Financial Report and Unaudited Condensed Financial Statements for the First Quarter Ended March 31, 2012

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,088,611,722.50

Head Office: 42 avenue de Friedland – 75380 PARIS CEDEX 08 – FRANCE

IMPORTANT NOTICE: READERS ARE STRONGLY ADVISED TO READ THE IMPORTANT DISCLAIMERS AT THE END OF THIS FINANCIAL REPORT.

Selected key consolidated financial data

	1st Quarter ended March 31, (unaudited)		Year ended December 31,			
	2012	2011	2011	2010	2009	2008
Consolidated data						
Revenues	7,119	7,184	28,813	28,878	27,132	25,392
EBITA (a)	1,621	1,705	5,860	5,726	5,390	4,953
Earnings attributable to Vivendi SA shareowners	697	1,734	2,681	2,198	830	2,603
Adjusted net income (a)	823	950	2,952	2,698	2,585	2,735
Financial Net Debt (a) (b)	12,455	4,399	12,027	8,073	9,566	8,349
Total equity (c)	22,541	29,798	22,070	28,173	25,988	26,626
of which Vivendi SA shareowners' equity (c)	19,872	25,496	19,447	24,058	22,017	22,515
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	1,730	1,729	8,034	8,569	7,799	7,056
Capital expenditures, net (capex, net) (d)	(2,102)	(872)	(3,340)	(3,357)	(2,562)	(2,001)
Cash flow from operations (CFFO) (a)	(372)	857	4,694	5,212	5,237	5,055
Financial investments	(94)	(240)	(636)	(1,397)	(3,050)	(3,947)
Financial divestments	19	4,267	4,701	1,982	97	352
Dividends paid with respect to previous fiscal year	na* (e)	na*	1,731	1,721	1,639 (f)	1,515
Per share amounts						
Weighted average number of shares outstanding (g)	1,286.7	1,277.7	1,281.4	1,273.8	1,244.7	1,208.6
Adjusted net income per share (g)	**0.64**	**0.74**	**2.30**	**2.12**	**2.08**	**2.26**
Number of shares outstanding at the end of the period (excluding treasury shares) (g)	1,285.9	1,277.2	1,287.4	1,278.7	1,270.3	1,211.6
Equity per share, attributable to Vivendi SA shareowners (g)	15.45	19.96	15.11	18.81	17.33	18.58
Dividends per share paid with respect to previous fiscal year	**na*** (e)	**na***	**1.40**	**1.40**	**1.40**	**1.30**

na*: not applicable.

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

a. Vivendi considers that the non-GAAP measures of EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are 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. These indicators should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as disclosed in the Consolidated Financial Statements and the related notes, or as described in this Financial Report. It should be noted that other companies may define and calculate these indicators differently from Vivendi thereby affecting comparability.

b. As of December 31, 2009, Vivendi revised its definition of Financial Net Debt to include certain cash management financial assets whose features do not strictly comply with the definition of cash equivalents as defined by AMF Recommendations and by IAS 7 (in particular, these financial assets may have a maturity of up to 12 months). Considering that no investment in such assets was made prior to 2009, the retroactive application of this change in presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the 2008 fiscal year is therefore consistent.

c. With effect from January 1, 2009, Vivendi voluntarily opted for early application of the revised IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements). As a result, certain reclassifications have been made to the 2008 consolidated statement of changes in equity to conform to the 2009 financial statements presentation, as prescribed by revised IAS 27.

d. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

e. The dividend with respect to fiscal year 2011 was set at €1 per share, representing a total distribution of approximately €1.25 billion and was paid in cash on May 9, 2012.

f. The dividend distribution with respect to fiscal year 2008 totaled €1,639 million, of which €904 million was paid in Vivendi shares (which had no impact on cash) and €735 million was paid in cash.

g. The number of shares, adjusted net income per share, and the equity per share, attributable to Vivendi SA shareowners have been adjusted for all periods presented in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33 (Earnings Per Share). The impact of this operation was not significant. Please refer to Note 18 to the Consolidated Financial Statements for the year ended December 31, 2011 (page 222 of the 2011 Annual Report).

I – Financial Report for the first quarter of 2012

Preliminary comments:

On May 10, 2012, the Financial Report and Unaudited Condensed Financial Statements for the first quarter ended March 31, 2012 were approved by Vivendi's Management Board.

The Financial Report for the first quarter of 2012 should be read in conjunction with the Financial Report for the year ended December 31, 2011 as published in the 2011"*Rapport annuel - Document de référence*" filed on March 19, 2012 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2011*"). Please also refer to pages 128 through 168 of the English translation[1] of the "*Document de reference 2011*" (the "2011 Annual Report") which is made available on Vivendi's website (www.vivendi.com) for informational purposes.

1 Major events

1.1 Major events for the first quarter of 2012

1.1.1 New financings

For a detailed description of the new financing transactions and the maturity of the bonds and bank credit facilities, please refer to Section 5.4 of this Financial Report.

1.1.2 Acquisition of 4G spectrum by SFR

In January 2012, following calls for bids of the tender offer for 4G mobile spectrum (very-high-speed Internet - LTE) carried out in 2011 and in accordance with the announcement made by the "*Autorité de Régulation des Communications Electroniques et des Postes*" or "Arcep" (the French Telecommunications Regulatory Body), SFR acquired two 5 MHz duplex spectrum in the 800 MHz band for €1,065 million.

1.1.3 Other events of the period

License agreement for the game *World of Warcraft* in mainland China

On March 20, 2012, Blizzard Entertainment, a subsidiary of Activision Blizzard, announced that it had renewed the license with NetEase for *World of Warcraft* in mainland China, adding an additional three years to the current license agreement.

Distributions to Vivendi SA shareowners and its subsidiaries

Dividend paid by Vivendi SA with respect to fiscal year 2011
At the Annual Shareholders' Meeting of April 19, 2012, Vivendi's shareowners approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2011. As a result, the dividend payment was set at €1 per share, representing a total distribution of approximately €1.25 billion, paid in cash on May 9, 2012, following the coupon detachment on May 4, 2012.

Bonus shares granted to Vivendi SA shareowners
At its meeting held on February 29, 2012, following the Supervisory Board's recommendation, Vivendi's Management Board decided to grant to its shareowners as from May 9, 2012 one bonus share for each 30 shares held. This transaction resulted in the creation on May 9, 2012, by a €229 million withdrawal from additional paid-in capital, of 41.6 million new shares with a nominal value of €5.5 each and entitlement as from January 1, 2012.

[1] This translation is qualified in its entirety by reference to the "Document de référence".

Dividends distributed by the subsidiaries

On February 9, 2012, Activision Blizzard announced that its Board of Directors declared a dividend of $0.18 per common share to its shareholders, representing approximately $123 million to be paid to Vivendi in cash on May 16, 2012.

At the Annual Shareholders' Meeting of April 24, 2012, Maroc Telecom Group's shareowners approved the Supervisory Board's recommendations relating to the allocation of distributable earnings for fiscal year 2011. As a result, the dividend payment was set at MAD 9.26 per share to its shareholders, representing approximately MAD 4.3 billion to be paid to Vivendi in cash on May 31, 2012.

Change in Vivendi's ownership interest in Activision Blizzard

On February 2, 2012, Activision Blizzard's Board of Directors authorized a new stock repurchase program under which Activision Blizzard can repurchase shares of its outstanding common stock up to an amount of $1 billion, starting April 1, 2012. This program will end at the earliest on March 31, 2013 or on the date of the Board of Directors' decision to discontinue it.

In addition, during the first quarter of 2012, Activision Blizzard repurchased common shares for €199 million ($261 million) pursuant to the previous $1.5 billion stock repurchase program authorized by Activision Blizzard's Board of Directors on February 3, 2011. As of March 31, 2012, Vivendi held an approximate 61% non-diluted interest in Activision Blizzard (compared to an approximate 60% interest as of December 31, 2011).

1.1.4 Transactions underway as of May 10, 2012

As of May 10, 2012, the group is engaged in the acquisition of the following companies, the realization of which is subject to approval by the relevant regulatory authorities:

- **Acquisition project of EMI Recorded Music by Vivendi and Universal Music Group (UMG):** on March 23, 2012, the European Commission announced that the transaction is subject to an in-depth investigation (Phase II).
- **Acquisition project of Bolloré Group's channels by Canal+ Group:** in February 2012, Canal+ Group exercised the option to acquire, in one transaction, a 100% interest in Bolloré Group's television business, in exchange for the issuance of 22.4 million Vivendi shares. Moreover, Bolloré Group committed to retain the Vivendi shares received in connection with the completion of the transaction for a minimum period of six months after closing. This agreement is currently being submitted to the competent authorities, including the Competition Authority which decided, on April 17, to launch an in-depth investigation (phase II) and has a period of 65 working days to authorize the transaction.
- **Strategic partnership project among the Canal+, ITI, and TVN groups in Poland.**

For a detailed description of these transactions, please refer to Note 2.5 to the Consolidated Financial Statements for the year ended December 31, 2011, pages 195 to 196 of the 2011 Annual Report.

1.2 Major events since March 31, 2012

The major events that have occurred since March 31, 2012 were as follows:

- New financings: for a detailed description of the transactions, please refer to Section 5.4 of this Financial Report; and
- Acquisition by Canal+ Group of a non-controlling interest in Orange Cinema Series: on April 12, 2012, Multithématiques and Orange Cinema Series finalized their agreements and partnered in a common company, Orange Cinema Series, in which Multithématiques acquired a 33% interest and Orange Cinema Series contributed its operations relating to the publishing and broadcasting of its pay cinema channels. Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat since April 5, 2012.

2 Earnings analysis

2.1 Consolidated statement of earnings and adjusted statement of earnings

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	1st Quarter ended March 31,		1st Quarter ended March 31,		
	2012	2011	2012	2011	
Revenues	**7,119**	**7,184**	**7,119**	**7,184**	**Revenues**
Cost of revenues	(3,425)	(3,461)	(3,425)	(3,461)	Cost of revenues
Margin from operations	**3,694**	**3,723**	**3,694**	**3,723**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,045)	(1,973)	(2,045)	(1,973)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(28)	(45)	(28)	(45)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(111)	(123)			
Impairment losses on intangible assets acquired through business combinations	-	-			
Other income	5	1,289			
Other charges	(22)	(449)			
EBIT	**1,493**	**2,422**	**1,621**	**1,705**	**EBITA**
Income from equity affiliates	(19)	(2)	(19)	(2)	Income from equity affiliates
Interest	(139)	(101)	(139)	(101)	Interest
Income from investments	2	71	2	71	Income from investments
Other financial income	3	3			
Other financial charges	(28)	(35)			
Earnings from continuing operations before provision for income taxes	**1,312**	**2,358**	**1,465**	**1,673**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(371)	(198)	(396)	(291)	Provision for income taxes
Earnings from continuing operations	**941**	**2,160**			
Earnings from discontinued operations	-	-			
Earnings	**941**	**2,160**	**1,069**	**1,382**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**697**	**1,734**	**823**	**950**	**Adjusted net income**
Non-controlling interests	244	426	246	432	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.54**	**1.36**	**0.64**	**0.74**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.54**	**1.35**	**0.64**	**0.74**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

Nota:

- In 2011, in view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made a change in presentation of its consolidated statement of earnings applicable with retroactive effect from January 1, 2011. Please refer to Appendix 1 of this Financial Report for a detailed description of the change in presentation and for the reconciliation with the previously published elements.
- In accordance with IAS 33, earnings attributable to Vivendi SA shareowners per share and adjusted net income per share (basic and diluted), in respect of the first quarters of 2012 and 2011, have been adjusted in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held. The impact of this operation was not significant.

