Financial Report and Unaudited Condensed Financial Statements for the first quarter ended March 31, 2016

MAY 11, 2016

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,527,414,631.00

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Selected key consolidated financial data

Preliminary comment: *Vivendi deconsolidated GVT, SFR, Maroc Telecom group and Activision Blizzard as from May 28, 2015, November 27, 2014, May 14, 2014, and October 11, 2013, respectively, i.e., the date of their effective sale by Vivendi. In compliance with IFRS 5, these businesses have been reported as discontinued operations for all relevant periods as set out in the table of selected key consolidated financial data below in respect of data contained in the Consolidated Statement of Earnings and Consolidated Statement of Cash Flows.*

	Three months ended March 31, (unaudited)		Year ended December 31,			
	2016	2015	2015	2014	2013	2012
Consolidated data						
Revenues	2,491	2,492	10,762	10,089	10,252	9,597
EBIT	968	117	1,231	736	637	(1,131)
Earnings attributable to Vivendi SA shareowners	862	33	1,932	4,744	1,967	179
of which earnings from continuing operations attributable to Vivendi SA shareowners	863	16	699	(290)	43	(1,565)
Income from operations (a)	228	218	1,061	1,108	1,131	na
EBITA (a)	213	218	942	999	955	1,074
Adjusted net income (a)	99	136	697	626	454	318
Net Cash Position/(Financial Net Debt) (a)	4,810	4,966	6,422	4,637	(11,097)	(13,419)
Total equity	19,954	23,627	21,086	22,988	19,030	21,291
of which Vivendi SA shareowners' equity	19,710	23,224	20,854	22,606	17,457	18,325
Cash flow from operations (CFFO) (a)	90	118	892	843	894	846
Cash flow from operations after interest and income tax paid (CFAIT) (a)	(32)	(109)	(69)	421	503	772
Financial investments	(1,253)	(178)	(3,927)	(1,244)	(107)	(1,689)
Financial divestments	1,873	(8)	9,013	17,807	3,471	201
Dividends paid by Vivendi SA to its shareholders	1,318 (b)	na	2,727 (c)	1,348 (d)	1,325	1,245
Per share data						
Weighted average number of shares outstanding	1,304.2	1,353.9	1,361.5	1,345.8	1,330.6	1,298.9
Adjusted net income per share	**0.08**	**0.10**	**0.51**	**0.46**	**0.34**	**0.24**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,281.7	1,360.6	1,342.3	1,351.6	1,339.6	1,322.5
Equity per share, attributable to Vivendi SA shareowners	15.38	17.07	15.54	16.73	13.03	13.86
Dividends per share paid	**1.00** (b)	**na**	**2.00** (c)	**1.00** (d)	**1.00**	**1.00**

In millions of euros, number of shares in millions, data per share in euros.

na: not applicable.

a. The non-GAAP measures of Income from operations, EBITA, Adjusted net income, Net Cash Position (or Financial Net Debt), Cash flow from operations (CFFO) and Cash flow from operations after interest and income tax paid (CFAIT) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes, or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report or in its Appendix. In addition, it should be noted that other companies may have definitions and calculations for these indicators that differ from those used by Vivendi, thereby affecting comparability.

b. Represented the second interim dividend with respect to fiscal year 2015 paid on February 3, 2016 (€1 per share, i.e., €1,318 million).
In addition, on April 21, 2016, Vivendi's General Shareholders' Meeting notably approved the payment of an ordinary dividend of €3 per share with respect to fiscal year 2015, i.e., an aggregate dividend payment of €3,951 million with respect to fiscal year 2015. Given the interim dividends already paid out, the balance was paid on April 28, 2016 (€1 per share, i.e., €1,270 million).

c. In 2015, Vivendi paid the dividend with respect to fiscal year 2014 (€1 per share, i.e., €1,363 million) and a first interim dividend with respect to fiscal year 2015 (€1 per share, i.e., €1,364 million).

d. On June 30, 2014, Vivendi SA paid an ordinary dividend of €1 per share to its shareholders from additional paid-in capital, treated as a return of capital distribution to shareholders.

I- Financial Report for the first quarter of 2016

Preliminary comments:

- *On May 9, 2016, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the first quarter ended March 31, 2016. Upon the recommendation of the Audit Committee, which met on May 10, 2016, the Supervisory Board, at its meeting held on May 11, 2016, reviewed the Financial Report and the Unaudited Condensed Financial Statements for the first quarter ended March 31, 2016, as approved by the Management Board on May 9, 2016.*
- *The Financial Report for the first quarter of 2016 should be read in conjunction with the Financial Report for the year ended December 31, 2015 as published in the "Rapport annuel - Document de référence 2015" filed on March 15, 2016 with the French Autorité des marchés financiers (the "AMF") (the "Document de référence 2015"). Please also refer to pages 171 through 193 of the English translation[1] of the "Document de référence 2015" (the "2015 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.*
- *For a detailed description of the significant events that occurred during the first quarter of 2016, as well as the subsequent events, please refer to Notes 2 and 13, respectively, to the Condensed Financial Statements for the first quarter ended March 31, 2016.*

Overview

Results for the first quarter of 2016 in line with forecast

Revenues remained stable at €2.491 billion (-1.4% at constant currency and perimeter compared to the first quarter of 2015). At constant currency and perimeter, income from operations was up 9.9% and EBITA up 3.6% due to restructuring charges. Universal Music Group's growth resulted from the significant increase in streaming and subscriptions, tempered by the significant decrease in download revenues. The good performance of Canal+ Group's international pay-TV operations was offset by increased losses suffered by Canal+ channels[2] in France.

These channels are negatively impacted by a difficult economic environment, increased competition from national and international players, and the skyrocketing prices for certain broadcasting rights. A major transformation plan has been implemented over the past months to restore value to the offer and to tailor it for each customer segment. Efficiency and cost control measures have also been put into place. Furthermore, Canal+ Group and beIN Sports entered into an exclusive distribution agreement. This agreement, which requires the approval of the French Competition Authority, would be beneficial to beIN Sports, which would benefit from Canal+'s distribution strength, as well as to the customers of both companies who would have access to a comprehensive offering.

A world leader in media and content with a strong presence in Southern Europe

In recent months, Vivendi consolidated its positions in the production and distribution of content by making acquisitions through Studiocanal of interests in several TV production companies in Spain and in the United Kingdom (33% of Bambu Producciones, 20% of Urban Myth Films and 20% of SunnyMarchTV). In February 2016, the group completed its acquisition of a 26.2% interest in Banijay Group, one of the world's largest producers and distributors of television programs.

In addition, Vivendi has entered into a strategic and industrial agreement with Mediaset, a leader in free-to-air and pay TV in Italy and Spain. Under this agreement[3], Vivendi will swap a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium. Vivendi and Mediaset intend to form an international partnership to produce and distribute audiovisual programs and develop an "over-the-top" (OTT) Internet TV platform.

In France, Vivendi will acquire a minority interest of 15% in Groupe Fnac[4] in the context of a cooperation project dedicated to cultural activities.

Vivendi has confirmed its intention to be a long-term shareholder of Telecom Italia in which it currently holds 24.7% of the ordinary shares. As an industrial investor, it intends to support the development of this transalpine operator by providing its expertise and accelerating its content distribution activities. The group also holds 0.95% of Telefonica, which will allow it to expand its content distribution network, particularly in Latin America.

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[1] *This free translation of the "Document de reference 2015" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.*

[2] *Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.*

[3] *This transaction is subject to approval by the relevant regulatory authorities.*

[4] *Agreement submitted to the vote of Groupe Fnac's General Shareholders' Meeting.*

A major producer of mobile content

The group intends to increase its original content creation activities, including for mobile devices as the consumption of short formats on mobile devices explodes.

Through its subsidiary Vivendi Content, the group launched Studio+, the first global offering of premium series for mobile devices. Studio+ will produce exclusive premium series created specifically for smartphones and tablets as well as a dedicated App. Immediately upon its launch, Studio+ will offer 25 complete original series. Among other parts of the world, Studio+ will be available in Latin America in a few months thanks to a cooperation with Telefonica.

Video games, a growing content sector

Vivendi filed a public tender offer for the shares of Gameloft (after crossing the 30% legal threshold in the share capital on February 18, 2016) and has invested in Ubisoft (holding a 17.7% interest as of April 27, 2016), two leading video game companies. These investments are part of a strategic vision of operational convergence between Vivendi's content and platforms and the games produced by these two companies.

1 Earnings analysis: group and business segments

Preliminary comments:

- *Income from operations, EBITA and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related Notes or as described in the Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.*

  Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management, and planning purposes because they provide a better illustration of the underlying performance of continuing operations by excluding most non-recurring and non-operating items:

  - *The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations, and "other charges" and "other income" included in EBIT, as defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2015 (page 205 of the 2015 Annual Report).*
  - *As defined by Vivendi, income from operations is calculated as EBITA as presented in the Adjusted Statement of Earnings, before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.*

  Moreover, it should be noted that other companies may have definitions and calculations for these non-GAAP measures that differ from those used by Vivendi, thereby affecting comparability.

- *As a reminder, GVT (sold in May 2015) has been reported as a discontinued operation in compliance with IFRS 5. In practice, income and charges from this business has been reported as follows:*

  - *GVT's contribution, until its effective divestiture on May 28, 2015, to each line of Vivendi's Consolidated Statement of Earnings, as well as the capital gain recognized as a result of the divestiture have been reported on the line "Earnings from discontinued operations"; and*
  - *the share of net income and the capital gain recognized as a result of the divestiture have been excluded from Vivendi's adjusted net income.*

1.1 Consolidated Statement of Earnings and Adjusted Statement of Earnings

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Three months ended March 31,		Three months ended March 31,		
	2016	2015	2016	2015	
Revenues	**2,491**	**2,492**	**2,491**	**2,492**	**Revenues**
Cost of revenues	(1,510)	(1,510)	(1,510)	(1,510)	Cost of revenues
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(747)	(757)	(753)	(764)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
			228	**218**	**Income from operations**
Restructuring charges	(21)	(7)	(21)	(7)	Restructuring charges
			6	7	Other operating charges and income
Amortization of intangible assets acquired through business combinations	(55)	(98)			
Reversal of reserve related to the Liberty Media litigation in the United States	240	-			
Other income	580	1			
Other charges	(10)	(4)			
EBIT	**968**	**117**	**213**	**218**	**EBITA**
Income from equity affiliates	(13)	(6)	(13)	(6)	Income from equity affiliates
Interest	(8)	(5)	(8)	(5)	Interest
Income from investments	1	9	1	9	Income from investments
Other financial income	6	12			
Other financial charges	(13)	(18)			
Earnings from continuing operations before provision for income taxes	**941**	**109**	**193**	**216**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(65)	(76)	(78)	(61)	Provision for income taxes
Earnings from continuing operations	**876**	**33**			
Earnings from discontinued operations	(1)	17			
Earnings	**875**	**50**	**115**	**155**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**862**	**33**	**99**	**136**	**Adjusted net income**
continuing operations	**863**	**16**			
discontinued operations	(1)	17			
Non-controlling interests	13	17	16	19	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.66	0.02	0.08	0.10	Adjusted net income per share - basic (in euros)
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.66	0.02	0.08	0.10	Adjusted net income per share - diluted (in euros)

In millions of euros, except per share amounts.

