FINANCIAL REPORT FOR THE HALF-YEAR 2019

Financial Report and Unaudited* Condensed Financial Statements for the Half-Year ended June 30, 2019

*The Condensed Financial Statements for the half-year ended June 30, 2019 were subject to a limited review by Vivendi's Statutory Auditors. The Auditors' Report on the 2019 half-year financial information follows the Condensed Financial Statements.

July 26, **2019**

vivendi

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €6,955,763,716.00

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Key consolidated financial data for the last five years

Preliminary comments:

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – Leases. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows for the first half of 2019; therefore, the data relative to prior years is not comparable. For a detailed description, please refer to Notes 1 and 10 to the Condensed Financial Statements for the half-year ended June 30, 2019.

As a reminder, in 2018, Vivendi applied two new accounting standards:

- *IFRS 15 – Revenues from Contracts with Customers: in accordance with IFRS 15, as from 2017, Vivendi applied this change of accounting standard to revenues. The data presented below with respect to fiscal years 2015 to 2016 are historical and therefore are unrestated; and*
- *IFRS 9 – Financial Instruments: in accordance with IFRS 9, as from 2018, Vivendi applied this change of accounting standard to the Statement of Earnings and Statement of Comprehensive Income restating its opening balance sheet as of January 1, 2018; therefore, the data relative to prior years contained in this report is not comparable.*

In addition, Vivendi deconsolidated GVT as from May 28, 2015, date of its effective sale by Vivendi. In compliance with IFRS 5, this business had been reported as a discontinued operation for 2015 as set out in the table of selected key consolidated financial data below in respect of data reflected in the Statement of Earnings and Statement of Cash Flows.

	Six months ended June 30, (unaudited)		Year ended December 31,			
	2019	2018	2018	2017	2016	2015
Consolidated data						
Revenues	7,353	6,476	13,932	12,518	10,819	10,762
Income from operations (a)	756	602	1,439	1,098	853	1,061
Adjusted earnings before interest and income taxes (EBITA) (a)	718	542	1,288	969	724	942
Earnings before interest and income taxes (EBIT)	645	492	1,182	1,018	887	521
Earnings attributable to Vivendi SA shareowners	520	165	127	1,216	1,256	1,932
of which earnings from continuing operations attributable to Vivendi SA shareowners	520	165	127	1,216	1,236	699
Adjusted net income (a)	554	393	1,157	1,300	755	697
Net Cash Position/(Financial Net Debt) (a)	(2,133)	1,399	176	(2,340)	1,231	7,172
Total equity	15,823	17,336	17,534	17,866	19,612	21,086
of which Vivendi SA shareowners' equity	15,608	17,100	17,313	17,644	19,383	20,854
Cash flow from operations (CFFO) (a)	36	132	1,126	989	729	892
Cash flow from operations after interest and income tax paid (CFAIT) (a)	(348)	(6)	822	1,346	341	(69)
Financial investments	(1,380)	(304)	(694)	(3,685)	(4,084)	(3,927)
Financial divestments	652	1,541	2,303	976	1,971	9,013
Dividends paid by Vivendi SA to its shareholders	636	568	568	499	2,588 (b)	2,727 (b)
Purchases/(sales) of Vivendi SA's treasury shares	947	-	-	203	1,623	492
Per share data						
Weighted average number of shares outstanding	1,269.2	1,259.9	1,263.5	1,252.7	1,272.6	1,361.5
Earnings attributable to Vivendi SA shareowners per share	0.41	0.13	0.10	0.97	0.99	1.42
Adjusted net income per share	0.44	0.31	0.92	1.04	0.59	0.51
Number of shares outstanding at the end of the period (excluding treasury shares)	1,229.5	1,261.8	1,268.0	1,256.7	1,259.5	1,342.3
Equity per share, attributable to Vivendi SA shareowners	12.69	13.55	13.65	14.04	15.39	15.54
Dividends per share paid	**0.50**	**0.45**	**0.45**	**0.40**	**2.00** (b)	**2.00** (b)

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

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

b. With respect to fiscal year 2015, Vivendi paid an ordinary dividend of €3 per share, i.e., an aggregate dividend payment of €3,951 million. This amount included €1,363 million paid in 2015 (first interim dividend of €1 per share) and €2,588 million paid in 2016 (€1,318 million for the second interim dividend of €1 per share and €1,270 million representing the balance of €1 per share). In addition, in 2015, Vivendi paid a dividend with respect to fiscal year 2014 of €1 per share, i.e., €1,364 million.

I- Financial Report for the first half of 2019

Preliminary comments:

On July 23, 2019, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2019. Upon the recommendation of the Audit Committee, which met on July 23, 2019, the Supervisory Board, at its meeting held on July 25, 2019, reviewed the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2019, as previously approved by the Management Board on July 23, 2019.

The Condensed Financial Statements for the half-year ended June 30, 2019 were subject to a limited review by Vivendi's Statutory Auditors. The Statutory Auditors' Report on the 2019 half-year financial information is presented after the Condensed Financial Statements.

The Financial Report for the first half of 2019 should be read in conjunction with the 2018 Financial Report, as published in the "Rapport Annuel - Document de référence 2018" filed on March 11, 2019 with the Autorité des marchés financiers ("AMF", the French securities regulator). Please also refer to pages 199 through 222 of the English translation[1] of the "Rapport Annuel - Document de référence 2018" (the "2018 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

For a detailed description of the significant events that occurred during the first half of 2019, as well as any subsequent events, please refer to Notes 2 and 21 to the Condensed Financial Statements for the half-year ended June 30, 2019, respectively.

Updated information on the main transactions with related parties as of June 30, 2019 is provided in Note 18 to the Condensed Financial Statements for the half-year ended June 30, 2019.

1 Earnings analysis: group and business segments

Preliminary comments:

Change of accounting standards

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – Leases. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows for the first half of 2019; therefore, the data relative to the first half of 2018 is not comparable. For a detailed description, please refer to Notes 1 and 10 to the Condensed Financial Statements for the half-year ended June 30, 2019.

Non-GAAP measures

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

Vivendi Management uses income from operations, EBITA and adjusted net income for reporting, management and planning purposes because they exclude most non-recurring and non-operating items from the measurement of the business segments' performances. Under Vivendi's definition:

- *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;*
- *income from operations is calculated as EBITA, as presented in the Adjusted Statement of Earnings, before share-based compensation costs and special items, due to their unusual nature and particular significance; and*
- *adjusted net income includes the following items: EBITA; income from equity affiliates – non-operational; interest (corresponding to interest expense on borrowings net of interest income earned on cash and cash equivalents); income from investments (including dividends and interest received from unconsolidated companies); and taxes and non-controlling interests related to these items. It does not include the following items: amortization of intangible assets acquired through business combinations and related to equity affiliates; impairment losses on goodwill and other intangible assets acquired through business combinations; other charges and income related to transactions with shareowners; other financial charges and income; earnings from discontinued operations; provisions for income taxes and adjustments attributable to non-controlling interests; non-recurring tax items (in particular the changes in deferred tax assets pursuant to Vivendi SA's Tax Group and the Consolidated Global Profit Tax Systems).*

[1] This free translation of the "Rapport Annuel - Document de référence 2018" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.

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

1.1 Condensed Statement of Earnings

	Six months ended June 30,		% Change
	2019	2018	
REVENUES	**7,353**	**6,476**	**+ 13.6%**
Cost of revenues	(4,054)	(3,578)	
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,543)	(2,296)	
Income from operations*	**756**	**602**	**+ 25.6%**
Restructuring charges	(22)	(62)	
Other operating charges and income	(16)	2	
Adjusted earnings before interest and income taxes (EBITA)*	**718**	**542**	**+ 32.4%**
Amortization and depreciation of intangible assets acquired through business combinations	(73)	(53)	
Other charges and income	-	3	
EARNINGS BEFORE INTEREST AND INCOME TAXES (EBIT)	**645**	**492**	**+ 31.2%**
Income from equity affiliates - non-operational	(8)	8	
Interest	(21)	(26)	
Income from investments	5	15	
Other financial charges and income	91	(42)	
	75	***(53)***	
Earnings before provision for income taxes	**712**	**447**	**+ 59.3%**
Provision for income taxes	(182)	(265)	
Earnings from continuing operations	**530**	**182**	**x 2.9**
Earnings from discontinued operations	-	-	
Earnings	**530**	**182**	**x 2.9**
Non-controlling interests	(10)	(17)	
EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS	**520**	**165**	**x 3.2**
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	0.41	0.13	
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	0.41	0.13	
Adjusted net income*	**554**	**393**	**+ 40.8%**
Adjusted net income per share - basic (in euros)*	0.44	0.31	
Adjusted net income per share - diluted (in euros)*	0.43	0.31	

In millions of euros, except per share amounts.

* non-GAAP measures.

1.2 Analysis of the Condensed Statement of Earnings

1.2.1 Revenues

For the first half of 2019, revenues amounted to €7,353 million, compared to €6,476 million for the first half of 2018, an increase of €877 million (+13.6%), notably resulting from the growth of Universal Music Group (UMG) (+€630 million) as well as the consolidation of Editis (+€260 million). At constant currency and perimeter[2], revenues increased by 6.7% compared to the first half of 2018, primarily driven by the growth of Universal Music Group (+18.6%).

For the second quarter of 2019, revenues amounted to €3,894 million, compared to €3,352 million for the second quarter of 2018, an increase of €542 million (+16.2%), notably resulting from the growth of Universal Music Group (+€350 million) as well as the consolidation of Editis (+€171 million). At constant currency and perimeter[2], revenues increased by 7.7% compared to the second quarter of 2018, primarily driven by the growth of Universal Music Group (+18.4%).

As a reminder, **for the first quarter of 2019**, Vivendi's revenues amounted to €3,459 million, compared to €3,124 million for the first quarter of 2018, an increase of 10.7%, notably resulting from the growth of Universal Music Group (+€279 million) as well as the consolidation of Editis since February 1, 2019 (+€89 million). At constant currency and perimeter[2], revenues increased by 5.7% compared to the first quarter of 2018, primarily driven by the growth of Universal Music Group (+18.8%).

For a detailed analysis of revenues by business segment, please refer to Section 1.3 below.

1.2.2 Operating results

For the first half of 2019, **income from operations** amounted to €756 million, compared to €602 million for the first half of 2018, an increase of €154 million (+25.6%). At constant currency and perimeter, income from operations increased by €132 million (+21.0%), primarily driven by the growth of Universal Music Group (+€137 million).

EBITA amounted to €718 million, compared to €542 million for the first half of 2018, an increase of €176 million (+32.4%). At constant currency and perimeter, EBITA increased by €155 million (+27.6%), primarily driven by the growth of Universal Music Group (+€146 million). In addition, EBITA included:

- **restructuring charges** of €22 million, compared to €62 million for the first half of 2018, primarily incurred by Universal Music Group (€11 million, compared to €20 million for the first half of 2018), Havas (€7 million, unchanged compared to the first half of 2018) and Canal+ Group (€3 million, compared to €28 million for the first half of 2018);
- **other operating charges and income** excluded from income from operations, which was a net charge of €16 million, compared to a net income of €2 million for the first half of 2018. For the first half of 2019, they notably included the charge related to share-based compensation plans for -€15 million, compared to -€10 million for the first half of 2018; and
- the €18 million favorable impact on EBITA resulting from the application, as from January 1, 2019, of **the new accounting standard IFRS 16 – *Leases***, mainly at Universal Music Group (€8 million) and Havas (€8 million). For information, on a comparable basis with 2018, EBITA would have increased by 24.3% at constant currency and perimeter excluding the favorable impact of the initial application of the new accounting standard IFRS 16, compared to an increase of +27.6% including the favorable impact of the initial application of the new accounting standard IFRS 16.

For a detailed analysis of income from operations and EBITA by business segment, please refer to Section 1.3 below.

EBIT amounted to €645 million, compared to €492 million for the first half of 2018, an increase of €153 million (+31.2%). It includes amortization and depreciation of intangible assets acquired through business combinations for €73 million, compared to €53 million for the first half of 2018.

1.2.3 Income from equity affiliates - non-operational

For the first half of 2019, **income from equity affiliates - non-operational** amounted to a charge of €8 million, compared to a profit of €8 million for the first half of 2018. This amount related to Vivendi's share of Telecom Italia's net earnings, calculated based on the financial information publicly disclosed by Telecom Italia (corresponding to the fourth quarter of the previous year and the first quarter of the current year due to a three-month reporting lag). Please refer to Note 11.2 to the Condensed Financial Statements for the half-year ended June 30, 2019.

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[2] Constant perimeter notably reflects the impacts of the acquisition of the remaining interest in Ingrooves Music Group by Universal Music Group (March 15, 2019), the acquisition of Editis (January 31, 2019), the acquisition of Paylogic by Vivendi Village (April 16, 2018) and the sale of MyBestPro by Vivendi Village (December 21, 2018).

1.2.4 Financial results

For the first half of 2019, **interest** was an expense of €21 million, compared to €26 million for the first half of 2018. In this amount:

- interest expense on borrowings amounted to €35 million, compared to €32 million for the first half of 2018. This change mainly reflected the increase in the average interest rate on borrowings to 1.51% (compared to 1.36% for the first half of 2018), due to the stability of the average outstanding borrowings at €4.7 billion (compared to €4.6 billion for the first half of 2018); and
- interest income earned on the investment of cash surpluses amounted to €14 million, compared to €6 million for the first half of 2018. This change reflected the increase in the average interest rate on cash investments to 0.74% (compared to 0.43% for the first half of 2018), as well as the increase in the average outstanding cash investments to €3.8 billion (compared to €2.7 billion for the first half of 2018).

Income from investments amounted to €5 million, compared to €15 million for the first half of 2018. For the first half of 2018, it included dividends received from Telefonica (interest sold by Vivendi at the end of 2018) for €10 million.