2.2 Earnings review

For the first quarter of 2012, **adjusted net income** amounted to €823 million (or €0.64 per share[2]), compared to €950 million (or €0.74 per share[2]) for the first quarter of 2011. This €127 million decrease (-13.4%) in adjusted net income resulted primarily from:

- a €84 million decrease in EBITA to a total of €1,621 million (compared to €1,705 million for the first quarter of 2011). This change mainly reflected the decline in the performances of Activision Blizzard (-€107 million), Canal+ Group (-€29 million), and SFR (-€5 million), partially offset by the operating performances of GVT (+€26 million), Universal Music Group (+€22 million), and Maroc Telecom Group (+€7 million);
- a €17 million decrease attributable to change in income from equity affiliates;
- a €69 million decrease attributable to the balance of the contractual dividend paid by GE to Vivendi in January 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal;
- a €38 million increase in interest expense;
- a €105 million increase in income tax expense, notably including the impact of the changes in French Tax Law in the second half of 2011: the deduction for tax losses carried forward capped at 60% of taxable income (-€44 million) and the change in the Consolidated Global Profit Tax System (-€27 million); and
- a €186 million decrease in adjusted net income attributable to non-controlling interests, mainly attributable to the acquisition in June 2011 of Vodafone's non-controlling interest in SFR (€128 million).

Breakdown of the main items from the Statement of Earnings

Revenues were €7,119 million, compared to €7,184 million for the first quarter of 2011 (-0.9%, or -1.5% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

Restructuring charges and other operating charges and income amounted to a net charge of €28 million, compared to a net charge of €45 million for the first quarter of 2011, a €17 million decrease. This change notably resulted from the absence of restructuring charges at Activision Blizzard (compared to a charge of €14 million incurred in the first quarter of 2011) while restructuring charges incurred by UMG were stable (€21 million).

EBITA was €1,621 million, compared to €1,705 million for the first quarter of 2011, a €84 million decrease (-4.9%, or -5.8% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

Amortization of intangible assets acquired through business combinations was €111 million, compared to €123 million for the first quarter of 2011, a €12 million decrease (-9.8%).

Other income amounted to €5 million, compared to €1,289 million for the first quarter of 2011. For the first quarter of 2011, it primarily included the impact of the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland (€1,255 million).

Other charges amounted to €22 million, compared to €449 million for the first quarter of 2011. For the first quarter of 2011, they mainly included the capital loss incurred in January 2011 on the sale of Vivendi's remaining 12.34% interest in NBC Universal (€421 million, of which €477 million related to a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004).

EBIT was €1,493 million, compared to €2,422 million for the first quarter of 2011, a €929 million decrease (-38.4%).

Income from equity affiliates was a €19 million charge, compared to a €2 million charge for the first quarter of 2011.

Interest was an expense of €139 million, compared to €101 million for the first quarter of 2011, a €38 million increase (+37.6%), notably resulting from the impact on the average outstanding Financial Net Debt related to the acquisition by Vivendi of Vodafone's non-controlling interest in SFR in June 2011 for €7.75 billion.
For the first quarter of 2012, interest expense on borrowings amounted to €145 million, compared to €113 million for the first quarter of 2011, a €32 million increase (+28.3%). This change was attributable to the increase in average outstanding borrowings to €16.0 billion for the first quarter of 2012 (compared to €10.8 billion for the first quarter of 2011), partially offset by the decrease in the average interest rate on borrowings to 3.63% for the first quarter of 2012 (compared to 4.17% for the first quarter of 2011).
Interest income earned on cash and cash equivalents amounted to €6 million for the first quarter of 2012, compared to €12 million for the first quarter of 2011, a €6 million decrease. This change was attributable to the decrease in average cash and cash equivalents to

[2] For the details of adjusted net income per share, please refer to Appendix 2 of this Financial Report.

€3.3 billion for the first quarter of 2012 (compared to €5.8 billion for the first quarter of 2011) and to the decrease in the average income rate to 0.83% for the first quarter of 2012 (compared to 0.87% for the first quarter of 2011).

Income from investments amounted to €2 million for the first quarter of 2012, compared to €71 million for the first quarter of 2011. For the first quarter of 2011, it included €70 million attributable to the balance of the contractual dividend paid on January 25, 2011 by GE to Vivendi as part of the completion of the sale by Vivendi of its interest in NBC Universal to GE.

Other financial income and charges amounted to a net charge of €25 million, compared to a net charge of €32 million for the first quarter of 2011.

Income taxes reported to adjusted net income was a net charge of €396 million, compared to a net charge of €291 million for the first quarter of 2011, a €105 million increase. This change mainly reflected the impact on current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems due to the changes in French Tax Law in the second half of 2011: the deduction for tax losses carried forward capped at 60% of taxable income (-€44 million) and the change in the Consolidated Global Profit Tax System (-€27 million). For the first quarter of 2012, current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems amounted to €109 million (compared to €205 million for the first quarter of 2011) and the effective tax rate reported to adjusted net income was 26.7% (compared to 17.4% for the first quarter of 2011).
In addition, **provision for income taxes** was a net charge of €371 million, compared to a net charge of €198 million for the first quarter of 2011, a €173 million increase. In addition to the items that explained the €105 million increase in income taxes reported to adjusted net income, this increase included the change in deferred tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems, which was a €6 million charge for the first quarter of 2012 (compared to a €56 million income for the first quarter of 2011).

Earnings attributable to non-controlling interests amounted to €244 million, compared to €426 million for the first quarter of 2011. The €182 million decrease was mainly attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€120 million).
Adjusted net income attributable to non-controlling interests amounted to €246 million, compared to €432 million for the first quarter of 2011, a €186 million decrease. This change primarily reflected the impact of the acquisition of Vodafone's 44% interest in SFR (-€128 million).

For the first quarter of 2012, **earnings attributable to Vivendi SA shareowners** amounted to €697 million (or €0.54 per share), compared to €1,734 million (or €1.36 per share) for the first quarter of 2011, a €1,037 million decrease (-59.8%).

The reconciliation of earnings attributable to Vivendi SA shareowners with adjusted net income is further described in Appendix 2 of this Financial Report. For the first quarter of 2012, this reconciliation primarily included the amortization of intangible assets acquired through business combinations (-€75 million, after taxes and non-controlling interests). For the first quarter of 2011, this reconciliation notably included a net gain of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred on the sale of Vivendi's remaining 12.34% interest in NBC Universal, which was completed on January 25, 2011 (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004), as well as the amortization of intangible assets acquired through business combinations (-€76 million, after taxes and non-controlling interests), and the change in the deferred tax asset related to the Consolidated Global Profit Tax System (+€56 million).

2.3 2012 Outlook

Vivendi confirms its 2012 outlook for the group and for all of its businesses:

- For 2012, Vivendi expects adjusted net income to be above €2.5 billion, before the impact of the transactions announced in the second half of 2011. As a result, the group expects to propose a dividend with respect to fiscal year 2012 representing around 45% to 55% of adjusted net income, payable in cash;
- In addition, Vivendi expects Financial Net Debt to be below €14 billion at year end 2012, assuming closing by end of 2012 of the transactions announced in the second half of 2011;
- Vivendi is committed to maintaining its long-term debt rating at BBB stable (Standard & Poor's/Fitch's Ratings) and Baa2 stable (Moody's); and
- Moreover, Activision Blizzard's EBITA outlook is increased to "above €750 million" (compared to "around €750 million", as published on March 1, 2012), and GVT's (EBITDA - Capex) is expected to reach the break-even point for Telecoms.

The annual outlook of each business is detailed in Section 6 of the 2011 Financial Report (pages 162 to 163 of the 2011 Annual Report).

3 Cash flow from operations analysis

Preliminary comment: *Vivendi considers that the non-GAAP measures cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and taxes (CFAIT) are relevant indicators of the group's operating and financial performance. These indicators should be considered in addition to, and not as substitutes for, other GAAP measures as reported in Vivendi's cash flow statement, contained in the group's Consolidated Financial Statements.*

For the first quarter of 2012, cash flow from operations before capital expenditures (CFFO before capex, net) generated by business segments was stable compared to the first quarter of 2011, and amounted to €1,730 million. The increase in EBITDA after changes in working capital (+€120 million) was offset by the increase in content investments (-€58 million) and the impact in January 2011 from the balance of the contractual dividend received as part of the completion of the sale of Vivendi's interest in NBC Universal (-€70 million).

For the first quarter of 2012, capital expenditures, net amounted to €2,102 million (compared to €872 million for the first quarter of 2011), a €1,230 million increase, mainly attributable to the acquisition by SFR in January 2012 of 4G mobile spectrum for €1,065 million. Excluding this impact, capital expenditures, net increased by €165 million (+18.9%), reflecting the pursuit of GVT's telecommunication network and pay-TV rollout (+€108 million), as well as Maroc Telecom Group's capital expenditures (+€27 million) and SFR's other capital expenditures (+€37 million).

After capital expenditures, net, cash flow from operations (CFFO) generated by the business segments was a net cash outflow of -€372 million (compared to €857 million generated in the first quarter of 2011), a €1,229 million decrease. Excluding the acquisition of mobile spectrum, CFFO generated by business segments amounted to €693 million (compared to €857 million for the first quarter of 2011), a €164 million decrease, reflecting in particular GVT's growth related capital expenditures.

For the first quarter of 2012, cash flow from operations after interest and income taxes paid (CFAIT) was a net cash outflow of -€135 million (compared to €387 million generated in the first quarter of 2011), a €522 million decrease attributable to the decrease in CFFO (-€1,229 million) and the increase in interest expense (-€38 million), partially offset by the favorable change in cash flow related to income taxes (+€733 million). This change was notably related to the reimbursement in the first quarter of 2012 of tax installments paid in 2011 by entities included in Vivendi SA's tax group (€530 million).

		1st Quarter ended March 31,			
(in millions of euros)		2012	2011	Change in €	Change in %
Revenues		7,119	7,184	-65	-0.9%
Operating expenses excluding depreciation and amortization		(4,839)	(4,842)	+3	+0.1%
EBITDA	(a)	*2,280*	*2,342*	*-62*	*-2.6%*
Restructuring charges paid		(21)	(30)	+9	+30.0%
Content investments, net		(96)	(38)	-58	x 2.5
Neutralization of change in provisions included in EBITDA		(21)	(21)	-	-
Other cash operating items excluded from EBITDA		-	-	-	na*
Other changes in net working capital		(412)	(594)	+182	+30.6%
Net cash provided by operating activities before income tax paid	(b)	***1,730***	***1,659***	***+71***	***+4.3%***
Dividends received from equity affiliates	(c)	-	70	-70	-100.0%
of which balance of the contractual dividend paid by GE		-	*70*	*-70*	*-100.0%*
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**1,730**	**1,729**	**+1**	**+0.1%**
Capital expenditures, net (capex, net)	(d)	(2,102)	(872)	-1,230	x 2.4
of which SFR		*(1,588)* (f)	*(486)*	*-1,102*	*x 3.3*
Maroc Telecom Group		*(143)*	*(116)*	*-27*	*-23.3%*
GVT		*(284)*	*(176)*	*-108*	*-61.4%*
Cash flow from operations (CFFO)		**(372)**	**857**	**-1,229**	**na***
Interest paid, net	(e)	(139)	(101)	-38	-37.6%
Other cash items related to financial activities	(e)	-	(12)	+12	+100.0%
Financial activities cash payments		***(139)***	***(113)***	***-26***	***-23.0%***
Income tax (paid)/received, net	(b)	376	(357)	+733	na*
Cash flow from operations after interest and income tax paid (CFAIT)		**(135)**	**387**	**-522**	**na***

na*: not applicable.

a. EBITDA, a non-GAAP measure, is described in Section 4.2 of this Financial Report.
b. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).
c. As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).
d. Relates to cash used for capital expenditures, net of proceeds from property, plant and equipment, and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).
e. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).
f. SFR's capital expenditures notably included the acquisition of 4G spectrum for €1,065 million in January 2012.