1.2 Earnings analysis: group

1.2.1 Changes in Earnings

For the first quarter of 2016, **adjusted net income** was a profit of €99 million (or €0.08 per share), compared to €136 million for the first quarter of 2015 (or €0.10 per share), a €37 million decrease (-27.3%). The change in adjusted net income mainly resulted from the decrease in EBITA (-€5 million) and in income from equity affiliates (-€7 million), as well as the increase in interest expense (-€3 million), the decrease in income from investments (-€8 million) and the increase in income taxes (-€17 million).

Adjusted net income per share

	Three months ended March 31,			
	2016		2015	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	99	99	136	136
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,304.2	1,304.2	1,353.9	1,353.9
Potential dilutive effects related to share-based compensation	-	3.0	-	4.8
Adjusted weighted average number of shares	1,304.2	1,307.2	1,353.9	1,358.7
Adjusted net income per share (in euros)	**0.08**	**0.08**	**0.10**	**0.10**

a. Net of the weighted average number of treasury shares: 64.3 million shares for the first quarter of 2016, compared to 0.05 million for the same period in 2015.

For the first quarter of 2016, **earnings attributable to Vivendi SA shareowners** were a profit of €862 million (or €0.66 per share), compared to €33 million (or €0.02 per share) for the same period in 2015, a €829 million increase mainly attributable to the capital gain on the sale of the remaining interest in Activision Blizzard in January 2016 (€576 million, before taxes) and to the net reversal of reserve related to the Liberty Media litigation (€240 million, before taxes).

1.2.2 Reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income

	Three months ended March 31,	
(in millions of euros)	2016	2015
Earnings attributable to Vivendi SA shareowners (a)	**862**	**33**
Adjustments		
Amortization of intangible assets acquired through business combinations	55	98
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-
Other income (a)	(580)	(1)
Other charges (a)	10	4
Other financial income (a)	(6)	(12)
Other financial charges (a)	13	18
Earnings from discontinued operations (a)	1	(17)
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	1	44
Non-recurring items related to provision for income taxes	2	2
Provision for income taxes on adjustments	(16)	(31)
Non-controlling interests on adjustments	(3)	(2)
Adjusted net income	**99**	**136**

a. As reported in the Consolidated Statement of Earnings.

1.2.3 Detailed analysis of the main items from the Statement of Earnings

Revenues remained stable at €2,491 million, compared to €2,492 million for the first quarter of 2015 (-1.4% at constant currency and perimeter[5]).

Income from operations was €228 million, compared to €218 million for the first quarter of 2015, a €10 million increase (+4.5%). At constant currency and perimeter, income from operations increased by €22 million (+9.9%). **EBITA** amounted to €213 million, compared to €218 million for the first quarter of 2015, a €5 million decrease (-2.5%). At constant currency and perimeter, EBITA increased by €8 million (+3.6%), as the increase in income from operations was offset by restructuring charges. Universal Music Group's growth excluding restructuring charges (+€14 million), and the improved operating performance of Canal+ Group's pay-TV operations in Africa (+€15 million) were partially offset by the increased losses suffered by Canal+ channels in France (-€9 million), as well as the development costs linked to Vivendi Village (-€2 million) and New Initiatives (-€2 million, notably at Vivendi Content). EBITA notably included:

- **restructuring charges** of €21 million, compared to €7 million for the first quarter of 2015, primarily incurred by Universal Music Group; and
- **other operating charges and income** excluded from income from operations which amounted to a net income of €6 million, compared to a net income of €7 million for the first quarter of 2015.

[5] Constant perimeter reflects the impacts of the acquisitions of Dailymotion on June 30, 2015 and Radionomy on December 17, 2015.

EBIT amounted to €968 million, compared to €117 million for the first quarter of 2015, a €851 million increase. It included:

- **the reversal of reserve related to the Liberty Media litigation** representing a net profit of €240 million. As of December 31, 2012, on the basis of the verdict rendered on June 25, 2012 regarding the Liberty Media Corporation litigation in the United States, Vivendi accrued for a provision for the total amount of the final judgment (€945 million), including damages and pre-judgment interest. On February 23, 2016, Vivendi agreed with Liberty Media on a settlement and paid Liberty Media $775 million (€705 million) to settle this lawsuit. In addition, the provision recorded in relation to the securities class action in the United States remained unchanged at €100 million. Please refer to Note 12 to the Condensed Financial Statements for the first quarter ended March 31, 2016;
- **other income and charges** were a €570 million net income, compared to a €3 million net charge for the first quarter of 2015. For the first quarter of 2016, they primarily included the net capital gain from the sale of the remaining interest in Activision Blizzard in January 2016 (€576 million). Please refer to Note 2 to the Condensed Financial Statements for the first quarter ended March 31, 2016; and
- **amortization and depreciation of intangible assets acquired through business combinations** for €55 million compared to €98 million for the first quarter of 2015. This decrease resulted from the end of the amortization period (15 years) for Polygram's catalogs.

Reconciliation of EBIT to EBITA and to income from operations

	Three months ended March 31,	
(in millions of euros)	2016	2015
EBIT (a)	**968**	**117**
Adjustments		
Amortization of intangible assets acquired through business combinations	55	98
Impairment losses on intangible assets acquired through business combinations (a)	-	-
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-
Other income (a)	(580)	(1)
Other charges (a)	10	4
EBITA	**213**	**218**
Adjustments		
Restructuring charges (a)	21	7
Charges related to equity-settled share-based compensation plans	2	2
Other non-current operating charges and income	(8)	(9)
Income from operations	**228**	**218**

a. As reported in the Consolidated Statement of Earnings.

Income from equity affiliates was a €13 million loss, compared to a €6 million loss for the first quarter of 2015. For the first quarter of 2016, it primarily included Vivendi's share of Telecom Italia's losses (-€11 million) for the period from December 15 to December 31, 2015, calculated based on the financial information for the year ended December 31, 2015, as disclosed by Telecom Italia on March 17, 2016.

Interest was an expense of €8 million, compared to €5 million for the first quarter of 2015, a €3 million increase. It included:

- interest expense on borrowings for €14 million, compared to €17 million for the first quarter of 2015. For the first quarter of 2015, interest expense included interest received by Vivendi SA (€3 million) from financing provided to GVT; and
- interest income earned on the investment of cash surpluses for €6 million, compared to €9 million for the first quarter of 2015. This change reflected the decrease in the average interest rates on cash investments to 0.31% (compared to 0.53% for the first quarter of 2015), partially offset by the increase in the average outstanding cash investments to €8.0 billion (compared to €7.1 billion for the first quarter of 2015).

Income from investments amounted to €1 million, compared to €9 million for the first quarter of 2015. For the first quarter of 2015, it included the dividends decided by Activision Blizzard (€8 million, received during the second quarter of 2015).

Other financial charges and income were a €7 million net charge, compared to a €6 million net charge for the first quarter of 2015.

Provision for income taxes in the Adjusted Statement of Earnings was a net charge of €78 million, compared to a net charge of €61 million for the first quarter of 2015. The effective tax rate reported to adjusted net income was 38.0% for the first quarter of 2016, compared to 27.6% for the first quarter of 2015. For the first quarter of 2016, income taxes included the non-recurring negative impact (-€41 million) related to the reversal of reserve with respect to the Liberty Media litigation (taxable income of €240 million, before utilization of up to 50% of Vivendi SA's tax losses carried forward). For the first quarter of 2015, income taxes included a non-recurring negative impact (-€11 million) related to an adjustment to a prior year's tax expense. Excluding non-recurring impacts, the effective tax rate reported to adjusted net income would be 20.2% for the first quarter of 2016, compared to 22.8% for the first quarter of 2015. In addition, **provision for**

income taxes in the Consolidated Statement of Earnings was a €65 million net charge, compared to a €76 million net charge for the first quarter of 2015. This increase mainly reflected the change in deferred tax savings related to Vivendi SA's Tax Group System, which was a €11 million income for the first quarter of 2016, compared to a €44 million charge for the first quarter of 2015.

Earnings from discontinued operations amounted to €17 million for the first quarter of 2015 and included GVT's net earnings for the period for €84 million, partially offset by the remaining impact of the sale of the 80% interest in SFR to Numericable (-€67 million).

Earnings attributable to non-controlling interests amounted to €13 million, compared to €17 million for the first quarter of 2015, a €4 million decrease. They primarily included non-controlling interests of Canal+ Overseas and nc+ in Poland. For the first quarter of 2015, they also included non-controlling interests of Société d'Edition de Canal Plus (SECP; prior to their full acquisition by Vivendi from mid-August to the end of September 2015).

Adjusted net income attributable to non-controlling interests amounted to €16 million, compared to €19 million for the first quarter of 2015.

1.3 Performance analysis: business segments

	Three months ended March 31,				
(in millions of euros)	2016	2015	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	1,119	1,097	+1.9%	+0.6%	+0.6%
Canal+ Group	1,328	1,370	-3.1%	-2.8%	-2.8%
Vivendi Village	25	25	+2.4%	+2.8%	-6.9%
New Initiatives	30	-			
Elimination of intersegment transactions	(11)	-			
Total Vivendi	**2,491**	**2,492**	**-**	**-0.5%**	**-1.4%**
Income from operations					
Universal Music Group	102	88	+15.8%	+18.6%	+18.6%
Canal+ Group	164	154	+6.4%	+7.0%	+7.0%
Vivendi Village	(4)	4	na	na	na
New Initiatives	(9)	-			
Corporate	(25)	(28)			
Total Vivendi	**228**	**218**	**+4.5%**	**+6.2%**	**+9.9%**
EBITA					
Universal Music Group	79	82	-4.0%	-0.2%	-0.2%
Canal+ Group	169	165	+2.7%	+3.3%	+3.3%
Vivendi Village	-	4	na	na	na
New Initiatives	(10)	-			
Corporate	(25)	(33)			
Total Vivendi	**213**	**218**	**-2.5%**	**-0.6%**	**+3.6%**

na: not applicable.

a. Constant perimeter reflects the impacts of the acquisitions of Dailymotion (included within New Initiatives) on June 30, 2015, and Radionomy (included within Vivendi Village) on December 17, 2015.

Universal Music Group (UMG)

Universal Music Group's (UMG) revenues were €1,119 million, up 0.6% at constant currency compared to the first quarter of 2015 (+1.9% on an actual basis).

Recorded music revenues grew 0.5% at constant currency thanks to growth in subscription and streaming revenues (+59.7%) despite the accelerated decline in download sales and the continued decrease in physical sales.

Music publishing revenues grew 0.3% at constant currency, while merchandising and other revenues declined by 6.9% at constant currency due to lower touring activity.

Recorded music best sellers for the first quarter of 2016 included carryover sales from Justin Bieber and The Weeknd, as well as new releases from Rihanna and the Japanese artist Tsuyoshi Nagabuchi.

UMG's income from operations was €102 million, up 18.6% at constant currency compared to the first quarter of 2015 (+15.8% on an actual basis) after adjusting for restructuring charges, as a result of lower operating expenses, due to a softer release schedule compared to the first quarter of 2015.

UMG's EBITA was €79 million, marginally down 0.2% at constant currency compared to the first quarter of 2015 (-4.0% on an actual basis) as the benefits of higher revenues and cost savings were offset by increased restructuring charges.

Canal+ Group

Canal+ Group's revenues amounted to €1,328 million, down 3.1% compared to the first quarter of 2015 (-2.8% at constant currency). Canal+ Group had a total of 15.4 million subscriptions, a year-on-year increase of 170,000, driven by the very strong performance of pay-TV operations in Africa. In France, subscriptions (with commitment) continued to decline to 8.276 million as of March 31, 2016, representing a decrease of 183,000 over the quarter.

