimated 17 million CDs have been distributed around the world in this packaging to date.

Canal+ regularly throws light on sensitive topics. In 2009, the struggle for the right to housing (*Les enfants de Don Quichotte*), the hijacking of international aid and corruption in the Afghan government (*Afghanistan, sur la piste des dollars*), and the trial following the reproduction of the caricatures of Mahomet (*C'est dur d'être aimé par des cons*) were the topic of documentaries produced and broadcast by the channel. It regularly programs documentaries or programs intended to call attention to environmental issues (Green Hollywood, *Les temples de la consommation*, green reports in daily programming, special programming during the Copenhagen summit, etc.) and social problems (*Le regard des autres* – four short films on the topic of homophobia; *Bienvenue dans la vraie vie des femmes* – four portraits of women illustrating the inequalities between men and women; *Alerte dans nos assiettes* – an investigation of agrifood). And by broadcasting *TED, 18 minutes pour changer le monde*, Canal+ encourages “openness to ideas with the potential to change the world that deserve to be spread.”

First mobile telephony operator to put its technology and expertise at the service of solidarity, SFR has carried on many partnerships with civil society for over ten years. These partnerships make it possible to fully integrate the different sustainable development issues into its programs of action and thus contribute to increasing the awareness of its customers. SFR also continues its commitment to recycling, launching a new program for recuperating old cell phones, open to any indi-

vidual (whether or not an SFR customer): for each mobile device recovered, the individual receives a purchase voucher and 4 euros are paid by SFR to a non-profit partner such as *La Voix de l'Enfant* (an association of children's protection and defense) or *Fondaterra* (European foundation for sustainable territories). [www.W.](#)

During the summer of 2009, Maroc Telecom, also involved for the past several years in the endeavor to raise awareness of sustainable development, organized a new edition of the “Beach Festival.” Thirteen “villages” were created, each hosting nearly 10,000 people per day and offering sports and cultural activities to vacationers, along with active and ongoing awareness raising activities about environmental protection in the context of the “Clean Beaches” operation conducted under the sponsorship of the Mohammed VI foundation for environmental protection.



An environmental awareness workshop organized by Maroc Telecom during the “Beach Festival” 2009.

## Focus

# Playing for change



Universal Music Group actively supports the Playing For Change collective, which has been traveling the world for a decade, finding street musicians and singers of all nationalities. Playing For Change records and then compiles their musical performances. UMG distributes the CD and DVD and turns over all profits from sale to the Playing For Change Foundation. UMG also supports the concerts given by the movement (at the UK's Glastonbury Festival, in Spain, France, the USA and Japan), in which artists under contract with the company regularly take part. In supporting this initiative, UMG encourages dialogue between cultures, a force for peace and a source of inspiration and creativity for the artists.



© Courtesy of Jeremy Gouldier & Playing For Change

### Encouraging intercultural dialogue

Through its geographical locations on all continents and its large investments both in content (2.5 billion euros in 2009) and in networks (2.4 billion euros), Vivendi plays a major role in encouraging dialogue between cultures. All the Group's business units contribute to building bridges between cultures.

Activision Blizzard stimulates exchanges between players from various countries. The graphical universe and scripting of the online game *World of Warcraft* reflect the cultural diversity of its players, who can dialogue directly within the game, regardless of where they are in the world. Players who own *Guitar Hero* can compose songs by using the game's music "Studio" and make their songs available to other players via the *Guitar Hero* service GH Tunes, which is accessible from various console platforms. Players from different countries can share their compositions over the Internet and discover a diversity of repertoires (see George Rose's point of view, p. 21).

Universal Music Group is a major player in intercultural dialogue not only by virtue of its business activity, but also through its international reach. The artistic directors of the 50-plus labels that make up UMG and its publishing division are constantly on the lookout for new authors, composers, performers and musicians. They nurture long-term relationships with their artists by developing and promoting them at the local as well as international level (see Olivier Robert-Murphy's point of view, p. 27). UMG, aware that intercultural dialogue is a factor for peace and openness towards others, makes use of its know-how and its notoriety to support remarkable initiatives such as that being carried out by the NGO Playing For Change (see focus above).

The Canal+ Group, through its editorial offering and its international development, encourages openness to the world. The Canal+ Cinéma channel, aside from its diversified offering of films by directors from around the world, offers its subscribers several programs devoted to little-explored countries and film genres (such as the American independent cinema, Spanish fantasy films, the Slavic new wave in 2009, Italian political cinema and Australian thrillers planned for 2010).  At the start of 2009 Canal Overseas, operator of Canal+ and CanalSat in the Overseas Territories and Africa, launched the first legal offering of French television in the Maghreb. Resulting from a partnership with the satellite operator Arabsat, the principal supplier of satellite services in the Arab world, *Le Bouquet de Canal+* offers 35 channels covering all topical areas (premium, cinema, entertainment, music, discovery, children's TV, information, lifestyle, sports).

Maroc Telecom encourages intercultural exchange via its web portal Menara, its mobile television offering and the subscriptions to foreign news services it offers its mobile telephony customers.

### Facilitating access to new technologies

Vivendi contributes to reducing the digital gap by providing advantageous service offerings to school and university populations and training and education in the new uses of communication for disadvantaged and isolated people. This is a major axis of Vivendi's social responsibility program Create Joy (see focus opposite) and a constant concern of the Group's business units.

As part of its strategy of innovation and its citizenship commitment, SFR puts its expertise at the service of society. In 2009, SFR conti-

nued its efforts to facilitate access to new technologies – using pictograms to inform disabled persons about the accessibility of mobile devices on its online shop and in its retail outlets; supporting the setting up of relay centers enabling hearing-impaired persons to communicate with hearing persons; launching a specific mobile offering for seniors (see Marie-Christine Théron's point of view, p. 33). And as part of the "France numérique 2012" plan, SFR has launched an Internet access via satellite service approved by the "Broadband For All" (*Haut débit pour tous*) government label.