Other financial charges and income were a net income of €91 million, compared to a net charge of €42 million for the first half of 2018, a favorable change of €133 million.
For the first half of 2019, other financial income included the revaluation, between January 1 and June 30, 2019, of the interests in Spotify and Tencent Music for an aggregate amount of €155 million. For the first half of 2018, it included the revaluation of the interests in Spotify (€456 million) and Ubisoft (€56 million), recorded to profit or loss in accordance with the new accounting standard IFRS 9, applicable since January 1, 2018.
As a reminder, Vivendi realized a capital gain of €1,213 million on the sale of the interest in Ubisoft. Of this amount, only the portion corresponding to the revaluation of such interest in 2018 (€53 million) was recorded in the Statement of Earnings for the year ended December 31, 2018, in accordance with the IFRS 9 accounting standard, applicable since January 1, 2018. The remaining portion of the capital gain (€1,160 million) corresponded to the revaluation of such interest up until December 31, 2017, was recorded in "charges and income directly recognized in equity" as of December 31, 2017, in accordance with the former IAS 39 accounting standard, and was reclassified as retained earnings as of January 1, 2018 as a result of the first-time application of IFRS 9. Under IAS 39, which was applicable up until December 31, 2017, it would have been reported to profit or loss.
For the first half of 2019, other financial charges included interest expenses on lease liabilities for €21 million, in accordance with the application of the new accounting standard IFRS 16 – *Leases*. For the first half of 2018, other financial charges notably included the write-down of the value of the Telecom Italia shares accounted for under the equity method (-€512 million).

1.2.5 Provision for income taxes

For the first half of 2019, **provision for income taxes reported to adjusted net income** was a net charge of €148 million, compared to a net charge of €159 million for the same period in 2018. **The effective tax rate reported to adjusted net income** amounted to 21.2%, compared to 30.0% for the same period in 2018. This 9 point decrease in the effective tax rate reported to adjusted net income notably resulted from the growth in Universal Music Group's taxable income in the United States and included the impact of the federal tax reform, implemented in 2018 and not yet recognized by Vivendi in the first half of 2018, pending the publication of the application guidelines by the tax authorities. This decrease also reflected the reduction of tax losses generated by Canal+ Group's free-to-air TV activities in France.

For the first half of 2019, **provision for income taxes reported to net income** was a net charge of €182 million, compared to a net charge of €265 million for the same period in 2018, representing a favorable change of €83 million. It notably included the deferred tax charge relating to the revaluation of the interests in Spotify and Tencent Music for an aggregate amount of -€37 million (compared to -€114 million for the revaluation of the interests in Spotify for the first half of 2018).

1.2.6 Non-controlling interests

For the first half of 2019, **earnings attributable to non-controlling interests** amounted to €10 million, compared to €17 million for the first half of 2018. They mainly included the non-controlling interests of nc+ in Poland, Canal+ International and VTV in Vietnam.

1.2.7 Earnings attributable to Vivendi SA shareowners

For the first half of 2019, **earnings attributable to Vivendi SA shareowners** amounted to a profit of €520 million (or €0.41 per share - basic), compared to €165 million for the first half of 2018 (or €0.13 per share - basic), an increase of €355 million. This change notably reflected the increase in EBIT (+€153 million), as well as an improvement in other financial charges and income (+€133 million) and in provisions for income taxes (+€83 million).

1.2.8 Adjusted net income

(in millions of euros)	Six months ended June 30, 2019	2018	% Change
Revenues	**7,353**	**6,476**	**+ 13.6%**
Income from operations	**756**	**602**	**+ 25.6%**
EBITA	**718**	**542**	**+ 32.4%**
Other charges and income	-	3	
Income from equity affiliates - non-operational	22	38	
Interest	(21)	(26)	
Income from investments	5	15	
Adjusted earnings from continuing operations before provision for income taxes	724	572	+ 26.6%
Provision for income taxes	(148)	(159)	
Adjusted net income before non-controlling interests	576	413	
Non-controlling interests	(22)	(20)	
Adjusted net income	**554**	**393**	**+ 40.8%**

For the first half of 2019, **adjusted net income** was a profit of €554 million (or €0.44 per share - basic), compared to €393 million for the first half of 2018 (or €0.31 per share - basic), an increase of €161 million (+40.8%). This change mainly reflected the growth in EBITA of €176 million, driven by the performance of Universal Music Group (+€154 million).

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

(in millions of euros)	Six months ended June 30, 2019	2018
Earnings attributable to Vivendi SA shareowners (a)	**520**	**165**
Adjustments		
Amortization and depreciation of intangible assets acquired through business combinations	73	53
Amortization of intangible assets related to equity affiliates	30	30
Other financial charges and income	(91)	42
Provision for income taxes on adjustments	34	106
Impact of adjustments on non-controlling interests	(12)	(3)
Adjusted net income	**554**	**393**

a. As reported in the Condensed Statement of Earnings.

Adjusted net income per share

	Six months ended June 30,			
	2019		2018	
	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	554	554	393	393
Number of shares (in millions)				
Weighted average number of shares outstanding (a)	1,269.2	1,269.2	1,259.9	1,259.9
Potential dilutive effects related to share-based compensation	-	4.7	-	4.9
Adjusted weighted average number of shares	1,269.2	1,273.9	1,259.9	1,264.8
Adjusted net income per share (in euros)	**0.44**	**0.43**	**0.31**	**0.31**

a. Net of the weighted average number of treasury shares (35.3 million shares for the first half of 2019, compared to 38.7 million for the first half of 2018).

1.3 Analysis of revenues and operating results by business segment

Preliminary comment:

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – Leases notably to the Statement of Earnings for the first half of 2019; therefore, the data below is not comparable with the first half of 2018. For a detailed description, please refer to Notes 1 and 10 to the Condensed Financial Statements for the half-year ended June 30, 2019.

	Six months ended June 30,				
(in millions of euros)	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	3,258	2,628	+24.0%	+19.7%	+18.6%
Canal+ Group	2,518	2,575	-2.2%	-2.1%	-2.2%
Havas	1,114	1,073	+3.8%	+1.1%	+0.2%
Editis	260	-	na	na	na
Gameloft	133	141	-5.2%	-7.5%	-10.2%
Vivendi Village	66	52	+27.9%	+27.2%	+55.1%
New Initiatives	34	32	+8.5%	+8.5%	+8.5%
Elimination of intersegment transactions	(30)	(25)			
Total Vivendi	**7,353**	**6,476**	**+13.6%**	**+11.5%**	**+6.7%**
Income from operations					
Universal Music Group	501	355	+41.4%	+37.1%	+37.7%
Canal+ Group	235	241	-2.5%	-2.4%	-2.1%
Havas	121	115	+5.5%	+3.6%	+2.0%
Editis	6	-	na	na	na
Gameloft	(9)	(4)			
Vivendi Village	(9)	(7)			
New Initiatives	(31)	(42)			
Corporate	(58)	(56)			
Total Vivendi	**756**	**602**	**+25.6%**	**+22.9%**	**+21.0%**
EBITA					
Universal Music Group	481	326	+47.3%	+42.8%	+43.6%
Canal+ Group	233	221	+5.4%	+5.5%	+5.9%
Havas	108	102	+5.8%	+3.8%	+2.0%
Editis	4	-	na	na	na
Gameloft	(11)	(8)			
Vivendi Village	(9)	(6)			
New Initiatives	(29)	(43)			
Corporate	(59)	(50)			
Total Vivendi	**718**	**542**	**+32.4%**	**+29.5%**	**+27.6%**

na: not applicable.

a. Constant perimeter notably reflects the impacts of the acquisition of the remaining interest in Ingrooves Music Group by Universal Music Group (March 15, 2019), the acquisition of Editis (January 31, 2019), the acquisition of Paylogic by Vivendi Village (April 16, 2018) and the sale of MyBestPro by Vivendi Village (December 21, 2018).

1.3.1 Universal Music Group (UMG)

(in millions of euros)	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
	Six months ended June 30,				
Recorded music	2,596	2,121	+22.4%	+18.2%	+16.9%
Subscriptions and streaming	*1,567*	*1,187*	*+32.1%*	*+27.4%*	*+25.5%*
Other digital sales (b)	*212*	*237*	*-10.5%*	*-15.6%*	*-15.6%*
Physical sales	*438*	*369*	*+18.8%*	*+15.4%*	*+15.0%*
License and other	*379*	*328*	*+15.3%*	*+12.0%*	*+11.7%*
Music publishing	467	409	+14.2%	+10.5%	+10.5%
Merchandising and other	202	107	+89.6%	+82.3%	+82.3%
Elimination of intersegment transactions	(7)	(9)			
Revenues	**3,258**	**2,628**	**+24.0%**	**+19.7%**	**+18.6%**
Income from operations	**501**	**355**	**+41.4%**	**+37.1%**	**+37.7%**
Income from operations margin	*15.4%*	*13.5%*	*+1.9 pts*		
Restructuring charges	(11)	(20)			
Income/(charges) related to share-based compensation plans	(3)	(2)			
Other special items excluded from income from operations	(6)	(7)			
EBITA	**481**	**326**	**+47.3%**	**+42.8%**	**+43.6%**
EBITA margin	*14.8%*	*12.4%*	*+2.4 pts*		
Recorded music revenues by geographic area					
North America	1,230	991	+24.1%	+15.9%	+13.3%
Europe	781	678	+15.2%	+15.4%	+15.4%
Asia	370	273	+35.7%	+29.9%	+29.9%
Latin America	87	74	+18.2%	+25.8%	+25.8%
Rest of the world	128	105	+21.0%	+22.0%	+22.0%
	2,596	**2,121**	**+22.4%**	**+18.2%**	**+16.9%**

a. Constant perimeter reflects the impacts of the acquisition of the remaining interest in Ingrooves Music Group by Universal Music Group (March 15, 2019).

b. Mainly included download sales.

Universal Music Group's (UMG) revenues amounted to €3,258 million, up 18.6% at constant currency and perimeter compared to the first half of 2018 (+24.0% on an actual basis).

Recorded music revenues grew by 16.9% at constant currency and perimeter thanks to the growth in subscription and streaming revenues (+25.5%) and strong physical sales in the first half of 2019 (+15.0%), which more than offset the continued decline in download sales (-19.7%).

Recorded music best sellers for the half year of 2019 included new releases from Ariana Grande, Billie Eilish and the Japanese bands King & Prince and back number, as well as continued sales of the soundtrack from *A Star Is Born* and multiple albums from Queen.

On the Spotify Global Chart, UMG had eight of the top 10 songs for the first half of 2019, including all of the top six, with Ariana Grande's *7 Rings* at No. 1. UMG also represented the No. 1 song for the entire 26 weeks of the first half of 2019.

According to Nielsen's Mid-Year 2019 Music Report, in the U.S., the world's largest music market, UMG had six of the top 10 artists, including all of the top 5 (Ariana Grande, Drake, Billie Eilish, Post Malone and Queen); eight of the top 10 albums, including the Top 2 (Ariana Grande, Billie Eilish); and seven of the top 10 songs (based on digital consumption).

In the United Kingdom, based on OCC (Official Charts Company) data, UMG had six of the top 10 singles of the first half of 2019, including Lewis Capaldi at No. 1, and six of the top 10 albums.

Music publishing revenues grew by 10.5% at constant currency and perimeter compared to the first half of 2018, also driven by increased subscription and streaming revenues.

Merchandising and other revenues were up 82.3% at constant currency and perimeter compared to the first half of 2018, thanks to increased touring activity and D2C (direct-to-consumer) revenues.

Driven by revenue growth, UMG's EBITA amounted to €481 million, up 43.6% at constant currency and perimeter compared to the first half of 2018 (+47.3% on an actual basis). In the first half of 2019, the EBITA margin increased by 240 points to 14.8%.

1.3.2 Canal+ Group

(in millions of euros)	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter
	Six months ended June 30,				
International TV	808	782	+3.3%	+3.7%	+3.7%
TV in Mainland France (a)	1,520	1,591	-4.5%	-4.5%	-4.5%
Studiocanal	190	202	-6.2%	-6.2%	-6.7%
Revenues	**2,518**	**2,575**	**-2.2%**	**-2.1%**	**-2.2%**
Income from operations	**235**	**241**	**-2.5%**	**-2.4%**	**-2.1%**
Income from operations margin	*9.3%*	*9.4%*	*-0.1 pts*		
Income/(charges) related to share-based compensation plans	(2)	-			
Other special items excluded from income from operations	3	8			
EBITA before restructuring charges	**236**	**249**	**-5.2%**	**-5.1%**	**-4.8%**
Restructuring charges	(3)	(28)			
EBITA	**233**	**221**	**+5.4%**	**+5.5%**	**+5.9%**
EBITA margin	*9.3%*	*8.6%*	*+0.7 pts*		

	2019	2018	% Change
Pay-TV subscribers (in thousands)			
International individual subscribers	7,896	7,535	+361
Africa	*4,343*	*3,775*	*+568*
Poland	*2,163*	*2,119*	*+44*
Asia	*837*	*1,073*	*-236*
Overseas	*553*	*568*	*-15*
Self-distributed individual subscribers in Mainland France	4,583	4,792	-209
Canal customers *via* wholesale partnerships (b)	3,076	3,130	-54
Total Canal+ Group individual subscribers	**15,555**	**15,457**	**+98**
Collective subscribers	593	586	+7
Total Canal+ Group subscribers	**16,148**	**16,043**	**+105**
Mainland France Pay-TV			
Churn rate (over a 12-month rolling period) (c)	15.3%	13.3%	+2.0 pts
Net ARPU *Premium* (in euros) (d)	44.5	45.5	-1.0
Net ARPU (in euros) (e)	45.4	45.8	-0.4

a. Corresponds to pay-TV and free-to-air channels (C8, CStar and CNews) in mainland France.

b. Includes the strategic partnership agreements with Free, Orange and Bouygues Telecom. Certain subscribers may also have subscribed to a Canal+ offer.

c. Churn rate by individual subscriber with commitment over a 12-month period, excluding customers via wholesale partnerships and those benefiting from a LDA (*Liberté d'Annuler*) option.

d. Net Average revenue per user (ARPU) per individual subscriber with and without commitment, excluding wholesale partnerships.

e. Net ARPU per individual subscriber with commitment, excluding wholesale partnerships.

Canal+ Group's revenues amounted to €2,518 million, compared to €2,575 million for the first half of 2018, a 2.2% decrease at constant currency and perimeter.

Revenues from television operations in mainland France declined compared to the first half of 2018 due to the decrease in the global subscriber base, despite additional growth in the number of Canal+ channel subscribers (close to 45,000 over the past 12 months).

International operations generated increased revenues thanks to the growth in the subscriber base mainly because of the broadcasting of the Africa Cup of Nations.

Studiocanal's revenues decreased compared to the first half of 2018, which benefited from a greater number of film releases and video sales, in particular *Paddington 2*.