Revenues from pay-TV operations in mainland France were notably impacted by fewer subscriptions, despite a slight increase in ARPU. International pay-TV revenues increased, thanks to growth in the individual subscriber base, notably in Africa where Canal+ Group had 500,000 more subscribers compared to the end of March 2015. In February, Canal+ and Iroko launched in Africa Iroko+, a video on demand service dedicated to mobile phones offering subscribers over 1,500 hours of videos in French.

Advertising revenues from free-to-air channels, up 11.5% compared to the first quarter of 2015, benefited from the strong audiences of D8 and D17. At the end of March 2016, D8 was once again the leading DTT channel in France holding a 5% share of its primary target audience of 25-49 year olds.

Studiocanal's revenues were down compared to the first quarter of 2015, which period notably benefited from the successful theatrical release of *Shaun the Sheep* in Germany and the video releases of *Paddington* and *The Imitation Game* in the United Kingdom.

Canal+ Group's income from operations increased by 6.4% to €164 million, compared to €154 million for the first quarter of 2015, and EBITA rose year-on-year to €169 million, compared to €165 million for the first quarter of 2015. This slight increase was driven by the strong development of international pay-TV operations, as well as the favorable, but temporary, impact of the phasing of costs.

Canal+ channels[6] in France suffered a loss in EBITA of €59 million, compared to €50 million for the first quarter of 2015. For the first quarter of 2016, the loss in EBITA of Canal+ channels in France benefited from lower film programming costs compared to the first quarter of 2015 due to timing effect. Thus, the decline in EBITA of Canal+ channels in France is expected to increase in the coming quarters, notably as a result of the inflation of sports rights costs (approximately €65 million), timing effect on film programming costs (approximately €20 million), decline in revenues caused by continued erosion of the subscriber base (approximately €20 million), increased marketing costs in the second half of 2016 (approximately €20 million) and higher COSIP rate compared to the first quarter of 2016 (approximately €40 million). Moreover, these forecasts exclude the potential impacts of both the exclusive distribution agreement with beIN Sports and the transformation plan in progress.

Vivendi Village

Vivendi Village's revenues amounted to €25 million, up 2.4% compared to the first quarter of 2015 (-6.9% at constant currency and perimeter). Several new entities joined Vivendi Village last year, including Le Théâtre de l'Œuvre in Paris and Radionomy. MyBestPro recorded a particularly good performance during the quarter.

Over the same period, Vivendi Village's income from operation was a loss of €4 million, related to new projects' development costs. Vivendi Village aims to serve as a laboratory for ideas and a place for experimentation for the entire Vivendi Group thanks to the flexibility of its small organizational structures.

In the coming months, Vivendi Village will launch CanalOlympia, a network of cinema and performance venues in Central and Western Africa. The opening of the first of these venues will take place on June 14, 2016 in Yaoundé, Cameroon.

A number of initiatives have also been taken at L'Olympia to expand target audiences at the iconic Paris music hall, including hosting the *Olympia by Night* concerts in late evenings and organizing a photo exhibition *The Olympia, yesterday, today and tomorrow* during the day.

For its part, Watchever, a video-on-demand subscriptions service in Germany, continues to diversify and expand its offer and services. It is developing a mobile application which will enable it to distribute the Studio+ premium series in the coming months.

Corporate

Corporate's income from operations was a net charge of €25 million, compared to €28 million for the first quarter of 2015, a €3 million favorable change.

Corporate's EBITA was a net charge of €25 million, compared to €33 million for the first quarter of 2015, a €8 million favorable change, notably attributable to the decrease in legal fees and the adjustment to the 2013 performance share plans.

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[6] *Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Séries, Canal+ Family and Canal+ Décalé.*

2 Treasury and capital resources

2.1 Net Cash Position and equity portfolio

Preliminary comment: *Net Cash Position should be considered in addition to, and not as a substitute for, other GAAP measures as presented in the Consolidated Statement of Financial Position, as well as any other measures of indebtedness reported in accordance with GAAP, and Vivendi considers it to be a relevant indicator of treasury and capital resources of the group: please refer to Section 2 of the 2015 Financial Report (page 185 of the 2015 Annual Report). Vivendi Management uses this indicator for reporting, management, and planning purposes, as well as to comply with certain covenants.*

2.1.1 Net Cash Position

(in millions of euros)	March 31, 2016	December 31, 2015
Cash and cash equivalents (a)	6,372	8,225
of which Vivendi SA's money market funds	*3,802*	*5,550*
Vivendi SA's term deposits, interest-bearing current accounts, and MTN	*2,267*	*2,372*
Cash management financial assets	380	581
Cash position	**6,752**	**8,806**
Derivative financial instruments in assets	117	115
Cash deposits (b)	440	439
Borrowings and other financial liabilities	(2,499)	(2,938)
of which long-term (a)	*(796)*	*(1,555)*
short-term (a)	*(1,703)*	*(1,383)*
Borrowings and other financial items	**(1,942)**	**(2,384)**
Net Cash Position	**4,810**	**6,422**

a. As presented in the Consolidated Statement of Financial Position.

b. As of March 31, 2016, corresponded to the €440 million cash collateral related to the public tender offer for Gameloft shares; as of December 31, 2015, corresponded to the cash deposit related to the hedge of Activision Blizzard shares (€439 million) recovered as part of the unwinding of the hedge in January 2016.

As of March 31, 2016, Vivendi's Net Cash Position was €4,810 million (compared to €6,422 million as of December 31, 2015). As of March 31, 2016, it included the group's cash position of €6,752 million, of which €6,454 million was held by Vivendi SA and primarily invested as follows:

- €3,802 million invested in money market funds and classified as "cash and cash equivalents";
- €2,475 million invested in term deposits, interest-bearing current accounts and MTN, of which €2,267 million is classified as "cash and cash equivalents" and the remaining balance (€208 million) as "financial assets"; and
- €172 million invested in bond funds and classified as "financial assets".

As of March 31, 2016, Vivendi's borrowings and other financial liabilities amounted to €2,499 million and primarily comprised three Vivendi SA bonds for an aggregate amount of €1,950 million (maturing in December 2016, March 2017 and December 2019, respectively), as well as the share repurchase program in place as of March 31, 2016 (€223 million). The other financial items included derivative financial instruments in assets as well as cash deposits; they amounted to €557 million, compared to €554 million as of December 31, 2015.

Vivendi SA has a €2 billion bank credit facility, maturing in October 2020 and undrawn as of March 31, 2016. In addition, as a result of the settlement agreement entered into with Liberty Media on February 23, 2016 regarding the lawsuit filed by Liberty Media in March 2003, the letter of credit issued to guarantee the amounts awarded by the jury was terminated and the related cash deposit was returned to Vivendi (€974 million).

2.1.2 Equity portfolio

As of March 31, 2016, Vivendi held a portfolio of listed and unlisted non-controlling equity interests, mainly in Telecom Italia, Telefonica, Ubisoft, Gameloft and Banijay Group. At this date, this equity portfolio represented an aggregate market value of approximately €4.9 billion (before taxes): please refer to Notes 7 and 8 to the Condensed Financial Statements for the first quarter ended March 31, 2016.

2.2 Changes in Net Cash Position

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Net Cash Position
Net Cash Position as of December 31, 2015	**8,225**	**(1,803)**	**6,422**
Outflows/(inflows):			
Operating activities	90	-	90
Investing activities	563	(195)	368
Financing activities	(2,489)	430	(2,059)
Foreign currency translation adjustments	(17)	6	(11)
Net Cash Position as of March 31, 2016	**6,372**	**(1,562)**	**4,810**

a. "Other financial items" include cash management financial assets, commitments to purchase non-controlling interests, derivative financial instruments (assets and liabilities) and cash deposits.

2.3 Cash flow from operations analysis

Preliminary comments:

- *The non-GAAP measures cash flow from operations (CFFO) and cash flow from operations after interest and taxes (CFAIT) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.*
- *As a reminder, GVT (sold in May 2015) has been reported as a discontinued operation in compliance with IFRS 5. In practice, cash flows from this business have been reported as follows:*
  - *GVT's contribution, until its effective sale on May 28, 2015, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations"; and*
  - *its cash flow from operations (CFFO) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO and CFAIT, as presented below.*

	Three months ended March 31,		
(in millions of euros)	2016	2015	% Change
Revenues	2,491	2,492	-
Operating expenses excluding depreciation and amortization	(2,190)	(2,193)	+0.1%
	301	*299*	*+0.8%*
Restructuring charges paid	(35)	(14)	x 2,6
Content investments, net	(50)	63	na
of which content investments paid	*(610)*	*(552)*	*-10.5%*
recoupments of advances/consumption of rights	*560*	*615*	*-9.1%*
Neutralization of change in provisions included in operating expenses	(47)	(34)	-39.3%
Other cash operating items	1	-	na
Other changes in net working capital	(23)	(125)	+81.8%
Net cash provided by/(used for) operating activities before income tax paid	***147***	***189***	***-22.6%***
Dividends received from equity affiliates and unconsolidated companies	-	1	na
Capital expenditures, net (capex, net)	(57)	(72)	+21.0%
Cash flow from operations (CFFO)	**90**	**118**	**-23.3%**
Interest paid, net	(8)	(5)	-56.3%
Other cash items related to financial activities	(57)	72	na
Income tax (paid)/received, net	(57)	(294)	+80.7%
Cash flow from operations after interest and income tax paid (CFAIT)	**(32)**	**(109)**	**+71.0%**

na: not applicable.

2.3.1 Changes in cash flow from operations (CFFO)

For the first quarter of 2016, cash flow from operations (CFFO) generated by the business segments was €90 million (compared to €118 million for the first quarter of 2015). This €28 million decrease (-23.3%) notably included the increase in content investments (-€58 million) and the payment of restructuring charges (-€21 million), partially offset by the decrease in capital expenditures (+€15 million).

2.3.2 Changes in cash flow from operations after interest and income tax paid (CFAIT)

For the first quarter of 2016, cash flow from operations after interest and income tax paid (CFAIT) represented a net outflow of €32 million, compared to a €109 million net outflow for the first quarter of 2015, a €77 million improvement. This change mainly reflected the decrease in income taxes paid (+€237 million) partially offset by the unfavorable change in net cash flow from financial activities (-€132 million).

Cash flow related to income taxes represented a €57 million net outflow, compared to a €294 million net outflow for the first quarter of 2015. For the first quarter of 2016, they primarily included the 3% tax on the dividends paid in February 2016 (€40 million). For the first quarter of 2015, they included the payment made in France (-€321 million), related to an ongoing litigation with tax authorities for the final assessment of the income tax payable by Vivendi SA with respect to fiscal year 2012. This payment was partially offset by the receipt on January 16, 2015 by Vivendi SA of moratorium interest (+€43 million), related to the refund received on December 23, 2014 with respect to the 2011 Consolidated Global Profit Tax System.

For the first quarter of 2016, financial activities generated a €65 million net outflow, compared to a €67 million net inflow for the same period in 2015. For the first quarter of 2016, they mainly included cash outflows generated by foreign exchange risk hedging instruments following the depreciation of the British pound (GBP) against the euro (-€57 million). For the first quarter of 2015, they mainly included cash inflows generated by foreign exchange risk hedging instruments following the appreciation of the U.S. dollar (USD) against the euro (+€72 million).

