vivendi press release

Paris, May 12, 2011

Note: *This press release contains unaudited consolidated earnings established under IFRS, which were approved by Vivendi's Management Board on May 10, 2011.*

- **First Quarter Revenues: up 3.8%**
- **First Quarter EBITA: up 7.2%**
- **First Quarter Adjusted Net Income: up 29.1%**
- **2011 Outlook confirmed and refined**

First Quarter 2011

- Revenues: €7.2 billion, an increase of 3.8% compared to first quarter 2010.
- EBITA[1]: €1.7 billion, an increase of 7.2% compared to first quarter 2010. Very good performance from Activision Blizzard, GVT and Canal+ Group.
- Adjusted Net Income[2]: €950 million, an increase of 29.1% compared to first quarter 2010. The ANI includes notably the impact of SFR integration at 100%[3] as of January 1, 2011 for Consolidated Global Profit Tax System purposes (€71 million) and contractual dividends received from GE at the sale of the 20% stake in NBCU (€70 million).
- For 2011 fiscal year outlook, Vivendi confirms a slight increase in Adjusted Net Income excluding NBCU and before the acquisition of the 44% stake in SFR, and adds an Adjusted Net Income above €3 billion and an increased dividend per share after the acquisition of the 44% stake in SFR[3].

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[1] For the definition of EBITA, see Appendix IV.
[2] For the reconciliation of earnings attributable to Vivendi shareowners and adjusted net income, see Appendix IV.
[3] Completion expected by the end of the second quarter of 2011.

Comments on First Quarter 2011 Revenues and EBITA by Vivendi's Business Units

Activision Blizzard

Activision Blizzard's revenues reached €1,061 million, a 12.3% increase (10.8% at constant currency) compared to the first quarter of 2010. EBITA reached €502 million, a 33.2% increase (31.3% at constant currency). These results benefited from the accounting principles requiring that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period. The balance of the deferred operating margin was €612 million on March 31, 2011 versus €464 million on March 31, 2010 and €1,024 million on December 31, 2010.

This performance was driven by the strength of *Call of Duty®* and *World of Warcraft®*. The *Call of Duty: Black Ops® First Strike* content pack shattered Xbox LIVE® launch records, surpassing 1.4 million downloads in the first 24 hours[4] of its release on February 1, 2011. During the first quarter 2011, *Call of Duty: Black Ops®* was the #1 game in the U.S. and Europe[5].

On May 3, 2011, Activision Blizzard released the *Call of Duty: Black Ops®: Escalation* content pack on the Xbox 360. During the second quarter, Activision Blizzard also expects to release *Transformers: Dark of the Moon* and *Wipeout In The Zone*, a Kinect-ready title for the Xbox 360.

During the first quarter 2011, Activision Blizzard purchased approximately 31 million shares of its common stock, for $344 million. As of March 31, 2011, Vivendi held an approximate 62% interest (non diluted) in Activision Blizzard.

Universal Music Group

Universal Music Group's (UMG) revenues were €881 million, a 0.9% decrease compared to the first quarter of 2010 (a 5.0% decrease at constant currency). The favorable currency movements and strong growth in merchandising were offset by a 2.7% decline in recorded music sales due to a limited schedule of new releases and falling demand for physical product. Digital sales increased 17.6% year-on-year.

Recorded music best sellers included titles from Rihanna and a new EP from Justin Bieber (7 songs) in addition to the latest "Les Enfoirés" release in France.

UMG's EBITA was €46 million, a 32.4% decrease compared to the first quarter of 2010. Changes in sales mix and restructuring charges associated with the reorganization plan announced last year offset operating cost savings.

Upcoming releases will feature new titles from Lady Gaga, Kanye West and Mumford & Sons, among others.

[4] *According to Microsoft.*
[5] *According to The NPD Group, Charttrack and GfK.*

SFR

SFR's revenues[6] were €3,056 million, a 0.9% decrease compared to the first quarter of 2010. In a more competitive market, the beginning of the year was impacted by the implementation on January 1st, 2011 of the VAT rise that SFR refused to apply to its Mobile clients. Excluding regulatory decisions on VAT and termination regulated price cut impacts[7], revenues increased by 4.3%.

Mobile revenues[8] decreased by 2.4% compared to the first quarter of 2010 to €2,132 million. Mobile service revenues[9] decreased by 3.6% to €2,004 million. Excluding the new VAT standard and mobile voice termination regulated price cuts impacts[7], mobile service revenues increased by 3.5%.