In parallel to its actions in favor of ending digital isolation in the countries where it operates (see p. 62-63), the Maroc Telecom Group contributes to facilitating access to new technologies and to their content. Thanks to its MobileZone portal, Maroc Telecom provides a broad population with free access to news and entertainment content. The *Actualités*, *Cinéma TV* and *Femmes* channels, accessible via the Menara portal, generated 8.5 million page viewings for 1.2 million visits in 2009. The Group also adapts its marketing offerings to the specific needs of school and university populations. As part of this effort,

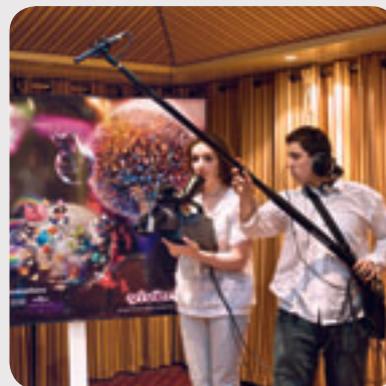
Maroc Telecom provided close to 4,500 engineering students with laptop computers and 3G Internet subscriptions and provided nearly 80,000 3G connections to teachers (see Abderrahim Koumaa's point of view, p. 37).

The Brazilian operator GVT is also contributing to the fight against the digital gap. Through its investments, it is pursuing an ambitious and dynamic policy aimed at ending digital isolation. On top of this, as part of its "Educando GVT" project, GVT also supports institutions by providing computer equipment and facilitating broadband Internet access.

As of February 1st, 2010, all Canal+ programming is accessible to deaf and hearing-impaired persons. That represents 8,000 broadcast hours, including 2,500 hours of live broadcast to be subtitled in 2010. Until now, seven films with subtitles for the hearing-impaired were aired each month. Subtitling 100% of the programs is a real technical challenge that transversely mobilizes all the Group's teams. Moreover, the Canal+ Group's "Youth" and "Family" channels (Piwi and Canal+ Family) offer programs for familiarizing children with sign language.

## Focus

### Create Joy, Vivendi's social responsibility program



© Patrice Guérinat

In the context of its social responsibility program Create Joy, Vivendi supported some twenty projects in 2009 from NGOs working in the USA, the UK, France, Morocco, Mali and Burkina Faso. Among these projects, Vivendi supported the "Fondation d'Auteuil" in training one hundred teenagers in cinema and media activities.

On June 2, 2009, the works created by these students were officially presented before a jury chaired by Michel Vuillermoz of the most famous French theatre, La Comédie Française. The actor held what amounted to a real master class, encouraging the students present to express themselves and make use of their creativity.

# United Nations Global Compact



**Jean-Bernard Lévy,**  
Chairman of the Management Board  
and Chief Executive Officer

Our Group, which has made considerable investments and innovations in recent years, now stands as a world leader in communications and entertainment.

In choosing to promote cultural diversity on the different continents where we are present and by investing massively in content and networks, Vivendi has the ambition to encourage its customers' participation in cultural life, to facilitate exchange between and among them via the new communication and information technologies, to nourish intercultural dialogue, and to encourage open-mindedness between peoples and generations.

I would like to cite the Universal Declaration of Human Rights of 1948, which states in its preamble that it is essential to promote the development of friendly relations between nations and which declares, in its Article 27, the right for every person to freely participate in the cultural life of the community and to enjoy the arts.

Vivendi has this responsibility of enabling its tens of millions of clients, and of course all those who live in the least privileged countries, to take part in these artistic, musical, cinematic and audiovisual expressions. Facilitating access to these various forms of cultural expression stimulates creativity, strengthens social cohesion, encourages innovation and contributes to economic growth.

I feel strongly that culture and intercultural dialogue must be recognized as pillars of sustainable development for communities and peoples, and I commit myself to seeing that Vivendi contributes actively to consolidating them.

## The Ten Principles of the Global Compact

### Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

2. make sure that they are not complicit in human rights abuses.

### Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4. the elimination of all forms of forced and compulsory labor;

5. the effective abolition of child labor; and

6. the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges;

8. undertake initiatives to promote greater environmental responsibility; and

9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

## Their implementation within Vivendi

- Vivendi contributes to promoting, within its sphere of influence, human rights and ensures its employees' awareness on the topic.  
=> Vivendi pursues its dialogue with stakeholders and regularly brings together employees and representatives of civil society to discuss the key topics of sustainable development and promotion of human rights (see p. 52-55).
- Vivendi promotes cultural diversity as an indispensable source of development for its business activities, and shares the vision of UNESCO, whose March 2007 Convention on the Protection and Promotion of the Diversity of Cultural Expressions states that cultural diversity is "a mainspring of the sustainable development of communities, peoples and nations."  
=> In 2003 Vivendi defined the promotion of cultural diversity as one of its specific issues of sustainable development. Encouraging diversity of musical repertoires, encouraging all forms of cinematic expression, promoting local talent, and sustaining cultural heritage are all goals shared by the Group's business units (see p. 70-73 and p. 82).
- Vivendi must reconcile the development of content and service offerings enabled by new technologies with the protection of young audiences against harmful behaviors.  
=> In 2003 Vivendi defined the protection of youth as one of its specific issues of sustainable development. The Group contributes to evaluating the impact of its product and service offerings on young audiences in terms of opportunities or risks, and to apprehending generational approaches of media and cultural practices (see p. 66-69).
- Vivendi is committed to promoting the sharing of knowledge and access to new information and communication technologies.  
=> In 2003, Vivendi defined the sharing of knowledge as one of its specific issues of sustainable development (see p. 74-77).
- Vivendi has formalized its commitments in its Compliance Program\* and intends for its suppliers and providers to apply them.  
=> Vivendi has defined rules of conduct in its Compliance Program\*. Adherence to these rules of conduct is a condition for belonging to Vivendi, and an annual progress report, based on these rules of conduct, is prepared by Vivendi's General Counsel and presented to the Audit Committee (see p. 56-59).
- Vivendi works to establish a constructive dialogue with the competent bodies representing employees which respect their prerogatives.  
=> Vivendi leads a process of dialogue and consultation with the social unions in order to encourage collaboration and communication within the Group (see p. 61 and the 2009 Annual Report p. 23).
- Vivendi is committed itself to supporting and implementing the fundamental principles of labor standards and to promoting them to its suppliers and providers.  
=> The respect of social rights, individual dignity and private life, within working conditions, is a clearly defined rule of conduct set down by Vivendi in its Compliance Program\*.
- Vivendi affirms and asserts its attachment to diversity in recruitment and its fight against discrimination.  
=> Vivendi clearly defined in its Compliance Program that discrimination is contrary to the values of tolerance and respect for the individual and is incompatible with the employment policy that the Group intends to apply. The rule of conduct relative to employees' rights, set down in the Compliance Program\*, is included in the codes of conduct of the subsidiaries (see p. 60-63).
- Vivendi implements an environmental policy based on formal commitments.  
=> The respect of the environment is a clearly defined rule of conduct established by Vivendi in its Compliance Program\*. In 2000, the Group put in place a Program of compliance with environmental, health and workplace safety standards, as well as an Environmental Charter applicable to the whole Group. Consistent with Vivendi's proactive approach to environmental matters, the Group pays particular attention to the subject of health and mobile telephony (see p. 64-65).
- Vivendi is committed to fighting corruption of any kind, and making sure this principle is respected by its suppliers and providers in all of the Groups operating countries.  
=> The fight against corruption is a clearly defined rule of conduct set down by Vivendi in its Compliance Program\*.