EBITA before restructuring charges amounted to €236 million, compared to €249 million for the first half of 2018. EBITA after restructuring charges amounted to €233 million, compared to €221 million for the same period in 2018.

In the first half of 2019, Canal + Group continued its internationalization plan, in particular with:

- the announcement of an agreement to acquire pay television operator M7. This acquisition would allow Canal + Group to expand into seven new European countries and to bring its subscriber base up to nearly 20 million subscribers in 40 territories by the end of the year. The closing is expected to take place in September 2019.

- the acquisition of the production, content distribution and channel publishing operations of Nigeria's IROKO Group, thereby strengthening its presence in Nollywood content, one of the most prolific film industries in the world.
- the acquisition, jointly with the group Les Echos-Le Parisien, of the Mezzo channel present in 80 countries with a reach of 60 million homes worldwide.

On July 2019, Canal+ Group's management presented to its employee representatives the details of a plan to transform its French activities. The implementation of this plan could lead to the departure of up to 492 employees, exclusively on a voluntary basis.

1.3.3 Havas

	Six months ended June 30,				
(in millions of euros)	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter
Revenues	1,114	1,073	+3.8%	+1.1%	+0.2%
Net revenues (a)	**1,061**	**1,020**	**+4.0%**	**+1.2%**	**+0.2%**
Income from operations	**121**	**115**	**+5.5%**	**+3.6%**	**+2.0%**
Income from operations/net revenues	*11.4%*	*11.3%*	*+0.1 pts*		
Income/(charges) related to share-based compensation plans	(6)	(6)			
Other special items excluded from income from operations	-	-			
EBITA before restructuring charges	**115**	**109**	**+5.7%**	**+3.9%**	**+2.1%**
Restructuring charges	(7)	(7)			
EBITA	**108**	**102**	**+5.8%**	**+3.8%**	**+2.0%**
EBITA/net revenues	*10.2%*	*10.0%*	*+0.2 pts*		
Net revenues by geographic area					
Europe	517	516	+0.3%	-	-0.5%
Of which France	*204*	*202*	*+1.1%*	*+1.1%*	*+1.1%*
United Kingdom	*119*	*117*	*+1.5%*	*+1.2%*	*+1.0%*
North America	398	356	+11.9%	+3.6%	+1.7%
Asia Pacific and Africa	86	84	+1.5%	-0.9%	-1.3%
Latin America	60	64	-6.4%	-	-0.9%
	1,061	**1,020**	**+4.0%**	**+1.2%**	**+0.2%**

a. Net revenues correspond to Havas' revenues less the pass-through costs rebilled to customers.

In the first half of 2019, Havas continued to generate solid financial results. Havas' revenues amounted to €1,114 million, up 3.8% (+0.2% at constant currency and perimeter) compared to the first half of 2018.

Havas' net revenues[3] rose to €1,061 million, up 4.0% compared to the first half of 2018. Organic growth was positive in both the first quarter (+0.1%) and the second quarter (+0.4%) and amounted to +0.2% for the first half of 2019 as a whole. Acquisitions contributed +1.0% and exchange rates had a positive effect of 2.8%.

Havas continued to improve its profitability in the first half of 2019. Havas' EBITA reached €108 million, up 5.8% compared to the first half of 2018.

In North America, organic growth was satisfactory in the first half of 2019, due in particular to the performance in health and wellness communications (Havas Health & You), media activities, the performance marketing business (Havas Edge) and financial and institutional communications (AMO).

Business in Europe held up, albeit with mixed performances depending on the country and on the media and creative businesses. The countries making the biggest contributions were Germany, Italy, France (thanks in particular to BETC) and the United Kingdom (digital business with Havas Hélia).

Business in Asia-Pacific and in Latin America is recovering.

Havas is pursuing its policy of targeted acquisitions, closing two deals over the first half of 2019:

- Think Design in India, an expert digital design agency providing *User Experience* vision and design strategy to clients on a global scale to enhance their customer experience; and
- Battery, a culture-driven creative American agency based in Los Angeles and specializing in entertainment (video games, TV, cinema, streaming services). Battery will become part of Havas' Annex network, which focuses on culture and entertainment. This acquisition is part of a strategy of global expansion of the network, taking full advantage of the power of the Vivendi group.

[3] *Net revenues correspond to revenues less pass-through costs rebilled to customers.*

Among recent news highlights, Havas presented its new mission statement at the Cannes Lions International Festival of Creativity, which fits perfectly with the *Together* strategy that has made Havas the world's most integrated group in the sector today.

Main awards won by Havas

Havas Group agencies carried off no fewer than 300 awards in the second quarter of 2019.

Three major advertising awards festivals were held in the second quarter of 2019: the One Show, the D&AD and the Cannes Lions.

At the One Show, Havas Group agencies scooped 10 awards. BETC was awarded a Green Pencil, a Gold and two Bronze for its Save our Species campaign for Lacoste. Plus another 2 Bronze awards for Disneyland and La Parole aux Sourds. Havas New York took home a Gold for its client TD Ameritrade, and Havas Germany a Bronze for Getty Images and Fiftyfifty.

It’s a vintage year for Havas at the D&AD Awards with a total of 17 awards, shared between BETC Paris, Rosapark, BETC London, Havas London, Havas Düsseldorf, Arnold Boston, BETC/Havas and Z+ Havas.

At the Cannes Lions, two campaigns in particular stood out and won 3 Lions each: Seetroen for Citroën (BETC Paris) and The 9’’58 Biography for Puma (BETC/Havas Sao Paulo). Other agencies awarded were Arnold WW Boston, Havas Lynx UK, Hoy Buenos Aires, One Green Bean Sydney, Rosapark and Z+ Havas Sao Paulo. The Group won a total of 18 Lions.

On the Media festivals front, its Danish and Spanish agencies won a Gold for Aldi and a Bronze for Kia respectively at the Festival of Media Global. At the Internationalist for Innovation in Media Awards, Hoy and Havas Media Argentina walked away with a Grand Prix for their Hidden City campaign for LG.

In Asia-Pacific, Havas Media Singapore was named Media Agency of the Year at Marketing Magazine's Agency of the Year Awards, and Red Agency was named PR Agency of the Year by Adnews Australia.

Main budget gains for the first half of 2019

Havas Creative:
Pimco, Michelin, Gap, Daucy.

Havas Health & You:
Amgen, Novartis, Merck Inc, Ironshore.

Havas Media:
Clorox, SFR, Visit California, Starbucks.

1.3.4 Editis

As a reminder, Vivendi has fully consolidated Editis since February 1, 2019.

(in millions of euros)	Six months ended June 30, 2019 (a)	5-month pro forma data 2018	% Change at constant currency and perimeter
Literature	125	121	+3.3%
Education and Reference	53	57	-6.3%
Diffusion and Distribution	82	79	+3.5%
Revenues	**260**	**257**	**+1.2%**
Income from operations	**6**	**9**	
Restructuring charges	-	-	
Income/(charges) related to share-based compensation plans	-	-	
Other special items excluded from income from operations	(2)	(2)	
EBITA	**4**	**7**	

a. Corresponds to the financial data consolidated by Vivendi since February 1, 2019.

Vivendi has fully consolidated Editis since February 1, 2019. Editis' contribution to Vivendi's revenues amounted to €260 million for five months, up 1.2% compared to 2018.

Since February 1, 2019, Literature, Illustrated and Children's Book Imprint revenues amounted to €125 million, an increase of 3.3% as compared on a five-month pro forma basis to 2018. This growth was driven by new releases from several of Editis' leading authors as well as major awards won during the first half of 2019. Five Editis authors ranked among the Top 10 best-selling French literary authors at the end of June 2019: Michel Bussi (Presses de la Cité), Marc Levy (Robert Laffont-Versilio), Raphaëlle Giordano (Plon), Franck Thilliez (Fleuve) and Bernard Minier (XO) (according to GFK).

Education & Reference revenues amounted to €53 million, down 6.3% in the context of a market awaiting school reform. The year 2019 will be marked by the reform of high school curriculums in France. This reform should favorably impact Editis' third-quarter revenues.

Diffusion & Distribution revenues related to third party publishers amounted to €82 million, up 3.5%, especially thanks to the release of *Une évidence* (Michel Lafon), the latest book from Agnès Martin-Lugand, who is also among the Top 10 authors of French literature) and the diffusion of a new publisher, les Editions Le Cerf.

EBITA amounted to €4 million since February 1, 2019. Editorial & marketing expenses dedicated to the high school curriculum reform were incurred over the period.

Editis continues its transformation:

- Ramping up of the Copernics project (print-to-order tool): production increased by 45% with 1.3 million units produced during first half 2019;
- Development of the audio book with 200 titles already in the catalog;
- Since May 2019, Lizzie, Editis' audio book brand, has been included in the Canal+ offer: every eligible subscriber can now download one audio book per month from the Lizzie catalog;
- On July 17, Editis completed the acquisition of the publishing group l'Archipel (annual revenues of approximately €6 million).

1.3.5 Gameloft

(in millions of euros)	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter
	Six months ended June 30,				
Revenues	**133**	**141**	**-5.2%**	**-7.5%**	**-10.2%**
Income from operations	**(9)**	**(4)**			
Restructuring charges	-	(3)			
Income/(charges) related to share-based compensation plans	(2)	(1)			
Other special items excluded from income from operations	-	-			
EBITA	**(11)**	**(8)**			
<u>Revenues by geographic area</u>					
North America	46	47			
EMEA (Europe, the Middle East, Africa)	44	50			
Asia Pacific	33	33			
Latin America	10	11			
	133	**141**			

With 1.6 million downloads per day across all platforms during the first half of 2019, Gameloft is one of the world's leading mobile game publishers.

For the first half of 2019, Gameloft's revenues amounted to €133 million, a decrease of 5.2% compared to the first half of 2018. Gameloft's distribution business, which has been in structural decline for several years, continues to weigh negatively on its performance. Gameloft's sales on OTT platforms (Apple, Google, Microsoft, etc.) were down by 3.4% and the advertisement activity was up 9.8%. Gameloft's EBITA was -€11 million.

Gameloft's business is predominately international. The breakdown of Gameloft's revenues was as follows: 35% in North America, 33% in EMEA (Europe, Middle East, Africa), 25% in Asia Pacific, and 7% in Latin America.

65% of Gameloft's revenues were generated by its own gaming franchises. Gameloft has benefited from the solid performance of its catalogue, and notably of its bestselling games such as *Dragon Mania Legends*, *Disney Magic Kingdoms*, *Asphalt 9: Legends*, *March of Empires* and *Asphalt 8: Airborne*. For the first half of 2019, Gameloft's revenues from its five best-performing games on smartphones grew by 15% compared to its top five best-sellers during the first half of 2018.

Asphalt 9: Legends, the latest addition to the world's most downloaded, top-ranked, multi-award winning mobile racing franchise, will be launched on the Nintendo Switch™ with free downloading this summer. Gameloft also announced the arrival of two new mobile games for Disney fans, *Disney Princess Majestic Quest* and *Disney Getaway Blast*. Building on the success of *Disney Magic Kingdoms*, Gameloft continues to launch mobile games featuring iconic characters and stories from Disney and Pixar.

Gameloft will be a part, alongside a few other prestigious publishers, of the subscription-based gaming service *Apple Arcade* unveiled by Apple on March 25, 2019.

1.3.6 Vivendi Village

	Six months ended June 30,				
(in millions of euros)	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues	**66**	**52**	**+27.9%**	**+27.2%**	**+55.1%**
of which Vivendi Ticketing	*33*	*25*	*+30.2%*	*+28.6%*	*+11.6%*
Live	*31*	*11*	*x 2,9*	*x 2,9*	*x 2,9*
Income from operations	**(9)**	**(7)**			
Restructuring charges	-	(1)			
Income/(charges) related to share-based compensation plans	-	-			
Other special items excluded from income from operations	-	2			
EBITA	**(9)**	**(6)**			

a. Constant perimeter reflects the impacts of the acquisition of Paylogic (April 16, 2018) and the sale of MyBestPro (December 21, 2018).

For the first half of 2019, Vivendi Village's revenues amounted to €66 million, an increase of 55.1% at constant currency and perimeter compared to the same period of 2018 (+27.9% on an actual basis).

Ticketing revenues amounted to €33 million, an increase of 30.2% compared to the first half of 2018 thanks in particular to the acquisition of Paylogic in April 2018 (+11.6% at constant currency and perimeters). Vivendi Village now has an integrated ticketing network of 14 offices in 8 countries in continental Europe, the United Kingdom and the United States.

Live activities, which include Olympia Production (France), U Live (Great Britain) and venues in France and Africa, recorded revenues of €31 million (x2.9). This very strong growth is due in part to the contribution of Garorock, which was acquired early 2019 and is one of the largest French festivals with 160,000 participants this year (+10%). It can also be attributed to the excellent performances of other festivals held in France and Great Britain. The number of performances by the artists signed by Olympia Production as well as Olympia's occupancy rate and sponsorship contracts also contributed to this strong increase.

CanalOlympia continues its development in Africa with the opening of its thirteenth venue on July 19, located in Madagascar. The network has just counted its one millionth spectator.

Vivendi Village's EBITA amounted to a loss of €9 million, compared to a loss of €6 million for the first half of 2018. Excluding activities being developed in Africa, EBITA is at break-even.

1.3.7 New Initiatives

For the first half of 2019, New Initiatives, which comprises Dailymotion and GVA, recorded revenues of €34 million, up 8.5% compared to the same period of 2018.

Dailymotion is pursuing the premium strategy it has implemented since mid-2017. In the first half of 2019, Dailymotion signed 160 partnership agreements, including with several major US players such as the NBA, the NHL, NASCAR the Hearst group and the Meredith group. By the end of June, its audience for premium content had more than doubled in the space of a year and now represents 63% of the total audience.

The programmatic platform launched by Dailymotion at the end of 2018 continues to grow with an increasing number of demand-side platforms (DSPs) connected to the market's main players: Google DV360 and The Trade Desk.

GVA's objective to deploy a fiber-to-the-home network (FTTH) in the main cities of the African continent, providing broadband Internet access to individuals and professionals.

GVA's revenues increased 12-fold thanks to the ramp-up of the network in Gabon, Togo and Congo.