2.3.3 Reconciliation of CFAIT to net cash provided by/(used for) operating activities of continuing operations

	Three months ended March 31,	
(in millions of euros)	2016	2015
Cash flow from operations after interest and income tax paid (CFAIT)	**(32)**	**(109)**
Adjustments		
Capital expenditures, net (capex, net)	57	72
Dividends received from equity affiliates	-	(1)
Interest paid, net	8	5
Other cash items related to financial activities	57	(72)
Net cash provided by/(used for) operating activities of continuing operations (a)	**90**	**(105)**

a. As presented in the Consolidated Statement of Cash Flows.

2.4 Analysis of investing and financing activities

2.4.1 Investing activities

(in millions of euros)	Three months ended March 31, 2016
Financial investments	
Acquisitions of Telecom Italia ordinary shares	(408)
Investment in Banijay Group	(290)
Acquisition of Ubisoft shares	(68)
Acquisition of Gameloft shares	(5)
Cash collateral related to the public tender offer for Gameloft shares	(440)
Other acquisitions and investments	(39)
Other	(3)
Total financial investments	**(1,253)**
Financial divestments	
Net proceeds received from the sale of the remaining interest in Activision Blizzard	976
Recovery of the deposit related to the hedge of Activision Blizzard shares	439
Net proceeds received from the settlement agreement with Liberty Media	269
Cash management financial assets	197
Other	(8)
Total financial divestments	**1,873**
Capital expenditures, net	(57)
Net cash provided by/(used for) investing activities (a)	**563**

a. As presented in the Consolidated Statement of Cash Flows.

2.4.2 Financing activities

(in millions of euros)	Three months ended March 31, 2016
Transactions with shareowners	
Distribution to Vivendi SA's shareowners	(1,318)
Sales/(purchases) of Vivendi SA's treasury shares	(1,129)
Other	(2)
Total transactions with shareowners	**(2,449)**
Transactions on borrowings and other financial liabilities	
Interest paid, net	(8)
Other	(32)
Total transactions on borrowings and other financial liabilities	**(40)**
Net cash provided by/(used for) financing activities (a)	**(2,489)**

a. As presented in the Consolidated Statement of Cash Flows.

3 Forward-Looking Statements

Cautionary note

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including the impact of certain transactions and the payment of dividends and distributions as well as share repurchases. 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 Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals, and to any other approvals which may be required in connection with certain transactions, as well as the risks described in the documents of the group filed by Vivendi with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), and in its press releases, if any, which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, readers are cautioned against relying on such forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. 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.

4 Other Disclaimers

Unsponsored ADRs

Vivendi does not sponsor an American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.

Translation

This Financial Report is an English translation of the French version of the report and is provided solely for the convenience of English speaking readers. This translation is qualified in its entirety by the French version, which is available on the company's website (www.vivendi.com). In the event of any inconsistencies between the French version of this Financial Report and the English translation, the French version will prevail.

II- Appendix to the Financial Report: Unaudited supplementary financial data

1 Quarterly revenues, income from operations and EBITA by business segment

(in millions of euros)	2016 Three months ended March 31,
Revenues	
Universal Music Group	1,119
Canal+ Group	1,328
Vivendi Village	25
New Initiatives	30
Elimination of intersegment transactions	(11)
Total Vivendi	**2,491**
Income from operations	
Universal Music Group	102
Canal+ Group	164
Vivendi Village	(4)
New Initiatives	(9)
Corporate	(25)
Total Vivendi	**228**
EBITA	
Universal Music Group	79
Canal+ Group	169
Vivendi Village	-
New Initiatives	(10)
Corporate	(25)
Total Vivendi	**213**

	2015			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Three months ended September 30,	Three months ended December 31,
Revenues				
Universal Music Group	1,097	1,214	1,181	1,616
Canal+ Group	1,370	1,364	1,300	1,479
Vivendi Village	25	26	22	27
New Initiatives	-	1	17	25
Elimination of intersegment transactions	-	(2)	-	-
Total Vivendi	**2,492**	**2,603**	**2,520**	**3,147**
Income from operations				
Universal Music Group	88	91	99	348
Canal+ Group	154	214	186	(12)
Vivendi Village	4	4	1	1
New Initiatives	-	(1)	(9)	(8)
Corporate	(28)	(26)	(20)	(25)
Total Vivendi	**218**	**282**	**257**	**304**
EBITA				
Universal Music Group	82	89	88	334
Canal+ Group	165	223	162	(96)
Vivendi Village	4	4	-	1
New Initiatives	-	(1)	(9)	(10)
Corporate	(33)	(17)	(22)	(22)
Total Vivendi	**218**	**298**	**219**	**207**

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III - Condensed Financial Statements for the first quarter ended March 31, 2016

Condensed Statement of Earnings

	Note	Three months ended March 31, (unaudited) 2016	2015	Year ended December 31, 2015
Revenues	3	**2,491**	**2,492**	**10,762**
Cost of revenues		(1,510)	(1,510)	(6,555)
Selling, general and administrative expenses		(802)	(855)	(3,571)
Restructuring charges	3	(21)	(7)	(102)
Impairment losses on intangible assets acquired through business combinations		-	-	(3)
Reversal of reserve related to the Liberty Media litigation in the United States	12	240	-	-
Other income	2	580	1	745
Other charges		(10)	(4)	(45)
Earnings before interest and income taxes (EBIT)		**968**	**117**	**1,231**
Income from equity affiliates	7	(13)	(6)	(10)
Interest	4	(8)	(5)	(30)
Income from investments		1	9	52
Other financial income		6	12	16
Other financial charges		(13)	(18)	(73)
Earnings from continuing operations before provision for income taxes		**941**	**109**	**1,186**
Provision for income taxes	5	(65)	(76)	(441)
Earnings from continuing operations		**876**	**33**	**745**
Earnings from discontinued operations		(1)	17	1,233
Earnings		**875**	**50**	**1,978**
Of which				
Earnings attributable to Vivendi SA shareowners		**862**	**33**	**1,932**
of which **earnings from continuing operations attributable to Vivendi SA shareowners**		**863**	**16**	**699**
earnings from discontinued operations attributable to Vivendi SA shareowners		(1)	17	1,233
Non-controlling interests		13	17	46
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	6	0.66	0.01	0.51
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	6	0.66	0.01	0.51
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	6	-	0.01	0.91
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	6	-	0.01	0.90
Earnings attributable to Vivendi SA shareowners per share - basic	6	**0.66**	**0.02**	**1.42**
Earnings attributable to Vivendi SA shareowners per share - diluted	6	0.66	0.02	1.41

In millions of euros, except per share amounts, in euros.

As a reminder, in compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, GVT (sold on May 28, 2015) has been reported as a discontinued operation.

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Comprehensive Income

(in millions of euros)	Three months ended March 31, (unaudited) 2016	2015	Year ended December 31, 2015
Earnings	**875**	**50**	**1,978**
Actuarial gains/(losses) related to employee defined benefit plans, net	-	-	(21)
Comprehensive income from equity affiliates, net	(1)	-	-
Items not reclassified to profit or loss	**(1)**	**-**	**(21)**
Foreign currency translation adjustments	(279)	550	1,513
Unrealized gains/(losses), net	(547)	44	(371)
Comprehensive income from equity affiliates, net	1	-	-
Other impacts, net	(20)	(2)	31
Items to be subsequently reclassified to profit or loss	**(845)**	**592**	**1,173**
Charges and income directly recognized in equity	**(846)**	**592**	**1,152**
Total comprehensive income	**29**	**642**	**3,130**
Of which			
Total comprehensive income attributable to Vivendi SA shareowners	**11**	**619**	**3,089**
Total comprehensive income attributable to non-controlling interests	18	23	41

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Financial Position

(in millions of euros)	Note	March 31, 2016 (unaudited)	December 31, 2015
ASSETS			
Goodwill		10,004	10,177
Non-current content assets		2,201	2,286
Other intangible assets		213	224
Property, plant and equipment		711	737
Investments in equity affiliates	7	3,934	3,435
Non-current financial assets	8	1,953	4,132
Deferred tax assets		671	622
Non-current assets		**19,687**	**21,613**
Inventories		118	117
Current tax receivables		428	653
Current content assets		950	1,088
Trade accounts receivable and other		1,899	2,139
Current financial assets	8	944	1,111
Cash and cash equivalents	9	6,372	8,225
Current assets		**10,711**	**13,333**
TOTAL ASSETS		**30,398**	**34,946**
EQUITY AND LIABILITIES			
Share capital		7,526	7,526
Additional paid-in capital		5,342	5,343
Treasury shares		(1,859)	(702)
Retained earnings and other		8,701	8,687
Vivendi SA shareowners' equity		**19,710**	**20,854**
Non-controlling interests		244	232
Total equity	10	**19,954**	**21,086**
Non-current provisions		1,686	2,679
Long-term borrowings and other financial liabilities		796	1,555
Deferred tax liabilities		658	705
Other non-current liabilities		72	105
Non-current liabilities		**3,212**	**5,044**
Current provisions		330	363
Short-term borrowings and other financial liabilities		1,703	1,383
Trade accounts payable and other		5,097	6,737
Current tax payables		102	333
Current liabilities		**7,232**	**8,816**
Total liabilities		**10,444**	**13,860**
TOTAL EQUITY AND LIABILITIES		**30,398**	**34,946**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Cash Flows

(in millions of euros)	Note	Three months ended March 31, (unaudited) 2016	2015	Year ended December 31, 2015
Operating activities				
EBIT		968	117	1,231
Adjustments		(748)	134	(38)
Content investments, net		(50)	63	157
Gross cash provided by operating activities before income tax paid		***170***	***314***	***1,350***
Other changes in net working capital		(23)	(125)	(226)
Net cash provided by operating activities before income tax paid		***147***	***189***	***1,124***
Income tax (paid)/received, net		(57)	(294)	(1,037)
Net cash provided by operating activities of continuing operations		***90***	***(105)***	***87***
Net cash provided by operating activities of discontinued operations		***-***	***153***	***153***
Net cash provided by operating activities		**90**	**48**	**240**
Investing activities				
Capital expenditures		(59)	(72)	(247)
Purchases of consolidated companies, after acquired cash		(10)	(1)	(359)
Investments in equity affiliates	7	(528)	-	(19)
Increase in financial assets	8	(715)	(177)	(3,549)
Investments		***(1,312)***	***(250)***	***(4,174)***
Proceeds from sales of property, plant, equipment and intangible assets		2	-	1
Proceeds from sales of consolidated companies, after divested cash		(17)	(9)	4,032
Disposal of equity affiliates	7	-	-	268
Decrease in financial assets	8	1,890	1	4,713
Divestitures		***1,875***	***(8)***	***9,014***
Dividends received from equity affiliates		-	1	5
Dividends received from unconsolidated companies		-	-	9
Net cash provided by/(used for) investing activities of continuing operations		***563***	***(257)***	***4,854***
Net cash provided by/(used for) investing activities of discontinued operations		***-***	***(262)***	***(262)***
Net cash provided by/(used for) investing activities		**563**	**(519)**	**4,592**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		3	129	273
Sales/(purchases) of Vivendi SA's treasury shares	10	(1,129)	-	(492)
Distributions to Vivendi SA's shareowners	10	(1,318)	-	(2,727)
Other transactions with shareowners		-	(4)	(534)
Dividends paid by consolidated companies to their non-controlling interests		(5)	(10)	(46)
Transactions with shareowners		***(2,449)***	***115***	***(3,526)***
Setting up of long-term borrowings and increase in other long-term financial liabilities		-	-	8
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		-	-	(2)
Principal payment on short-term borrowings		(22)	(71)	(126)
Other changes in short-term borrowings and other financial liabilities		47	(9)	6
Interest paid, net		(8)	(5)	(30)
Other cash items related to financial activities		(57)	72	106
Transactions on borrowings and other financial liabilities		***(40)***	***(13)***	***(38)***
Net cash provided by/(used for) financing activities of continuing operations		***(2,489)***	***102***	***(3,564)***
Net cash provided by/(used for) financing activities of discontinued operations		***-***	***393***	***69***
Net cash provided by/(used for) financing activities		**(2,489)**	**495**	**(3,495)**
Foreign currency translation adjustments of continuing operations		(17)	22	3
Foreign currency translation adjustments of discontinued operations		-	(8)	(8)
Change in cash and cash equivalents		**(1,853)**	**38**	**1,332**
Reclassification of discontinued operations' cash and cash equivalents		**-**	**48**	**48**
Cash and cash equivalents				
At beginning of the period	9	**8,225**	**6,845**	**6,845**
At end of the period	9	**6,372**	**6,931**	**8,225**

As a reminder, in compliance with IFRS 5, GVT (sold on May 28, 2015) has been reported as a discontinued operation.