\*The Compliance Program is available on Vivendi's website ([www.vivendi.com](http://www.vivendi.com)).

# 2009 Progress & perspectives for 2010-2011

## Corporate responsibility

	2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011
Economic issues	<ul style="list-style-type: none"> <li>Strongly grow EBITA in 2009 and post solid earnings to maintain a high dividend</li> </ul>	<ul style="list-style-type: none"> <li>8.8% growth in EBITA</li> <li>Very strong generation of cash flow from operations</li> <li>High dividend maintained, at €1.40 per share paid in cash</li> </ul>	<ul style="list-style-type: none"> <li>Post a slight increase in EBITA in 2010</li> </ul>
		<ul style="list-style-type: none"> <li>Acquisition of GVT, Brazil's leading alternative operator, a company with strong growth on one of the world's largest markets</li> </ul>	
	<ul style="list-style-type: none"> <li>Monitor sustainable development issues within the Risks Committee</li> </ul>	<ul style="list-style-type: none"> <li>The Sustainable Development Department took part in three meetings of the Risks Committee in 2009</li> </ul>	<ul style="list-style-type: none"> <li>Monitor sustainable development issues within the Risks Committee</li> <li>Draw up a cartography of sustainable development risks in liaison with the Internal Audit Department</li> </ul>
	<ul style="list-style-type: none"> <li>Continue integrating sustainable development issues into audits conducted in the field: deploy the sustainable development questionnaire and monitor the results</li> </ul>	(see p. 56-59)	<ul style="list-style-type: none"> <li>Continue integrating sustainable development issues into audits conducted in the field: continue the deployment of the questionnaire and monitor its results</li> </ul>
	<ul style="list-style-type: none"> <li>Update the sustainable development clause included in supplier contracts to promote the Ten Principles of the United Nations Global Compact</li> </ul>	<ul style="list-style-type: none"> <li>Communication of a new sustainable development clause based on the principles of the United Nations Global Compact to all Group business units</li> </ul>	<ul style="list-style-type: none"> <li>Monitor integration of the clause</li> </ul>
	<ul style="list-style-type: none"> <li>Maintain ongoing dialogue with the French and international financial community</li> </ul>	<ul style="list-style-type: none"> <li>53 investors met within the context of the road shows on sustainable development (Frankfurt, London, Paris) organized with the Investor Relations Department (see p. 52-55)</li> </ul>	<ul style="list-style-type: none"> <li>Continue dialogue with the financial community</li> </ul>
<ul style="list-style-type: none"> <li>Strengthening of Vivendi's commitments as regards to protection of personal data: monitor the work of the working Group bringing together all of the Group's business units</li> </ul>	<ul style="list-style-type: none"> <li>Appropriation by the business units of the principles defined in Vivendi's Data and Content Protection Charter</li> <li>Writing of a guide of good practices concerning security of personal data (see p. 56-59)</li> </ul>	<ul style="list-style-type: none"> <li>Raising awareness to the issue of protection of personal data with the business units' upper management</li> </ul>	

	2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011
Social issues	<ul style="list-style-type: none"> <li>Include strategic sustainable development issues in the Works Council and European Committee meetings</li> </ul>	<ul style="list-style-type: none"> <li>Organization of a day of training in sustainable development for trade union and personnel representatives in liaison with the Human Resources Department (see p. 52-55)</li> </ul>	<ul style="list-style-type: none"> <li>Continue raising trade union and personnel representatives' awareness of the sustainable development policy</li> </ul>
	<ul style="list-style-type: none"> <li>Hold a session of the Diversity Skills Network on the theme of disability</li> </ul>	<ul style="list-style-type: none"> <li>The Diversity Skills Network met in June 2009 on the occasion of a Sustainable Development Committee meeting devoted to the hiring of disabled workers (see p. 60-63)</li> </ul>	<ul style="list-style-type: none"> <li>Hold a meeting for the Diversity Skills Network on the theme of maintaining employment of seniors</li> </ul>
	<ul style="list-style-type: none"> <li>Continue our commitments to the Public Authorities to contribute to creating jobs in regions affected by unemployment and industrial restructuring</li> </ul>	(see p. 60-63)	<ul style="list-style-type: none"> <li>Continue our commitments to the public authorities to contribute to job creation in regions affected by unemployment and industrial restructuring</li> </ul>
	<ul style="list-style-type: none"> <li>Continue the evaluation of the business units' contributions to the economic and social development of emerging countries</li> </ul>	(see p. 60-63)	<ul style="list-style-type: none"> <li>Make progress in evaluating the business units' contribution to the economic and social development of emerging countries</li> </ul>
	<ul style="list-style-type: none"> <li>Renew the employee shareholding operation by launching Opus 09 in the first semester of 2009</li> </ul>	<ul style="list-style-type: none"> <li>Renewal of the employee shareholding operation Opus 09 (see p. 60-63)</li> </ul>	<ul style="list-style-type: none"> <li>Renew the employee shareholding operation by launching Opus 10 in the 1st semester of 2010</li> </ul>
	<ul style="list-style-type: none"> <li>Continue our approach of anticipating predictable changes in business activities in order to invest preventively in training and internal mobility</li> </ul>	(see p. 60-63)	<ul style="list-style-type: none"> <li>Strengthen inter-business unit mobility</li> </ul>
	<ul style="list-style-type: none"> <li>Encourage employee involvement in causes supported by Vivendi</li> </ul>	(see p. 60-63)	<ul style="list-style-type: none"> <li>Encourage employee involvement in causes supported by Vivendi</li> </ul>

