

**vivendi**

Vivendi and GVT to enter into a strategic telecommunications partnership in Brazil

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IMPORTANT NOTICE:  
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## GVT: outstanding asset and perfect fit with Vivendi

Vivendi to launch an amicable offer for 100% of GVT's share capital

- Invest in the fastest growing fixed and internet alternative telco operator in Brazil
- Step into one of the largest consumer markets in the world
- Continuity with Vivendi's Telecom know-how and potential synergies with Vivendi's digital content assets
- Partnership with best-in-class entrepreneurs
- Pay a reasonable price (7x market consensus EBITDA 2010e)



## Step into one of the largest consumer markets in the world

- Brazil, a market with substantial potential:
  - 5<sup>th</sup> largest population: 191 million inhabitants
    - Urban and young population
    - Emerging middle-class
  - 9<sup>th</sup> largest economy in the world, one of the most attractive among emerging countries
  
- High growth prospects in telecommunications, Internet and multimedia services:
  - Exploding demand for high-speed internet
  - Development of triple-play offers



## GVT: a leading alternative provider of telecommunications in Brazil

- Currently GVT has 2.3 million lines and offers a diversified portfolio of innovative products and advanced solutions for conventional and VoIP telephony, corporate data, broadband, video and Internet services
- GVT is the fastest growing telecommunications services provider in Brazil:
  - CAGR 2006-2008: 31% in Revenues\* and 40% in Adjusted EBITDA\*
  - BRL 1,320m revenues\* in 2008
  - 38% Adjusted EBITDA\* margin in 2008, one of the highest among Brazilian Telco

\*Local GAAP



## A unique model with the most modern network in Brazil

- Licenses not subject to price caps or universal service obligations unlike incumbents
  - ➔ Ability to focus on the most profitable target areas nationwide
- Powerful geo-marketing
  - ➔ Selective and variable capital expenditures
  - ➔ Focus only on high-usage customers

- State-of-the art technology providing GVT with a strong competitive advantage:
  - Built its own local loop network with short last mile (<1.5 km)
  - One of the most extensive backbone in Brazil (>15,000 km) covering 70% of traffic
    - ➔ Highest quality of customer service
    - ➔ Only operator in Brazil to deliver up to 100Mbps speed for broadband
    - ➔ Offer innovative bundles at very competitive prices
    - ➔ Limited need for additional network maintenance



## Growth potential relies on coverage expansion and innovative services

- An addressable market of 22 million high-end residential homes and SME, while GVT has a presence (homes passed) in only 2.7 million addresses
- Plan to expand network coverage in untapped regions and increase its market share in covered areas:
  - Currently present in only 14 regions out of 26 in Brazil
  - 28% and 42% market shares on voice and broadband respectively within coverage area of original implantation
- Ability to develop innovative products and offers to meet growing demand for high speed internet, content, interactive services: bundles, first steps to triple-play offer...
- Vivendi's support may help to boost growth



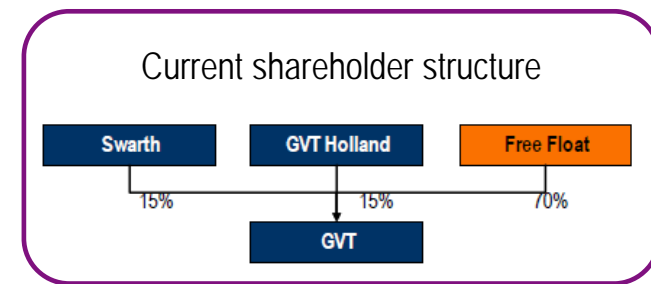
## Transaction overview

Step 1: Agreement with 2 main shareholders subject to conditions to be completed before 10/16/09:

- Confirmatory due diligence by Vivendi,
- Approval of the Vivendi boards

Step 2: Launch of Vivendi's tender offer expected before year end and subject to

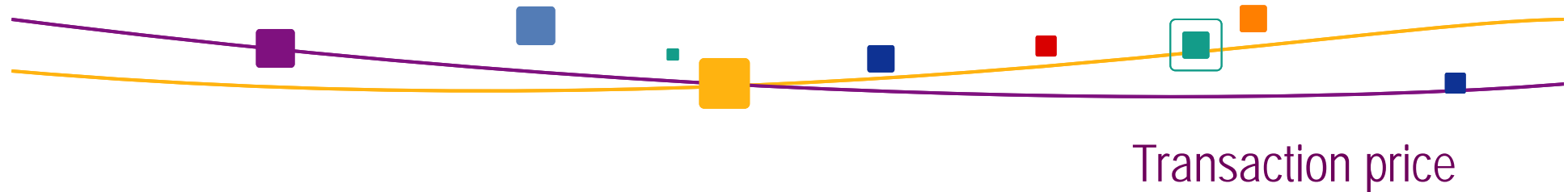
- Necessary regulatory approvals,
- Support of Vivendi's tender offer from GVT's board,
- GVT's EGM waiving anti-takeover provisions of GVT's by-laws in favor of Vivendi's tender offer



Tender offer being conditional on Vivendi acquiring at least 51% of GVT's fully diluted share capital

- The Swarth Group and GVT (Holland) BV have already committed to tender a minimum of 20% of GVT's outstanding shares to the offer

Shaul Shani and Amos Genish, founders of the company, will respectively continue to serve as Chairman and CEO of GVT



- Vivendi's tender offer would be launched at BRL42 per share
  - ➔ Cash out ranging between €1Bn\* for 51% and €1.8Bn\* for 90% of GVT
- Transaction to be financed by debt, using existing credit facilities, keeping our BBB rating
- This transaction would value 100% of the company's equity at BRL5.4Bn\* or €2.0Bn corresponding to 9x market consensus EBITDA 2009e and 7x market consensus EBITDA 2010e
- GVT's net debt of BRL231m or €84m as of June 30<sup>th</sup>, 2009