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

	1st Quarter ended March 31,			
(in millions of euros)	2012	2011	% Change	% Change at constant rate
Revenues				
Activision Blizzard	894	1,061	-15.7%	-19.1%
Universal Music Group	961	881	+9.1%	+6.7%
SFR	2,927	3,056	-4.2%	-4.2%
Maroc Telecom Group	676	672	+0.6%	+0.2%
GVT	432	329	+31.3%	+35.0%
Canal+ Group	1,232	1,192	+3.4%	+3.8%
Non-core operations and others, and elimination of intersegment transactions	(3)	(7)	na*	na*
Total Vivendi	**7,119**	**7,184**	**-0.9%**	**-1.5%**
EBITA				
Activision Blizzard	395	502	-21.3%	-24.6%
Universal Music Group	68	46	+47.8%	+43.8%
SFR	561	566	-0.9%	-0.9%
Maroc Telecom Group	273	266	+2.6%	+2.3%
GVT	116	90	+28.9%	+32.7%
Canal+ Group	236	265	-10.9%	-11.1%
Holding & Corporate	(25)	(20)	-25.0%	-26.4%
Non-core operations and others	(3)	(10)	na*	na*
Total Vivendi	**1,621**	**1,705**	**-4.9%**	**-5.8%**

na*: not applicable.

4.2 Comments on the operating performance of business segments

Preliminary comments:

- *Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably the non-GAAP measures EBITA (Adjusted Earnings Before Interest and Income Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):*
  - *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" as defined in Appendix 1 of this Financial Report, and that are included in EBIT.*
  - *As defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets and other non-recurring items (as presented in the Consolidated Statement of Earnings by each operating segment - Please refer to Note 2 to the Condensed Financial Statements for the first quarter of 2012).*

  Moreover, it should be emphasized that other companies may define and calculate EBITA and EBITDA differently from Vivendi, thereby affecting comparability.

- *The Vivendi group operates through six businesses at the heart of the worlds of content, platforms and interactive networks. As of March 31, 2012, Vivendi's ownership interest in each of these businesses was as follows: Activision Blizzard: 61%, Universal Music Group (UMG): 100%, SFR: 100%, Maroc Telecom Group: 53%, GVT: 100%, and Canal+ Group: 100% (Canal+ Group holds an 80% interest in Canal+ France).*

Activision Blizzard

Activision Blizzard revenues for the first quarter of 2012 were €894 million, a 15.7% decrease (-19.1% at constant currency) compared to the same period in 2011. EBITA was €395 million, a 21.3% decrease (-24.6% at constant currency) compared to the same period in 2011, due to accounting principles (margin deferral) and video games launch schedule. Accounting principles require that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period. As of March 31, 2012, the balance of the deferred operating margin was €573 million, compared to €612 million as of March 31, 2011.

Activision Blizzard first quarter performance reflects its franchises' success. In North America and Europe, *Call of Duty: Modern Warfare 3* was #2 best-selling console title and *Skylanders Spyro's Adventure* was the #3 best-selling game overall in dollars across all platforms when including the accessory packs and toys. Through March 31, 2012, more than 30 million *Skylanders* toys have been sold life to date. *Skylanders* establishes itself as one of the few new brands successfully launched last years in the gaming world. Additionally, *World of Warcraft* remains #1 subscription-based MMORPG with approximately 10.2 million subscribers as of March 31, 2012.

On May 15, 2012, Blizzard Entertainment will release the highly anticipated *Diablo III*. For the coming months, the company's product pipeline features *World of Warcraft: Mists of Pandaria, StarCraft II: Heart of the Swarm, Skylander's GIANTS and Call of Duty: Black Ops 2*.

Universal Music Group (UMG)

Universal Music Group's (UMG) revenues were €961 million, a 9.1% increase compared to the first quarter of 2011 (+6.7% at constant currency). This increase reflected very strong recorded music sales particularly in United States where volume in the overall music market increased by 2%. Revenues were driven by a solid release schedule featuring titles from Madonna, Nicki Minaj and Van Halen in addition to the breakthrough success of new artists Lana Del Rey and Gotye, and sales from Germany's Unheilig. Digital music sales represented 39.8% of recorded music revenues.

UMG's EBITA was €68 million, a 47.8% increase compared to the first quarter of 2011 (+43.8% at constant currency) driven by the improved sales performance in addition to the continued focus on cost management. EBITA margin increased by 1.9 percentage points compared to the first quarter of 2011, from 5.2% to 7.1%.

SFR

During the first quarter of 2012, SFR resisted well to the new competitive French mobile market: the mobile postpaid customer base decreased by 274,000 customers. At the end of March 2012, SFR's postpaid mobile customer base reached 16.292 million, a 2.4% increase, reflecting once again the improvement of the customer mix that raised by 2.6 percentage points year-on-year to 78.2%. SFR's total mobile customer base reached 20.843 million. In a transforming mobile market, SFR's commercial framework, churn, and customer additions are progressing to their previous levels. Thus, at end April, the mobile customer base increased compared to end March.

Even though the price cuts caused by the new competitive environment have not yet had a significant impact in the first quarter, the several price cuts imposed by the regulators[3] weighed heavily on SFR revenues[4]: they were €2,927 million, a 4.2% decrease compared to the first quarter of 2011. Excluding the impact of these regulatory decisions, revenues were stable.

Mobile[5] revenues amounted to €1,988 million, a 6.8% decrease compared to the first quarter of 2011. Mobile service[6] revenues decreased by 7.0% to €1,863 million. Excluding the impact of regulated price cuts, mobile service revenues were almost stable, with a 0.2% decrease.

Mobile Internet usage continued to develop with 43% of SFR customers being equipped with a *smartphone* (compared to 31% as of March 31, 2011) and a 3.6% increase in mobile data revenues compared to the first quarter of 2011.

As of March 31, 2012, the commercial performance of the residential broadband Internet segment increased slowly year-on-year (+0.8% in customer base). It decreased during the first quarter 2012 (-0.5%) and increased again by the end of April. At the end of March 2012, the active broadband Internet residential customer base[7] totaled 4.994 million. The growth of the Neufbox Evolution offer remained very satisfactory with 122,000 net additions during the first quarter of 2012 (for a total customer base of 711,000), as well as the accelerated penetration of the convergent multi-pack offer (quadruple play) with 1.4 million customers at the end of March 2012.

Broadband Internet and fixed[5] revenues were €991 million, a 0.3% increase compared to the first quarter of 2011 and a 1.2 % increase excluding the impact of regulated price cuts. Broadband Internet mass market revenues increased by 3.4% excluding regulatory impacts.

SFR's EBITDA was €930 million, a 0.8% increase compared to the first quarter of 2011 and SFR's EBITA was €561 million, a 0.9% decrease compared to the first quarter of 2011.

At the same time, SFR continues its efforts to offer its customers the most comprehensive network. For the "3G" technology, the use of 21Mbps mobile Internet is becoming standard. For the "4G" technology, SFR has already started to deploy the network in Lyon, and Montpellier in order to launch associated commercial offers at the beginning of 2013. In addition, SFR has renewed its exclusive partnership with Fon to build the largest WiFi community in the world: 10 million hotspots, including 5.5 million abroad. Regarding fiber for mass market and enterprise customers, SFR will launch this year commercial offers in 24 new cities and will invest in its own fiber network in 23 cities located in less dense areas.

Maroc Telecom Group

The results of Maroc Telecom group in the first quarter of 2012 showed very positive momentum with the recovery of growth in revenues and margins. Benefiting from international expansion into growing markets, Maroc Telecom group has grown its customer base and increased its usage through the quality and richness of its offers.

Maroc Telecom group's revenues amounted to €676 million, a 0.6% increase year-on-year (+0.2% at constant currency). The group's customer base showed solid momentum, with growth of 12.6%, to 29.5 million customers, primarily driven by the international business, whose mobile customer base grew by 36% year-on-year.

The business activities in Morocco generated revenues of €529 million, down by 3.6% year-on-year (-4.0% at constant currency). Mobile service revenues declined by 2.3% year-on-year (-2.7% at constant currency), due to a 50% tariff cut in the mobile voice termination rate, partially offset by a 2.6% increase in outgoing revenues thanks to a 40% rise in usage.

Maroc Telecom group's international activities generated revenues of €155 million, a 21.1% increase (+21.5% at constant currency). This performance was the result of very strong growth in mobile customer bases (+36%), higher customer usage, and a stabilizing competitive environment.

Maroc Telecom group's EBITDA amounted to €379 million, a 5.0% increase year-on-year (+4.7% at constant currency). The EBITDA margin remained high, at 56.1%, an increase of 2.4 points, due to the control of cost of sales and operating costs.

Maroc Telecom group's EBITA amounted to €273 million, a 2.6% increase year-on-year (+2.3% at constant currency).

[3] *Tariff cuts imposed by regulatory decision:*

i) 33% decrease in mobile voice termination regulated price on July 1, 2011 and a 25% additional decrease on January 1, 2012;

ii) 25% decrease in SMS termination regulated price on July 1, 2011;

iii) roaming tariff cuts; and

iv) 40% decrease in fixed voice termination regulated price on October 1, 2011.

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

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

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

[7] *At the end of December 2011, SFR Group broadband Internet residential customer base totaled 5.019 million, following the exclusion of 1P and 2P Akéo customers from the consolidation perimeter.*

GVT

GVT's revenues were €432 million, a 31.3% increase compared to the first quarter of 2011 (+35.0% at constant currency). Broadband service revenues increased by 26.3% (+30.0% at constant currency) and voice service revenues increased by 32.8% (+36.7% at constant currency).

Through its commercial effort and geographical network expansion, GVT lines in service (LIS)[8] reached over 6.827 million, a 43.3% increase year-on-year. During the first quarter 2012, the sales of offers with speed equal to or higher than 15 Mbps reached 56%, compared to 50% for the first quarter of 2011.

GVT's EBITDA was €177 million, a 28.3% increase compared to the first quarter of 2011 (+32.0% at constant currency). The EBITDA margin reached 41.0%. Excluding the costs related to the launch of the pay-TV service, Telecom EBITDA margin was 43.4%, a 1.2 percentage point increase year-on-year.

GVT's EBITA was €116 million, a 28.9% increase compared to the first quarter of 2011 (+32.7% at constant currency).

The Pay-TV offer was successfully launched in January 2012 with 113,000 subscribers as of March 31, 2012, reinforcing the target of 400,000 subscribers by the end of the year.

To provide a unique experience to its subscribers through its innovative Pay-TV service, GVT launched during the first quarter of 2012 a new interactive service: Power TV Music Club, an extension of its music platform available via the interactive portal of GVT TV. Thanks to a partnership with Activision Blizzard, GVT now offers its subscribers a discount on the monthly fee for the video game *World of Warcraft*.

GVT's capital expenditures[9] amounted to €284 million, a 65.8% increase at constant currency compared to the first quarter of 2011. Capital expenditure is mostly related to network deployment and expansion, as well as the increase in the number of subscribers. GVT plans to develop its business in 23 additional cities in 2012.

Canal+ Group

Canal+ Group's revenues were €1,232 million, a 3.4% increase year-on-year.

Canal+ France's revenues, which include Canal+ Group pay-TV operations in Mainland France, overseas territories, and Africa, stood at €1,030 million compared to €1,008 million at the end of March 2011.

Over the past 12 months, Canal+ France portfolio recorded a net growth of 211,000 subscriptions and an increase in revenue per user (ARPU) in Mainland France, despite a raise of VAT rate.

Revenues from other Canal+ Group operations grew strongly, thanks particularly to positive momentum at StudioCanal driven by the successful theatrical release of "Tinker Tailor Soldier Spy". i>Télé revenues were slightly up, while Canal+ in Poland was impacted by unfavorable currency exchange rates.

Canal+ Group's EBITA stood at €236 million compared to €265 million at the end of March 2011. Most of this difference is due to a year-on-year shift in scheduling of premium content (football matches and drama), which amounted to €30 million.