	2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011
Environmental issues	<ul style="list-style-type: none"> <li>Continue awareness training actions for headquarters employees</li> </ul>	<ul style="list-style-type: none"> <li>Organization of awareness campaigns as part of the implementation of the Environmental Management System</li> </ul>	<ul style="list-style-type: none"> <li>Continue awareness-raising and training activities for employees of Corporate Headquarters</li> </ul>
	<ul style="list-style-type: none"> <li>Continue the process of certification of the Group's sites, including EMAS registration for Vivendi's Paris Headquarters</li> </ul>	<ul style="list-style-type: none"> <li>Awarding of EMAS registration for Corporate Headquarters in Paris in July 2009 (see p. 64-65)</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a partial audit of the Environmental Management System as part of renewal of the EMAS registration</li> </ul>
	<ul style="list-style-type: none"> <li>Continue the process of making progress regarding reporting</li> </ul>	<ul style="list-style-type: none"> <li>Training in reporting of environmental data completed at the Regional Divisions of Maroc Telecom</li> </ul>	<ul style="list-style-type: none"> <li>Train GVT's correspondents in charge of reporting environmental data in the use of the Group's environmental reporting software application</li> </ul>
	<ul style="list-style-type: none"> <li>Continue the internal compliance audits as part of the Program of compliance with environment, health and workplace safety standards adopted in 2000</li> </ul>	<ul style="list-style-type: none"> <li>10 new sites audited, including 2 Activision Blizzard sites in the United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>Continue the internal compliance audits as part of the Program of compliance with environmental, health and workplace safety standards adopted in 2000</li> </ul>
	<ul style="list-style-type: none"> <li>Have the environmental performance objectives specific to our business sectors validated by the Management Board</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of the examination, for the period 2010-2015, of new potential objectives regarding water consumption, waste production and emission of greenhouse gases</li> </ul>	<ul style="list-style-type: none"> <li>Obtain approval of the Management Board for environmental performance objectives specific to our business sectors</li> </ul>

✓ Objective reached &gt; Underway

		2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011	
			✓	<ul style="list-style-type: none"> <li>Defining and compiling of indicators to constitute the sustainable development criteria to be integrated into the variable remuneration of senior executives (see p. 8-9)</li> </ul>	<ul style="list-style-type: none"> <li>Monitor these criteria</li> </ul>
Protecting and empowering youth	2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011		
	<ul style="list-style-type: none"> <li>Continue the Group's contribution to the EU Commission program, renewed for the period 2009-2013</li> </ul>	✓	<ul style="list-style-type: none"> <li>Participation in the work on protection of young people within the 'Online content' platform put in place by the EU Commission</li> <li>Partner in the first Pan-European Youth Panel for a Safer Internet (see p. 52-55 and p. 66-69)</li> </ul>	<ul style="list-style-type: none"> <li>Continue the Group's contribution to the EU Commission program</li> </ul>	
	<ul style="list-style-type: none"> <li>Strengthen exchanges with experts from the academic, institutional, medical and professional community, in France and in the United States</li> </ul>	✓	<ul style="list-style-type: none"> <li>A session of the Sustainable Development Committee was devoted to protection of the personal data of young Internet users (see p. 52-55 and p. 66-69)</li> </ul>	<ul style="list-style-type: none"> <li>Continue exchanges with experts from the academic, medical, institutional and professional communities in France, the United States and Brazil</li> </ul>	
	<ul style="list-style-type: none"> <li>Introduce the issue in the context of a reflection conducted on the sector level</li> <li>Hold a working seminar with all the business units</li> </ul>	✓	<ul style="list-style-type: none"> <li>Founding member of the Media Sector Working Group set up by the GRI (see p. 52-55 and p. 82)</li> <li>First Sustainable Development Seminar (see p. 52-55)</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to defining sectoral indicators withing the GRI Media Working Group</li> <li>Prepare the 2012 edition of the Sustainable Development Seminar</li> </ul>	
Promoting cultural diversity	2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011		
	<ul style="list-style-type: none"> <li>Support for the second edition of the Avignon Forum in 2009</li> </ul>	✓	<ul style="list-style-type: none"> <li>Official partner of the second Avignon Forum in November 2009, which brought together 300 major players in the economy, culture, media and public authorities from many countries. The theme of the event was "Cultural Strategies for a New World"</li> </ul>	<ul style="list-style-type: none"> <li>Continue our support for events promoting cultural diversity and dialogue between cultures</li> </ul>	
	<ul style="list-style-type: none"> <li>Participate in future work done by the European Commission</li> </ul>	✓	<ul style="list-style-type: none"> <li>Participation in the work on cultural diversity within the 'Online content' platform put in place by the EU Commission</li> </ul>		
	<ul style="list-style-type: none"> <li>Continue the training program to consolidate the career track for sound engineers in Mali</li> </ul>	✓	<ul style="list-style-type: none"> <li>Training program operated and graduation ceremony held in Bamako in December 2009 (see p. 70-73)</li> </ul>	<ul style="list-style-type: none"> <li>Continue programs aimed at strengthening local production capacities</li> </ul>	
	<ul style="list-style-type: none"> <li>Introduce the issue in the context of a reflection conducted on the sector level</li> <li>Hold a working seminar with all the business units</li> </ul>	✓	<ul style="list-style-type: none"> <li>Founding member of the Media Sector Working Group set up by the GRI (see p. 52-55 and p. 82)</li> <li>First Sustainable Development Seminar (see p. 52-55)</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to defining sectoral indicators within the GRI Media Working Group</li> <li>Prepare the 2012 edition of the Sustainable Development Seminar</li> </ul>	
Sharing knowledge	2009-2010 Objectives	Progress 2009	Perspectives for 2010-2011		
	<ul style="list-style-type: none"> <li>Share our ideas with other research centers</li> </ul>	✓	<ul style="list-style-type: none"> <li>Participation in the work of the commission put in place by the Ministry of Higher Education and Research (see p. 52-55)</li> </ul>	<ul style="list-style-type: none"> <li>Continue our discussions with the academic community</li> </ul>	
	<ul style="list-style-type: none"> <li>Introduce the issue in the context of a reflection conducted on the sector level</li> <li>Hold a working seminar with all the business units</li> </ul>	✓	<ul style="list-style-type: none"> <li>Founding member of the Media Sector Working Group set up by the GRI (see p. 52-55 and p. 82)</li> <li>First Sustainable Development Seminar (see p. 52-55)</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to defining sectoral indicators within the GRI Media Working Group</li> <li>Prepare the 2012 edition of the Sustainable Development Seminar</li> </ul>	