Following launches in Libreville (Gabon) in October 2017 and Lomé (Togo) in March 2018, GVA launched its CANALBOX and CANALBOX PRO (BtoB) offer in Pointe-Noire (Republic of Congo) on April 18, 2019, offering unlimited Internet access at speeds of up to 50 Mbit/s.

Since July 12, 2019, GVA has also expanded its commercial offer in Lomé with the START offers which provides 10 Mbit/s speed access in addition to its CANALBOX and CANALBOX PRO offers.

New Initiatives' EBITA amounted to a loss of €29 million, compared to a loss of €43 million for the first half of 2018 mainly due to the shutdown of Vivendi Content.

1.3.8 Corporate

Corporate's income from operations was a net charge of €58 million, compared to a net charge of €56 million for the first half of 2018, a €2 million increase.

Corporate's EBITA was a net charge of €59 million, compared to a net charge of €50 million for the first half of 2018, a €9 million increase, primarily due to a positive litigation settlement in 2018.

2 Liquidity and capital resources

2.1 Liquidity and equity portfolio

Preliminary comments:

- *The "Net Cash Position" and the "Financial Net Debt", non-GAAP measures, should be considered in addition to, and not as a substitute for, GAAP measures presented in the Consolidated Statement of Financial Position, as well as any other measure of indebtedness reported in accordance with GAAP. Vivendi considers these to be relevant indicators of the group's liquidity and capital resources. Vivendi Management uses these indicators for reporting, management and planning purposes.*
- *The Net Cash Position (and the Financial Net Debt) are calculated as follows:*
  i. *cash and cash equivalents, as reported in the Consolidated Statement of Financial Position, corresponding to cash in banks, money market funds and bond funds, which satisfy ANC and AMF position expectations expressed in November 2018, and other highly liquid short-term investments with initial maturities of generally three months or less, as required by IAS 7;*
  ii. *cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, ANC and AMF position expectations expressed in November 2018; and*
  iii. *derivative financial instruments, net (assets and liabilities) where the underlying instruments are Financial Net Debt items, as well as cash deposits securing borrowings included in the Consolidated Statement of Financial Position under "financial assets";*

  less:
  iv. *value of borrowings at amortized cost.*
- *For a detailed description, please refer to Note 13 "Cash position" and to Note 17 "Borrowings and other financial liabilities" to the Condensed Financial Statements for the half-year ended June 30, 2019.*

2.1.1 Changes in liquidity

(in millions of euros)	Cash and cash equivalents	Borrowings at amortized cost and other financial items (a)	Net Cash Position/(Financial Net Debt)
Net Cash Position as of December 31, 2018	**3,793**	**(3,617)**	**176**
(Outflows) / inflows:			
Operating activities	(8)	-	(8)
Investing activities	(910)	335	(575)
Financing activities	364	(2,089)	(1,725)
Foreign currency translation adjustments	-	(1)	(1)
(Financial Net Debt) as of June 30, 2019	**3,239**	**(5,372)**	**(2,133)**

a. "Other financial items" include cash management financial assets and derivative financial instruments relating to the interest rate and foreign currency risk management (assets and liabilities).

As of June 30, 2019, Vivendi's Financial Net Debt amounted to -€2,133 million, compared to a Net Cash Position of €176 million as of December 31, 2018, i.e. a change of -€2,309 million. For the first half of 2019, this change was mainly attributable to the following items:

- on January 31, 2019, Vivendi completed the acquisition of 100% of Editis's share capital, representing a €833 million outflow, including the repayment of Editis's debt (please refer to Note 2.2 to the Condensed Financial Statements for the half-year ended June 30, 2019);
- on February 15, 2019, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012, Vivendi complied with the tax authorities' request for repayment of an amount of €239 million;
- on April 18, 2019, Vivendi paid a dividend with respect to fiscal year 2018 of €0.50 per share for a €636 million outflow;
- on May 28, 2019, Vivendi implemented a share buyback program with an expiration date of July 25, 2019, for up to 5% of Vivendi's share capital and at a maximum price of €25 per share, so as to cancel the shares acquired. Between May 28, 2019 and June 30, 2019, share repurchases represented a €947 million outflow; and
- net capital expenditures for €188 million.

These items were partially offset by the following:

- on March 7, 2019, Vivendi received €429 million under the forward sale of its remaining interest in Ubisoft (please refer to Note 2.4 to the Condensed Financial Statements for the half-year ended June 30, 2019); and
- on March 25, 2019, Vivendi received the refund of the deposit of €70 million paid in March 2017 pursuant to an agreement to purchase a piece of land on the île Seguin, in the Parisian suburb Boulogne Billancourt.

2.1.2 Equity portfolio

As of June 30, 2019, Vivendi held a portfolio of listed non-controlling equity interests for an aggregate market value of approximately €3.7 billion (before taxes), compared to €3.9 billion as of December 31, 2018 (which notably included a receivable on the sale of its remaining interest in Ubisoft for €429 million: please refer to Note 2.4 to the Condensed Financial Statements for the half-year ended June 30, 2019).

As of July 23, 2019 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2019), the value of this portfolio was approximately €3.7 billion (before taxes).

2.2 Cash flow from operations analysis

Preliminary comment:

"Cash flow from operations" (CFFO) and "cash flow from operations after interest and income tax paid" (CFAIT), non-GAAP measures, should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in this Financial Report. Vivendi considers these to be relevant indicators of the group's operating and financial performance.

	Six months ended June 30,		
(in millions of euros)	2019	2018	% Change
Revenues	7,353	6,476	+13.6%
Operating expenses excluding depreciation and amortization	(6,346)	(5,722)	-10.9%
	1,007	*754*	*+33.4%*
Restructuring charges paid	(45)	(44)	-1.4%
Content investments, net	(272)	(199)	-36.1%
of which content investments paid	*(1,547)*	*(1,388)*	*-11.4%*
recoupments of advances/consumption of rights	*1,275*	*1,189*	*+7.3%*
Neutralization of change in provisions included in operating expenses	2	(56)	na
Other cash operating items	1	(2)	na
Other changes in net working capital	(350)	(182)	-92.7%
Net cash provided by/(used for) operating activities before income tax paid	***343***	***271***	***+26.6%***
Dividends received from equity affiliates and unconsolidated companies	6	12	-54.2%
Capital expenditures, net (capex, net)	(188)	(151)	-24.3%
Repayment of lease liabilities and related interest expenses (a)	(125)	na	na
Cash flow from operations (CFFO)	**36**	**132**	**-72.7%**
Interest paid, net	(21)	(26)	+17.4%
Other cash items related to financial activities	(12)	(24)	+51.9%
Income tax (paid)/received, net	(351)	(88)	x 4.0
Cash flow from operations after interest and income tax paid (CFAIT)	**(348)**	**(6)**	**x 57.0**

na: not applicable.

a. Included a €104 million repayment of lease liabilities and €21 million of related interest expenses for the first half of 2019.

2.2.1 Changes in cash flow from operations (CFFO)

For the first half of 2019, cash flow from operations (CFFO) generated by the group's business segments amounted to €36 million (compared to €132 million for the first half of 2018), a €96 million decrease, which notably included the impact of the consolidation of Editis as from February 1, 2019 (-€87 million), including the change in working capital which is usually unfavorable in the first part of the year. Net EBITDA from the change in the working capital of the group's business segments amounted to €1,809 million (compared to €1,705 million for the first half of 2018), an increase of +€104 million (including +€85 million for Universal Music Group, +€46 million for Canal+ Group + and +€31 million for Havas, partially offset by -€52 million for Editis). The strong operating performance of Universal Music Group (+€314 million) was partially offset by the change in working capital (-€229 million), reflecting the increase in the outstanding trade accounts receivable due to the strong growth in the business, as well as the timing of advances received from some major digital platforms. In addition, content investments amounted to €1,547 million (compared to €1,388 million for the first half of 2018), an increase of €159 million, primarily due to Universal Music Group (€148 million). Furthermore, capital expenditures generated by the group's business segments amounted to €188 million (compared to €151 million for the first half of 2018), an increase of €37 million. This change mainly reflected the increase in investments at Canal+ Group (€59 million), notably related to the ongoing deployment of a new generation of set-top boxes.

2.2.2 Cash flow from operations (CFFO) by business segment

	Six months ended June 30,		
(in millions of euros)	2019	2018	% Change
Universal Music Group	166	204	-18.7%
Canal+ Group	174	172	+1.1%
Havas	(72)	(104)	+30.5%
Editis	(87)	-	na
Gameloft	(6)	(1)	x 5.8
Vivendi Village	(23)	(27)	+17.5%
New Initiatives	(31)	(35)	+11.8%
Corporate	(85)	(77)	-9.7%
Cash flow from operations (CFFO)	**36**	**132**	**-72.7%**

na: not applicable.

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

For the first half of 2019, cash flow from operations after interest and income tax paid (CFAIT) was a €348 million net outflow (compared to a €6 million net outflow for the first half of 2018), an unfavorable change of €342 million, primarily resulting from the unfavorable change in cash flow relating to income taxes.

For the first half of 2019, cash flow relating to income taxes was a €351 million net outflow (compared to a €88 million net outflow for the first half of 2018). For the first half of 2019, it notably included the repayment of €239 million made on February 15, 2019 by Vivendi, pursuant to a decision of the Versailles Administrative Court of Appeal regarding the use of foreign tax receivables by Vivendi for the payment of income tax in respect of the fiscal year ended December 31, 2012 (please refer to Note 20 to the Condensed Financial Statements for the half-year ended June 30, 2019).

For the first half of 2019, the financial activities generated a €33 million net outflow (compared to €50 million for the first half of 2018). For the first half of 2019, this amount mainly included net interest paid (-€21 million, compared to -€26 million for the first half of 2018). In addition, cash outflows generated by foreign exchange risk hedging instruments was a €12 million inflow, compared to a €23 million outflow for the first half of 2018, which was impacted by the depreciation of the dollar (USD) against the euro.

2.2.4 Reconciliation of CFAIT to net cash provided by operating activities

	Six months ended June 30,	
(in millions of euros)	2019	2018
Cash flow from operations after interest and income tax paid (CFAIT)	**(348)**	**(6)**
Adjustments		
Repayment of lease liabilities and related interest expenses	125	na
Capital expenditures, net (capex, net)	188	151
Dividends received from equity affiliates and unconsolidated companies	(6)	(12)
Interest paid, net	21	26
Other cash items related to financial activities	12	24
Net cash provided by operating activities (a)	**(8)**	**183**

na: not applicable.

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

2.3 Analysis of investing and financing activities

2.3.1 Investing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Six months ended June 30, 2019
Financial investments		
Acquisition of Editis	2.2	(833)
Acquisition of cash management financial assets	13	(474)
Other		(73)
Total financial investments		**(1,380)**
Financial divestments		
Sale of the remaining interest in Ubisoft	2.4	429
Refund of the île Seguin land deposit	19	70
Disposal of cash management financial assets	13	133
Other		20
Total financial divestments		**652**
Dividends received from equity affiliates and unconsolidated companies		6
Capital expenditures, net	3	(188)
Net cash provided by/(used for) investing activities (a)		**(910)**

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

2.3.2 Financing activities

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	Six months ended June 30, 2019
Transactions with shareowners		
Distribution to Vivendi SA's shareowners	14	(636)
Sale/(purchase) of Vivendi SA's treasury shares	14	(947)
Exercise of stock options by executive management and employees	16	50
Other		(33)
Total transactions with shareowners		**(1,566)**
Transactions on borrowings and other financial liabilities		
Issuance of bonds	17	2,100
Interest paid, net	4	(21)
Other		(24)
Total transactions on borrowings and other financial liabilities		**2,055**
Repayment of lease liabilities and related interest expenses	10 ; 4	(125)
Net cash provided by/(used for) financing activities (a)		**364**

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

3 Forward-Looking Statements – Major risks and uncertainties

Cautionary note

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including the impact of certain transactions, the payment of dividends and distributions as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals, and to any other approvals, which may be required in connection with certain transactions, as well as the risks described in the documents of the group filed by Vivendi with the *Autorité des marchés financiers* (the "AMF") (the French securities regulator), and in its press releases, if any, which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, readers are cautioned against relying on such forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Major risks and uncertainties for the remaining six months of the fiscal year

Vivendi is not aware of any risks or uncertainties other than those mentioned above for the remaining six months of fiscal year 2019.

4 Other Disclaimers

Unsponsored ADRs

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

Translation

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

II- Appendix to the Financial Report

1 Quarterly revenues by business segment

(in millions of euros)	2019 Three months ended March 31,	2019 Three months ended June 30,
Revenues		
Universal Music Group	1,502	1,756
Canal+ Group	1,252	1,266
Havas	525	589
Editis (a)	89	171
Gameloft	68	65
Vivendi Village	23	43
New Initiatives	15	19
Elimination of intersegment transactions	(15)	(15)
Total Vivendi	**3,459**	**3,894**

(in millions of euros)	2018 Three months ended March 31,	2018 Three months ended June 30,	2018 Three months ended September 30,	2018 Three months ended December 31,
Revenues				
Universal Music Group	1,222	1,406	1,495	1,900
Canal+ Group	1,298	1,277	1,247	1,344
Havas	506	567	553	693
Gameloft	70	71	74	78
Vivendi Village	23	29	36	35
New Initiatives	16	16	15	19
Elimination of intersegment transactions	(11)	(14)	(19)	(14)
Total Vivendi	**3,124**	**3,352**	**3,401**	**4,055**

a. As a reminder, Vivendi has fully consolidated Editis since February 1, 2019.

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III- Unaudited Condensed Financial Statements for the half-year ended June 30, 2019

Preliminary comments:

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – Leases. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows for the first half of 2019; therefore, the data relative to the 2018 period contained in this report is not comparable. For a detailed description, please refer to Notes 1 and 10 to the Condensed Financial Statements for the half-year ended June 30, 2019.