During the first quarter of 2011, SFR added 94,000 new mobile postpaid net adds. 31% of SFR customers were equipped with a *smartphone* at the end of March 2011 (compared to 18% at the end of March 2010), allowing a 25% data revenue growth on the same period in 2010. At the end of March 2011, SFR's postpaid mobile customer base[6] reached 15.916 million, improving the customer mix by 1.8 percentage point year-on-year to 75.6%. SFR's total mobile customer base[6] reached 21.039 million.

Following the agreement signed last year with SFR to create a Mobile Virtual Network Operator, La Poste Télécom is to launch its offer by the end of May. Leveraging its network of Post Offices, this Mobile Virtual Network Operator should take a leadership position on the French market.

Broadband Internet and fixed revenues[8] were €988 million, a 0.7% increase compared to the first quarter of 2010. Excluding mobile voice termination regulated price cuts and a lesser extent new VAT standard impacts, broadband Internet and fixed revenues increased by 2.1%, of which 5.4% on broadband Internet mass market. SFR added 65,000 net new active broadband Internet residential customers. At the end of March 2011, the broadband Internet residential customer base totalled 4.952 million, a 7.8% increase year-on-year. Since November 16, 2010, the new NeufBox Evolution offer has attracted more than 250,000 customers.

SFR's EBITDA was €923 million, a 6.3% decrease compared to the first quarter of 2010 and a 1.2% decrease excluding an approximately €50 million impact of the new VAT regulatory decision.

SFR's mobile EBITDA was €762 million, a 8.6% decrease compared to the first quarter of 2010. Growth in the customer bases, the expansion of mobile Internet and the strict control of costs did not offset the very negative impacts of the regulation, VAT and French market's strong competition.

SFR's broadband Internet and fixed EBITDA was €161 million, a 6.6% increase compared to the first quarter of 2010.

SFR's EBITA was €566 million, a 10.7% decrease compared to the first quarter of 2010.

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[6] *Following* the disposal of *100% of Débitel France SA to La Poste Télécom SAS, Débitel France SA has been excluded from the consolidation perimeter from March, 1st 2011, with a customer base of 290,000.*

[7] *Tariff cuts decided by regulatory decision: 33% decrease of mobile voice termination regulated price on July, 1st 2010, 33% decrease of SMS voice termination regulated price on February, 1st 2010, roaming tariff cuts and 28% decrease in fixed voice termination regulated price on October, 1st 2010.*

[8] *Mobile revenues, broadband Internet and fixed revenues are determined as revenues before elimination of intersegments operations within SFR.*

[9] *Mobile service revenues are determined as mobile revenues excluding revenues from equipment sales.*

Maroc Telecom Group

Maroc Telecom Group's revenues were €672 million, up 1.8% compared to the first quarter of 2010 (+1.5% at constant currency).

Maroc Telecom Group's customer base reached nearly 26.2 million as of March 31, 2011, up 16.9% compared to March 31, 2011. This expansion reflected a continuing growth in the mobile customer base in Morocco (+6.9%) and the strong marketing momentum in the subsidiaries, where the total mobile customer base grew by 55.6%.

EBITDA was €361 million, down 5.0% compared to the first quarter of 2010 (-5.5% at constant currency), mainly due to the slight growth in revenues in Morocco. Despite this decrease, the EBITDA margin remained at a high level, at 53.7%.

EBITA was €266 million, down 6.3% compared to the first quarter of 2010 (-7.0% at constant currency). The EBITA margin remained at a high level, at approximately 40%, despite the pursuit of major investments in networks and systems.

GVT

GVT's revenues were €329 million, a 53.7% increase compared to the first quarter of 2010 (+38.6% at constant currency).

In the first quarter of 2010, certain sales taxes were recognized as cost of revenues in IFRS. Following the opinion of the accounting authority in Brazil which was issued during the second quarter of 2010, GVT had to retroactively recognize revenue net of these sales taxes as of January 1, 2010. Had such accounting treatment been adopted in the first quarter of 2010, GVT's net revenues for the first quarter of 2011 would have increased by 62.9% (+46.8% at constant currency).

GVT's good performance was mainly driven by a 104% increase in broadband service revenues (+84.7% at constant currency) and a 50% increase in voice service revenues (+35.5% at constant currency).