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statements of Changes in Equity

Three months ended March 31, 2016 (unaudited)

(in millions of euros, except number of shares)	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2015	***1,368,323***	**7,526**	**5,343**	**(702)**	**12,167**	**8,014**	**905**	**8,919**	**21,086**
Attributable to Vivendi SA shareowners	***1,368,323***	***7,526***	***5,343***	***(702)***	***12,167***	***7,764***	***923***	***8,687***	***20,854***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***250***	***(18)***	***232***	***232***
Contributions by/distributions to Vivendi SA shareowners	*96*	-	(1)	(1,157)	(1,158)	2	-	2	(1,156)
Sales/(purchases) of treasury shares	*-*	-	*-*	*(1,157)*	*(1,157)*	*-*	-	*-*	*(1,157)*
Capital increase related to share-based compensation plans	*96*	-	*(1)*	*-*	*(1)*	*2*	-	*2*	*1*
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***96***	**-**	**(1)**	**(1,157)**	**(1,158)**	**2**	**-**	**2**	**(1,156)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(6)	-	(6)	(6)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(6)**	**-**	**(6)**	**(6)**
Earnings	-	-	-	-	-	875	-	875	875
Charges and income directly recognized in equity	-	-	-	-	-	(20)	(826)	(846)	(846)
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**855**	**(826)**	**29**	**29**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***96***	***-***	***(1)***	***(1,157)***	***(1,158)***	***851***	***(826)***	***25***	***(1,133)***
Attributable to Vivendi SA shareowners	*96*	*-*	*(1)*	*(1,157)*	*(1,158)*	*838*	*(825)*	*13*	*(1,145)*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*13*	*(1)*	*12*	*12*
BALANCE AS OF MARCH 31, 2016	***1,368,419***	**7,526**	**5,342**	**(1,859)**	**11,009**	**8,865**	**80**	**8,945**	**19,954**
Attributable to Vivendi SA shareowners	***1,368,419***	***7,526***	***5,342***	***(1,859)***	***11,009***	***8,602***	***99***	***8,701***	***19,710***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***263***	***(19)***	***244***	***244***

The accompanying notes are an integral part of the Condensed Financial Statements.

Three months ended March 31, 2015 (unaudited)

(in millions of euros, except number of shares)	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2014	***1,351,601***	**7,434**	**5,160**	**(1)**	**12,593**	**10,611**	**(216)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	***1,351,601***	***7,434***	***5,160***	***(1)***	***12,593***	***10,210***	***(197)***	***10,013***	***22,606***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***401***	***(19)***	***382***	***382***
Contributions by/distributions to Vivendi SA shareowners	1,482	8	(8)	-	-	2	-	2	2
Capital increase related to share-based compensation plans	*1,482*	*8*	*(8)*	*-*	*-*	*2*	*-*	*2*	*2*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	(3)	-	(3)	(3)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***1,482***	**8**	**(8)**	**-**	**-**	**(1)**	**-**	**(1)**	**(1)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(2)	-	(2)	(2)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(2)**	**-**	**(2)**	**(2)**
Earnings	-	-	-	-	-	50	-	50	50
Charges and income directly recognized in equity	-	-	-	-	-	(2)	594	592	592
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**48**	**594**	**642**	**642**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***1,482***	***8***	***(8)***	***-***	***-***	***45***	***594***	***639***	***639***
Attributable to Vivendi SA shareowners	*1,482*	*8*	*(8)*	*-*	*-*	*32*	*586*	*618*	*618*
Attributable to non-controlling interests	*-*	*-*	*-*	*-*	*-*	*13*	*8*	*21*	*21*
BALANCE AS OF MARCH 31, 2015	***1,353,083***	**7,442**	**5,152**	**(1)**	**12,593**	**10,656**	**378**	**11,034**	**23,627**
Attributable to Vivendi SA shareowners	***1,353,083***	***7,442***	***5,152***	***(1)***	***12,593***	***10,242***	***389***	***10,631***	***23,224***
Attributable to non-controlling interests	***-***	***-***	***-***	***-***	***-***	***414***	***(11)***	***403***	***403***

The accompanying notes are an integral part of the Condensed Financial Statements.

Year ended December 31, 2015

(in millions of euros, except number of shares)	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF DECEMBER 31, 2014	***1,351,601***	**7,434**	**5,160**	**(1)**	**12,593**	**10,611**	**(216)**	**10,395**	**22,988**
Attributable to Vivendi SA shareowners	***1,351,601***	***7,434***	***5,160***	***(1)***	***12,593***	***10,210***	***(197)***	***10,013***	***22,606***
Attributable to non-controlling interests	-	-	-	-	-	***401***	***(19)***	***382***	***382***
Contributions by/distributions to Vivendi SA shareowners	***16,722***	**92**	**183**	**(701)**	**(426)**	**(4,033)**	**-**	**(4,033)**	**(4,459)**
Sales/(purchases) of treasury shares	-	-	-	(702)	(702)	-	-	-	(702)
Distribution to shareowners	-	-	-	-	-	(4,044)	-	(4,044)	(4,044)
Dividend paid on April 23, 2015 with respect to fiscal year 2014 (€1 per share)	-	-	-	-	-	*(1,363)*	-	*(1,363)*	*(1,363)*
First interim dividend paid on June 29, 2015 with respect to fiscal year 2015 (€1 per share)	-	-	-	-	-	*(1,364)*	-	*(1,364)*	*(1,364)*
Second interim dividend paid on February 3, 2016 with respect to fiscal year 2015 (€1 per share)	-	-	-	-	-	*(1,318)*	-	*(1,318)*	*(1,318)*
Capital increase related to share-based compensation plans	16,722	92	183	1	276	11	-	11	287
of which Vivendi Employee Stock Purchase Plans (July 16, 2015)	*3,914*	*22*	*53*	-	*75*	-	-	-	*75*
exercise of stock-options by executive management and employees	*10,882*	*60*	*140*	-	*200*	-	-	-	*200*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	**(382)**	**-**	**(382)**	**(382)**
Of which acquisition of SECP's non-controlling interests	-	-	-	-	-	*(375)*	-	*(375)*	*(375)*
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***16,722***	**92**	**183**	**(701)**	**(426)**	**(4,415)**	**-**	**(4,415)**	**(4,841)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(41)**	**-**	**(41)**	**(41)**
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(41)	-	(41)	(41)
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	**(150)**	**-**	**(150)**	**(150)**
Acquisition of SECP's non-controlling interests	-	-	-	-	-	(150)	-	(150)	(150)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(191)**	**-**	**(191)**	**(191)**
Earnings	-	-	-	-	-	1,978	-	1,978	1,978
Charges and income directly recognized in equity	-	-	-	-	-	31	1,121	1,152	1,152
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**2,009**	**1,121**	**3,130**	**3,130**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***16,722***	***92***	***183***	***(701)***	***(426)***	***(2,597)***	***1,121***	***(1,476)***	***(1,902)***
Attributable to Vivendi SA shareowners	*16,722*	*92*	*183*	*(701)*	*(426)*	*(2,446)*	*1,120*	*(1,326)*	*(1,752)*
Attributable to non-controlling interests	-	-	-	-	-	*(151)*	*1*	*(150)*	*(150)*
BALANCE AS OF DECEMBER 31, 2015	***1,368,323***	**7,526**	**5,343**	**(702)**	**12,167**	**8,014**	**905**	**8,919**	**21,086**
Attributable to Vivendi SA shareowners	***1,368,323***	***7,526***	***5,343***	***(702)***	***12,167***	***7,764***	***923***	***8,687***	***20,854***
Attributable to non-controlling interests	-	-	-	-	-	***250***	***(18)***	***232***	***232***

The accompanying notes are an integral part of the Condensed Financial Statements

Notes to the Condensed Financial Statements

On May 9, 2016, at a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the first quarter ended March 31, 2016. Upon the recommendation of the Audit Committee which met on May 10, 2016, the Supervisory Board, at its meeting held on May 11, 2016, reviewed the Financial Report and Unaudited Condensed Financial Statements for the first quarter ended March 31, 2016, as previously approved by the Management Board on May 9, 2016.

The Unaudited Condensed Financial Statements for the first quarter ended March 31, 2016 should be read in conjunction with Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2015, as published in the "Rapport annuel - Document de référence" filed on March 15, 2016 with the French *Autorité des marchés financiers* (AMF) (the "Document de référence 2015"). Please also refer to pages 194 to 279 of the English translation[7] of the "Document de référence 2015" (the "2015 Annual Report") which is available on Vivendi's website (www.vivendi.com).

Note 1 Accounting policies and valuation methods

Vivendi's interim Condensed Financial Statements for the first quarter of 2016 are presented and have been prepared in accordance with IAS 34 - *Interim Financial Reporting* as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2015 (please refer to Note 1 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2015, pages 204 to 215 of the 2015 Annual Report) and the following provisions were applied:

- Provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to pre-tax earnings. The assessment of the annual effective tax rate takes into consideration notably the recognition of anticipated deferred tax assets for the full year which were not previously recognized; and
- Compensation costs recorded for share-based compensation plans, employee benefits and profit-sharing have been included on a pro-rata basis of the estimated cost for the year, adjusted, if necessary, for any non-recurring events which occurred over the period.

Among the new IFRS standards and IFRIC interpretations issued by the IASB/IFRS IC and described in Note 1.6 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" to Vivendi's Consolidated Financial Statements for the year ended December 31, 2015 (page 215 of the 2015 Annual Report), the amendments to IAS 38 – *Intangible Assets* are applicable from the first quarter of 2016. These amendments, related to clarification of acceptable methods of depreciation and amortization, were issued by the IASB on May 12, 2014, endorsed by the EU on December 2, 2015, and published in the Official Journal of the EU on December 3, 2015. They apply mandatorily from January 1, 2016.
Their application had no significant impact for Vivendi. Indeed, in respect of its film production and television rights activities, Vivendi considers that using the amortization method based on revenues generated by these activities, according to the estimated revenue method described in Note 1.3.5.3 to Vivendi's Consolidated Financial Statements for the year ended December 31, 2015 (page 209 of the 2015 Annual Report), is appropriate because revenue is highly correlated with the consumption of the economic benefits embodied in the intangible assets.