Holding & Corporate

Holding & Corporate's EBITA was -€25 million, compared to -€20 million for the first quarter of 2011, notably due to timing effects.

[8] Excluding Pay-TV.
[9] Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

5 Treasury and capital resources

Preliminary comment: *Vivendi considers Financial Net Debt, a non-GAAP measure, to be a relevant indicator in measuring the group's indebtedness. Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain debt covenants.*

5.1 Summary of Vivendi's exposure to credit and liquidity risks

Vivendi's financing policy consists of incurring long-term debt, mainly in bond and banking markets, at a variable rate or fixed rate, in euros, or in US dollars, depending on general corporate needs and market conditions. In this context, in 2012, Vivendi continued to pursue its policy of disintermediation, having recourse in priority to the bond market by issuing two bonds for €1,250 million in January 2012 and $2,000 million in April 2012, respectively. Thereby, Vivendi also sought to diversify its investor base by issuing on the American bond market and pursued its policy of increasing the average duration of the group's debt, to above 4 years, following the issuance of the bonds in April 2012. In addition, Vivendi has a Euro Medium Term Notes program on the Luxembourg Stock Exchange, which is systematically renewed each year, to take advantage of every euro bond market opportunity. To comply with the rating agencies' new prudential regulations regarding liquidity management, Vivendi arranges the refinancing of all expiring bank credit facilities or bonds one year in advance as much as possible. Vivendi's long-term credit rating is BBB Stable (Standard & Poor's and Fitch) and Baa2 Stable (Moody's), unchanged (please refer to Section 5.5). Vivendi has reaffirmed its commitment to such credit rating.

As of March 31, 2012:

- The group's bonds amounted to €9,894 million (compared to €9,276 million as of December 31, 2011), considering the €1,250 million new bond issue in January 2012 and the repayment at maturity of the €600 million bond in February 2012. Moreover, in April 2012, Vivendi issued a $2,000 million bond, which was notably used to early repurchase the $700 million bond initially maturing in April 2013 and also increased by €300 million its initial €750 million bond maturing in July 2021. Please refer to Section 5.4 below.
- As a result of the disintermediation policy, the total amount of the group's confirmed credit facilities amounted to €11,152 million (compared to €12,081 million as of December 31, 2011), of which €9,129 million was undrawn (compared to €7,164 million undrawn as of December 31, 2011).
- Vivendi SA's total confirmed credit facilities amounted to €8,640 million as of March 31, 2012, including €7,369 million having a maturity of more than one year (compared to €9,000 million as of December 31, 2011). These credit facilities were drawn for €1,100 million as of March 31, 2012. Considering the commercial paper issued at that date and backed by € 2,935 million bank credit facilities, these facilities were available up to €4,605 million.
- The short-term borrowings notably include issued commercial paper as well as drawn credit facilities with maturities of less than one year. In addition, as of March 31, 2012, it included the $700 million bond (€525 million as of March 31, 2012) with initially maturing in April 2013, early refinanced in April/May 2012. The balance of the funds received from the bonds issued in April 2012 was also used to repay bank credit facilities drawn as of March 31, 2012.

As of May 10, 2012, following the €1.25 billion dividend payment made by Vivendi SA to its shareowners:

- The group had committed credit facilities available, net of commercial paper, for €6.4 billion, of which €4.8 billion at Vivendi SA. In addition, on May 11, 2012, Vivendi will have announced the establishment of a €1.5 billion new syndicated bank credit facility maturing in June 2017, which will early refinance two credit facilities for a total amount of €2.7 billion maturing in February and August 2013. Following this transaction, the group will have committed credit facilities available, net of commercial paper, for €4.9 billion, of which €3.3 billion at Vivendi SA;
- The group's bond debt represented 65% of borrowings (compared to 59% as of December 31, 2011), and the group's objective is to increase this ratio up to over 70%; and
- The "economic" average term of the group's debt was 4.3 years after taking into account the new bonds issued and those repaid in April 2012 (compared to 4.0 years as of December 31, 2011).

5.2 Financial Net Debt changes

As of March 31, 2012, Vivendi's Financial Net Debt amounted to €12,455 million (compared to €12,027 million as of December 31, 2011), a €428 million increase. This change notably reflected the cash payments related to capital expenditures (€2,102 million, of which €1,065 million paid by SFR for the acquisition in January 2012 of 4G spectrum), interest (€139 million), and Activision Blizzard's stock repurchase program (€199 million), offset by net cash generated by operating activities of business segments (€2,106 million).

(in millions of euros)	March 31, 2012	December 31, 2011
Borrowings and other financial liabilities	15,898	15,710
of which long-term (a)	*10,454*	*12,409*
short-term (a)	*5,444*	*3,301*
Cash management financial assets (b) (c)	(311)	(266)
Derivative financial instruments in assets (b)	(64)	(101)
Cash deposits backing borrowings (b)	(4)	(12)
	15,519	**15,331**
Cash and cash equivalents (a)	(3,064)	(3,304)
of which Activision Blizzard	*(2,288)*	*(2,448)*
Financial Net Debt	**12,455**	**12,027**

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

b. Included in the Financial Assets items of the Consolidated Statement of Financial Position.

c. Relates to US treasuries and government agency securities, with a maturity exceeding three months, at Activision Blizzard.

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2011	**(3,304)**	**15,331**	**12,027**
Outflows/(inflows) generated by:			
Operating activities	(2,106)	-	(2,106)
Investing activities	2,177	(47)	2,130
Financing activities	136	261	397
Foreign currency translation adjustments	33	(26)	7
Change in Financial Net Debt over the period	240	188	428
Financial Net Debt as of March 31, 2012	**(3,064)**	**15,519**	**12,455**

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

5.3 Analysis of Financial Net Debt changes

(in millions of euros)		Refer to section	1st Quarter 2012 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT		2	**(1,493)**	**-**	**(1,493)**
Adjustments			(745)	-	(745)
Content investments, net			96	-	96
Gross cash provided by operating activities before income tax paid			***(2,142)***	***-***	***(2,142)***
Other changes in net working capital			412	-	412
Net cash provided by operating activities before income tax paid		3	***(1,730)***	***-***	***(1,730)***
Income tax paid, net		3	(376)	-	(376)
Operating activities	**A**		**(2,106)**	**-**	**(2,106)**
Financial investments					
Purchases of consolidated companies, after acquired cash			11	-	11
Increase in financial assets			83	(54)	29
Total financial investments			***94***	***(54)***	***40***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			(5)	-	(5)
Decrease in financial assets			(14)	7	(7)
Total financial divestments			***(19)***	***7***	***(12)***
Financial investment activities			**75**	**(47)**	**28**
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**75**	**(47)**	**28**
Capital expenditures			2,106	-	2,106
Proceeds from sales of property, plant, equipment and intangible assets			(4)	-	(4)
Capital expenditures, net		3	***2,102***	***-***	***2,102***
Investing activities	**B**		**2,177**	**(47)**	**2,130**
Transactions with shareowners					
(Sales)/purchases of Vivendi SA's treasury shares			22	-	22
Other transactions with shareowners			188	-	188
of which stock repurchase program of Activision Blizzard			*199*	-	*199*
Dividends paid by consolidated companies to their non-controlling interests			19	-	19
Total transactions with shareowners			***229***	***-***	***229***
Transactions on borrowings and other financial liabilities					
Setting up of long-term borrowings and increase in other long-term financial liabilities			(2,425)	2,425	-
of which bonds		5.4	*(1,250)*	*1,250*	-
bank credit facilities		5.4	*(1,100)*	*1,100*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities			3,767	(3,767)	-
of which bank credit facilities			*3,754*	*(3,754)*	-
Principal payments on short-term borrowings			1,027	(1,027)	-
of which bonds			*600*	*(600)*	-
bank credit facilities			*271*	*(271)*	-
Other changes in short-term borrowings and other financial liabilities			(2,601)	2,601	-
of which commercial paper			*(2,446)*	*2,446*	-
Non-cash transactions			-	29	29
Interest paid, net		3	139	-	139
Total transactions on borrowings and other financial liabilities			***(93)***	***261***	***168***
Financing activities	**C**		**136**	**261**	**397**
Foreign currency translation adjustments	D		33	(26)	7
Change in Financial Net Debt	**A+B+C+D**		**240**	**188**	**428**

5.4 Borrowings and other financial liabilities

(in millions of euros)	March 31, 2012			December 31, 2011		
	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	9,894	8,369	1,525	9,276	7,676	1,600
Bank credit facilities (drawn confirmed)	2,023	1,936	87	4,917	4,558	359
Commercial paper issued	2,935	-	2,935	529	-	529
Bank overdrafts	234	-	234	163	-	163
Accrued interest to be paid	195	-	195	200	-	200
Other	613	154	459	621	173	448
Nominal value of borrowings	**15,894**	10,459	5,435	**15,706**	12,407	3,299
Cumulative effect of amortized cost and reevaluation due to hedge accounting	(18)	(15)	(3)	(12)	(8)	(4)
Commitments to purchase non-controlling interests	11	10	1	11	10	1
Derivative financial instruments	11	-	11	5	-	5
Borrowings and other financial liabilities	**15,898**	**10,454**	**5,444**	**15,710**	**12,409**	**3,301**

New financings set up during the first quarter of 2012

In January 2012, Vivendi set up:

- a new €1.1 billion bank credit facility with a 5-year maturity, negotiated in December 2011, which early refinanced the €1.5 billion credit facility with an initial scheduled maturity in December 2012 and the €492 million SFR syndicated loan with an initial scheduled maturity in March 2012. Moreover, SFR's €100 million revolving facility, which was reduced to €50 million as of December 31, 2011, was transferred in the amount of €40 million to Vivendi SA, with a 3-year maturity; and
- a €1,250 million bond, with a 5.5-year maturity and a 4.125% coupon; with an effective rate of 4.31%.

Please refer to the tables on the following page for a detailed description of the group's bonds and bank credit facilities as of March 31, 2012.

Refinancing transactions since March 31, 2012

In April 2012, Vivendi made the following transactions in the bond markets:

- a $2 billion (€1.5 billion) bond issue consisting of the following three tranches:
  - $550 million (€412 million) with a 2.4% coupon and a scheduled maturity in April 2015, issued at 99.994%. A USD-EUR foreign currency hedge was set up to hedge this tranche (cross-currency swap) with a rate of 1.3082 USD/EUR, or a €420 million counter value at maturity;
  - $650 million (€488 million), with a 3.450% coupon and a scheduled maturity in January 2018, issued at 99.962%; and
  - $800 million (€600 million), with a 4.750% coupon and a scheduled maturity in April 2022, issued at 99.662%;
- repurchase of the $700 million bond, with an initial scheduled maturity in April 2013, for $530 million through a tender offer concomitant to the issue. The balance of the bonds ($170 million) was called;
- following these transactions and after foreign currency risk management, the group's bonds denominated in US dollar amounted to $2.1 billion; and
- a €300 million increase in the initial €750 million bond maturing in July 2021, with a 4.750% coupon. This transaction increased the total amount of the bond to €1,050 million.

In parallel, in order to optimize its financing cost, Vivendi issued commercial paper to reach an aggregate amount of €2,856 million as of May 10, 2012 (compared to €529 million as of December 31, 2011). In this regard, Vivendi intends to ask the *Banque de France* to increase the authorized maximum amount regarding Vivendi SA's commercial paper program from €3 billion to €4 billion at the end of May 2012.

Finally, on May 11, 2012, Vivendi will have announced the establishment of a €1.5 billion new syndicated bank credit facility maturing in June 2017, which will early refinance two credit facilities for a total amount of €2.7 billion (the €1.7 billion credit facility set up in August 2006, maturing in August 2013, as well as the €1 billion credit facility set up in February 2008, maturing in February 2013).

Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	March 31, 2012	Maturing before March 31, 2013	2014	2015	2016	2017	Maturing after March 31, 2017	December 31, 2011
€1,250 million (January 2012)	4.125%	4.31%	Jul-17	1,250	-	-	-	-	-	1,250	-
€500 million (November 2011)	3.875%	4.04%	Nov-15	500	-	-	-	500	-	-	500
€500 million (November 2011)	4.875%	5.00%	Nov-18	500	-	-	-	-	-	500	500
€1,000 million (July 2011)	3.500%	3.68%	Jul-15	1,000	-	-	-	1,000	-	-	1,000
€750 million (July 2011)	4.750%	4.90%	Jul-21	750 (a)	-	-	-	-	-	750	750
€750 million (March 2010)	4.000%	4.15%	Mar-17	750	-	-	-	-	750	-	750
€700 million (December 2009)	4.875%	4.95%	Dec-19	700	-	-	-	-	-	700	700
€500 million (December 2009)	4.250%	4.39%	Dec-16	500	-	-	-	-	500	-	500
€300 million - SFR (July 2009)	5.000%	5.05%	Jul-14	300	-	-	300	-	-	-	300
€1,120 million (January 2009)	7.750%	7.69%	Jan-14	894	-	894	-	-	-	-	894
$700 million (April 2008)	6.625%	6.85%	Apr-18	525	-	-	-	-	-	525	541
$700 million (April 2008)	5.750%	6.06%	Apr-13 (b)	525	525 (b)	-	-	-	-	-	541
€700 million (October 2006)	4.500%	5.47%	Oct-13	700	-	700	-	-	-	-	700
€1,000 million - SFR (July 2005)	3.375%	4.14%	Jul-12	1,000	1,000	-	-	-	-	-	1,000
€600 million (February 2005)	3.875%	3.94%	Feb-12	-	-	-	-	-	-	-	600
Nominal value of bonds				**9,894**	1,525	1,594	300	1,500	1,250	3,725	**9,276**

a. In April 2012, this bond was increased by €300 million.

b. In April 2012, this bond was early repaid for $530 million through the tender offer; the balance ($170 million) was called. Consequently, it was recorded as a short-term borrowing as of March 31, 2012.

Bank credit facilities

(in million of euros)	Maturity	Maximum amount	March 31, 2012	Maturing before March 31, 2013	2014	2015	2016	2017	Maturing after March 31, 2017	December 31, 2011
€1.1 billion revolving facility (January 2012)	Jan-17	1,100	-	-	-	-	-	-	-	-
€40 million revolving facility (January 2012)	Jan-15	40	-	-	-	-	-	-	-	-
€5.0 billion revolving facility (May 2011)										
tranche B: €1.5 billion	May-14	1,500	-	-	-	-	-	-	-	725
tranche C: €2.0 billion	May-16	2,000	-	-	-	-	-	-	-	410
Securitization program - SFR (March 2011)	Mar-16	500	429	-	-	-	429	-	-	422
€1.0 billion revolving facility (September 2010)	Sep-15	1,000	-	-	-	-	-	-	-	-
€1.2 billion revolving facility - SFR (June 2010)	Jun-15	1,200	-	-	-	-	-	-	-	-
€2 billion revolving facility (February 2008)	Feb-13	1,000	-	-	-	-	-	-	-	890
€2 billion revolving facility (August 2006)										
- initial credit line	Aug-12	271	-	-	-	-	-	-	-	271
- extended credit line	Aug-13	1,729	1,100	-	1,100	-	-	-	-	1,729
GVT - BNDES	-	658	342	32	33	50	62	62	103	299
Maroc Telecom - MAD 3 billion note	Jul-14	135	135	55	53	27	-	-	-	149
Canal+ Group - Vietnam	Feb-14	19	17	-	17	-	-	-	-	22
Drawn confirmed bank credit facilities			**2,023**	**87**	**1,203**	**77**	**491**	**62**	**103**	**4,917**
Undrawn confirmed bank credit facilities			9,129	1,272	631	1,550	2,324	3,153	199	7,164
Total of group's bank credit facilities			**11,152**	**1,359**	**1,834**	**1,627**	**2,815**	**3,215**	**302**	**12,081**
Commercial paper issued (a)			2,935	2,935						529

a. The short-term commercial papers are backed to confirmed bank credit facilities, which can no longer be drawn for these amounts. They are recorded as short-term borrowings on the Consolidated Statement of Financial Position.

5.5 Credit ratings

As of May 10, 2012, the date of the Management Board meeting that approved the Financial Statements for the first quarter of 2012, the credit ratings of Vivendi were as follows:

Rating agency	Rating date	Type of debt	Ratings	Outlook
Standard & Poor's	July 27, 2005	Long-term *corporate* credit rating	BBB	Stable
		Short-term *corporate* credit rating	A-2	Stable
		Senior unsecured debt	BBB	Stable
Moody's	September 13, 2005	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	December 10, 2004	Long-term senior unsecured debt	BBB	Stable

5.6 Available bank credit facilities as of May 10, 2012

As of May 10, 2012, the date of Vivendi's Management Board meeting that approved the Financial Statements for the first quarter ended March 31, 2012, the group had available committed bank credit facilities in the amount of €11.2 billion, of which €1.9 billion were drawn. Considering the amount of commercial paper issued at this date, and backed on credit facilities for €2.9 billion, these facilities were available for an aggregate amount of €6.4 billion.

6 Forward looking statements

Cautionary note regarding forward looking statements

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 projections regarding the payment of dividends as well as the impact of certain transactions. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals in connection with certain transactions as well as the risks described in the documents of the group filed with the *Autorité des Marchés Financiers* (AMF) (the French securities regulator) and which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, we caution you against relying on 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.

7 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 such facility.

Translation

This Financial Report is an English translation of the French version of such report and is provided for informational purposes only. 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 - Appendices to the Financial Report: Unaudited supplementary financial data

1. Change in presentation of the Consolidated Statement of Earnings

In 2011, in view of the practice of other French groups that adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made the following change in presentation of its Consolidated Statement of Earnings with retroactive effect as from January 1, 2011:

- the impacts related to financial investing transactions, which were previously reported in "other financial charges and income", are reclassified to other charges and income in "Earnings Before Interest and Income Taxes" (EBIT). They include losses and gains recognized through business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as consolidation gains or losses incurred from the gain or loss of control in a business. The reclassified amounts represented a net gain of €840 million for the first quarter ended March 31, 2011;
- the impacts related to transactions with shareowners (except if directly recognized in equity), which were previously reported in "other financial charges and income" are similarly reclassified to "EBIT"; and
- moreover, both charges and income related to financial investing transactions as well as other financial charges and income are presented as separate single lines and are no longer offset.

In accordance with IAS 1, Vivendi has applied this change in presentation to all periods previously published:

(in millions of euros)	Three months ended March 31, 2011
Earnings before interest and income taxes (EBIT) (as previously published)	**1,582**
Reclassification	
Other income	1,289
Other charges	(449)
Earnings before interest and income taxes (EBIT) (new definition)	**2,422**

2. Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi Management uses adjusted net income because it illustrates the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. Adjusted net income is defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2011.

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

	1st Quarter ended March 31,	
(in millions of euros)	2012	2011
Earnings attributable to Vivendi SA shareowners (a)	**697**	**1,734**
Adjustments		
Amortization of intangible assets acquired through business combinations	111	123
Other income (a)	(5)	(1,289)
Other charges (a)	22	449
Other financial income (a)	(3)	(3)
Other financial charges (a)	28	35
Change in deferred tax asset related to the Consolidated Global Profit Tax and to Vivendi SA's French Tax Group Systems	6	(56)
Non-recurring items related to provision for income taxes	7	9
Provision for income taxes on adjustments	(38)	(46)
Non-controlling interests on adjustments	(2)	(6)
Adjusted net income	**823**	**950**

a. As presented in the Consolidated Statement of Earnings.

Adjusted net income per share

	1st Quarter ended March 31,			
	2012		2011	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	823	822 (a)	950	948 (a)
Number of shares (in millions)				
Weighted average number of shares outstanding (b) (c)	1,286.7	1,286.7	1,277.7	1,277.7
Potential dilutive effects related to share-based compensation	-	2.2	-	3.7
Adjusted weighted average number of shares	**1,286.7**	**1,288.9**	**1,277.7**	**1,281.4**
Adjusted net income per share (in euros) (b)	0.64	0.64	0.74	0.74

a. Includes only the potential dilutive effect related to employee stock option plans and restricted stock plans for Activision Blizzard in a non-significant amount.

b. The weighted average number of shares and adjusted net income per share have been adjusted for all periods presented in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33. The impact of this operation was not significant. Please refer to Note 18 to the Consolidated Financial Statements for the year ended December 31, 2011 (page 222 of the 2011 Annual Report).

c. Net of treasury shares (2.8 million shares as of March 31, 2012).

3. Reconciliation of Activision Blizzard's revenues and EBITA[1]

As reported below, the reconciliation of Activision Blizzard's revenues and EBITA to IFRS as of March 31, 2012, March 31, 2011 and December 31, 2011 is based on:

- Activision Blizzard's data prepared in compliance with U.S. GAAP standards, in US dollars, contained in its Form 10-Q for the first quarter ended March 31, 2012 and non-GAAP measures published by Activision Blizzard on May 9, 2012; and
- data relating to Activision Blizzard established in accordance with IFRS standards, in euros, as published by Vivendi in its Unaudited Condensed Financial Statements for the first quarter ended March 31, 2012.

Non-GAAP measures of Activision Blizzard

Activision Blizzard provides net revenues, net income (loss), earnings (loss) per share, operating margin data and guidance both including (in accordance with US GAAP) and excluding (non-GAAP) certain items. The non-GAAP financial measures exclude the following items, as applicable in any given reporting period:

i. the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games;
ii. expenses related to equity-based compensation;
iii. expenses related to restructuring charges;
iv. impairment of intangible assets acquired through business combinations and goodwill;
v. the amortization of intangibles acquired through business combinations; and
vi. the income tax adjustments associated with any of the above items.

[1] *Note: for a definition of EBITA, please refer to Section 4.2 of this Financial Report*

Revenues reconciliation:

	1st Quarter ended March 31, (unaudited)	
	2012	2011
Non-GAAP Measurement (U.S. GAAP basis):		
Non-GAAP Net Revenues (in millions of dollars)	**587**	**755**
Elimination of non-GAAP adjustments:		
Changes in deferred net revenues (a)	585	694
U.S. GAAP Measurement:		
Net Revenues in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**1,172**	**1,449**
Elimination of U.S. GAAP vs. IFRS differences:	*na**	*na**
IFRS Measurement:		
Net Revenues in IFRS (in millions of dollars)	**1,172**	**1,449**
Dollar to euro translation:		
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**894**	**1,061**
of which		
Activision	649	671
Blizzard	196	335
Distribution	49	55

EBITA reconciliation:

	1st Quarter ended March 31, (unaudited)	
	2012	2011
Non-GAAP Measurement (U.S. GAAP basis):		
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**90**	**218**
Elimination of non-GAAP adjustments:		
Changes in deferred net revenues and related cost of sales (a)	447	506
Equity-based compensation expense	(21)	(23)
Restructuring charges	-	(19)
Amortization of intangibles acquired through business combinations	(3)	(8)
U.S. GAAP Measurement:		
Operating Income/(Loss) in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**513**	**674**
Elimination of U.S. GAAP vs. IFRS differences:	2	1
IFRS Measurement:		
Operating Income/(Loss) in IFRS (in millions of dollars)	**515**	**675**
Elimination of items excluded from EBITA:		
Amortization of intangibles acquired through business combinations	3	8
Other	(1)	3
EBITA in IFRS (in millions of dollars)	**517**	**686**
Dollar to euro translation:		
EBITA in IFRS (in millions of euros), as published by Vivendi	**395**	**502**
of which		
Activision	320	359
Blizzard	75	143
Distribution	-	-

na*: not applicable.

a. Relates to the impact of the change in deferred net revenues, and related costs of sales with respect to certain of the company's online-enabled games. As of March 31, 2012, both in U.S. GAAP and IFRS:
   - the change in deferred net revenues resulted in the recognition of net revenues for $585 million (€446 million) and, after taking into account related costs of sales, the recognition of margin from operations for $447 million (€341 million); and
   - the deferred net revenues balance in the Statement of Financial Position amounted to $917 million (€688 million), compared to $1,472 million (€1,139 million) as of December 31, 2011 and $1,043 million (€742 million) as of March 31, 2011. After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $764 million (€573 million), compared to $1,181 million (€913 million) as of December 31, 2011 and $860 million (€612 million) as of March 31, 2011.