\*On a non diluted basis and based on the outstanding number of shares of 128.5 million as of September 7, 2009





## A logical strategic step

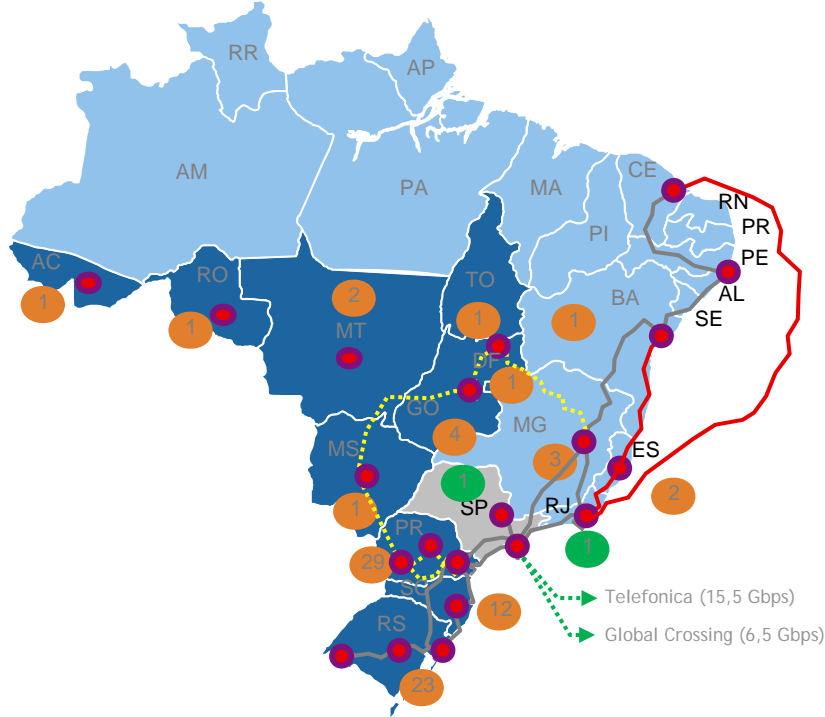
- Invest in a successful alternative operator with great track record, profitable business model, creative marketing and network/IT solutions and considerable growth potential
- A perfect fit with Vivendi's stated strategy to seize growth opportunities in fast-growing economies
- In continuity with Vivendi's Telecom's know-how and potential synergies with Vivendi's digital content assets, boosting GVT's broadband value proposition with content enhancements
- Deliver to Vivendi's shareholders strong growth and value creation potential, with commitments to:
  - Distribute strong dividend
  - Keep our BBB rating



# Appendices

# Total addressable market for GVT in Brazil: 22 million addresses

## GVT regional footprint



- ANATEL, the Brazilian regulator divided the country in regions (Region I, II, III) to attribute a concession to an incumbent and a license to an alternative operator in each region.
- GVT granted a license as a « mirror » in the Region II in 1999
- In November 2006 GVT's license became valid for the entire country
- GVT's presence is very strong in Region II: its original region. Mainly competing with Oi, GVT has a 28% market share within coverage area
- GVT pursues a strategy of expansion outside of Region II: GVT is present in Region I since 2007 and plans on developing in Sao Paulo, Region III



## GVT key metrics

### Key Financial Indicators

<i>In millions of BRL - in local GAAP</i>	2006	2007	2008	CAGR 2006-2008	H1 2009	H1 2009 in M€*
Net Revenues	768.5	980.7	1,320.2	31.1%	782.0	296.2
Adjusted EBITDA	255.6	358.1	502.7	40.2%	297.4	112.7
Adjusted EBITDA Margin (%)	33.3%	36.5%	38.1%	4.8 p.p.	38.0%	38.0%
CAPEX	190.7	457.4	720.8	94.4%	246.6	93.4
Free Cash Flow (Adjusted EBITDA – CAPEX)	64.9	(99.3)	(218.1)	n.a.	50.8	19.2

\* BRL 2.64 for 1€

### Key Operational Indicators

	2006	2007	2008	CAGR 2006-2008	H1 2009
<b>Total Lines in Services (LIS) (in 1,000 units)</b>	<b>952.5</b>	<b>1,230.0</b>	<b>1,900.6</b>	<b>41.3%</b>	<b>2,313.0</b>
Voice Lines	635.2	742.0	1,037.6	27.8%	1,217.6
ADSL Lines	137.1	241.8	441.5	79.4%	540.9
VoIP Lines	35.4	73.6	100.1	68.3%	135.5
Corporate Data Lines	83.6	120.8	291.7	86.8%	390.1
<b>Network ('000 km)</b>	<b>12.1</b>	<b>27.4</b>	<b>35.3</b>	<b>70.4%</b>	<b>42.1</b>
Local and Metropolitan Network	12.1	16.4	24.3	41.4%	27.1
Long Distance Backbone	--	11.0	11.0	n.a.	15.0

Adjusted EBITDA is computed as net income (loss) for the period excluding income and social contribution taxes, depreciation, amortization, financial income and expenses (net), extraordinary items and non-operating income and expenses (net).

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## Important legal disclaimer

*This presentation contains forward-looking statements. These forward-looking statements, many of which are beyond our control, are based upon management's current beliefs or expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, third-party approvals and regulatory authorizations, including, but not limited to, GVT's shareholders waiving the anti-takeover mechanism in favor of Vivendi. Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des Marchés Financiers ([www.amf-france.org](http://www.amf-france.org)), or directly from Vivendi ([www.vivendi.com](http://www.vivendi.com)). The present forward-looking statements are made as of the date of the present 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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