## 2009 Sustainable development indicators

# Indicators related to specific issues

### Investments made by Vivendi in 2009

**2.5 billion euros in contents**

**2.4 billion euros in networks**

Impact and audience	
<b>Activision Blizzard</b>	<ul style="list-style-type: none"> <li>• More than 11 million subscribers to <i>World of Warcraft</i></li> <li>• Three of the world's top ten video games</li> </ul>
<b>Universal Music Group</b>	<ul style="list-style-type: none"> <li>• More than one out of every four CDs sold in the world; more than one out of every three CDs sold in the USA</li> <li>• UMG is present in 77 countries</li> </ul>
<b>SFR</b>	<ul style="list-style-type: none"> <li>• 20.4 million mobile customers</li> <li>• 4.4 million broadband Internet customers</li> <li>• 8.4 million 3G/3G+ customers</li> <li>• 3 million subscribers to the TV-video offering</li> <li>• 17 million fixed VoD consumptions</li> </ul>
<b>Maroc Telecom Group</b>	<ul style="list-style-type: none"> <li>• Close to 22 million customers in Morocco and in four other countries: Mauritania, Burkina Faso, Gabon and Mali</li> <li>• Close to 15.3 million mobile customers in Morocco (more than 4.2 million in Mauritania, Burkina Faso, Gabon and Mali)</li> <li>• Close to 1.3 million fixed lines in Morocco (nearly 295,000 in Mauritania, Burkina Faso, Gabon and Mali)</li> <li>• Close to 0.5 million Internet lines in Morocco (55,700 in Mauritania, Burkina Faso, Gabon and Mali)</li> <li>• 30,000 Maroc Telecom TV customers (TV via ADSL and MTBox subscribers)</li> <li>• Close to 174,000 3G mobile Internet customers in Morocco</li> <li>• Close to 1.5 million unique monthly visitors to Menara, Maroc Telecom's Internet portal, in 2009</li> </ul>
<b>GVT</b>	<ul style="list-style-type: none"> <li>• Over 2.8 million lines in service</li> <li>• Close to 669,000 broadband (ADSL) subscriptions</li> </ul>
<b>Canal+ Group</b>	<ul style="list-style-type: none"> <li>• 12.5 million subscriptions, including 10.8 in France (including Overseas) and Africa, and 1.7 internationally (Poland and Vietnam)</li> </ul>

Protecting and empowering youth (see p. 70-73)			
	Code of professional ethics*	Tools for parental control	Awareness raising actions
<b>Activision Blizzard</b>	✓	✓	✓
<b>Universal Music Group</b>	✓	✓	✓
<b>SFR</b>	✓	✓	✓
<b>Maroc Telecom Group</b>	Underway	Underway	Underway
<b>GVT</b>	✓	✓	✓
<b>Canal+ Group</b>	✓	✓	✓

\* Or transposition of Vivendi's Data and Content Protection Charter.

### Point of view

**Katherine Miles**, GRI Media Sector Supplement Manager

One of the unique sustainability impacts of the media sector is its so-called 'brain print'. How to manage and measure the impact of media content on media consumers is a key discussion point that the GRI Media Sector Supplement Working Group is grappling with and an issue that they consider as important

for reporting. Every reader of sustainability reports has their own idea about what sustainability issues relating to the media are in their view most important, as well as their own expectations about how a media company ought to go about managing and measuring performance on these issues.

By using this participatory and inclusive multi-stakeholder process to develop the GRI Media Sector Supplement, the resulting reporting guidance is intended to better address the broad range of stakeholder concerns about media companies' impact on the economy, the environment and society.





### Point of view

**Christian de Boissieu**, Professor at the University of Paris 1 (Panthéon-Sorbonne), Economic Advisor to the Paris Chamber of Commerce and Industry (CCIP)

Sustainable development is too often reduced to its environmental aspect. Economists themselves too often fail to consider its cultural dimension. Yet culture is one of the pillars of sustainable development.

More or less recent studies of growth and well-being and how to measure them conclude with an insufficient indicator such as the GDP (Gross Domestic Product) to reflect the reality. The scope of the traditional indicators needs to be broadened. Accordingly,

our repositioning on a path of long-term growth must include grey growth and green growth, covering intellectual and cultural areas.

The role of culture industries is essential here. They must define specific indicators for measuring and assessing the contribution of culture to innovation, well-being, and the wealth of a community or of a country. Difficulties with measurement are to be expected, since we are dealing with an area that is still not sufficiently taken

into account in statistical studies. When will we have indicators such as the cultural intensity of an economic activity, or a criterion of cultural diversity for evaluating the worthiness of a project?

In this perspective, Vivendi's identification of its specific sustainable development issues in 2003, as well as its efforts deployed since then to evaluate and measure its intellectual and cultural footprint around the world, deserve reward.

### Promoting cultural diversity (see p. 74-77)

Musical diversity	<b>Universal Music Group</b>	<ul style="list-style-type: none"> <li>More than 50 music labels</li> <li>Close to 65% of sales accounted for by local artists (scope encompassing 56 countries)</li> <li>Breakdown of total revenues from physical sales by music genre</li> </ul>	
	<b>SFR</b>	<ul style="list-style-type: none"> <li>The No.1 mobile music platform in France with more than 10 million titles downloaded</li> <li><i>SFR Jeunes Talents Music</i>: 16,000 tracks, 12,000 artists online; 47 bands appearing at major venue and festivals; more than 20 bands have signed contracts with a record label</li> </ul>	
Audiovisual diversity	<b>Canal+ Group</b>	<ul style="list-style-type: none"> <li>Financing of 66.5% of the French initiative films approved by the CNC</li> <li>Financing of 41 first films</li> <li>StudioCanal's collaboration with 15 French producers and 23 foreign producers</li> </ul>	
	<b>SFR</b>	<ul style="list-style-type: none"> <li><i>SFR Jeunes Talents Photo</i>: 101,000 works, 7,000 artists online, winner of the Grand Prix 2009 present at Paris Photo</li> <li><i>SFR Jeunes Talents Vidéo</i>: 1,100 works, 1,400 artists online, competition winners shown during "Arte Video Night"</li> </ul>	
Promotion of languages	<b>Activision Blizzard</b>	<ul style="list-style-type: none"> <li>8 languages available in <i>World of Warcraft</i></li> <li>5 languages available in <i>Guitar Hero</i></li> </ul>	
	<b>Universal Music Group</b>	<ul style="list-style-type: none"> <li>36 languages sung by artists in the Universal Music France catalogue</li> </ul>	
	<b>Canal+ Group</b>	<ul style="list-style-type: none"> <li>Subtitling of 157 films in 15 different languages and dubbing of 38 films into 6 different languages by StudioCanal</li> <li>Programs for familiarization with sign language on the Pivi and Canal+ Family channels</li> </ul>	
	<b>SFR</b>	<ul style="list-style-type: none"> <li><i>SFR Jeunes Talents Texte</i>: 7,400 works, 1,000 artists online</li> </ul>	
	<b>Maroc Telecom Group</b>	<ul style="list-style-type: none"> <li>2 languages (Arabic and French) offered by Menara, Maroc Telecom's Internet portal</li> <li>Tamazight alphabet available on a cell-phone model designed in partnership with a manufacturer</li> <li>7 languages represented on TV channels in Maroc Telecom's ADSL TV pack</li> </ul>	