4. Revenues and EBITA by business segment - 2012 and 2011 quarterly data

(in millions of euros)	2012 1st Quarter ended March 31
Revenues	
Activision Blizzard	894
Universal Music Group	961
SFR	2,927
Maroc Telecom Group	676
GVT	432
Canal+ Group	1,232
Non-core operations and others, and elimination of intersegment transactions	(3)
Total Vivendi	**7,119**
EBITA	
Activision Blizzard	395
Universal Music Group	68
SFR	561
Maroc Telecom Group	273
GVT	116
Canal+ Group	236
Holding & Corporate	(25)
Non-core operations and others	(3)
Total Vivendi	**1,621**

	2011			
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept. 30	4th Quarter ended Dec. 31
Revenues				
Activision Blizzard	1,061	796	533	1,042
Universal Music Group	881	982	979	1,355
SFR	3,056	3,064	3,017	3,046
Maroc Telecom Group	672	689	698	680
GVT	329	353	395	369
Canal+ Group	1,192	1,200	1,171	1,294
Non-core operations and others, and elimination of intersegment transactions	(7)	(15)	(16)	(3)
Total Vivendi	**7,184**	**7,069**	**6,777**	**7,783**
EBITA				
Activision Blizzard	502	331	118	60
Universal Music Group	46	86	112	263
SFR	566	675	644	393
Maroc Telecom Group	266	265	302	256
GVT	90	97	112	97
Canal+ Group	265	230	237	(31)
Holding & Corporate	(20)	(22)	(17)	(41)
Non-core operations and others	(10)	(4)	(5)	(3)
Total Vivendi	**1,705**	**1,658**	**1,503**	**994**

Intentionally left blank.

III - Condensed Financial Statements for the first quarter ended March 31, 2012

Condensed Statement of Earnings

	Note	1st Quarter ended March 31, (unaudited) 2012	2011	Year ended December 31, 2011
Revenues	2	**7,119**	**7,184**	**28,813**
Cost of revenues		(3,425)	(3,461)	(14,391)
Selling, general and administrative expenses		(2,156)	(2,096)	(8,911)
Restructuring charges and other operating charges and income		(28)	(45)	(161)
Impairment losses on intangible assets acquired through business combinations		-	-	(397)
Other income	3	5	1,289	1,385
Other charges	3	(22)	(449)	(656)
Earnings before interest and income taxes (EBIT)		**1,493**	**2,422**	**5,682**
Income from equity affiliates		(19)	(2)	(18)
Interest	4	(139)	(101)	(481)
Income from investments		2	71	75
Other financial income		3	3	14
Other financial charges		(28)	(35)	(167)
Earnings from continuing operations before provision for income taxes		**1,312**	**2,358**	**5,105**
Provision for income taxes	5	(371)	(198)	(1,378)
Earnings from continuing operations		**941**	**2,160**	**3,727**
Earnings from discontinued operations		-	-	-
Earnings		**941**	**2,160**	**3,727**
Of which				
Earnings attributable to Vivendi SA shareowners		**697**	**1,734**	**2,681**
Non-controlling interests		244	426	1,046
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	6	0.54	1.36	2.09
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	6	0.54	1.35	2.09
Earnings attributable to Vivendi SA shareowners per share - basic	6	**0.54**	**1.36**	**2.09**
Earnings attributable to Vivendi SA shareowners per share - diluted	6	0.54	1.35	2.09

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

Nota:

- In 2011, in view of the practice of other French groups who adopted IFRS 3 and IAS 27 revised in 2010 (early adopted by Vivendi in 2009), Vivendi made a change in presentation of its Consolidated Statement of Earnings with retroactive effect as from January 1, 2011: please refer to Note 1.2.
- In accordance with IAS 33, the weighted average number of shares and earnings attributable to Vivendi SA shareowners per share (basic and diluted) in respect of the first quarters of 2012 and 2011 have been adjusted in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held. The impact of this operation was not significant.

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

Condensed Statement of Comprehensive Income

(in millions of euros)	1st Quarter ended March 31, (unaudited) 2012	2011	Year ended December 31, 2011
Earnings	**941**	**2,160**	**3,727**
Foreign currency translation adjustments	**(224)**	**(260)**	**182**
of which transferred to profit or loss as part of the sale of NBC Universal interest	-	*477*	*477*
Assets available for sale	7	2	15
Cash flow hedge instruments	9	26	78
Net investment hedge instruments	-	21	21
Tax	2	(7)	(24)
Unrealized gains/(losses)	**18**	**42**	**90**
Other impacts, net	**(1)**	**13**	**12**
Charges and income directly recognized in equity	**(207)**	**(205)**	**284**
Total comprehensive income	**734**	**1,955**	**4,011**
of which			
Total comprehensive income attributable to Vivendi SA shareowners	**515**	**1,579**	**2,948**
Total comprehensive income attributable to non-controlling interests	219	376	1,063

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

Condensed Statement of Financial Position

(in millions of euros)	March 31, 2012 (unaudited)	December 31, 2011
ASSETS		
Goodwill	24,734	25,029
Non-current content assets	2,238	2,485
Other intangible assets	5,299	4,329
Property, plant and equipment	9,073	9,001
Investments in equity affiliates	121	135
Non-current financial assets	392	394
Deferred tax assets	1,331	1,421
Non-current assets	**43,188**	**42,794**
Inventories	651	805
Current tax receivables	375	542
Current content assets	933	1,066
Trade accounts receivable and other	5,866	6,730
Current financial assets	509	478
Cash and cash equivalents	3,064	3,304
	11,398	**12,925**
Assets held for sale	213	-
Current assets	**11,611**	**12,925**
TOTAL ASSETS	**54,799**	**55,719**
EQUITY AND LIABILITIES		
Share capital	6,860	6,860
Additional paid-in capital	8,225	8,225
Treasury shares	(50)	(28)
Retained earnings and other	4,837	4,390
Vivendi SA shareowners' equity	**19,872**	**19,447**
Non-controlling interests	2,669	2,623
Total equity	**22,541**	**22,070**
Non-current provisions	1,526	1,569
Long-term borrowings and other financial liabilities	10,454	12,409
Deferred tax liabilities	635	728
Other non-current liabilities	833	864
Non-current liabilities	**13,448**	**15,570**
Current provisions	569	586
Short-term borrowings and other financial liabilities	5,444	3,301
Trade accounts payable and other	12,074	13,987
Current tax payables	723	205
	18,810	**18,079**
Liabilities associated with assets held for sale	-	-
Current liabilities	**18,810**	**18,079**
Total liabilities	**32,258**	**33,649**
TOTAL EQUITY AND LIABILITIES	**54,799**	**55,719**

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

Condensed Statement of Cash Flows

(in millions of euros)	1st Quarter ended March 31, (unaudited) 2012	2011	Year ended December 31, 2011
Operating activities			
EBIT	1,493	2,422	5,682
Adjustments	745	(131)	2,590
Including amortization and depreciation of tangible and intangible assets	*746*	*723*	*3,441*
other income	*5*	*1,289*	*1,385*
other charges	*(22)*	*(449)*	*(656)*
Content investments, net	(96)	(38)	(13)
Gross cash provided by operating activities before income tax paid	***2,142***	***2,253***	***8,259***
Other changes in net working capital	(412)	(594)	(307)
Net cash provided by operating activities before income tax paid	***1,730***	***1,659***	***7,952***
Income tax paid, net	376	(357)	(1,090)
Net cash provided by operating activities	**2,106**	**1,302**	**6,862**
Investing activities			
Capital expenditures	(2,106)	(879)	(3,367)
Purchases of consolidated companies, after acquired cash	(11)	(79)	(210)
Investments in equity affiliates	-	(38)	(49)
Increase in financial assets	(83)	(123)	(377)
Investments	***(2,200)***	***(1,119)***	***(4,003)***
Proceeds from sales of property, plant, equipment and intangible assets	4	7	27
Proceeds from sales of consolidated companies, after divested cash	5	7	30
Disposal of equity affiliates	-	2,876	2,920
Decrease in financial assets	14	1,384	1,751
Divestitures	***23***	***4,274***	***4,728***
Dividends received from equity affiliates	-	70	79
Dividends received from unconsolidated companies	-	-	3
Net cash provided by/(used for) investing activities	**(2,177)**	**3,225**	**807**
Financing activities			
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	-	3	151
Sales/(purchases) of Vivendi SA's treasury shares	(22)	(37)	(37)
Dividends paid by Vivendi SA to its shareowners	-	-	(1,731)
Other transactions with shareowners	(188)	(249)	(7,909)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their non-controlling interests	(19)	(440)	(1,154)
Transactions with shareowners	***(229)***	***(723)***	***(10,680)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	2,425	386	6,045
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(3,767)	(843)	(452)
Principal payment on short-term borrowings	(1,027)	(938)	(2,451)
Other changes in short-term borrowings and other financial liabilities	2,601	219	597
Interest paid, net	(139)	(101)	(481)
Other cash items related to financial activities	-	(12)	(239)
Transactions on borrowings and other financial liabilities	***93***	***(1,289)***	***3,019***
Net cash provided by/(used for) financing activities	**(136)**	**(2,012)**	**(7,661)**
Foreign currency translation adjustments	(33)	(91)	(14)
Change in cash and cash equivalents	**(240)**	**2,424**	**(6)**
Cash and cash equivalents			
At beginning of the period	3,304	3,310	3,310
At end of the period	3,064	5,734	3,304

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

Condensed Statements of Changes in Equity

First quarter ended March 31, 2012 (unaudited)

(in millions of euros, except number of shares)	Capital: Common shares – *Number of shares* (in thousands)	Capital: Common shares – Amounts	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2011	***1,247,263***	**6,860**	**8,225**	**(28)**	**15,057**	**7,094**	**23**	**(104)**	**7,013**	**22,070**
Attributable to Vivendi SA shareowners	***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests	-	-	-	-	-	***2,453***	-	***170***	***2,623***	***2,623***
Contributions by/distributions to Vivendi SA shareowners	-	-	-	***(22)***	***(22)***	***7***	-	-	***7***	***(15)***
of which Vivendi SA's stock repurchase program	-	-	-	(22)	(22)	-	-	-	-	(22)
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(75)***	-	-	***(75)***	***(75)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(91)	-	-	(91)	(91)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	-	-	-	**(22)**	**(22)**	**(68)**	-	-	**(68)**	**(90)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(80)***	-	-	***(80)***	***(80)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(80)	-	-	(80)	(80)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(93)***	-	-	***(93)***	***(93)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(108)	-	-	(108)	(108)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(173)**	-	-	**(173)**	**(173)**
Earnings	-	-	-	-	-	***941***	-	-	***941***	***941***
Charges and income directly recognized in equity	-	-	-	-	-	***(1)***	***18***	***(224)***	***(207)***	***(207)***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**940**	**18**	**(224)**	**734**	**734**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	-	-	-	***(22)***	***(22)***	***699***	***18***	***(224)***	***493***	***471***
Attributable to Vivendi SA shareowners	-	-	-	*(22)*	*(22)*	*628*	*19*	*(200)*	*447*	*425*
Attributable to non-controlling interests	-	-	-	-	-	*71*	*(1)*	*(24)*	*46*	*46*
BALANCE AS OF MARCH 31, 2012	***1,247,263*** (a)	**6,860** (a)	**8,225** (a)	**(50)**	**15,035**	**7,793**	**41**	**(328)**	**7,506**	**22,541**
Attributable to Vivendi SA shareowners	***1,247,263***	***6,860***	***8,225***	***(50)***	***15,035***	***5,269***	***42***	***(474)***	***4,837***	***19,872***
Attributable to non-controlling interests	-	-	-	-	-	***2,524***	***(1)***	***146***	***2,669***	***2,669***

a. The grant to each shareowner of one bonus share for each 30 shares held decided by the Management Board on February 29, 2012 resulted in the creation on May 9, 2012 by a €229 million withdrawal from additional paid-in capital, of 41,575 thousand new shares with a nominal value of €5.5 each and entitlement as from January 1, 2012.