As a result of GVT's geographical expansion in 2010 and the good commercial performance outside its original region, its customer base reached 4.765 million lines in service (LIS), a 52.8% increase compared to the first quarter of 2010. Due to GVT's competitive value proposition, the net new additions of LIS totaled about 533,000 for the first quarter of 2011, a 77.1% increase compared to the first quarter of 2010.

GVT's EBITDA was €138 million, a 66.3% increase compared to the first quarter of 2010 (+49.5% at constant currency). EBITDA margin was 41.9% representing a 0.8[10] percentage point increase compared to the first quarter of 2010. These results are the consequence of a better product mix and continued cost optimization.

GVT's EBITA was €90 million, a 109.3% increase compared to the first quarter of 2010 (+89.3% at constant currency).

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[10] *After reclassification of the sales taxes within the net revenue for the first quarter 2010.*

During the first quarter of 2011, GVT expanded its coverage with 3 additional cities: Santo André, São Bernardo do Campo (State of São Paulo) and Lauro de Freitas (State of Bahia). GVT now operates in 100 cities as a service provider for retail and corporate segments.

GVT also concluded the migration of its retail broadband customers to its 5 Mbps offer, which is now the minimum speed floor provided, and launched new paid services of online protection and technical support in its Internet portal POP.

GVT's capital expenditures amounted to €176 million for the first quarter of 2011, an increase of 131.5% at constant currency.

Canal+ Group

Canal+ Group's revenues were €1,192 million, compared to €1,145 million for the first quarter of 2010, representing a 4.1% increase year-on-year.

Canal+ France's revenues, which include all pay-TV operations of Canal+ Group in mainland France, French overseas territories and Africa were up 2.4% to reach €1,008 million, notably driven by an increase in subscription portfolio, revenue per subscriber (ARPU) and advertising revenues. Over the past twelve months, Canal+ France's subscriber base recorded a net growth of 214,000 subscriptions in mainland France, as well as in Canal+ Overseas' territories. This increase combined with a significant increase of ARPU in mainland France, notably due to higher cross-selling between Canal+ and CanalSat offerings and to increased penetration of content and service options. Canal+ France's advertising revenues substantially grew, mainly due to Canal+'s good audience ratings.

Revenues from other Canal+ Group activities reflected strong growth, mainly driven by the good performance of StudioCanal, which had successful theatrical releases such as "Unknown" and "Ma Part du Gateau", and video releases. Canal+ in Poland and i>Télé also made a positive contribution to revenues.

Canal+ Group's EBITA was €265 million, compared to €230 million for the first quarter of 2010. This growth was partly driven by a favorable shift at Canal+ France in the Ligue 1 football broadcasting schedule, with two fewer match days, compared to the same period last year. After neutralization of this temporary effect, EBITA's growth was 6.5% year-on-year.

In addition, on April 15, 2011, Lagardère Group informed Vivendi about its intention to exercise its liquidity right for 2011 regarding its 20% stake in Canal+ France. As a result, this terminates the process initiated in 2010.

Comments on Vivendi's First Quarter 2011 Financial Indicators

Revenues were €7,184 million, compared to €6,924 million for the first quarter of 2010, an increase of 3.8% (+2.5% at constant currency).

EBITA was €1,705 million, compared to €1,590 million for the first quarter of 2010, an increase of 7.2% (+6.1% at constant currency). This increase reflected the operating performance of Activision Blizzard (+€125 million), GVT (+€47 million) and Canal+ Group (+€35 million).

Income from equity affiliates was a net charge of €2 million, compared to a net income of €15 million for the first quarter of 2010. This decrease was due to the sale of interest in NBC Universal completed in January, 2011.

Income from investments amounted to €71 million for the first quarter of 2011, which was attributable to the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011, as part of the completion of the sale by Vivendi to GE of its interest in NBC Universal.

Other financial charges and income were a net income of €808 million, compared to a net charge of €69 million for the first quarter of 2010. For the first quarter of 2011, they primarily included a net gain of €1,255 million related to the final settlement on January 14, 2011 of the litigation over telecommunication assets in Poland, partially offset by the capital loss incurred on the sale of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million, of which -€477 million which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004) completed on January 25, 2011.