### Sharing knowledge (see p. 78-81)

See the tables on mobile/Internet coverage and fiber optic deployment on the website

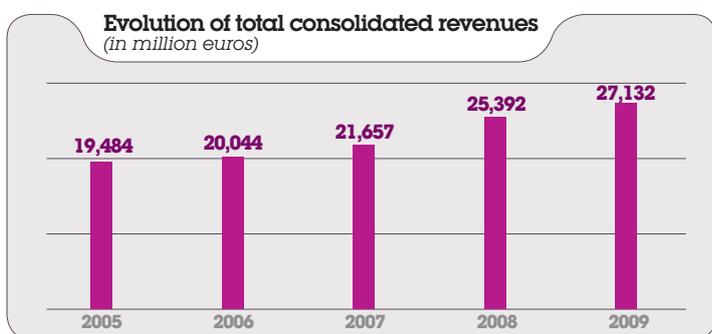


Reducing the digital gap	<b>SFR</b>	<ul style="list-style-type: none"> <li>Out-of-coverage areas program:               <ul style="list-style-type: none"> <li>close to 98% of localities covered as of late 2009</li> <li>364 additional localities chosen by SFR for the program (to be covered in the coming years)</li> <li>100% of localities in out-of-coverage areas covered by GPRS</li> <li>434 Wi-Fi base stations deployed covering out-of-coverage ADSL areas</li> </ul> </li> <li>Launch of an Internet via satellite service as part of the «France numérique 2012» program (see p. 77)</li> </ul>	
	<b>Maroc Telecom Group</b>	<ul style="list-style-type: none"> <li>3rd investment agreement with the State for an amount of 10.5 billion Dirham between 2009 and 2011</li> <li>Responsibility for 80% of the Pacte universal service program (coverage of 7,338 localities by 2011, 35% completed as of late 2009)</li> <li>Responsibility for 70% of the financing of the Nafid@ program</li> <li>Close to 1,300 additional BTSs installed in Morocco, and an increase of 50% in international Internet bandwidth</li> <li>Rural localities newly connected to the fixed telephony network: 390 in Burkina Faso, 121 in Mali, 46 in Mauritania</li> <li>New connections to the Internet: more than 6,300 in Burkina Faso, more than 7,300 in Mali, 6,400 in Mauritania</li> </ul>	
	<b>GVT</b>	<ul style="list-style-type: none"> <li>In late 2009, 39% of Internet customers had access at <math>\geq 10</math> Mbps</li> <li>Fixed-line broadband Internet up to 100 Mbps deployed in 64 cities as of end December</li> <li>«Educando GVT» program (see p. 66-69)</li> </ul>	
Accessing offers and products	<b>SFR</b>	<ul style="list-style-type: none"> <li>Accessibility of offerings to disabled persons (9 software applications offered, 804 applications installed)</li> <li>Dedicated mobile offering for seniors (see p. 33)</li> </ul>	
	<b>Maroc Telecom Group</b>	<ul style="list-style-type: none"> <li>Offerings suited to the specific needs of school and university populations (4,500 student engineers equipped with laptop computers and Internet subscriptions, close to 80,000 3G connections supplied to schools and universities) (see p. 37)</li> </ul>	
	<b>GVT</b>	<ul style="list-style-type: none"> <li>Offerings and rates adapted to customer profiles</li> </ul>	
	<b>Canal+ Group</b>	<ul style="list-style-type: none"> <li>100% of Canal+ programs accessible to deaf and hearing-impaired persons</li> <li>7 films subtitled in deaf and hearing-impaired versions broadcast each month</li> </ul>	

## 2009 Sustainable development indicators

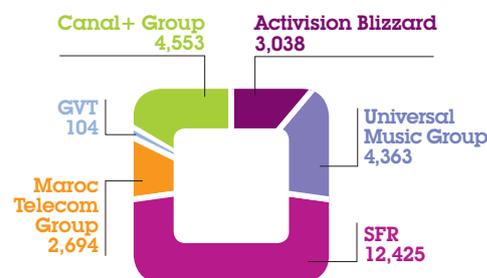
The full set of tables of economic, corporate governance, social and environmental indicators for 2009 is available on the Group’s website ([www.vivendi.com](http://www.vivendi.com)) and in the interactive version of the Report. For further information, see the 2009 Annual Report, and for information on the definition and scope of social and environmental indicators, see the separate document *Sociographics – Environmental Policy 2009*.

## Economic indicators



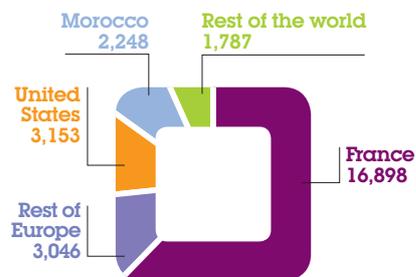
\* Dividend submitted for approval in 2010 for business year 2009.