As a reminder, in 2018, Vivendi applied two new accounting standards:

- *IFRS 15 – Revenues from Contracts with Customers: in accordance with IFRS 15, as from 2017, Vivendi applied this change of accounting standard to revenues; and*
- *IFRS 9 – Financial Instruments: in accordance with IFRS 9, as from 2018, Vivendi applied this change of accounting standard to the 2018 Statement of Earnings and Statement of Comprehensive Income and restated its opening balance sheet as of January 1, 2018.*

Condensed Statement of Earnings

		Six months ended June 30,		Year ended
	Note	2019	2018	December 31, 2018
Revenues	3	**7,353**	**6,476**	**13,932**
Cost of revenues		(4,054)	(3,578)	(7,618)
Selling, general and administrative expenses		(2,619)	(2,345)	(5,022)
Restructuring charges	3	(22)	(62)	(115)
Impairment losses on intangible assets acquired through business combinations	3	(16)	(2)	(2)
Income from equity affiliates - operational		3	3	7
Earnings before interest and income taxes (EBIT)	3	**645**	**492**	**1,182**
Income from equity affiliates - non-operational	11	(8)	8	122
Interest	4	(21)	(26)	(47)
Income from investments		5	15	20
Other financial income	4	179	539	418
Other financial charges	4	(88)	(581)	(1,181)
		75	***(53)***	***(790)***
Earnings before provision for income taxes		**712**	**447**	**514**
Provision for income taxes	5	(182)	(265)	(357)
Earnings from continuing operations		**530**	**182**	**157**
Earnings from discontinued operations		-	-	-
Earnings		**530**	**182**	**157**
Of which				
Earnings attributable to Vivendi SA shareowners		**520**	**165**	**127**
Non-controlling interests		10	17	30
Earnings attributable to Vivendi SA shareowners per share - basic	6	**0.41**	**0.13**	**0.10**
Earnings attributable to Vivendi SA shareowners per share - diluted	6	0.41	0.13	0.10

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

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

Condensed Statement of Comprehensive Income

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2019	2018	Year ended December 31, 2018
Earnings		**530**	**182**	**157**
Actuarial gains/(losses) related to employee defined benefit plans, net		(51)	(5)	31
Financial assets at fair value through other comprehensive income		38	(247)	(233)
Comprehensive income from equity affiliates, net		2	(3)	(2)
Items not subsequently reclassified to profit or loss		**(11)**	**(255)**	**(204)**
Foreign currency translation adjustments		72	147	228
Unrealized gains/(losses), net		(2)	3	2
Comprehensive income from equity affiliates, net	11	63	(93)	(162)
Other impacts, net		22	(12)	38
Items to be subsequently reclassified to profit or loss		**155**	**45**	**106**
Charges and income directly recognized in equity	7	**144**	**(210)**	**(98)**
Total comprehensive income		**674**	**(28)**	**59**
Of which				
Total comprehensive income attributable to Vivendi SA shareowners		**652**	**(44)**	**40**
Total comprehensive income attributable to non-controlling interests		22	16	19

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

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2019 (unaudited)	January 1, 2019	December 31, 2018
ASSETS				
Goodwill	8	13,452	12,438	12,438
Non-current content assets	9	2,381	2,194	2,194
Other intangible assets		481	437	437
Property, plant and equipment		1,005	967	986
Rights-of-use relating to leases	10	1,241	1,093	na
Investments in equity affiliates	11	3,452	3,418	3,418
Non-current financial assets	12	2,242	2,102	2,102
Deferred tax assets		746	723	675
Non-current assets		**25,000**	**23,372**	**22,250**
Inventories		273	206	206
Current tax receivables		128	135	135
Current content assets	9	1,037	1,346	1,346
Trade accounts receivable and other		5,538	5,314	5,314
Current financial assets	12	1,041	1,090	1,090
Cash and cash equivalents	13	3,239	3,793	3,793
Current assets		**11,256**	**11,884**	**11,884**
TOTAL ASSETS		**36,256**	**35,256**	**34,134**
EQUITY AND LIABILITIES				
Share capital		6,926	7,184	7,184
Additional paid-in capital		3,791	4,475	4,475
Treasury shares		(1,252)	(649)	(649)
Retained earnings and other		6,143	6,145	6,303
Vivendi SA shareowners' equity		**15,608**	**17,155**	**17,313**
Non-controlling interests		215	220	221
Total equity	14	**15,823**	**17,375**	**17,534**
Non-current provisions	15	990	871	858
Long-term borrowings and other financial liabilities	17	5,570	3,448	3,448
Deferred tax liabilities		918	1,076	1,076
Long-term lease liabilities	10	1,251	1,112	na
Other non-current liabilities		193	223	248
Non-current liabilities		**8,922**	**6,730**	**5,630**
Current provisions	15	385	419	419
Short-term borrowings and other financial liabilities	17	1,458	888	888
Trade accounts payable and other		9,389	9,547	9,572
Short-term lease liabilities	10	208	206	na
Current tax payables		71	91	91
Current liabilities		**11,511**	**11,151**	**10,970**
Total liabilities		**20,433**	**17,881**	**16,600**
TOTAL EQUITY AND LIABILITIES		**36,256**	**35,256**	**34,134**

na: not applicable.

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

Condensed Statement of Cash Flows

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2019	2018	Year ended December 31, 2018
Operating activities				
EBIT		645	492	1,182
Adjustments		320	160	432
Content investments, net		(272)	(199)	(137)
Gross cash provided by operating activities before income tax paid		***693***	***453***	***1,477***
Other changes in net working capital		(350)	(182)	(28)
Net cash provided by operating activities before income tax paid		***343***	***271***	***1,449***
Income tax (paid)/received, net	5	(351)	(88)	(262)
Net cash provided by operating activities		**(8)**	**183**	**1,187**
Investing activities				
Capital expenditures	3	(192)	(157)	(351)
Purchases of consolidated companies, after acquired cash	2	(881)	(44)	(116)
Investments in equity affiliates	11	-	-	(3)
Increase in financial assets	12	(499)	(260)	(575)
Investments		***(1,572)***	***(461)***	***(1,045)***
Proceeds from sales of property, plant, equipment and intangible assets	3	4	6	10
Proceeds from sales of consolidated companies, after divested cash	2	2	-	16
Disposal of equity affiliates	11	-	-	2
Decrease in financial assets	12	650	1,541	2,285
Divestitures		***656***	***1,547***	***2,313***
Dividends received from equity affiliates	11	1	1	5
Dividends received from unconsolidated companies	12	5	11	13
Net cash provided by/(used for) investing activities		**(910)**	**1,098**	**1,286**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	16	50	77	190
Sales/(purchases) of Vivendi SA's treasury shares	14	(947)	-	-
Distributions to Vivendi SA's shareowners	14	(636)	(568)	(568)
Other transactions with shareowners		(17)	(17)	(16)
Dividends paid by consolidated companies to their non-controlling interests		(16)	(9)	(47)
Transactions with shareowners		***(1,566)***	***(517)***	***(441)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	17	2,103	2	4
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		(1)	(1)	(3)
Principal payment on short-term borrowings	17	(49)	(72)	(193)
Other changes in short-term borrowings and other financial liabilities	17	35	83	65
Interest paid, net	4	(21)	(26)	(47)
Other cash items related to financial activities		(12)	(24)	5
Transactions on borrowings and other financial liabilities		***2,055***	***(38)***	***(169)***
Repayment of lease liabilities and related interest expenses	10 ; 4	(125)	na	na
Net cash provided by/(used for) financing activities		**364**	**(555)**	**(610)**
Foreign currency translation adjustments of continuing operations		-	(5)	(21)
Change in cash and cash equivalents		**(554)**	**721**	**1,842**
Cash and cash equivalents				
At beginning of the period	13	**3,793**	**1,951**	**1,951**
At end of the period	13	**3,239**	**2,672**	**3,793**

na: not applicable.

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

Condensed Statements of Changes in Equity

Six months ended June 30, 2019 (unaudited) (in millions of euros, except number of shares)	Note	Capital: Common shares: *Number of shares (in thousands)*	Capital: Common shares: Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Other comprehensive income	Retained earnings and other: Subtotal	**Total equity**
BALANCE AS OF DECEMBER 31, 2018		***1,306,234***	**7,184**	**4,475**	**(649)**	**11,010**	**7,466**	**(942)**	**6,524**	**17,534**
Attributable to Vivendi SA shareowners		***1,306,234***	***7,184***	***4,475***	***(649)***	***11,010***	***7,221***	***(918)***	***6,303***	***17,313***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***245***	***(24)***	***221***	***221***
Restatements related to the application of IFRS 16		**-**	**-**	**-**	**-**	**-**	**(159)**	**-**	**(159)**	**(159)**
Attributable to Vivendi SA shareowners		-	-	-	-	-	**(158)**	-	**(158)**	**(158)**
Attributable to non-controlling interests		-	-	-	-	-	**(1)**	-	**(1)**	**(1)**
BALANCE AS OF JANUARY 1, 2019		***1,306,234***	**7,184**	**4,475**	**(649)**	**11,010**	**7,306**	**(941)**	**6,365**	**17,375**
Attributable to Vivendi SA shareowners		***1,306,234***	***7,184***	***4,475***	***(649)***	***11,010***	***7,063***	***(918)***	***6,145***	***17,155***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***243***	***(23)***	***220***	***220***
Contributions by/distributions to Vivendi SA shareowners		***(46,926)***	**(258)**	**(684)**	**(603)**	**(1,545)**	**(646)**	**-**	**(646)**	**(2,191)**
Capital reduction through cancellation of treasury shares	14	*(50,000)*	(275)	(715)	990	-	-	-	-	-
Sales/(purchases) of treasury shares	14	-	-	-	(1,616)	(1,616)	-	-	-	(1,616)
Dividend paid on April 18, 2019 with respect to fiscal year 2018 (€0.50 per share)	14	-	-	-	-	-	(636)	-	(636)	(636)
Capital increase related to share-based compensation plans	16	*3,074*	17	31	23	71	(10)	-	(10)	61
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**	**(8)**
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		***(46,926)***	**(258)**	**(684)**	**(603)**	**(1,545)**	**(654)**	**-**	**(654)**	**(2,199)**
Contributions by/distributions to non-controlling interests		-	-	-	-	-	(30)	-	(30)	(30)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	4	-	4	4
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		**-**	**-**	**-**	**-**	**-**	**(26)**	**-**	**(26)**	**(26)**
Earnings		-	-	-	-	-	530	-	530	530
Charges and income directly recognized in equity	7	-	-	-	-	-	22	122	144	144
TOTAL COMPREHENSIVE INCOME (C)		**-**	**-**	**-**	**-**	**-**	**552**	**122**	**674**	**674**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***(46,926)***	***(258)***	***(684)***	***(603)***	***(1,545)***	***(129)***	***122***	***(7)***	***(1,552)***
Attributable to Vivendi SA shareowners		*(46,926)*	*(258)*	*(684)*	*(603)*	*(1,545)*	*(122)*	120	*(2)*	*(1,547)*
Attributable to non-controlling interests		-	-	-	-	-	*(7)*	*2*	*(5)*	*(5)*
BALANCE AS OF JUNE 30, 2019		***1,259,308***	**6,926**	**3,791**	**(1,252)**	**9,465**	**7,177**	**(819)**	**6,358**	**15,823**
Attributable to Vivendi SA shareowners		***1,259,308***	***6,926***	***3,791***	***(1,252)***	***9,465***	***6,941***	***(798)***	***6,143***	***15,608***
Attributable to non-controlling interests		***-***	***-***	***-***	***-***	***-***	***236***	***(21)***	***215***	***215***

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

Six months ended June 30, 2018 (unaudited)

(in millions of euros, except number of shares)

	Capital					Retained earnings and other			Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Other comprehensive income	Subtotal	
	Number of shares (in thousands)	Share capital							
BALANCE AS OF JANUARY 1, 2018	***1,296,059***	**7,128**	**4,341**	**(670)**	**10,799**	**7,863**	**(806)**	**7,057**	**17,856**
Attributable to Vivendi SA shareowners	***1,296,059***	***7,128***	***4,341***	***(670)***	***10,799***	***7,620***	***(785)***	***6,835***	***17,634***
Attributable to non-controlling interests	-	-	-	-	-	***243***	***(21)***	***222***	***222***
Contributions by/distributions to Vivendi SA shareowners	***3,986***	**22**	**52**	**21**	**95**	**(585)**	**-**	**(585)**	**(490)**
Dividend paid on April 24, 2018 with respect to fiscal year 2017 (€0.45 per share)	-	-	-	-	-	(568)	-	(568)	(568)
Capital increase related to share-based compensation plans	*3,986*	22	52	21	95	(17)	-	(17)	78
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	-	-	-	-
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***3,986***	**22**	**52**	**21**	**95**	**(585)**	**-**	**(585)**	**(490)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	(21)	-	(21)	(21)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	19	-	19	19
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(2)**	**-**	**(2)**	**(2)**
Earnings	-	-	-	-	-	182	-	182	182
Charges and income directly recognized in equity	-	-	-	-	-	(12)	(198)	(210)	(210)
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**170**	**(198)**	**(28)**	**(28)**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***3,986***	***22***	***52***	***21***	***95***	***(417)***	***(198)***	***(615)***	***(520)***
Attributable to Vivendi SA shareowners	*3,986*	*22*	*52*	*21*	*95*	*(434)*	*(195)*	*(629)*	*(534)*
Attributable to non-controlling interests	-	-	-	-	-	*17*	*(3)*	*14*	*14*
BALANCE AS OF JUNE 30, 2018	***1,300,045***	**7,150**	**4,393**	**(649)**	**10,894**	**7,446**	**(1,004)**	**6,442**	**17,336**
Attributable to Vivendi SA shareowners	***1,300,045***	***7,150***	***4,393***	***(649)***	***10,894***	***7,186***	***(980)***	***6,206***	***17,100***
Attributable to non-controlling interests	-	-	-	-	-	***260***	***(24)***	***236***	***236***