Note 2 Major changes in the consolidation scope and the equity portfolio

2.1 Public tender offer for the shares of Gameloft S.E.

Preliminary comment: *This disclosure does not constitute an offer and should not be construed as constituting any form of solicitation for the purchase or sale of securities in the United States or any other country. The offer referred to below and the acceptance of such offer may be, in certain countries, subject to special regulations, and readers of this Note are asked to comply with those regulations.*

On February 18, 2016, Vivendi filed a proposed public tender offer with the *Autorité des marchés financiers* ("AMF") for all the shares of Gameloft S.E. ("Gameloft") at a price of €6 per share, following the crossing on that date of the 30% threshold in the company's share capital. As of that date, Vivendi held 25,649,006 Gameloft shares[8] representing 30.01% of the share capital and 26.72% of the voting rights of this company[9].

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[7] *This free translation of the "Document de reference 2015" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.*

[8] *Of which 225,000 Gameloft shares borrowed and considered as owned by Vivendi, in accordance with Article L. 233-9 I, 6° of the French Commercial Code (Code de commerce).*

[9] *Based on a share capital comprised of 85,465,122 shares representing 95,995,288 voting rights (information as of January 31, 2016, as disclosed on Gameloft's website).*

The proposed price of €6 per Gameloft share represented a premium of 50.4% over the share price on October 14, 2015, prior to Vivendi's announcement that it entered into Gameloft's share capital, and a premium of 22.9% over the weighted average share price over the past six months. On February 29, 2016, Vivendi raised the price of its proposed public tender offer for Gameloft shares to €7.20 per share.

Vivendi has irrevocably committed to purchase all of the existing Gameloft shares not yet held by Vivendi, as well as all the shares that may be issued upon the exercise of stock subscription options during the tender offer period or during a reopened offer period, if any. To the company's knowledge such amount equals a total of no more than 61,165,516 shares[10].

As of March 31, 2016, Vivendi held 25,424,006 Gameloft shares, i.e., 29.21% of the share capital, representing 26.27% of the voting rights[11].

The public tender offer has been opened since March 21, 2016. On March 25, 2016, Gameloft filed a complaint before the Paris Court of Appeal against the conformity clearance decision issued by the AMF on March 18, 2016 with respect to Vivendi's public tender offer, as well as a request for a stay of execution of the AMF's conformity clearance decision. On May 4, 2016, Gameloft's request for a stay of execution was rejected by the Court in consideration for Vivendi undertaking the following commitments:

- following settlement of the tender offer and until the Court of Appeal has issued its ruling on the conformity clearance decision, Vivendi will hold the Gameloft shares acquired in the tender offer and, if applicable, those acquired during a reopened offer period, in an unavailable account which is separate and apart from the share account in which Vivendi's current Gameloft shares are held;
- during this interim period, the blocked shares will be only be available for the purpose of restitution to former shareholders or placing them on the market;
- if the Court annuls the conformity clearance decision, Vivendi has agreed to take the following actions, under the supervision of the AMF:
  - return the Gameloft shares acquired in the offer and, if applicable, during any reopened offer period, to those former shareholders who make such a request, in exchange for the reimbursement of the consideration received by them; and
  - with regard to the Gameloft shares whose return is not requested, to place such shares on the market.
- until the Court of Appeal has issued its ruling on the conformity clearance decision, Vivendi will not carry out a mandatory squeeze-out for the Gameloft shares at the end of the tender offer, assuming that the conditions for such a squeeze-out would be met.

Accordingly, pursuant to Articles 232-2 and 231-34 of the AMF's *Règlement Général* (General Regulations), the closing date of the public tender offer has been set for May 27, 2016.

2.2 Acquisition of an interest in Banijay Group

On February 23, 2016, Vivendi completed the acquisition of a 26.2% interest in Banijay Group, born out of the combination between Banijay and Zodiak Media.

Vivendi's investment in Banijay Group represents a cash payment of €290 million, including €100 million for a 26.2% interest in the new combined entity. In addition, Vivendi subscribed to two bonds:

i. a €100 million bond redeemable in shares or cash ("ORAN1") issued by Banijay Group. Upon maturity of ORAN1, Banijay Group will have the option of either redeeming the bond in cash or converting it into a number of Banijay Group shares which, in addition to the shares already held by Vivendi, would bring Vivendi's interest in Banijay Group to a maximum of 49.9%; and

ii. a €90 million bond redeemable in shares or cash ("ORAN2") issued by Lov-Banijay, a holding company controlled by Financière Lov. Upon maturity of ORAN2, Lov Banijay will have the option of either redeeming the bond in cash or converting it into a number of shares that would give Vivendi a 25% interest in Lov Banijay.

Both bonds have a 7-year maturity.

Vivendi has two representatives on Banijay Group's Board of Directors, and certain veto and liquidity rights. As from February 23, 2016, the interest in Banijay Group has been accounted for under the equity method, in accordance with IAS 28.

2.3 Sale of interest in Activision Blizzard

On January 13, 2016, Vivendi unwound the hedge of the value of the 41.5 million Activision Blizzard shares denominated in USD that it held, and sold its entire interest. The capital gain on the sale amounted to €576 million (before taxes), classified as "other income" in EBIT and the net proceeds received from these transactions amounted to $1,063 million, i.e., €976 million. The unwinding of these transactions also enabled Vivendi to recover a cash deposit of $0.4 billion (€439 million).

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[10] *Including the 225,000 borrowed Gameloft shares.*

[11] *Based on a share capital comprised of 87,051,522 shares, representing 96,783,019 voting rights (information as of April 1, 2016, as disclosed on Gameloft's website).*

Note 3 Segment data

Main aggregates of the Statement of Earnings

(in millions of euros)	Three months ended March 31, 2016	2015	Year ended December 31, 2015
Revenues			
Universal Music Group	1,119	1,097	5,108
Canal+ Group	1,328	1,370	5,513
Vivendi Village	25	25	100
New Initiatives	30	-	43
Elimination of intersegment transactions	(11)	-	(2)
	2,491	**2,492**	**10,762**
Income from operations			
Universal Music Group	102	88	626
Canal+ Group	164	154	542
Vivendi Village	(4)	4	10
New Initiatives	(9)	-	(18)
Corporate	(25)	(28)	(99)
	228	**218**	**1,061**
Restructuring charges			
Universal Music Group	(20)	(7)	(51)
Canal+ Group	-	-	(47)
Vivendi Village	-	-	(1)
New Initiatives	(1)	-	-
Corporate	-	-	(3)
	(21)	**(7)**	**(102)**
Charges related to equity-settled share-based compensation plans			
Universal Music Group	-	1	(5)
Canal+ Group	(1)	1	(3)
Vivendi Village	-	-	-
New Initiatives	-	-	-
Corporate	(1)	(4)	(8)
	(2)	**(2)**	**(16)**
Other non-current operating charges and income			
Universal Music Group	(3)	-	23
Canal+ Group	6	10	(38)
Vivendi Village	4	-	-
New Initiatives	-	-	(2)
Corporate	1	(1)	16
	8	**9**	**(1)**
Adjusted earnings before interest and income taxes (EBITA)			
Universal Music Group	79	82	593
Canal+ Group	169	165	454
Vivendi Village	-	4	9
New Initiatives	(10)	-	(20)
Corporate	(25)	(33)	(94)
	213	**218**	**942**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Three months ended March 31, 2016	Three months ended March 31, 2015	Year ended December 31, 2015
EBIT (a)	**968**	**117**	**1,231**
Adjustments			
Amortization of intangible assets acquired through business combinations	55	98	408
Impairment losses on intangible assets acquired through business combinations (a)	-	-	3
Reversal of reserve related to the Liberty Media litigation in the United States (a)	(240)	-	-
Other income (a)	(580)	(1)	(745)
Other charges (a)	10	4	45
EBITA	**213**	**218**	**942**
Adjustments			
Restructuring charges (a)	21	7	102
Charges related to equity-settled share-based compensation plans	2	2	16
Other non-current operating charges and income	(8)	(9)	1
Income from operations	**228**	**218**	**1,061**

a. As reported in the Consolidated Statement of Earnings.

Consolidated Statement of Financial Position

(in millions of euros)	March 31, 2016	December 31, 2015
Segment assets (a)		
Universal Music Group	8,752	9,242
Canal+ Group	7,400	7,575
Vivendi Village	217	216
New Initiatives	497	387
Corporate	6,061	8,026
of which investments in equity affiliates	*3,704*	*3,319*
listed equity securities	*1,160*	*2,520*
	22,927	**25,446**
Segment liabilities (b)		
Universal Music Group	3,271	3,552
Canal+ Group	2,521	2,615
Vivendi Village	114	117
New Initiatives	57	50
Corporate	1,222	3,550
	7,185	**9,884**

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, investments in equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. Segment liabilities include provisions, other non-current liabilities, and trade accounts payable and other.

Depreciations and amortizations

(in millions of euros)	Three months ended March 31, 2016	Three months ended March 31, 2015	Year ended December 31, 2015
Depreciation of tangible assets			
Universal Music Group	14	14	67
Canal+ Group	43	41	163
Vivendi Village	1	-	2
New Initiatives	1	-	2
Corporate	-	-	-
	59	**55**	**234**
Amortization of intangible assets excluding those acquired through business combinations			
Universal Music Group	-	-	-
Canal+ Group	12	17	70
Vivendi Village	1	-	-
New Initiatives	-	-	1
Corporate	-	-	-
	13	**17**	**71**
Amortization of intangible assets acquired through business combinations			
Universal Music Group	52	96	398
Canal+ Group	2	2	8
Vivendi Village	1	-	2
New Initiatives	-	-	-
Corporate	-	-	-
	55	**98**	**408**

Note 4 Interest

(in millions of euros) (Charge)/Income	Three months ended March 31, 2016	Three months ended March 31, 2015	Year ended December 31, 2015
Interest expense on borrowings	(14)	(14)	(61)
Interest income from cash, cash equivalents and investments	6	9	31
Interest	**(8)**	**(5)**	**(30)**
Impacts of amortized cost on borrowings	*(2)*	*(1)*	*(4)*
	(10)	**(6)**	**(34)**

In 2015, interest expenses on borrowings included interest received by Vivendi SA from financing provided to GVT until its effective sale on May 28, 2015 (€3 million for the first quarter of 2015 and €4 million in fiscal year 2015).

Note 5 Income taxes

(in millions of euros) (Charge)/Income	Three months ended March 31, 2016	Three months ended March 31, 2015	Year ended December 31, 2015
Impact of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	(18) (a)	(24)	(129) (b)
Other components of the provision for income taxes	(47)	(52)	(312) (c)
Provision for income taxes	**(65)**	**(76)**	**(441)**

a. Notably included the non-recurring negative impact (-€41 million) related to the reversal of reserve with respect to the Liberty Media litigation (taxable income of €240 million, before utilization of up to 50% of Vivendi SA's tax losses carried forward).

b. Mainly included the income tax payable by Vivendi SA in France related to the sale of the interests in Numericable-SFR, GVT and Telefonica Brasil (-€187 million, net of the tax savings related to Vivendi SA's Tax Group System).

c. Notably included the 3% tax on Vivendi SA's dividends (-€122 million, with respect to dividends of €4.1 billion).