**2009 Revenues by business unit\***  
(in million euros)



\*Including non-strategic and other activities, and elimination of inter-segment operations

**2009 Revenues by geographical area**  
(in million euros)



## Corporate governance indicators

**10** meetings of the Supervisory Board in 2009

**18** meetings of the Management Board in 2009

### Focus

#### Supervisory Board

After approval at the Ordinary Shareholders’ Meeting of April 29, 2010, the Supervisory Board numbers 12 members,

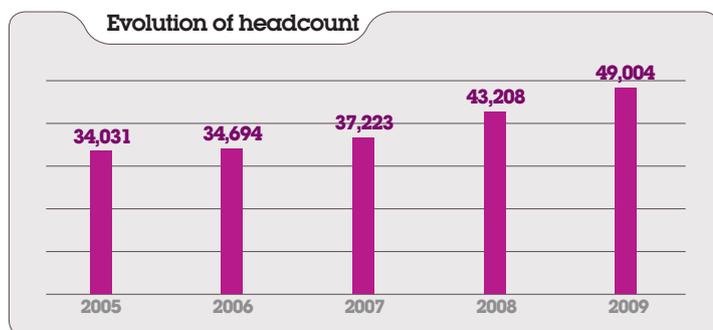
**4** different nationalities

**4** women, or 1/3 of the members

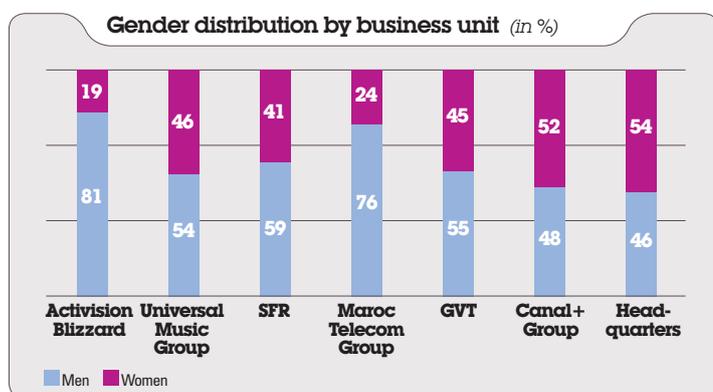
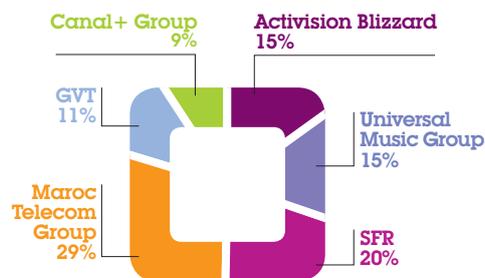
**10** independent members

## Social indicators

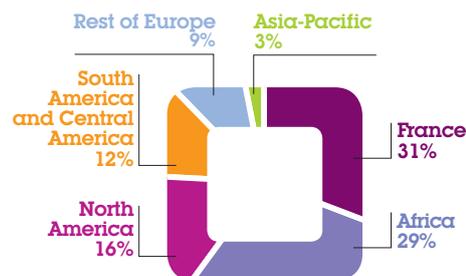
Reporting of social data was set up in conformity with the provisions of Article L.233-3 of the French Commercial Code. Data on the scope of Activision Blizzard are for Activision Blizzard France SAS, with the exception of data on headcount. Data for 2007 and 2008 have been corrected accordingly.



**Headcount by business unit**

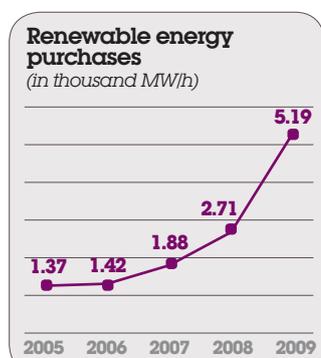


**Headcount by geographical area**

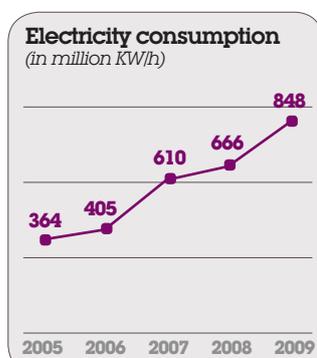


## Environmental indicators

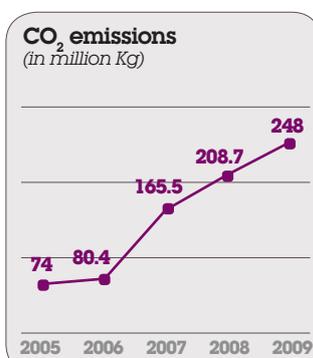
Environmental data include all Group sites meeting threshold criteria in terms of environmental impact. Environmental reporting for 2009 includes newly acquired sites (with the exception of GVT) which meet threshold criteria.



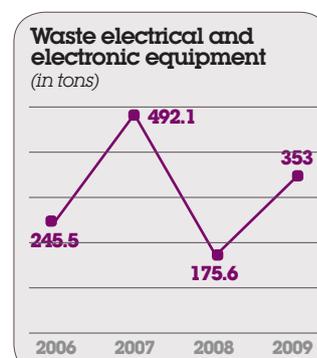
Certain Activision Blizzard (9 sites) and Universal Music Group (6 sites) facilities located in California have committed to increasing their purchases of electricity from renewable sources, primarily wind, solar and geothermal. In 2009, the 15 facilities participating in this program (7 in 2008) purchased 16% of their total electrical consumption from renewable sources.



88% of the electricity consumed annually by the Group is in the telecommunications business sector, with 12% in the entertainment sector. Group electricity consumption continued to increase in 2009 primarily as the result of further expansion of telecommunications networks and the Group's acquisitions.



Approximately 90% of the total equivalent CO<sub>2</sub> emissions attributable to Group operations are indirect emissions from the purchase of electricity. Group CO<sub>2</sub> emissions continued to increase in 2009 primarily as the result of further expansion of telecommunications networks and the Group's acquisitions.



The Group has established specialized programs in each business unit to ensure that all WEEE (Waste electrical and electronic equipment) is properly managed. The increase in 2009 is primarily related to the integration of the Neuf Cegetel sites into the SFR business unit.

# Reporting methodology

## Choice of indicators and guidelines

A selection of indicators related to Vivendi's specific issues, corporate governance, and the Group's economic, social and environmental performance is presented on p. 82-85. The economic, social and environmental indicators refer to France's New Economic Regulations Act (NRE)\* and the Global Reporting Initiative (GRI)\*\* Guidelines. The full tables of indicators showing the correspondences between these two sets of guidelines are presented on Vivendi's website.

## Reporting on social and environmental indicators

Collection, validation and consolidation of social and environmental data are done in compliance with the provisions of the Protocol put in place for reporting social and environmental data from Vivendi Group companies. In 2009, training sessions in reporting environmental data were held at the Regional Divisions of Maroc Telecom.