Income taxes reported to adjusted net income was a net charge of €291 million, compared to a net charge of €298 million for the first quarter of 2010. This improvement mainly reflected the €64 million increase in current tax savings under the Consolidated Global Profit Tax System, which notably anticipated the impact as of January 1, 2011 of the acquisition of Vodafone's 44% interest in SFR (€71 million) subject to the Competition Authority approval. This increase was partially offset by the impact of the increase in the taxable income of business segments, particularly Activision Blizzard, GVT and Canal+ Group.

Adjusted net income attributable to non-controlling interests amounted to €432 million, compared to €453 million the first quarter of 2010. This change was mainly attributable to the decrease in adjusted net income of non-controlling interests in SFR (-€28 million).

Adjusted net income was €950 million (or €0.77 per share), compared to €736 million (or €0.60 per share) for the first quarter of 2010. This increase of 29.1% (€214 million) resulted notably from a €115 million increase in EBITA, the impact of SFR integration at 100%[3] as of January 1, 2011 for Consolidated Global Profit Tax System purposes (€71 million) and contractual dividends received from GE at the sale of the 20% stake in NBCU (€70 million).

Earnings attributable to Vivendi shareowners amounted to €1,734 million (or €1.40 per share), compared to €598 million (or €0.49 per share) for the first quarter of 2010, an increase of €1,136 million (+190.0%).

About Vivendi
The best emotions, digitally
Vivendi is at the heart of the worlds of content, platforms and interactive networks.
Vivendi combines the world leader in video games (Activision Blizzard), the world leader in music (Universal Music Group), the French leader in alternative telecoms (SFR), the Moroccan leader in telecoms (Maroc Telecom Group), the leading alternative telecoms provider in Brazil (GVT) and the French leader in Pay TV (Canal+ Group).
In 2010, Vivendi achieved revenues of €28,9 billion and adjusted net income of €2.7 billion. With operations and representatives in 77 countries, the Group has about 51,300 employees.
www.vivendi.com

Important Disclaimers

Forward Looking Statements. This press release contains forward-looking statements with respect to the financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including expectations regarding the payment of dividends as well as the anticipated impact of certain transactions. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to the risks regarding regulatory approvals as well as the risks described in the documents Vivendi filed with the Autorité des Marchés Financiers (French securities regulator) and which are also available in English on Vivendi's web site (www.vivendi.com). Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des Marchés Financiers at www.amf-france.org, or directly from Vivendi. These forward-looking statements are made as of the date of this press release and Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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ANALYST CONFERENCE

Speakers:

Philippe Capron
Member of the Management Board and Chief Financial Officer

Date:

Thursday, May 12, 2011
6:00 PM Paris time – 5:00 PM London time – 12:00 PM New York time
Media invited on a listen-only basis

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

The **slides for the presentation** will also be available online

APPENDIX I

VIVENDI

ADJUSTED STATEMENT OF EARNINGS

(IFRS, unaudited)

	1st Quarter 2011	1st Quarter 2010	% Change
Revenues	**7,184**	**6,924**	**+ 3.8%**
Cost of revenues	(3,461)	(3,416)	
Margin from operations	**3,723**	**3,508**	**+ 6.1%**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,973)	(1,894)	
Restructuring charges and other operating charges and income	(45)	(24)	
EBITA (*)	**1,705**	**1,590**	**+ 7.2%**
Income from equity affiliates	(2)	15	
Interest	(101)	(118)	
Income from investments	71	-	
Adjusted earnings from continuing operations before provision for income taxes	**1,673**	**1,487**	**+ 12.5%**
Provision for income taxes	(291)	(298)	
Adjusted net income before non-controlling interests	**1,382**	**1,189**	**+ 16.2%**
Non-controlling interests	(432)	(453)	
Adjusted net income (*)	**950**	**736**	**+ 29.1%**
Adjusted net income per share - basic	**0.77**	**0.60**	**+ 28.3%**
Adjusted net income per share - diluted	**0.76**	**0.60**	**+ 28.2%**

In millions of euros, per share amounts in euros.

For any additional information, please refer to "Financial Report and Unaudited Condensed Financial Statements for the first quarter ended March 31, 2011", which will be released on line later on Vivendi's website (www.vivendi.com).

(*) The reconciliation of EBIT to EBITA and of Earnings, attributable to Vivendi shareowners to Adjusted net income is presented in the Appendix IV.