Note 6 Earnings per share

	Three months ended March 31,				Year ended December 31, 2015	
	2016		2015			
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners	863	863	16	16	699	699
Earnings from discontinued operations attributable to Vivendi SA shareowners	(1)	(1)	17	17	1,233	1,233
Earnings attributable to Vivendi SA shareowners	862	862	33	33	1,932	1,932
Number of shares (in millions)						
Weighted average number of shares outstanding (a)	1,304.2	1,304.2	1,353.9	1,353.9	1,361.5	1,361.5
Potential dilutive effects related to share-based compensation	-	3.0	-	4.8	-	5.3
Adjusted weighted average number of shares	**1,304.2**	**1,307.2**	**1,353.9**	**1,358.7**	**1,361.5**	**1,366.8**
Earnings per share (in euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.66	0.66	0.01	0.01	0.51	0.51
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	-	-	0.01	0.01	0.91	0.90
Earnings attributable to Vivendi SA shareowners per share	0.66	0.66	0.02	0.02	1.42	1.41

a. Net of the weighted average number of treasury shares: 64.3 million shares for the first quarter of 2016, compared to 0.05 million shares for the same period in 2015, and 1.6 million shares in fiscal year 2015 (please refer to Note 10).

Note 7 Investments in equity affiliates

As of March 31, 2016, the main companies accounted for by Vivendi under the equity method were as follows:

- Telecom Italia: fixed and mobile telephony operator in Italy and Brazil;
- Banijay Group: producer and distributor of television programs; and
- VEVO: premium music video and entertainment platform.

	Voting interest		Value of equity affiliates	
(in millions of euros)	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Telecom Italia (a)	24.68%	21.4%	3,704	3,319
Banijay Group (b)	26.2%	na	100	-
VEVO	49%	49%	80	76
Other	na	na	50	40
			3,934	**3,435**

na: not applicable.

a. As of March 31, 2016, Vivendi held 3,331 million (24.68%) Telecom Italia ordinary shares with voting rights (i.e. 17.06% of the total capital). At the stock market price on March 31, 2016 (€0.948 per share), the market value of this interest amounted to €3,158 million.

b. On February 23, 2016, Vivendi completed the acquisition of a 26.2% interest in Banijay Group (please refer to Note 2.2).

Change in value of investments in equity affiliates

(in millions of euros)	Three months ended March 31, 2016		Year ended December 31, 2015	
Opening balance	**3,435**		**306**	
Investments in equity affiliates (a)	521		3,343	
Sales of investments in equity affiliates	-		(209)	(b)
Income from equity affiliates	(13)	(c)	(10)	
Change in other comprehensive income	(2)		9	
Dividends received	(1)		(5)	
Other	(6)		1	
Closing balance	**3,934**		**3,435**	

a. For the first quarter of 2016, investments included the purchase of 443 million Telecom Italia ordinary shares. In 2015, investments primarily included the purchase of Telecom Italia shares for €3,319 million, pursuant to the following transactions:
   - on June 24, 2015, pursuant to the agreement entered into with Telefonica for the sale of GVT, Vivendi swapped a 4.5% interest in Telefonica Brasil with Telefonica in exchange for a block of 1,110 million shares, representing 8.24% of Telecom Italia ordinary shares;
   - between June 10 and June 18, 2015, Vivendi acquired 1.90% of Telecom Italia ordinary shares directly on the stock market (256 million shares) and, on June 22, 2015, Vivendi acquired a block of 642 million shares, representing 4.76% of Telecom Italia ordinary shares from a financial institution; and
   - during the second half of 2015, Vivendi acquired 880 million Telecom Italia ordinary shares directly on the stock market.

b. Related to the sale of the interest in N-Vision B.V. by Canal+ Group on July 1, 2015.

c. Included Vivendi's share of Telecom Italia's losses for the period from December 15 to December 31, 2015 (-€11 million), calculated based on the financial information for the year ended December 31, 2015, as disclosed by Telecom Italia on March 17, 2016.

Financial information related to 100% of Telecom Italia

On December 15, 2015, Telecom Italia's Extraordinary General Shareholders' Meeting appointed four members to Telecom Italia's Board of Directors who were nominated by Vivendi (including three representatives of Vivendi and one independent member). As from that date, Vivendi has the power to participate in Telecom Italia's financial and operating policy decisions, according to IAS 28, and, consequently, it considered to exercise a significant influence over Telecom Italia. In addition, on April 27, 2016, Mr. Arnaud de Puyfontaine, Chairman of Vivendi's Management Board, was appointed as Vice Chairman of Telecom Italia's Board of Directors.

The main aggregates of the Consolidated Financial Statements for the year ended December 31, 2015, as disclosed by Telecom Italia on March 17, 2016, are as follows:

(in millions of euros)	Annual Financial Statements as of December 31, 2015
Non-current assets	56,402
Current assets	14,830
Total assets	71,232
Total equity	21,333
Non-current liabilities	33,922
Current liabilities	15,977
Total liabilities	71,232
of which net financial debt (a)	*28,475*
Revenues	19,718
EBITDA (a)	7,004
Earnings attributable to Telecom Italia shareowners	(72)
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	(827)

a. Non-GAAP measures ("Alternative Performance Measures"), as disclosed by Telecom Italia.

Note 8 Financial assets

(in millions of euros)	March 31, 2016 Total	Current	Non-current	December 31, 2015 Total	Current	Non-current
Financial assets at fair value						
Term deposits, interest-bearing current accounts, and MTN (a)	208	208	-	266	266	-
Level 1						
Bond funds (a)	172	172	-	315	315	-
Listed equity securities	1,160	-	1,160	2,520	-	2,520
Other financial assets (b)	5	5	-	979	5	974
Level 2						
Unlisted equity securities	320	-	320	331	-	331
Derivative financial instruments	117	81	36	115	47	68
Level 3						
Other financial assets	82	-	82	71	1	70
Financial assets at amortized cost (c)	833	478	355	646	477	169
Financial assets	**2,897**	**944**	**1,953**	**5,243**	**1,111**	**4,132**

a. Related to cash management financial assets, included in the cash position: please refer to Note 9.

b. As of December 31, 2015, included a cash deposit of €974 million as part of the appeal against the Liberty Media judgment. On February 23, 2016, Vivendi agreed with Liberty Media on a settlement regarding the lawsuit filed by Liberty Media in March 2003 in the U.S. District Court for the Southern District of New York, related to the formation of Vivendi Universal Entertainment in May 2002 (please refer to Note 12). As a result of this settlement, the letter of credit issued to guarantee the amounts awarded by the jury was terminated and the related cash deposit was returned to Vivendi.

c. As of March 31, 2016, these financial assets mainly included:
- a €440 million cash collateral related to the public tender offer for Gameloft shares (please refer to Note 2.1);
- a $55 million cash deposit (€49 million as March 31, 2016) made as part of the partial judgment entered in the securities class action (please refer to Note 12); and
- the two bonds subscribed by Vivendi as part of the acquisition of a 26.2% interest in Banijay Group for an aggregate amount of €191 million (please refer to Note 2.2).

In addition, the deposit of $480 million (€439 million as of December 31, 2015) related to the hedge of Activision Blizzard shares was recovered as part of the unwinding of the hedge in January 2016 (please refer below).

Listed equity portfolio

	Note	March 31, 2016 Number of shares held	Cumulated historical value (a)	Ownership interest	Stock market price	Carrying value (a)	Change in value over the period (b)	Cumulative unrealized capital gain/(loss) (b)
		(in thousands)	(in millions of euros)		(€/share)	(in millions of euros)		
Telefonica		47,353	554	0.95%	9.85	467	(18)	(88)
Ubisoft (c)		18,237	420	16.23%	27.60	503	18	83
Gameloft	2.1	25,424	128	29.21%	7.48	190	37	63
Total						**1,160**	**37**	**58**

	December 31, 2015 Number of shares held	Cumulated historical value (a)	Ownership interest	Stock market price	Carrying value (a)	Change in value over the period (b)	Cumulative unrealized capital gain/(loss) (b)
	(in thousands)	(in millions of euros)		(€/share)	(in millions of euros)		
Activision Blizzard (d)	41,500	416	5.7%	35.41	1,470	781	1,054
Telefonica	47,353	554	0.95%	10.24	485	(70)	(70)
Ubisoft (c)	15,659	352	13.98%	26.67	418	65	65
Gameloft	24,489	122	28.65%	6.06	148	26	26
Total					**2,520**	**802**	**1,075**

a. Included acquisition fees and taxes.

b. In accordance with IAS 39, these amounts, before taxes, were accounted for as charges and income directly recognized in equity, except for the remeasurement of the underlying instrument offsetting the intrinsic value of the hedge of Activision Blizzard shares as of December 31, 2015 (€467 million).

c. As of March 31, 2016, Vivendi held 18.2 million Ubisoft Entertainment ("Ubisoft") shares, i.e., 16.23% of the share capital, representing 14.33% of the voting rights[12].

d. On April 29, 2016, Vivendi notified the *Autorité des marchés financiers* that, on April 27, 2016, it had crossed the 15% legal threshold in Ubisoft's voting rights, holding 19.9 million Ubisoft shares representing an equivalent number of voting rights, i.e., 17.73% of the share capital and 15.66% of the voting rights of this company[12]. In accordance with applicable laws and regulations, Vivendi announced the objectives that it intends to pursue over the six coming months:
   - Vivendi's acquisitions were financed using its available cash;
   - Vivendi is not acting in concert with any third party in connection with its investments in Ubisoft and has not entered into a temporary sale agreement for Ubisoft shares or voting rights;
   - Vivendi does not hold instruments and is not a party to agreements such as those referred to in paragraphs 4° and 4° bis of Article L.233-9 of the French Commercial Code (Code de commerce);
   - Vivendi contemplates continuing the acquisition of shares depending on market conditions;
   - Vivendi does not contemplate filing a public tender offer for Ubisoft shares, nor taking control of the company;
   - Vivendi continues to express its desire to establish a fruitful collaboration with Ubisoft;
   - Vivendi intends to seek a restructuring of Ubisoft's Board of Directors, notably to obtain a representation consistent with its shareholder position; and
   - Vivendi's investment in Ubisoft's business sector is part of a strategic vision of operational convergence between Vivendi's content and platforms, and Ubisoft's productions in video games. Since this strategy does not require any modification to Ubisoft's legal or financial organization, Vivendi does not contemplate implementing any of the transactions referred to in Article 223-17 I, 6° of the AMF's *Règlement Général* (General Regulations).

e. On January 13, 2016, Vivendi unwound the hedge of the value of the 41.5 million Activision Blizzard shares denominated in USD that it held, and sold its entire interest. The unwinding of these transactions enabled Vivendi to recover the cash deposit of $480 million (€439 million).

Note 9 Cash position

Vivendi's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Vivendi, cash management financial assets relate to investments which do not meet the criteria for classification as cash equivalents set out in IAS 7, and, with respect to money market funds, the criteria set forth in AMF position No. 2011-13.