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

First quarter ended March 31, 2011 (unaudited)

(in millions of euros, except number of shares)	Capital: Common shares – *Number of shares (in thousands)*	Capital: Common shares – Amounts	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2010	***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	-	-	-	-	-	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners	-	-	-	***(37)***	***(37)***	***6***	-	-	***6***	***(31)***
of which Vivendi SA's stock repurchase program	-	-	-	(37)	(37)	-	-	-	-	(37)
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(110)***	-	-	***(110)***	***(110)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(116)	-	-	(116)	(116)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	-	-	-	**(37)**	**(37)**	**(104)**	-	-	**(104)**	**(141)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(57)***	-	-	***(57)***	***(57)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(57)	-	-	(57)	(57)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(132)***	-	-	***(132)***	***(132)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(135)	-	-	(135)	(135)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(189)**	-	-	**(189)**	**(189)**
Earnings	-	-	-	-	-	***2,160***	-	-	***2,160***	***2,160***
Charges and income directly recognized in equity	-	-	-	-	-	***13***	***42***	***(260)***	***(205)***	***(205)***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**2,173**	**42**	**(260)**	**1,955**	**1,955**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	-	-	-	***(37)***	***(37)***	***1,880***	***42***	***(260)***	***1,662***	***1,625***
Attributable to Vivendi SA shareowners	-	-	-	*(37)*	*(37)*	*1,641*	*35*	*(201)*	*1,475*	*1,438*
Attributable to non-controlling interests	-	-	-	-	-	*239*	*7*	*(59)*	*187*	*187*
BALANCE AS OF MARCH 31, 2011	***1,237,337***	**6,805**	**8,128**	**(39)**	**14,894**	**15,475**	**(25)**	**(546)**	**14,904**	**29,798**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(39)***	***14,894***	***11,261***	***(12)***	***(647)***	***10,602***	***25,496***
Attributable to non-controlling interests	-	-	-	-	-	***4,214***	***(13)***	***101***	***4,302***	***4,302***

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

Year ended December 31, 2011

(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	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
	Number of shares (in thousands)	Amounts								
BALANCE AS OF DECEMBER 31, 2010	***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	-	-	-	-	-	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners	***9,926***	***55***	***97***	***(26)***	***126***	***(1,690)***	-	-	***(1,690)***	***(1,564)***
Vivendi SA's stock repurchase program	-	-	-	(37)	(37)	-	-	-	-	(37)
Dividends paid by Vivendi SA (€1.40 per share)	-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA's share-based compensation plans	*9,926*	55	97	11	163	41	-	-	41	204
of which Vivendi Employee Stock Purchase Plans (July 21, 2011)	*9,372*	*52*	*91*	-	*143*	-	-	-	-	*143*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(5,983)***	***(12)***	-	***(5,995)***	***(5,995)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(6,037)	(12)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(231)	-	-	(231)	(231)
sale of Activision Blizzard shares	-	-	-	-	-	236	-	-	236	236
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***9,926***	**55**	**97**	**(26)**	**126**	**(7,673)**	**(12)**	-	**(7,685)**	**(7,559)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(721)***	-	-	***(721)***	***(721)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(521)	-	-	(521)	(521)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	***10***	-	-	***10***	***10***
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(1,856)***	***12***	-	***(1,844)***	***(1,844)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(1,713)	12	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(271)	-	-	(271)	(271)
sale of Activision Blizzard shares	-	-	-	-	-	78	-	-	78	78
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(2,567)**	**12**	-	**(2,555)**	**(2,555)**
Earnings	-	-	-	-	-	***3,727***	-	-	***3,727***	***3,727***
Charges and income directly recognized in equity	-	-	-	-	-	***12***	***90***	***182***	***284***	***284***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**3,739**	**90**	**182**	**4,011**	**4,011**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***9,926***	***55***	***97***	***(26)***	***126***	***(6,501)***	***90***	***182***	***(6,229)***	***(6,103)***
Attributable to Vivendi SA shareowners	*9,926*	*55*	*97*	*(26)*	*126*	*(4,979)*	*70*	*172*	*(4,737)*	*(4,611)*
Attributable to non-controlling interests	-	-	-	-	-	*(1,522)*	*20*	*10*	*(1,492)*	*(1,492)*
BALANCE AS OF DECEMBER 31, 2011	***1,247,263***	**6,860**	**8,225**	**(28)**	**15,057**	**7,094**	**23**	**(104)**	**7,013**	**22,070**
Attributable to Vivendi SA shareowners	***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests	-	-	-	-	-	***2,453***	-	***170***	***2,623***	***2,623***

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

Notes to the Condensed Financial Statements

On May 10, 2012, during 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, 2012.

The unaudited Condensed Financial Statements for the first quarter ended March 31, 2012 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2011, as published in the 2011 "*Rapport annuel - Document de référence*" filed on March 19, 2012 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2011*"). Please also refer to pages 169 to 264 of the English translation[1] of the "*Document de référence 2011*" (the "2011 Annual Report") which is made available on Vivendi's website (www.vivendi.com) for informational purposes.

Note 1 Accounting policies and valuation methods

1.1 Interim financial statements

The Condensed Financial Statements of Vivendi for the first quarter of 2012 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, 2011 (please refer to Note 1 "Accounting policies and valuation methods" presented in the financial statements from pages 178 to 193 of the 2011 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 the pre-tax earnings of the period. 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 stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for any non-recurring events which occurred over the period, if necessary.

1.2 Change in presentation of the consolidated statement of earnings

In 2011, in view of the practice of other French groups that adopted in 2010 IFRS 3 and IAS 27 revised (early adopted by Vivendi in 2009), Vivendi made the following change in the presentation of its Consolidated Statement of Earnings with retroactive effect as from January 1, 2011:

- the impacts related to financial investing transactions, which were previously reported in "other financial charges and income", are reclassified to other charges and income in "Earnings Before Interest and Income Taxes" (EBIT). They include losses and gains recognized through business combinations, capital gains or losses related to divestitures or the depreciation of equity affiliates and other financial investments, as well as consolidation gains or losses incurred from the gain or loss of control in a business. The reclassified amounts represented a net gain of €840 million for the first quarter of 2011;
- the impacts related to transactions with shareowners (except if directly recognized in equity), which were previously reported in "other financial charges and income" are similarly reclassified to EBIT; and
- moreover, both charges and income related to financial investing transactions as well as other financial charges and income are no longer offset.

In accordance with IAS 1, Vivendi has applied this change in presentation for all periods previously published. Given these reclassifications, EBIT for the first quarter of 2011 amounted to €2,422 million (compared to €1,582 million as published in 2011).

1.3 New IFRS standards and interpretations applicable as of January 1, 2012

The new IFRS effective from January 1, 2012, described in Note 1.6 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" of Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2011 (page 193 of the 2011 Annual Report), which were applicable to the first quarter of 2012, had no material impact on Vivendi's Financial Statements.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2011".*

Note 2 Segment data

The Vivendi group comprises six businesses operating at the heart of the worlds of content, platforms, and interactive networks: Activision Blizzard, Universal Music Group, SFR, Maroc Telecom Group, GVT, and Canal+ Group.

Statement of Earnings

1st Quarter ended March 31, 2012

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	894	960	2,922	668	432	1,228	-	15	-	7,119
Intersegment revenues	-	1	5	8	-	4	-	1	(19)	-
Revenues	**894**	**961**	**2,927**	**676**	**432**	**1,232**	**-**	**16**	**(19)**	**7,119**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(449)	(855)	(1,995)	(296)	(255)	(942)	(22)	(17)	19	(4,812)
Charges related to stock options and other share-based compensation plans	(16)	(5)	(2)	(1)	-	(1)	(2)	-	-	(27)
EBITDA	**429**	**101**	**930**	**379**	**177**	**289**	**(24)**	**(1)**	**-**	**2,280**
Restructuring charges	-	(21)	(3)	-	-	-	-	(1)	-	(25)
Gains/(losses) on sales of tangible and intangible assets	-	-	-	-	-	-	-	-	-	-
Other non-recurring items	-	1	2	(1)	-	-	(1)	-	-	1
Depreciation of tangible assets	(15)	(13)	(227)	(81)	(56)	(38)	-	-	-	(430)
Amortization of intangible assets excluding those acquired through business combinations	(19)	-	(141)	(24)	(5)	(15)	-	(1)	-	(205)
Adjusted earnings before interest and income taxes (EBITA)	**395**	**68**	**561**	**273**	**116**	**236**	**(25)**	**(3)**	**-**	**1,621**
Amortization of intangible assets acquired through business combinations	(2)	(70)	(16)	(7)	(15)	-	-	(1)	-	(111)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										5
Other charges										(22)
Earnings before interest and income taxes (EBIT)										**1,493**
Income from equity affiliates										(19)
Interest										(139)
Income from investments										2
Other financial income										3
Other financial charges										(28)
Provision for income taxes										(371)
Earnings from discontinued operations										-
Earnings										**941**
Of which										
Earnings attributable to Vivendi SA shareowners										**697**
Non-controlling interests										244

1st Quarter ended March 31, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	1,060	880	3,055	664	329	1,190	-	6	-	7,184
Intersegment revenues	1	1	1	8	-	2	-	1	(14)	-
Revenues	**1,061**	**881**	**3,056**	**672**	**329**	**1,192**	**-**	**7**	**(14)**	**7,184**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(486)	(798)	(2,131)	(310)	(191)	(880)	(18)	(16)	14	(4,816)
Charges related to stock options and other share-based compensation plans	(16)	(4)	(2)	(1)	-	(1)	(2)	-	-	(26)
EBITDA	**559**	**79**	**923**	**361**	**138**	**311**	**(20)**	**(9)**	**-**	**2,342**
Restructuring charges	(14)	(21)	(5)	-	-	-	-	-	-	(40)
Gains/(losses) on sales of tangible and intangible assets	-	-	-	-	-	-	-	-	-	-
Other non-recurring items	-	-	-	3	-	-	-	-	-	3
Depreciation of tangible assets	(13)	(12)	(201)	(75)	(44)	(34)	-	-	-	(379)
Amortization of intangible assets excluding those acquired through business combinations	(30)	-	(151)	(23)	(4)	(12)	-	(1)	-	(221)
Adjusted earnings before interest and income taxes (EBITA)	**502**	**46**	**566**	**266**	**90**	**265**	**(20)**	**(10)**	**-**	**1,705**
Amortization of intangible assets acquired through business combinations	(6)	(70)	(17)	(7)	(15)	(8)	-	-	-	(123)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										1,289
Other charges										(449)
Earnings before interest and income taxes (EBIT)										**2,422**
Income from equity affiliates										(2)
Interest										(101)
Income from investments										71
Other financial income										3
Other financial charges										(35)
Provision for income taxes										(198)
Earnings from discontinued operations										-
Earnings										**2,160**
Of which										
Earnings attributable to Vivendi SA shareowners										**1,734**
Non-controlling interests										426

Note 3 EBIT

Other charges and income

For the first quarter of 2012, EBIT's other charges and income represented a net charge of €17 million (compared to a net income of €840 million for the first quarter of 2011). For the first quarter of 2011, they primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred on the sale of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million) on January 25, 2011.