APPENDIX II

VIVENDI

CONSOLIDATED STATEMENT OF EARNINGS

(IFRS, unaudited)

	1st Quarter 2011	1st Quarter 2010	% Change
Revenues	**7,184**	**6,924**	**+ 3.8%**
Cost of revenues	(3,461)	(3,416)	
Margin from operations	**3,723**	**3,508**	**+ 6.1%**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,973)	(1,894)	
Restructuring charges and other operating charges and income	(45)	(24)	
Amortization of intangible assets acquired through business combinations	(123)	(134)	
Impairment losses of intangible assets acquired through business combinations	-	-	
EBIT	**1,582**	**1,456**	**+ 8.7%**
Income from equity affiliates	(2)	15	
Interest	(101)	(118)	
Income from investments	71	-	
Other financial charges and income	808	(69)	
Earnings from continuing operations before provision for income taxes	**2,358**	**1,284**	**+ 83.6%**
Provision for income taxes	(198)	(261)	
Earnings from continuing operations	**2,160**	**1,023**	**+ 111.1%**
Earnings from discontinued operations	-	-	
Earnings	**2,160**	**1,023**	**+ 111.1%**
Non-controlling interests	(426)	(425)	
Earnings attributable to Vivendi SA shareowners	**1,734**	**598**	**+ 190.0%**
Earnings attributable to Vivendi shareowners per share - basic	**1.40**	**0.49**	**+ 188.3%**
Earnings attributable to Vivendi shareowners per share - diluted	**1.40**	**0.48**	**+ 188.6%**

In millions of euros, per share amounts in euros.

APPENDIX III

VIVENDI

REVENUES AND EBITA BY BUSINESS SEGMENT

(IFRS, unaudited)

(in millions of euros)	1st Quarter 2011	1st Quarter 2010	% Change	% Change at constant rate
Revenues				
Activision Blizzard	1,061	945	+12.3%	+10.8%
Universal Music Group	881	889	-0.9%	-5.0%
SFR	3,056	3,085	-0.9%	-0.9%
Maroc Telecom Group	672	660	+1.8%	+1.5%
GVT	329	214	+53.7%	+38.6%
Canal+ Group	1,192	1,145	+4.1%	+3.9%
Non-core operations and others, and elimination of intersegment transactions	(7)	(14)	na	na
Total Vivendi	**7,184**	**6,924**	**+3.8%**	**+2.5%**
EBITA (*)				
Activision Blizzard	502	377	+33.2%	+31.3%
Universal Music Group	46	68	-32.4%	-35.1%
SFR	566	634	-10.7%	-10.7%
Maroc Telecom Group	266	284	-6.3%	-7.0%
GVT	90	43	+109.3%	+89.3%
Canal+ Group	265	230	+15.2%	+15.4%
Holding & Corporate	(20)	(38)	+47.4%	+47.4%
Non-core operations and others	(10)	(8)	na	na
Total Vivendi	**1,705**	**1,590**	**+7.2%**	**+6.1%**

na: not applicable

(*) The reconciliation of EBIT to EBITA is presented in the Appendix IV.

APPENDIX IV

VIVENDI

RECONCILIATION OF EBIT TO EBITA AND OF EARNINGS, ATTRIBUTABLE TO VIVENDI SHAREOWNERS TO ADJUSTED NET INCOME

(IFRS, unaudited)

Vivendi considers EBITA and Adjusted net income, non-GAAP measures, as relevant indicators of the Group's operating and financial performance. Vivendi's Management uses EBITA and Adjusted net income to manage the Group as they provide a better illustration of the performance from continuing operations by excluding most non-recurring and non-operating items.

(in millions of euros)	1st Quarter 2011	1st Quarter 2010
EBIT (*)	**1,582**	**1,456**
Adjustments		
Amortization of intangible assets acquired through business combinations (*)	123	134
Impairment losses of intangible assets acquired through business combinations (*)	-	-
EBITA	**1,705**	**1,590**

(in millions of euros)	1st Quarter 2011	1st Quarter 2010
Earnings attributable to Vivendi SA shareowners (*)	**1,734**	**598**
Adjustments		
Amortization of intangible assets acquired through business combinations (*)	123	134
Impairment losses of intangible assets acquired through business combinations (*)	-	-
Other financial charges and income (*)	(808)	69
Change in deferred tax asset related to the Consolidated Global Profit Tax System	(56)	(20)
Non-recurring items related to provision for income taxes	9	31
Provision for income taxes on adjustments	(46)	(48)
Non-controlling interests on adjustments	(6)	(28)
Adjusted net income	**950**	**736**

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