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

Year ended December 31, 2018

(in millions of euros, except number of shares)	Note	Capital: Common shares: Number of shares (in thousands)	Capital: Common shares: Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Other comprehensive income	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF JANUARY 1, 2018		***1,296,059***	**7,128**	**4,341**	**(670)**	**10,799**	**7,863**	**(806)**	**7,057**	**17,856**
Attributable to Vivendi SA shareowners		***1,296,059***	***7,128***	***4,341***	***(670)***	***10,799***	***7,620***	***(785)***	***6,835***	***17,634***
Attributable to non-controlling interests		-	-	-	-	-	***243***	***(21)***	***222***	***222***
Contributions by/distributions to Vivendi SA shareowners		***10,175***	**56**	**134**	**21**	**211**	**(572)**	-	**(572)**	**(361)**
Dividend paid on April 24, 2018 with respect to fiscal year 2017 (€0.45 per share)	14	-	-	-	-	-	(568)	-	(568)	(568)
Capital increase related to share-based compensation plans	16	*10,175*	56	134	21	211	(4)	-	(4)	207
of which employee Stock Purchase Plans (July 19, 2018)		*5,186*	*28*	*72*	-	*100*	-	-	-	*100*
exercise of stock-options by executive management and employees		*4,989*	*27*	*62*	-	*89*	-	-	-	*89*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control		-	-	-	-	-	-	-	-	-
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)		***10,175***	**56**	**134**	**21**	**211**	**(572)**	-	**(572)**	**(361)**
Contributions by/distributions to non-controlling interests		-	-	-	-	-	(40)	-	(40)	(40)
Changes in non-controlling interests that result in a gain/(loss) of control		-	-	-	-	-	20	-	20	20
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)		-	-	-	-	-	**(20)**	-	**(20)**	**(20)**
Earnings		-	-	-	-	-	157	-	157	157
Charges and income directly recognized in equity	7	-	-	-	-	-	38	(136)	(98)	(98)
TOTAL COMPREHENSIVE INCOME (C)		-	-	-	-	-	**195**	**(136)**	**59**	**59**
TOTAL CHANGES OVER THE PERIOD (A+B+C)		***10,175***	***56***	***134***	***21***	***211***	***(397)***	***(136)***	***(533)***	***(322)***
Attributable to Vivendi SA shareowners		*10,175*	*56*	*134*	*21*	*211*	*(399)*	(133)	*(532)*	*(321)*
Attributable to non-controlling interests		-	-	-	-	-	*2*	*(3)*	*(1)*	*(1)*
BALANCE AS OF DECEMBER 31, 2018		***1,306,234***	**7,184**	**4,475**	**(649)**	**11,010**	**7,466**	**(942)**	**6,524**	**17,534**
Attributable to Vivendi SA shareowners		***1,306,234***	***7,184***	***4,475***	***(649)***	***11,010***	***7,221***	***(918)***	***6,303***	***17,313***
Attributable to non-controlling interests		-	-	-	-	-	***245***	***(24)***	***221***	***221***

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

Notes to the Condensed Financial Statements

On July 23, 2019, at a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the Unaudited Condensed Financial Statements for the half-year ended June 30, 2019. Upon the recommendation of the Audit Committee, which met on July 23, 2019, the Supervisory Board, at its meeting held on July 25, 2019, reviewed the Financial Report and Unaudited Condensed Financial Statements for the half-year ended June 30, 2019, as previously approved by the Management Board on July 23, 2019.

The Unaudited Condensed Financial Statements for the half-year ended June 30, 2019 should be read in conjunction with Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2018, as published in the "Rapport Annuel - Document de référence 2018" filed on March 11, 2019 with the *Autorité des marchés financiers* ("AMF", the French securities regulator). Please also refer to pages 223 to 318 of the English translation[4] of the "Rapport Annuel - Document de référence 2018" (the "2018 Annual Report") which is available on Vivendi's website (www.vivendi.com).

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows for the first half of 2019; therefore, the data relative to the 2018 period contained in this report is not comparable. For a detailed description, please refer to Notes 1 and 10.

As a reminder, in 2018, Vivendi applied two new accounting standards:

- IFRS 15 – *Revenues from Contracts with Customers:* in accordance with IFRS 15, Vivendi applied this change of accounting standard to revenues; and
- IFRS 9 – *Financial Instruments:* in accordance with IFRS 9, as from 2018, Vivendi applied this change of accounting standard to the Statement of Earnings and Statement of Comprehensive Income restating its opening balance sheet as of January 1, 2018.

Note 1 Accounting policies and valuation methods

1.1 Interim Financial Statements

Vivendi's interim Condensed Financial Statements for the first half of 2019 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, except as described in paragraph 1.2 below, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2018 (please refer to Note 1 "Accounting policies and valuation methods" to the Consolidated Financial Statements for the year ended December 31, 2018, pages 236 to 250 of the 2018 Annual Report) and the following provisions were applied:

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

Moreover, certain reclassifications were made to the Consolidated Financial Statements for the year ended December 31, 2018, as well as in the Consolidated Statement of Financial Position as of January 1, 2019, to conform to the presentation of the Condensed Financial Statements for the half-year ended June 30, 2019.

1.2 New IFRS standards and IFRIC interpretations which apply from January 1, 2019

Among the new IFRS standards and IFRIC interpretations as detailed in Note 1.6 "New IFRS standards and IFRIC interpretations that have been published but are not yet effective" to the Consolidated Financial Statements for the year ended December 31, 2018 (page 250 of the 2018 Annual Report), and which apply from January 1, 2019, the main standard for Vivendi relates to IFRS 16 – *Leases*.

[4] *This free translation of the "Rapport Annuel - Document de référence 2018" is provided solely for the convenience of English speaking readers. In the event of discrepancy, the French version shall prevail.*

IFRS 16 – *Leases*, which was issued by the IASB on January 13, 2016, endorsed by the EU on October 31, 2017 and published in the Official Journal of the EU on November 9, 2017, applies mandatorily from January 1, 2019. Vivendi applies IFRS 16 with retrospective effect as from January 1, 2019 without restating comparative periods in the consolidated financial statements.

Licenses of intellectual property granted by a lessor and rights held by a lessee under licensing agreements are not within the scope of IFRS 16, Vivendi mainly focused on the accounting of real estate leases for which Vivendi is the lessee, which mainly results in the recognition of a lease liability equal to the present value of future lease payments, against a right-of-use asset relating to leases.

The determination of the lease liability as of January 1, 2019 was achieved by:

1) Analyzing operating leases for which contractual obligations were disclosed as off-balance sheet commitments until December 31, 2018 (please refer to Note 22 "Contractual obligations and other commitments" to the Consolidated Financial Statements for the year ended December 31, 2018, page 302 of the 2018 Annual Report);
2) Assessing the lease term that relates to the non-cancellable period of the lease, and taking into account all options to extend the lease which Vivendi is reasonably certain to exercise and all options to terminate the lease which Vivendi is reasonably certain not to exercise. In addition, Vivendi referred to the opinion of the ANC (*Autorité des Normes Comptables* – French accounting standards board) to determine that real estate lease terms in France are generally nine years; and
3) Estimating the incremental borrowing rate as of January 1, 2019 of each lease contract, taking into account their residual lease term at this date.

The initial application of IFRS 16 resulted in, as of January 1, 2019, the recognition of a lease liability of €1,318 million and a right-of-use asset relating to leases of €1,093 million, the difference being a negative impact of -€159 million net of deferred tax liability recorded in retained earnings. The difference between the lease liability and right-of-use asset is mainly due to the choice made for some significant leases to measure the right-of-use asset at its carrying amount as if IFRS 16 had been applied since the lease's commencement date, and subsequently discounted using its incremental borrowing rate as of January 1, 2019.

The main impacts as of January 1, 2019 are detailed in Note 10, with the stipulation that:

- this valuation does not include the impact of the consolidation of Editis as from February 1, 2019; and
- for some leases, as permitted by IFRS 16, Vivendi uses hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease at the date of initial application.

The lease liability is a current or non-current operating liability excluded from the calculation of Financial Net Debt. Depreciation of right-of-use assets is included in Adjusted Earnings Before Interest and Income Taxes (EBITA) and the income from operations. The effect of undiscounting the lease liability (interest expense on lease liabilities) is included in other financial charges, and is therefore excluded from adjusted net income (ANI). Cash payments for the principal of the lease liability and any interest thereon, which are presented as financing activities in the condensed statement of cash flows, impact Cash Flow From Operations (CFFO).

Vivendi considers Adjusted Earnings Before Interest and Income Taxes (EBITA), income from operations, adjusted net income (ANI) and Cash Flow From Operations (CFFO), non-GAAP measures defined in Note 1.2.3 "Operating performance of each operating segment and the group" to the Consolidated Financial Statements for the year ended December 31, 2018 (page 238 of the 2018 Annual Report), to be relevant indicators of the group's operating and financial performance.

In addition, the interpretation IFRIC 23 - *Uncertainty over Income Tax Treatments*, which was issued by the IASB on June 7, 2017, endorsed by the EU on October 23, 2018 and published in the Official Journal of the EU on October 24, 2018, applies mandatorily from January 1, 2019. This interpretation clarifies the determination of taxable income (taxable profit or loss), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over an income tax treatment and the acceptability of such treatment by a taxation authority.

Note 2 Major events

2.1 Evolution of Universal Music Group's share capital

The Group has selected the advisory banks as part of the plan to open up the Universal Music Group (UMG) share capital.

The Vendor Due Diligence report, presented to the Supervisory Board in May, will be updated by PwC with the first half 2019 financial statements.

The opening of UMG's share capital for the acquisition of a minority interest by one or more partners is progressing as previously announced, with the participation of UMG's management teams. Several contacts have already been established with potential strategic partners.

2.2 Acquisition of Editis

On January 31, 2019, Vivendi completed the acquisition of 100% of the share capital of Antinea 6, the holding company of Editis, the second-largest French-language publishing group, for a €833 million outflow, including the repayment of Editis Group's debt on that date. The French Competition Authority had authorized the transaction unconditionally on January 2, 2019.

Consolidation of Editis by Vivendi

As from February 1, 2019, Vivendi has fully consolidated Editis. The purchase price allocation is expected to be performed within 12 months of the acquisition date, as provided by accounting standards. The final amount of goodwill may significantly differ from the amount presented below.

(in millions of euros)	January 31, 2019
Purchase price for 100% of Antinea 6's share capital, the holding company of Editis	336
Editis Group's debt repaid by Vivendi	497
Purchase price for 100% of Editis	**833**
Carrying value of Editis's acquired assets and incurred or assumed liabilities	2
Provisional goodwill	**831**

2.3 Planned acquisition of M7

On May 27, 2019, Canal+ Group announced the acquisition of M7, one of the largest independent pay-TV companies in Europe operating in Benelux and Central Europe. M7 is owned by Astorg, a leading European private equity firm. This acquisition is subject to European Commission approval. The closing is expected to take place in September 2019.

2.4 Sale of the remaining interest in Ubisoft

On March 5, 2019, Vivendi sold the remaining part of its interest in Ubisoft (5.87% of the share capital) for €429 million, representing a capital gain of €220 million. Vivendi is no longer a Ubisoft shareholder and maintains its commitment to refrain from purchasing Ubisoft shares for a period of five years. In total, the sale of Vivendi's interest in Ubisoft represented €2 billion, i.e., a capital gain of €1.2 billion.

Note 3 Segment data

3.1 Revenues

By business segment

(in millions of euros)	Six months ended June 30, 2019	Six months ended June 30, 2018	Year ended December 31, 2018
Universal Music Group	3,258	2,628	6,023
Canal+ Group	2,518	2,575	5,166
Havas	1,114	1,073	2,319
Editis	260	-	-
Gameloft	133	141	293
Vivendi Village	66	52	123
New Initiatives	34	32	66
Elimination of intersegment transactions	(30)	(25)	(58)
Revenues	**7,353**	**6,476**	**13,932**

By activity

(in millions of euros)	Six months ended June 30, 2019	Six months ended June 30, 2018	Year ended December 31, 2018
Intellectual property licensing	3,634	2,866	6,508
Subscription services	2,210	2,256	4,474
Advertising, merchandising and other	1,539	1,379	3,008
Elimination of intersegment transactions	(30)	(25)	(58)
Revenues	**7,353**	**6,476**	**13,932**

By geographical area

(in millions of euros)	Six months ended June 30, 2019	Six months ended June 30, 2018	Year ended December 31, 2018
France	2,397	2,223	4,280
Rest of Europe	1,775	1,474	3,282
Americas	2,132	1,881	4,395
Asia/Oceania	715	603	1,373
Africa	334	295	602
Revenues	**7,353**	**6,476**	**13,932**

3.2 Other main aggregates of the Statement of Earnings

(in millions of euros)	Six months ended June 30, 2019	Six months ended June 30, 2018	Year ended December 31, 2018
Income from operations			
Universal Music Group	501	355	946
Canal+ Group	235	241	429
Havas	121	115	258
Editis	6	-	-
Gameloft	(9)	(4)	4
Vivendi Village	(9)	(7)	(9)
New Initiatives	(31)	(42)	(79)
Corporate	(58)	(56)	(110)
	756	**602**	**1,439**
Restructuring charges			
Universal Music Group	(11)	(20)	(29)
Canal+ Group	(3)	(28)	(28)
Havas	(7)	(7)	(30)
Editis	-	-	-
Gameloft	-	(3)	(4)
Vivendi Village	-	(1)	(2)
New Initiatives	-	(1)	(3)
Corporate	(1)	(2)	(19)
	(22)	**(62)**	**(115)**
Income/(charges) related to share-based compensation plans			
Universal Music Group	(3)	(2)	(4)
Canal+ Group	(2)	-	(3)
Havas	(6)	(6)	(12)
Editis	-	-	-
Gameloft	(2)	(1)	2
Vivendi Village	-	-	-
New Initiatives	-	-	-
Corporate	(2)	(1)	(5)
	(15)	**(10)**	**(22)**
Other non-current operating charges and income			
Universal Music Group	(6)	(7)	(11)
Canal+ Group	3	8	2
Havas	-	-	(1)
Editis	(2)	-	-
Gameloft	-	-	-
Vivendi Village	-	2	2
New Initiatives	2	-	(17)
Corporate	2	9	11
	(1)	**12**	**(14)**
Adjusted earnings before interest and income taxes (EBITA)			
Universal Music Group	481	326	902
Canal+ Group	233	221	400
Havas	108	102	215
Editis	4	-	-
Gameloft	(11)	(8)	2
Vivendi Village	(9)	(6)	(9)
New Initiatives	(29)	(43)	(99)
Corporate	(59)	(50)	(123)
	718	**542**	**1,288**

Reconciliation of EBIT to EBITA and to income from operations

(in millions of euros)	Six months ended June 30, 2019	Six months ended June 30, 2018	Year ended December 31, 2018
EBIT (a)	**645**	**492**	**1,182**
Adjustments			
Amortization of intangible assets acquired through business combinations	57	51	111
Impairment losses on intangible assets acquired through business combinations (a)	16	2	2
Other charges and income	-	(3)	(7)
EBITA	**718**	**542**	**1,288**
Adjustments			
Restructuring charges (a)	22	62	115
Charges related to share-based compensation plans	15	10	22
Other non-current operating charges and income	1	(12)	14
Income from operations	**756**	**602**	**1,439**

a. As reported in the Consolidated Statement of Earnings.