Note 4 Interest

(in millions of euros)	1st Quarter ended March 31, 2012	1st Quarter ended March 31, 2011	Year ended December 31, 2011
Interest expense on borrowings	145	113	529
Interest income from cash and cash equivalents	(6)	(12)	(48)
Interest	**139**	**101**	**481**
Fees and premium on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments	*3*	*2*	*52*
	142	***103***	***533***

Note 5 Income taxes

(in millions of euros)	1st Quarter ended March 31, 2012	1st Quarter ended March 31, 2011	Year ended December 31, 2011
(Charge)/Income			
Impact of the Consolidated Global Profit Tax and Vivendi SA's French Tax Group Systems	103	261	436
Other components of the provision for income taxes	(474)	(459)	(1,814)
Provision for income taxes	**(371)**	**(198)**	**(1,378)**

As a reminder, on July 6, 2011, Vivendi applied to the French Ministry of Finance for the renewal of its authorization to use the Consolidated Global Profit Tax System for a three year period from 2012 to 2014. However, the changes in French Tax Law during the second half of 2011 terminated the Consolidated Global Profit Tax System as from September 6, 2011. In addition, they capped the deduction for tax losses carried forward at 60% of taxable income.

Note 6 Earnings per share

	1st Quarter ended March 31,				Year ended December 31, 2011	
	2012		2011			
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings attributable to Vivendi SA shareowners (in millions of euros)	697	696 (a)	1,734	1,732 (a)	2,681	2,678 (a)
Number of shares (in millions)						
Weighted average number of shares outstanding (b) (c)	1,286.7	1,286.7	1,277.7	1,277.7	1,281.4	1,281.4
Potential dilutive effects related to share-based compensation	-	2.2	-	3.7	-	2.4
Adjusted weighted average number of shares	**1,286.7**	**1,288.9**	**1,277.7**	**1,281.4**	**1,281.4**	**1,283.8**
Earnings attributable to Vivendi SA shareowners per share (in euros) (b)	0.54	0.54	1.36	1.35	2.09	2.09

Earnings from discontinued operations are not applicable over the presented periods. Therefore, the caption "earnings from continuing operations attributable to Vivendi SA shareowners" relates to earnings attributable to Vivendi SA shareowners.

a. Only includes the potential dilutive effect related to employee stock option and restricted stock plans of Activision Blizzard for a non-material amount.

b. The weighted average number of shares and earnings attributable to Vivendi SA shareowners per share have been adjusted for all periods presented in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33. The impact of this operation was not significant. Please refer to Note 18 to the Consolidated Financial Statements for the year ended December 31, 2011 (page 222 of the 2011 Annual Report).

c. Net of treasury shares (2.8 million shares as of March 31, 2012).

Note 7 Commitments

The following note should be read in conjunction with Note 26 to the Consolidated Financial Statements for the year ended December 31, 2011 (pages 249 to 255 of the 2011 Annual Report).

The main contractual commitments undertaken/revised since December 31, 2011 are described below.

- Share purchase and sale commitments: for a detailed description of the main transactions underway as of May 10, 2012, please refer to Section 1.1.4 of the Financial Report;
- Lagardère's liquidity right regarding its non-controlling interest in Canal+ France: on March, 26, 2012, Lagardère again decided to exercise its liquidity right for 2012;
- Inquiry regarding the implementation of undertakings given by Canal+ Group in connection with the combination of Canal Satellite and TPS: On September 20, 2011, the French Competition Authority rendered a decision in which it established that Group Canal+ had not complied with certain undertakings – some it considered essential – on which depended its 2006 decision authorizing the combination of Canal Satellite and TPS. As a consequence, the French Competition Authority withdrew the merger authorization, requiring Vivendi and Group Canal+ to re-notify the transaction to the French Competition Authority within one month.
  On October 24, 2011, the operation was re-notified to the French Competition Authority. On November 4, 2011, Vivendi and Group Canal+ filed a motion before the French Council of State (Conseil d'Etat), requesting the annulment of the French Competition Authority decision. On February 20, 2012, the Authority issued its defense memorandum. The French Audiovisual Supervisory Board and the Arcep filed their comments on February 22 and March 15, 2012, respectively. Canal+ Group and Vivendi answered to all comments on April 6, 2012; and
- Acquisition of a non-controlling interest in Orange Cinema Series by Canal+ Group: please refer to Note 9, below.

Note 8 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 27 to the Consolidated Financial Statements for the year ended December 31, contained in the 2011 Annual Report (pages 256 to 261) and in Section 3 of Chapter 2 contained in the 2011 Annual Report (pages 60 to 64). The following paragraphs update such disclosure through May 10, 2012, the date of the Management Board meeting held to approve Vivendi's financial statements for the first quarter ended March 31, 2012.

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

Trial of Vivendi's former officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (*Parquet de Paris)* launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the company of its own shares between September 1, 2001 and December 31, 2001, following filing by the AMF of a report of its investigations with the Parquet de Paris on June 6, 2005. Vivendi joined the proceedings as a civil party.

On January 23, 2009, the Public Prosecutor transmitted to the judge and civil parties a final prosecutor's decision to dismiss the charges in respect of all matters under investigation. On October 16, 2009, the Judge ordered all parties to appear at trial before the Criminal Court.

The charges of disclosure and publication of untrue or inaccurate financial statements were rejected by the Judge. The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (*Tribunal de Grande Instance de Paris*). The Public Prosecutor asked the Court to drop the charges against the defendants.

On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Messier and Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi officers as well as some civil parties appealed the decision. The trial before the Court of appeals is scheduled to take place from October 28 to November 26, 2013.

On January 7, 2010, Philippe Foiret summoned Vivendi and Veolia to appear before a Criminal Court in an attempt to hold them liable for the offences committed by their former managers. On January 27, 2012, the Criminal Court dismissed Mr. Foiret's application.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi, Messrs. Messier and Hannezo in the District Court for the Southern District of New York for claims arising out of a merger 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 Act of 1933 and US Exchange Act of 1934. Liberty Media seeks rescission damages. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009. In March 2012, the judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the class action jury with respect to Vivendi's liability (theory of "collateral estoppels").The trial is scheduled to commence on May 29, 2012.

LBBW et al against Vivendi

On March 4, 2011, twenty-six institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. On April 10 and on April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho and the other by six British and German institutional investors.

California State Teachers Retirement System et al against Vivendi and Jean-Marie Messier

On April 27, 2012, sixty-seven institutional foreign investors filed a complaint against Vivendi and Jean-Marie Messier before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi and its former leader, between 2000 and 2002.

Parabole Réunion matter

In July 2007, the group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, the Canal+ Group was prohibited, under fine, from allowing the broadcast of these channels by third parties, unless it offered to Parabole Réunion the replacement of these channels with other similarly attractive channels, to be distributed on an exclusive basis. Groupe Canal+ appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal reversed the judgment and dismissed Parabole Réunion's main claims against Groupe Canal+. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion.

In parallel with the foregoing proceedings, on October 21, 2008, Parabole Réunion and its shareholders filed a claim against Canal Réunion, Canal Overseas, CanalSatellite Réunion, Canal+ France, Groupe Canal+ and Canal+ Distribution, seeking the enforcement of the agreement entered into on May 30, 2008, pursuant to which the companies would combine their TV channel broadcasting activities in the Indian Ocean. The execution of this agreement was contingent upon the satisfaction of certain conditions precedent. As these conditions were not satisfied, the agreement became null and void. On June 15, 2009, the Commercial Court rejected Parabole Reunion's claim. Parabole Réunion appealed this decision and the appeal was denied. On May 23, 2011, Parabole Réunion appealed to the Supreme Court.

Parabole Réunion also brought various proceedings seeking to obtain a statement recognizing the maintaining of the TPS Foot channel, among others, before the High Court of Nanterre. On September 16, 2010, the Versailles Court of appeal rejected Parabole Réunion's application. Parabole Réunion appealed the decision before the French Supreme Court and this appeal was dismissed on January 6, 2012.

On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Groupe Canal+ and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy.

FBT & Eminem against UMG

On May 21, 2007, FBT (the label owned by Eminem) filed suit against UMG claiming breach of contract in connection with the production of an album and requesting that the court order additional payment of royalties for on-line sales of music downloads and ringtones.

On March 6, 2009, the Los Angeles Court dismissed FBT's claims and FBT appealed. The Court of Appeal overturned the lower court's decision. On March 21, 2011, the U.S. Supreme Court, without ruling on the merits of the case, refused to hear an appeal from UMG, which is within its judicial discretion. A trial relating to damages will be held in the second half of 2012.

Complaints against UMG regarding royalties for digital downloads

Since 2011, as has been the case with other music majors, several purported class action complaints have been filed against UMG by recording artists generally seeking additional royalties for on-line sales of music downloads and master ringtones. UMG contests the merits of these actions.

Studio Infinity Ward, subsidiary of Activision Blizzard

After concluding an internal human resources inquiry into breaches of contract and insubordination by two senior employees at Infinity Ward, Activision Blizzard terminated the employment of Jason West and Vince Zampella on March 1, 2010. On March 3, 2010, West and Zampella filed a complaint against Activision Blizzard in the Los Angeles Superior Court for breach of contract and wrongful termination. On April 9, 2010, Activision Blizzard filed a cross complaint against West and Zampella, asserting claims for breach of contract and fiduciary duty. In addition, 38 current and former employees of Infinity Ward filed a complaint against Activision Blizzard in the Los Angeles Superior Court on April 27, 2010 for breach of contract and violation of the Labor Code of the State of California. On July 8, 2010, an amended complaint was filed which added a further seven plaintiffs. They claim that the company failed to pay bonuses and other compensation allegedly owed to them.

On December 21, 2010, Activision Blizzard filed a consolidated cross complaint to add Electronic Arts as a party, the discovery having shown the complicity of Electronic Arts in the case. The Los Angeles Court, following Activision Blizzard's request, agreed to transfer the case to the Complex Division. The trial is scheduled to take place on May 29, 2012. An adverse outcome in this trial could have a material impact on Activision Blizzard's financial results.

Actions related to the ICMS tax

GVT is party in various Brazilian States to several proceedings concerning the recovery of the "ICMS" tax on its Internet and Broadband services. ICMS (Impostos Sobre Circulações de Mercadorias e Prestaçãos de Serviços) is a tax on operations relating to the circulation of goods and the supply of transport, communication and electricity services.

To date, the court decisions rendered in several States have been favorable to GVT, but the Brazilian Federal Supreme Court (Superior Tribunal de Justiça) has not yet ruled on this issue.

On August 5, 2011, Confaz, the national council in charge of coordinating the tax policies of the Brazilian States, published a draft proposal that, if accepted by each State concerned, would allow companies (like GVT) that dispute the recovery of ICMS on Internet and Broadband services to enter into negotiations with the objective of settling the past disputes and clarifying the rules applicable to future operations. As of today, GVT has reached agreement with a dozen states including the States of Paraná, Rio Grande do Sul, the Federal District, Minas Gerais and Santa Catarina.

In addition, GVT is a party to litigation in various Brazilian States concerning the application of the ICMS tax on voice telecommunication services. GVT argues that the ICMS tax should not apply to monthly plans. Of the eighteen proceedings initiated by GVT, all have resulted in decisions favorable to GVT and eleven are no longer subject to appeal.

Note 9 Subsequent events

The major events that have occurred since March 31, 2012 were as follows:

- New financings: for a detailed description of the transactions, please refer to Section 5.4 of the Financial Report; and
- Acquisition by Canal+ Group of a non-controlling interest in Orange Cinema Series: on April 12, 2012, Multithématiques and Orange Cinema Series finalized their agreements and partnered in a common company, Orange Cinema Series, in which Multithématiques acquired a 33% interest and Orange Cinema Series contributed its operations relating to the publishing and broadcasting of its pay cinema channels. Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat since April 5, 2012.