(in millions of euros)	March 31, 2016	December 31, 2015
Term deposits, interest-bearing current accounts, and MTN	208	266
Bond funds	172	315
Cash management financial assets	**380**	**581**
Cash	244	256
Term deposits, interest-bearing current accounts, and MTN	2,326	2,419
Money market funds	3,802	5,550
Cash and cash equivalents	**6,372**	**8,225**
Cash position	**6,752**	**8,806**

[12] *Based on a share capital comprised of 112,387,818 shares, representing 127,224,428 voting rights (information as of March 31, 2016, as disclosed on Ubisoft's website).*

Note 10 Equity

Share capital of Vivendi SA

(in thousands)	March 31, 2016	December 31, 2015
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,368,419**	**1,368,323**
Treasury shares	(86,875)	(25,985)
Number of shares, net	**1,281,544**	**1,342,338**

During the first quarter of 2016, Vivendi continued the share repurchase program, authorized by the General Shareholders' Meeting on April 17, 2015. As of March 31, 2016, Vivendi held 86,875 thousand treasury shares, representing 6.35% of the share capital. As of that date, the purchases represented an aggregate payment of €1,635 million (of which €1,129 million was paid during the first quarter of 2016).

Between April 1 and April 21, 2016, the date of the General Shareholders' Meeting that renewed the share repurchase program, Vivendi purchased 12,152 thousand treasury shares, representing a payment of €223 million, accounted for as a financial liability in the Statement of Financial Position as of March 31, 2016.

Shareholders' dividend distribution policy

On February 10, 2016, the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements as of December 31, 2015 and the allocation of earnings for the fiscal year then ended, the Management Board decided to propose to shareholders the payment of an ordinary dividend of €3 per share, representing a total distribution of €3,951 million, comprising a €0.20 distribution related to the group's business performance and a €2.80 return to shareholders. This proposal was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 18, 2016, and adopted by the General Shareholders' Meeting held on April 21, 2016. Given the interim dividends already paid out, the balance of €1 per share was paid on April 28, 2016 (following the coupon detachment on April 26, 2016), representing a payment of €1,270 million.

Note 11 Contractual obligations and other commitments

On February 18, 2016, Vivendi's Supervisory Board authorized the Management Board to enter into an exclusive distribution agreement with beIN Sports. This agreement provides for all beIN Sports channels in France to be available exclusively in Canal+ Group's offerings for a five-year period. The agreement remains subject to approval by the relevant authorities, in particular the French Competition Authority.

Note 12 Litigation

In the normal course of its business, Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively referred to herein as "Legal Proceedings").

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in the 2015 Annual Report: Note 23 to the Consolidated Financial Statements for year ended December 31, 2015 (pages 268 through 275). The following paragraphs update such disclosure through May 9, 2016, the date of the Management Board meeting held to approve Vivendi's Financial Statements for the first quarter ended March 31, 2016.

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including any pending or threatened proceedings in which it is a defendant), which may have or have had in the previous 12 months a significant effect on the company and on its group's financial position, profit, business and property, other than those described herein.

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi and Messrs. Jean-Marie Messier and Guillaume Hannezo in the United States District Court for the Southern District of New York and in the United States District Court for the Central District of California. On September 30, 2002, the New York court decided to consolidate these claims under its jurisdiction into a single action entitled *In re Vivendi Universal S.A. Securities Litigation*.

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and USD 0.13 and USD 10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the *Morrison v. National Australia Bank* case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the "Morrison" decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

On July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007.

The claims process commenced on December 10, 2012, with the sending of a notice to shareholders who may be part of the class. Recipients of the notice had until August 7, 2013 to file a claim form and submit documentation evidencing the validity of their claim. These claims are currently being processed and verified by an independent claims administrator and by the parties. Vivendi has the right to challenge the merits of these claims. On November 10, 2014, at Vivendi's initiative, the parties filed a mutually agreed upon proposed order requesting the Court to enter a partial final judgment on the January 29, 2010 jury verdict, covering a substantial portion of the claims. Certain large claims were excluded from this proposed judgment order as Vivendi continues to analyze whether to challenge the validity of those claims. On December 23, 2014, the Court entered the partial judgment. On August 11, 2015, the Court issued a decision whereby it excluded the claims filed by Southeastern Asset Management (SAM), concluding that Vivendi proved that SAM did not make investment decisions based on Vivendi's supposedly fraudulent statements ("lack of reliance"). On April 25, 2016, the Court issued a similar decision, under which it has excluded claims filed by Capital Guardian.

On January 21, 2015, Vivendi filed its Notice of Appeal with the Second Circuit Court of Appeals. This appeal was heard on March 3, 2016 and a decision is expected in the second quarter of 2016.

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1.3.1 (Use of Estimates) and 1.3.8 (Provisions) to the Consolidated Financial Statements for the year ended December 31, 2015, Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the decision of the District Court for the Southern District of New York on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the "Morrison" case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve.

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay to the plaintiffs could differ from the current estimate. As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Messrs. Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Securities Exchange Act of 1934 and breached certain contractual representations and warranties. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial.

On January 9, 2013, the Court confirmed the jury's verdict. It also awarded Liberty Media pre-judgment interest accruing from December 16, 2001 until the date of the entry of judgment, using the average rate of return on one-year US Treasury bills. On January 17, 2013, the Court entered a final judgment in the total amount of €945 million, including pre-judgment interest, but stayed its execution while it considered two pending post-trial motions, which were denied on February 12, 2013.

On February 15, 2013, Vivendi filed with the Court a Notice of Appeal against the judgment awarded, for which it believed it has strong arguments. On March 13, 2013, Vivendi filed a motion in the Second Circuit Court of Appeals requesting that the Court stay the Liberty Media appeal until the class action judgment is entered so that the two appeals can be heard simultaneously. On April 4, 2013, the Court of Appeals issued an Order granting Vivendi's motion, agreeing to hear the Liberty Media case together with the class action.

On February 23 2016, the parties entered into a settlement agreement pursuant to which Vivendi agreed to pay Liberty Media $775 million (€705 million) in return for the exchange of mutual releases of all claims related to this matter and the dismissal of all appeals before the Second Circuit. The parties have notified the Court of this settlement agreement. This agreement resulted in the recording of a reversal of provision in the amount of €240 million in Vivendi's Financial Statements as of March 31, 2016. This settlement should not be construed as a concession by Vivendi of the validity of any of Liberty Media's claims, or as an admission of any wrongdoing by Vivendi. Rather, despite the jury's verdict, Vivendi is convinced that it did not commit any wrongdoing and that this matter has been resolved on terms that it believes are in the interest of both the company and its shareholders.

Dynamo against Vivendi

On August 24, 2011, the Dynamo investment funds, former shareholders of GVT, filed a complaint against Vivendi before the Bovespa Arbitration Chamber (São Paulo stock exchange), seeking compensation amounting to the difference between the value of the shares sold by them before Vivendi's acquisition of GVT and BRL70.00 per share. According to Dynamo, the provision in GVT's bylaws providing for an increase in the per share purchase price when the 15% threshold is crossed (the "poison pill provision") should allegedly have applied to the acquisition by Vivendi. Vivendi, noting, first, that Dynamo had sold the vast majority of its stake in GVT before November 13, 2009 (the date on which Vivendi took control of GVT) and, second, that this poison pill provision was waived by a GVT General Shareholders' Meeting in the event of an acquisition by Vivendi or Telefonica, denies all of Dynamo's allegations. The arbitral tribunal has been constituted and a hearing before the Bovespa Arbitration Chamber is expected to be scheduled to discuss the merits of the case. In parallel, on February 6, 2013, Dynamo filed an application with the 21st Federal Court of the capital of the State of Rio de Janeiro to compel CVM and Bovespa to provide the arbitral tribunal with confidential information relating to the acquisition of GVT by Vivendi. On December 17, 2014, the Rio de Janeiro Court of Appeal authorized the provision of the abovementioned information solely to the arbitral tribunal. On December 1, 2015, Dynamo filed a petition requesting access to this information, which, pursuant to a recent decision issued by the arbitral tribunal, will be made available solely to the parties' external counsels on May 17 and 18, 2016.

Pro D2

On July 8, 2015, Altice filed an application for interim measures and a referral on the merits with the French Competition Authority concerning the practices of Canal+ Group, Eurosport and the National Rugby League (the "NRL") during the allocation of Pro D2 broadcast rights. Altice is challenging the way the broadcasting rights to French Pro D2 Rugby for the 2015/2016 to 2019/2020 seasons were commercialized by the NRL during December 2014. The rights bidding process resulted in one portion of the rights being allocated to Eurosport and the other portion being allocated to Canal+ Group on April 3, 2015. On March 23, 2016 the French Competition Authority rejected Altice's request for interim measures and a referral on the merits.

Complaints against UMG regarding Royalties for Digital Downloads

Since 2011, as has been the case with other music industry majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for online sales of music downloads and master ringtones. On April 14, 2015, a global transaction terminating the litigation was entered into. This settlement transaction was formally approved by the Court on April 13, 2016.

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions have been filed by RTI against Dailymotion before the Civil Court of Rome. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform. On April 8, 2016, as part of the agreement entered into between Vivendi and Mediaset, the parties undertook to put an end to this dispute.

Sony Music and certain of its labels against Radionomy

On February 26, 2016, Sony Music and certain of its labels filed a complaint against Radionomy Group, BV, its subsidiaries, and Radionomy's CEO, for copyright infringement and unfair competition, alleging that they did not have the exploitation rights to content owned by Sony Music and its labels which was made available users of the radionomy.com website.

Note 13 Subsequent events

The significant events that occurred between the closing date and May 9, 2016 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the first quarter ended March 31, 2016) were as follows:

- On April 8, 2016, Vivendi entered into a strategic agreement with Mediaset. This agreement provides for a swap of a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium. The completion of this transaction, which is expected to occur in the coming months, is subject to approval by the relevant regulatory authorities.

  Vivendi and Mediaset undertook not to sell the shares of Mediaset and Vivendi that they will respectively receive for a three-year period from the transaction closing date. In addition, Vivendi committed not to purchase, directly or indirectly, any additional Mediaset shares during the first year after the closing date. Following this period, Vivendi may purchase, directly or indirectly, additional Mediaset shares within a total limit of 5% of Mediaset's share capital, during a two-year period.

- On April 11, 2016, Vivendi announced the purchase of minority interests in the share capital of Groupe Fnac through a reserved capital increase to which Vivendi has committed to subscribe. This transaction represents a €159 million investment, i.e., €54.0 per share (Groupe Fnac's closing stock market price on April 8, 2016). Following completion of the transaction, Vivendi will hold 15% of Groupe Fnac's share capital and voting rights.

  As part of a strategic partnership dedicated to cultural activities, the two companies intend to develop an innovative project creating long-term value and focusing on several key areas:
  - enhancement of cultural content, which could take the form of distribution partnerships;
  - increased co-operation in live events, an area in which Vivendi has forged several initiatives, and in ticketing in certain countries by teaming with Vivendi Ticketing;
  - privileged access to extended digital services for the customers of the two groups; and
  - acceleration of Groupe Fnac's international development, in particular in Southern Europe, as well as in Africa where Vivendi has been operating for over 20 years.

  Completion of the reserved capital increase is subject to the approval of Groupe Fnac's shareholders at their next General Shareholders' Meeting scheduled on May 24, 2016. As part of this investment, Groupe Fnac will propose the appointment of two representatives of Vivendi to Groupe Fnac's Board of Directors.

- On April 21, 2016, Vivendi's General Shareholders' Meeting approved the payment of an ordinary dividend of €3 per share: please refer to Note 10.

- On April 29, 2016, Vivendi notified the *Autorité des marchés financiers* that, on April 27, 2016, it had crossed the 15% legal threshold in Ubisoft Entertainment's voting rights, holding 19.9 million Ubisoft Entertainment shares representing an equivalent number of voting rights, i.e., 17.73% of the share capital and 15.66% of the voting rights of this company: please refer to Note 8.