3.3 Statement of Financial Position

(in millions of euros)	June 30, 2019	January 1, 2019	December 31, 2018
Segment assets (a)			
Universal Music Group	10,646	10,110	9,715
Canal+ Group	7,444	7,755	7,624
Havas	5,737	5,785	5,301
Editis	1,363	-	-
Gameloft	734	742	706
Vivendi Village	311	267	251
New Initiatives	538	550	542
Corporate	5,368	5,396	5,392
of which investments in equity affiliates	*3,187*	*3,130*	*3,130*
listed equity securities	*979*	*1,363*	*1,363*
	32,141	**30,605**	**29,531**
Segment liabilities (b)			
Universal Music Group	4,798	4,755	4,236
Canal+ Group	2,194	2,563	2,432
Havas	3,982	4,236	3,670
Editis	455	-	-
Gameloft	105	103	67
Vivendi Village	185	183	167
New Initiatives	80	79	70
Corporate	616	459	455
	12,415	**12,378**	**11,097**

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, rights-of-use relating to leases (as from January 1, 2019), equity affiliates, financial assets, inventories and trade accounts receivable, and other.

b. Segment liabilities include provisions, other non-current liabilities, short-term and long-term lease liabilities (as from January 1, 2019) and trade accounts payable and other.

3.4 Capex, depreciation and amortization

(in millions of euros)	Six months ended June 30, 2019	Six months ended June 30, 2018	Year ended December 31, 2018
Capital expenditures, net (capex net) (a)			
Universal Music Group	34	58	110
Canal+ Group	121	62	166
Havas	16	16	38
Editis	5	-	-
Gameloft	3	3	6
Vivendi Village	2	3	7
New Initiatives	7	5	10
Corporate	-	4	4
	188	**151**	**341**
Increase in tangible and intangible assets			
Universal Music Group	36	66	127
Canal+ Group	108	63	192
Havas	16	16	37
Editis	3	-	-
Gameloft	3	3	6
Vivendi Village	2	3	7
New Initiatives	7	4	10
Corporate	1	-	1
	176	**155**	**380**
Depreciation of tangible assets			
Universal Music Group	26	22	46
Canal+ Group	58	67	133
Havas	20	19	38
Editis	2	-	-
Gameloft	2	3	6
Vivendi Village	2	1	4
New Initiatives	3	3	6
Corporate	-	-	1
	113	**115**	**234**
Amortization of rights-of-use relating to leases			
Universal Music Group	30	-	-
Canal+ Group	21	-	-
Havas	39	-	-
Editis	5	-	-
Gameloft	3	-	-
Vivendi Village	2	-	-
New Initiatives	2	-	-
Corporate	4	-	-
	106	**na**	**na**
Amortization of intangible assets excluding those acquired through business combinations			
Universal Music Group	-	-	-
Canal+ Group	35	31	72
Havas	3	4	8
Editis	17	-	-
Gameloft	-	1	1
Vivendi Village	1	-	-
New Initiatives	3	5	25
Corporate	-	-	-
	59	**41**	**106**
Amortization of intangible assets acquired through business combinations			
Universal Music Group	41	38	80
Canal+ Group	8	5	16
Havas	-	-	-
Editis	-	-	-
Gameloft	7	7	14
Vivendi Village	-	-	-
New Initiatives	1	1	1
Corporate	-	-	-
	57	**51**	**111**

na: not applicable.

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

Note 4 Financial charges and income

Interest

(in millions of euros)		Six months ended June 30,		Year ended
(Charge)/Income	Note	2019	2018	December 31, 2018
Interest expense on borrowings (a)	17	(35)	(32)	(64)
Interest income from cash, cash equivalents and investments		14	6	17
Interest		**(21)**	**(26)**	**(47)**
Fees and premiums on borrowings and credit facilities issued		*(2)*	*(1)*	*(2)*
		(23)	**(27)**	**(49)**

a. Included the annual coupon of the €700 million bond issued by Vivendi SA and maturing in December 2019 for €17 million for the first half of 2019 (unchanged for the first half of 2018) and €34 million in 2018 (please refer to Note 17.2).

Other financial income and charges

		Six months ended June 30,		Year ended
(in millions of euros)	Note	2019	2018	December 31, 2018
Capital gain on financial investments (a)		161	514	377
Effect of undiscounting assets (b)		-	15	18
Expected return on plan assets related to employee benefit plans		6	6	11
Foreign exchange gain		12	3	10
Change in value of derivative instruments		-	-	2
Other		-	1	-
Other financial income		**179**	**539**	**418**
Write-down of the Telecom Italia shares accounted for under the equity method	11.2	-	(512)	(1,066)
Downside adjustment on financial investments		(20)	(2)	-
Effect of undiscounting liabilities (b)		-	(9)	(20)
Interest cost related to employee benefit plans		(14)	(13)	(27)
Fees and premiums on borrowings and credit facilities issued		(2)	(1)	(2)
Interest expenses on lease liabilities	10	(21)	na	na
Foreign exchange loss		(10)	(8)	(10)
Other		(21)	(36)	(56)
Other financial charges		**(88)**	**(581)**	**(1,181)**
Net total		**91**	**(42)**	**(763)**

na: not applicable.

a. Included the revaluation, between January 1 and June 30, 2019, of the interests in Spotify and Tencent Music for an aggregate amount of €155 million. For the first half of 2018, it included the revaluation of the interests in Spotify, as well as in Ubisoft recorded to profit or loss in accordance with the new accounting standard IFRS 9, applicable since January 1, 2018.

b. In accordance with applicable accounting standards, where the effect of the time value of money is material, assets and liabilities are initially recorded in the Statement of Financial Position in an amount relating to the present value of the expected revenues and expenses. At the end of each subsequent period, the present value of such assets and liabilities is adjusted to account for the passage of time.

Note 5 Income taxes

(in millions of euros)	Six months ended June 30,		Year ended
(Charge)/Income	2019	2018	December 31, 2018
Impact of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	72	55	187
Other components of the provision for income taxes (a)	(254)	(320)	(544)
Provision for income taxes	**(182)**	**(265)**	**(357)**

a. Included the deferred tax charge related to the revaluation through profit or loss of the interests in Spotify and Tencent Music for an aggregate amount of -€37 million for the first half of 2019, compared to -€114 million for the first half of 2018 and -€72 million in 2018, in accordance with the new accounting standard IFRS 9, applicable since January 1, 2018.

Note 6 Earnings per share

	Six months ended June 30, 2019		Six months ended June 30, 2018		Year ended December 31, 2018	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners	520	520	165	165	127	127
Earnings from discontinued operations attributable to Vivendi SA shareowners	-	-	-	-	-	-
Earnings attributable to Vivendi SA shareowners	520	520	165	165	127	127
Number of shares (in millions)						
Weighted average number of shares outstanding (a)	1,269.2	1,269.2	1,259.9	1,259.9	1,263.5	1,263.5
Potential dilutive effects related to share-based compensation	-	4.7	-	4.9	-	5.1
Adjusted weighted average number of shares	**1,269.2**	**1,273.9**	**1,259.9**	**1,264.8**	**1,263.5**	**1,268.6**
Earnings per share (in euros)						
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.41	0.41	0.13	0.13	0.10	0.10
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	-	-	-	-	-	-
Earnings attributable to Vivendi SA shareowners per share	0.41	0.41	0.13	0.13	0.10	0.10

a. Net of the weighted average number of treasury shares (35.3 million shares for the first half of 2019, compared to 38.7 million shares for the first half of 2018 and 38.5 million shares in 2018).

Note 7 Charges and income directly recognized in equity

Details of changes in equity related to other comprehensive income

	Items not subsequently reclassified to profit or loss		Items to be subsequently reclassified to profit or loss					
			Unrealized gains/(losses)					
(in millions of euros)	Actuarial gains/(losses) related to employee defined benefit plans	Financial assets at fair value through other comprehensive income	Available-for-sale securities	Hedging instruments	Total	Foreign currency translation adjustments	Other comprehensive income from equity affiliates, net	**Other comprehensive income**
Balance as of December 31, 2018	**(242)**	**(431)**	**na**	**81**	**81**	**(269)**	**(81)** (a)	**(942)**
Charges and income directly recognized in equity	(70)	38	-	(2)	(2)	72	65	103
Tax effect	20	-	-	-	-	-	-	20
Balance as of June 30, 2019	**(292)**	**(393)**	**na**	**79**	**79**	**(197)**	**(16)** (a)	**(819)**

a. Included foreign currency translation from Telecom Italia for -€15 million as of June 30, 2019, compared to -€20 million as of December 31, 2018.

Note 8 Goodwill

(in millions of euros)	June 30, 2019	December 31, 2018
Goodwill, gross	27,947	26,804
Impairment losses	(14,495)	(14,366)
Goodwill	**13,452**	**12,438**

Changes in goodwill

(in millions of euros)	December 31, 2018	Impairment losses	Business combinations		Changes in foreign currency translation adjustments and other	June 30, 2019
Universal Music Group	4,977	-	53		53	5,083
Canal+ Group	4,595	-	27		2	4,624
Havas	1,940	-	24		11	1,975
Editis	-	-	831	(a)	(1)	830
Gameloft	591	-	-		1	592
Vivendi Village	125	-	10		2	137
New Initiatives	210		1		-	211
Total	**12,438**	**-**	**946**		**68**	**13,452**

a. Related to the provisional goodwill recognized as a result of the acquisition of Editis consolidated since February 1, 2019 (please refer to Note 2.2).

As of June 30, 2019, Vivendi assessed whether there was any indication that any of its cash generating units ("CGU") or groups of CGU may have become impaired during the first half of 2019. Vivendi Management concluded that there were no triggering events that would indicate any reduction in the value of any CGU or groups of CGU, compared to December 31, 2018. In addition, Vivendi will perform an annual impairment test of the carrying value of goodwill and other intangible assets during the fourth quarter of 2019.

Note 9 Content assets and commitments

9.1 Content assets

(in millions of euros)	June 30, 2019 Content assets, gross	June 30, 2019 Accumulated amortization and impairment losses	June 30, 2019 Content assets	December 31, 2018 Content assets
Music catalogs and publishing rights	8,641	(7,272)	1,369	1,364
Advances to artists and repertoire owners	1,140	-	1,140	1,045
Merchandising contracts and artists services	21	(21)	-	-
Film and television costs	6,915	(6,166)	749	685
Sports rights	96	-	96	437
Editorial creations	840	(790)	50	-
Other	54	(41)	13	9
Content assets	**17,707**	**(14,290)**	**3,418**	**3,540**
Deduction of current content assets	(1,054)	17	(1,037)	(1,346)
Non-current content assets	**16,653**	**(14,273)**	**2,381**	**2,194**

9.2 Contractual content commitments

Commitments given recorded in the Statement of Financial Position: content liabilities

(in millions of euros)	Minimum future payments as of June 30, 2019	Minimum future payments as of December 31, 2018
Music royalties to artists and repertoire owners	2,114	2,049
Film and television rights	152	169
Sports rights (a)	45	434
Creative talent, employment agreements and others	196	297
Content liabilities	**2,507**	**2,949**

a. The decrease in sports rights recorded in the Statement of Financial Position was mainly due to the consumption of broadcasting rights to the French professional Soccer League 1 for the 2018/2019 season.

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of June 30, 2019	Minimum future payments as of December 31, 2018
Film and television rights (a)	2,610	2,630
Sports rights	1,715 (b)	1,735
Creative talent, employment agreements and others	1,267	1,172
Given commitments	**5,592**	**5,537**
Film and television rights (a)	(186)	(188)
Sports rights	(154)	(7)
Creative talent, employment agreements and others	not available	
Other	(4)	(3)
Received commitments	**(344)**	**(198)**
Total net	**5,248**	**5,339**

a. Provisions recorded in connection with film and television broadcasting rights amounted to €24 million as of June 30, 2019 (€26 million as of December 31, 2018).

b. Notably included broadcasting rights held by Canal+ Group to the following sport events:
- the French professional Soccer League (Ligue 1), for the 2019/2020 season for the two premium lots (€549 million);
- the English Premier League, on an exclusive basis in France and in Poland, for the three seasons 2019/2020 to 2021/2022, awarded on October 31, 2018;
- the National French Rugby Championship (Top 14), on an exclusive basis, for the four seasons 2019/2020 to 2022/2023; and
- Formula 1, Formula 2 and GP3 racing, on an exclusive basis, for the 2020 season.

These commitments will be accounted for in the Statement of Financial Position either upon the start of every season or upon an initial significant payment.

Note 10 Leases

As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. Moreover, Vivendi applied this change of accounting standard to the Statement of Financial Position, Statement of Earnings and Statement of Cash Flows for the first half of 2019. For a detailed description, please refer to Note 1.

10.1 Rights-of-use relating to leases

As of June 30, 2019, the rights-of-use relating to leases amounted to €1,241 million (€1,093 million as of January 1, 2019) less the accumulated amortization and impairment losses for €619 million as of June 30, 2019 (€500 million as of January 1, 2019). These rights-of-use relate to real estate leases.

Changes in the rights-of-use

(in millions of euros)	Six months ended June 30, 2019
Balance as of January 1, 2019	**1,093**
Amortization	(106)
Acquisitions/increase	208
Sales/decrease	-
Business combinations	27
Foreign currency translations and other	19
Balance as of June 30, 2019	**1,241**

10.2 Lease liabilities

Reconciliation between off-balance sheet leases as of December 31, 2018 and lease liabilities as of January 1, 2019

(in millions of euros)	
Off-balance sheet leases as of December 31, 2018 (a)	**1,436**
Lease with a remaining lease term of less than 12 months (short-term lease)	(7)
Leases of low-value assets	-
Variable lease payments (excluding indexed leases)	-
Reasonably certain renewal/extension and termination options	52
Others	7
Undiscounted lease payments as of January 1, 2019	**1,488**
Effect of discounting	(170)
Residual value guarantee	-
Non-lease components	-
Operating lease liabilities as of January 1, 2019	**1,318**
Financing lease liabilities	-
Total of lease liabilities as of January 1, 2019	**1,318**

a. Please refer to Note 22 of the Consolidated Financial Statements for the year ended December 31, 2018 – page 302 of the 2018 Annual Report.