## Scope

Social data reporting was done in conformity with the provisions of Article L. 233-3 of the French Commercial Code. The scope of social reporting changed during the year 2009 due to the acquisition of the telecommunications operator GVT. Data on Activision Blizzard correspond to Activision Blizzard France SAS, with the exception of data on headcount. Data published for 2007 and 2008 have been revised accordingly. The scope of environmental reporting covers sites meeting precise threshold criteria in terms of environmental impact (number of employees, annual water and electricity consumption, waste production, etc). Environmental reporting for 2009 takes into account new sites that are part of the Group's new acquisitions made during the year (with the exception of GVT) and which meet the threshold criteria.

## Controls and consolidation

For social data, automatic coherency checks are made by the software application used for reporting during data entry. Other controls and an initial validation are made by each subsidiary. Coherency checks and a second validation are made by each subsidiary. These indicators are then consolidated and verified at Vivendi's headquarters, where a third validation is made during consolidation. For environmental data, an internal coherency check is made by the Vice-President of Environmental Affairs, Health and Safety at Group level, who is also responsible for data consolidation.

## External auditor's report

The Sustainable Development Report has been reviewed and assigned a level of Moderate Assurance by Salustro Reydel, a member of KPMG International, one of Vivendi's Auditors (see opposite).

\* New Economic Regulations Act (NRE). The NRE Act requires all French corporations listed on a regulated securities exchange to disclose their social and environmental performance in their Annual Report (see Law No. 2001-240 of May 15, 2001, Article 116; Decree No. 2002-221 of February 20, 2002).

\*\* Global Reporting Initiative (GRI). Launched in 1997 by the CERES (Coalition for Environmentally Responsible Economies) in partnership with the UNEP (United Nations Environment Program), the GRI is a long-term, international, multi-stakeholder process whose mission is to develop and disseminate guidelines for voluntary use by organizations in reporting on the economic, environmental and social dimensions of their activities, products and services. The GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein (see [www.globalreporting.org](http://www.globalreporting.org)).

# External auditor's report

## on certain social indicators at Group level and environmental indicators for three business units of the Group for business year 2009

At Vivendi's request and in our capacity as their Statutory Auditors, we have carried out a review in order to provide a moderate level of assurance regarding the following indicators:

- social indicators at group level: total headcount, total headcount men, total headcount women;
- environmental indicators for Activision Blizzard, the Canal+ Group and Universal Music Group: consumption of electricity, consumption of natural gas, consumption of fuel oil and consumption of drinking water;

hereafter referred to as "the data." These data were selected by Vivendi and are identified by the sign ✓ in the tables presented on Vivendi's website.

These data were prepared under the responsibility of the Group's General Management, in conformity with the Protocol for reporting environmental and social data for Vivendi Group companies, hereafter referred to as "the guidelines," which may be consulted at the Group's head office and a summary of which is given on p. 86.

It is our responsibility, based on our work, to draw conclusions on these selected data. Our conclusions concern the relevant data only and not the complete 2009 Activity and Sustainable Development Report.

### Nature and scope of work

We conducted the following work in order to provide a moderate level of assurance that the selected data are free of material misstatement for the selected scope and business units. A higher level of assurance would have required a more extensive review.

- We analyzed the guidelines for reporting social and environmental data in light of their relevance, reliability, objectivity, understandability and completeness;
- We interviewed the persons in charge of implementing the guidelines at the Group's head office and at the business units;
- We performed detailed work on the basis of the data available for:
  - the social data:
    - three selected entities<sup>1</sup>, representing 24% of the Group's consolidated headcount;
  - the environmental data:
    - four selected sites<sup>2</sup> of Activision Blizzard, representing 16% to 67%, depending on the indicator, of the consolidated data on Activision Blizzard;
    - two selected sites<sup>3</sup> of the Canal+ Group representing 27% to 100%, depending on the indicator, of the consolidated data on the Canal+ Group;
    - three selected sites<sup>4</sup> of Universal Music Group, representing 24% to 83%, depending on the indicator, of the consolidated data on Universal Music Group.

For these sites and entities, chosen in terms of the diversity of their activities, their level of contribution to the consolidated data on the Group, their geographical location, and the scope of our work during earlier business years, we conducted interviews on the comprehension and application of the guidelines by the persons concerned and, based on audit testing, we verified the calculations, performed coherency checks and compared the data with supporting documentation.

- Finally, we verified the consolidation of the data.

### Information on procedures

We have the following comments on the reporting process:

- The guidelines describe the context and the organization of reporting and provide definitions of the social and environmental performance indicators reported by the Group in a clear, complete, and detailed manner.

Social reporting at Group level

- At the entities visited, the guidelines are known and understood, the software used for social reporting is properly used and there is a strong data-control environment.

Environmental reporting on three Group business units

- the data collection application, which comprises the definitions of the indicators to be reported to the Group, is deployed and used in the entities we audited. The individuals involved in the reporting are proficient in its use.

In terms of procedures:

- At two business units, the coherency checks on certain energy and water indicators need to be strengthened.
- At one Activision Blizzard site, traceability of the data reported should be ensured by further formalizing the calculations made.

### Conclusion

On the basis of our review, we did not identify any material misstatements likely to call into question the three reviewed Group-level social indicators and the four reviewed environmental indicators for Activision Blizzard, the Canal+ Group and Universal Music Group business units identified by the sign ✓, prepared, in all material respect, in accordance with the above-mentioned guidelines.

1. Maroc Telecom Group: Maroc Telecom head office (Morocco), UMG Group: UMG Music (UK) and UMG UMI Corporate (UK).
2. Activision Blizzard Birmingham Warehouse (UK), Activision Blizzard Austin (USA), Activision Blizzard Woodland Hills (USA) and Activision Blizzard Merseyside (UK).
3. Canal+ Eiffel (France) and Canal+ Cyfrowy (Poland).
4. UMG Kensington Office (UK), UMG Antony (France) and UMG Santa Monica (USA).

Paris, April 9, 2010  
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## Web Sites

**Vivendi:** [www.vivendi.com](http://www.vivendi.com)

**Activision Blizzard:** [www.activisionblizzard.com](http://www.activisionblizzard.com)

**Universal Music Group:** [www.umusic.com](http://www.umusic.com)

**SFR:** [www.sfr.com](http://www.sfr.com)

**Maroc Telecom:** [www.iam.ma](http://www.iam.ma)

**GVT:** [www.gvt.com.br](http://www.gvt.com.br)

**Canal+ Group:** [www.canalplusgroup.com](http://www.canalplusgroup.com)

The 2009 Activity and Sustainable Development Report is available on Vivendi's website ([www.vivendi.com](http://www.vivendi.com)) or on request to Vivendi.

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