Vivendi selects the Altice/Numericable offer for SFR

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Chief Financial Officer

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VALUE REALIZATION EXCEEDING €17 BILLION FOR SFR

- Vivendi to sell SFR to Altice/Numericable, representing a total value in excess of €17 billion for 100% of SFR
  - Vivendi to receive €13.5 billion in cash at closing
  - Vivendi could potentially receive a €750 million earn-out payment based on the achievement of EBITDA – Capex objective

- Opportunity to participate in future upside
  - Vivendi to retain a 20% stake in SFR-Numericable with clear governance and liquidity rights

- Closing of the transaction expected by end 2014
  - A significant step in Vivendi’s strategy to focus on media and content
  - Strengthened financial position allowing enhanced value creation
VIVENDI IS DELIVERING THE BEST DEAL FOR SFR

- On February 24, 2014, Vivendi received an approach from Altice regarding a potential combination between SFR and Numericable.

- Formal expressions of interest on SFR received from Altice/Numericable and Bouygues on March 5, as Vivendi was still pursuing its project of demerging SFR.

- Offers thoroughly reviewed by Vivendi’s Management and Supervisory Board:
  - Special Committee established by the Supervisory Board, under chairmanship of Mr. Lachmann, to review over eight working sessions options available to Vivendi.

- On March 14, decision by Vivendi’s Supervisory Board to enter into exclusive negotiations with Altice/Numericable while continuing to examine the SFR demerger:
  - Initial offer: €11.75 billion in cash at closing, together with a 32% equity stake in the publicly-listed combined entity.
  - 3-week negotiations and diligence between Altice/Numericable and Vivendi/SFR.

- On April 5, final decision by Vivendi’s Supervisory Board to select the Altice/Numericable revised offer:
  - Revised offer: €13.5 billion in cash at closing, together with a 20% equity stake in the publicly-listed combined entity and an earn-out representing a potential additional consideration of €750 million, leading to a total value in excess of €17 billion for SFR.
  - Unanimous decision after comprehensive analysis.
  - Selection of the Altice/Numericable proposal, as it contains industrial project with the highest growth potential, generating the highest value for Vivendi’s customers, employees and shareholders, while best meeting the Group’s objectives.
### SUMMARY TERMS OF SELECTED OFFER

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<thead>
<tr>
<th><strong>Value for Vivendi</strong></th>
<th>€13.5 billion cash at closing</th>
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<tr>
<td></td>
<td>20% stake in the publicly-listed combined entity</td>
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<td>Additional potential €750m earn-out, if the combined entity’s (EBITDA-Capex) is at least equal to €2 billion during one fiscal year</td>
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<tr>
<th><strong>Financing</strong></th>
<th>Total debt of €11.64 billion for combined entity</th>
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<td>Debt and equity financing with firm banks underwriting</td>
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<th><strong>Liquidity</strong></th>
<th>One year lock-up period as from closing on 20% stake in combined entity</th>
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<td>Call option for Altice at market value (with floor*) on Vivendi’s stake in three tranches (7%, 7%, 6%) over 1-month windows respectively starting on the 19th, 31st and 43rd month following closing</td>
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<td></td>
<td>Possibility to sell or distribute the 20% stake, in whole or in part, with a pre-emption right of Altice</td>
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<th><strong>Corporate governance</strong></th>
<th>Minority board representation</th>
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<td>Veto rights on certain matters subject to Vivendi retaining a 20% stake in the combined entity</td>
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* VWAP of Numericable stock price over the 20 business days before closing, grossed-up by an annual rate of 5% during the period ranging from the closing of the transaction until the exercise date of the call option by Altice
**AN ATTRACTIVE INDUSTRIAL PROJECT FOR SHAREHOLDERS AND EMPLOYEES OFFERING HIGH VALUATION AND LIMITED EXECUTION RISKS**

✓ **AN INDUSTRIAL PROJECT BASED ON FIXED AND MOBILE CONVERGENCE**
  - New growth opportunities in very high speed fixed and mobile fostering Quadruple Play and new usage
  - Consistent with the French government’s “France Très Haut Debit” plan launched in February 2013

✓ **COMMITMENT TO PRESERVING EMPLOYMENT**
  - The plan fully guarantees development of sustainable employment in particular thanks to the investments planned

✓ **A HIGH VALUATION**
  - Most balanced offer between cash upfront and stock participation allowing Vivendi to benefit from a high valuation
  - The offer should represent a total value in excess of €17 billion for 100% of SFR (implied EV/14E EBITDA of 7.0x)

✓ **A PARTICIPATION IN FUTURE VALUE CREATION THROUGH A 20% RETAINED STAKE**
  - Significant industrial synergies
  - Additional potential €750m earn-out

✓ **LIMITED EXECUTION RISKS**
  - SFR and Numericable are not present on the same market segments and their activities are complementary
  - Certainty of funds: debt and equity financing with firm banks underwriting
Based on a broker consensus estimated 2014e EBITDA of €2.4bn

Median multiple of selected comparables

Including combined synergies (Altice/Numericable estimate), €11.64bn net debt and €0.75bn earn-out

Consensus of SFR valuations retained by brokers in Vivendi sum-of-the-parts analysis, before estimated valuation impact of announced offers
NEXT STEPS

- Consultation of Numericable, Vivendi and SFR’s work councils on Altice/Numericable’s project

- Launch of procedures to obtain authorizations from the relevant administrative authorities

- Vivendi will report to the Shareholders’ Meeting on June 24 on how this transaction is being conducted

- Closing anticipated by end 2014
CONCLUSION

- Vivendi to complete its transformation into an international media group...
  - Bringing together strong brands in the production and distribution of original content
  - Fully responding to the new ways of consuming digital media in music and video
  - And pursuing its development in fast growing markets

... through a transaction that crystallizes incremental value potentially exceeding €3.5bn for shareholders

- Strengthened financial position

  - Vivendi’s Board will consider uses for the proceeds of the transaction in due course

**BREAKDOWN OF EBITA**

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<th>AS OF 31 DECEMBER 2013</th>
<th>PRO FORMA POST TRANSACTION</th>
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<tr>
<td></td>
<td>SFR 41%</td>
<td>GVT 27%</td>
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<td></td>
<td>Canal+ Group 23%</td>
<td>Canal+ Group 40%</td>
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<tr>
<td>Media &amp; Content:</td>
<td>UMG 20%</td>
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* Based on FY2013 reported EBITA, excluding Others and Holding & Corporate segments
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The transaction is notably subject to definitive execution of definitive documentation and obtaining of required regulatory and other customary authorisations. The transaction would only be carried out after such and other conditions have been fulfilled.

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