Maturity of lease liabilities

The maturity of lease liabilities is based on assumptions made upon the initial application of IFRS 16.
The weighted average incremental borrowing rate applied to lease liabilities as of January 1, 2019 was 3.17%.

(in millions of euros)	June 30, 2019	January 1, 2019
Maturity		
2020	208	206
2021-2024	672	636
After 2024	579	476
Lease liabilities	**1,459**	**1,318**

10.3 Lease obligations-related expenses

Lease obligation-related expenses recorded in the Statement of Earnings amounted to €127 million for the first half of 2019.

Note 11 Investments in equity affiliates

11.1 Main investments in equity affiliates

	Voting interest		Net carrying value of equity affiliates	
(in millions of euros)	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Telecom Italia (a)	23.94%	23.94%	3,187	3,130
Banijay Group Holding	31.4%	31.4%	148	145
Vevo	49.4%	49.4%	80	81
Other	na	na	37	62
			3,452	**3,418**

na: not applicable.

a. As of June 30, 2019, Vivendi held 3,640 million Telecom Italia ordinary shares with voting rights, i.e., 23.94%, representing 17.15% of the total share capital. Based on the stock market price as of June 30, 2019 (€0.480 per ordinary share), the market value of this interest amounted to €1,747 million. For an analysis of the value of Vivendi's interest in Telecom Italia as of June 30, 2019, please refer to paragraph 11.2 below.

Change in value of investments in equity affiliates

(in millions of euros)	Six months ended June 30, 2019	Year ended December 31, 2018
Opening balance	**3,418**	**4,526**
Acquisitions	-	-
Sales	-	-
Write-downs	(8)	(1,066) (a)
Income from equity affiliates (b)	(5)	129
Change in other comprehensive income	65	(164)
Dividends received	(1)	(7)
Other	(17)	-
Closing balance	**3,452**	**3,418**

a. Vivendi wrote-down the value of its interest in Telecom Italia for €1,066 million (please see below).

b. Primarily included Vivendi's share of Telecom Italia's net earnings for -€8 million for the first half of 2019 (please see below), compared to €8 million for the first half of 2018.

11.2 Telecom Italia

Equity accounting of Telecom Italia

As of June 30, 2019, with no change compared to December 31, 2018, Vivendi held 3,640 million Telecom Italia ordinary shares, representing 23.94% of the voting rights and 17.15% of the total share capital of Telecom Italia, while taking into account non-voting savings shares with privileged dividend rights.

As of June 30, 2019, Vivendi continues to consider that it has the power to participate in Telecom Italia's financial and operating policy decisions, particularly given the 23.94% voting rights it holds in Telecom Italia, and, as a result, it is deemed to exercise a significant influence over Telecom Italia.

Vivendi's share of Telecom Italia's earnings

Vivendi relies on Telecom Italia's public financial information to account for its interest in Telecom Italia under the equity method. Given Vivendi's and Telecom Italia's respective publication dates of their financial statements, Vivendi always accounts for its share of Telecom Italia's net earnings with a three-month reporting lag. Therefore, for the first half of 2019, Vivendi's earnings take into account its share of Telecom Italia's net earnings for the fourth quarter of 2018 and for the first quarter of 2019, i.e., a total of -€8 million, which was calculated as follows:

- €1 million, attributable to Vivendi's share of Telecom Italia's profit for the fourth quarter of 2018, calculated based on the financial information for the year ended December 31, 2018, as publicly disclosed by Telecom Italia on February 21, 2019;

- €21 million, attributable to Vivendi's share of Telecom Italia's profit for the first quarter of 2019, calculated based on the financial information for the first quarter ended March 31, 2019, as publicly disclosed by Telecom Italia on May 21, 2019; and
- -€30 million, excluded from adjusted net income, relating to the amortization of intangible assets related to the purchase price allocation for Telecom Italia.

In addition, Vivendi's share of Telecom Italia's charges and income directly recognized in equity amounted to €64 million for the first half of 2019, including €34 million related to foreign currency translation adjustments.

Value of Vivendi's interest in Telecom Italia as of June 30, 2019

As of June 30, 2019, the stock market price of Telecom Italia ordinary shares (€0.480) was lower than the average purchase price paid by Vivendi (€1.0709). As a reminder, as of December 31, 2018, Vivendi wrote-down the value of its interest accounted for under the equity method for €1,066 million. As of June 30, 2019, Vivendi assessed whether there was any indication that its interest in Telecom Italia may have become impaired during the first half of 2019. Vivendi Management concluded that there were no triggering events that would indicate any reduction in the value of its interest compared to December 31, 2018. In addition, Vivendi will perform an annual impairment test of the value of its interest in Telecom Italia during the fourth quarter of 2019.

Financial information related to 100% of Telecom Italia

The main aggregates of the Consolidated Financial Statements, as publicly disclosed by Telecom Italia, are as follows:

(in millions of euros)	Three month Financial Statements as of March 31, 2019	Annual Financial Statements as of December 31, 2018
Date of publication by Telecom Italia:	*May 21, 2019*	*February 21, 2019*
Non-current assets	60,304	56,890
Current assets	9,280	8,729
Total assets	69,584	65,619
Total equity	21,819	21,747
Non-current liabilities	35,276	30,991
Current liabilities	12,489	12,881
Total liabilities	69,584	65,619
of which net financial debt (a)	*29,293*	*25,995*
Revenues	4,471	18,940
EBITDA (a)	1,946	7,403
Earnings attributable to Telecom Italia shareowners	165	(1,411)
Total comprehensive income/(loss) attributable to Telecom Italia shareowners	246	(1,784)

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

Note 12 Financial assets

(in millions of euros)	June 30, 2019 Total	Current	Non-current	December 31, 2018 Total	Current	Non-current
Financial assets at fair value through profit or loss						
Term deposits (a)	514	514	-	549	549	-
Level 1						
Bond funds (a)	426	426	-	50	50	-
Listed equity securities	1,005	-	1,005	789	-	789
Other financial assets	5	5	-	5	5	-
Level 2						
Unlisted equity securities	-	-	-	-	-	-
Derivative financial instruments	36	22	14	38	16	22
Level 3 - Other financial assets (b)	19	-	19	44	-	44
Financial assets at fair value through other comprehensive income (c)						
Level 1 - Listed equity securities	979	-	979	936	-	936
Level 2 - Unlisted equity securities	15	-	15	20	-	20
Level 3 - Unlisted equity securities	40	-	40	47	-	47
Financial assets at amortized cost	244	74	170	714 (d)	470	244
Financial assets	**3,283**	**1,041**	**2,242**	**3,192**	**1,090**	**2,102**

The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1 to the Consolidated Financial Statements for the year ended December 31, 2018 (page 239 of the 2018 Annual Report).

a. Relates to cash management financial assets, included in the cash position (please refer to Note 13).

b. These financial assets notably included the fair value of the bond redeemable into either shares or cash (ORAN 2) subscribed to by Vivendi in 2016 in connection with its investment in Banijay Group Holding.

c. These assets relate to listed and non-listed equity securities, which Vivendi decided to classify as “fair value through other comprehensive income”.

d. As of December 31, 2018, these financial assets notably included:
   - a receivable of €429 million on the forward sale of the remaining interest in Ubisoft sold on March 5, 2019 (please refer to Note 2.4); and
   - a €70 million cash deposit pursuant to an agreement to purchase a piece of land on the île Seguin, in the Parisian suburb Boulogne Billancourt, which cash deposit was returned on March 25, 2019 (please refer to Note 19.1).

Listed equity and financial assets portfolio

	June 30, 2019							
	Number of shares held	Voting interest	Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)
	(in thousands)			(€/share)		(in millions of euros)		
Mediaset	340,246	9.99% (b)	28.80%	3.70	2.88	978	45	(280)
Other						1,006	214	963
Total						**1,984**	**259**	**683**

	December 31, 2018							
	Number of shares held	Voting interest	Ownership interest	Average purchase price (a)	Stock market price	Carrying value	Change in value over the period	Cumulative unrealized capital gain/(loss)
	(in thousands)				(€/share)		(in millions of euros)	
Mediaset	340,246	9.99% (b)	28.80%	3.70	2.74	934	(165)	(325)
Ubisoft (c)	6,550	5.23%	5.80%	31.98	na	429	na	na
Other						791	440	749
Total						**2,154**	**275**	**424**

na: not applicable.

a. Includes acquisition fees and taxes.

b. The partnership agreement entered into between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its voting rights in excess of 10% to an independent Italian trustee (please refer to Note 20).

c. As part of the sale of its entire 27.27% interest in Ubisoft (i.e., 30,489 thousand shares), the remaining portion of 6,550 thousand shares was sold on March 5, 2019 in a forward sale (please refer to Note 2.4). As of December 31, 2018, Vivendi recorded a receivable on share disposal for the amount of such forward sale (€429 million) in the Consolidated Statement of Financial Position.

Note 13 Cash position

Vivendi's cash position comprises cash and cash equivalents, as well as cash management financial assets classified as current financial assets. As defined by Vivendi, cash management financial assets relate to financial investments which do not comply with the criteria for classification as cash equivalents set forth in IAS 7, and, with respect to money market funds, with ANC and AMF position expectations expressed in November 2018.

(in millions of euros)	June 30, 2019	December 31, 2018
Term deposits	514	549
Bond funds	426	50
Cash management financial assets	**940**	**599**
Cash	332	438
Term deposits and current accounts	1,892	1,999
Money market funds	965	1,306
Bond funds	50	50
Cash and cash equivalents	**3,239**	**3,793**
Cash position	**4,179**	**4,392**

Note 14 Equity

Changes in the share capital of Vivendi SA

(in thousands)	June 30, 2019	December 31, 2018
Number of shares comprising the share capital (nominal value: €5.5 per share)	**1,259,308**	**1,306,234**
Treasury shares	(29,781)	(38,264)
Number of shares, net	**1,229,527**	**1,267,970**
Number of voting rights, gross	**1,350,134**	**1,387,889**
Treasury shares	(29,781)	(38,264)
Number of voting rights, net	**1,320,353**	**1,349,625**

As of June 30, 2019, Vivendi's share capital amounted to €6,926 million, divided into 1,259,308 thousand shares.
On July 17, 2019, Vivendi carried out a capital increase of €113 million, by issuing 5,376 thousand new shares through an employee stock purchase plan and leveraged plan (please refer to Note 16.1.2).

Share repurchases

On April 15, 2019, the General Shareholders' Meeting adopted the following two resolutions related to share repurchases:

- the renewal of the authorizations granted to the Management Board by the Shareholders' Meeting of April 19, 2018 to repurchase shares of the company within the limit of 10% of the share capital at a maximum purchase price of €25 per share, and to reduce the company's share capital within the limit of 10% by cancelling the shares acquired; and
- authorizing the Management Board to purchase shares of the company by way of a public share buyback offer (OPRA) within the limit of 25% of Vivendi's share capital at a maximum purchase price of €25 per share, and to cancel the shares acquired.

On May 28, 2019, following the decision of the Management Board at a meeting held on May 24, 2019, and in accordance with the authorization of the Shareholders' Meeting of April 15, 2019, Vivendi implemented a share buyback program of with an expiration date of July 25, 2019, for up to 5% of Vivendi's share capital and at a maximum price of €25 per share, in order to cancel the shares acquired.

Between May 28 and the half-year closing date as of June 30, 2019, Vivendi repurchased 42,730 thousand treasury shares at an average price of €24.45 per share for an aggregate amount of €1,045 million, including a payment of €947 million for the first half of 2019. Moreover, Vivendi recorded a financial liability of €566 million for external firm commitments with respect to the share buyback program in progress as of June 30, 2019 (please refer to Note 17).

As of June 30, 2019, Vivendi held 29,781 thousand treasury shares, representing 2.36% of its share capital (compared to 2.93% of its share capital as of December 31, 2018).

Between the half-year closing date as of June 30, 2019 and July 23, 2019, date of the Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2019, Vivendi repurchased 22,735 thousand treasury shares at an average price of €24.87 per share, for an aggregate amount of €566 million recorded in the Condensed Statement of Financial Position as of June 30, 2019. As of July 23, 2019, Vivendi held 52,516 thousand treasury shares, representing 4.15% of its share capital at that date.

Cancellation of shares

Following the decision of the Management Board at a meeting held on June 17, 2019, and in accordance with the authorization granted by the Shareholders' Meeting of April 15, 2019, Vivendi made a capital reduction by cancelling 50,000 thousand treasury shares, i.e., 3.82% of the share capital, for a carrying value of €990 million. Of the 50,000 thousand shares cancelled:

- 29,982 thousand were reallocated for the purpose of share cancellation from the 35,093 thousand shares initially allocated for the purpose of external growth transactions. The remaining 5,111 thousand shares were reallocated covering performance share plans;
- 20,018 thousand shares were acquired under the current share buyback program, implemented on May 28, 2019 (please see above).

In addition, the Management Board plans to cancel 44.679 million shares, increasing to a total cancellation of 94.679 million shares (7.23% of the share capital).

Shareholders' dividend distributions

On February 11, 2019 (the date of Vivendi's Management Board meeting that approved the Consolidated Financial Statements for the year ended December 31, 2018 and the allocation of earnings for the fiscal year then ended), the Management Board decided to propose to shareholders the payment of an ordinary dividend of €0.50 per share (a 11.1% increase compared to the previous year) representing a total distribution of €636 million. This proposed distribution was presented to, and approved by, Vivendi's Supervisory Board at its meeting held on February 14, 2019, and adopted by the Annual General Shareholders' Meeting held on April 15, 2019. The dividend was paid as of April 18, 2019 (following the coupon detachment on April 16, 2019).

Note 15 Provisions

(in millions of euros)	Note	June 30, 2019	January 1, 2019
Employee benefits (a)		793	697
Restructuring costs (b)		31	51
Litigations	20	258	247
Losses on onerous contracts		34	37
Contingent liabilities due to disposal (c)		17	20
Other		242	238
Provisions		**1,375**	**1,290**
Deduction of current provisions		(385)	(419)
Non-current provisions		**990**	**871**

a. Included deferred employee compensation as well as provisions for employee defined benefit plans, but excluded employee termination reserves recorded under restructuring costs.

b. Primarily included provisions for restructuring at UMG (€11 million as of June 30, 2019, compared to €10 million as of January 1, 2019) and at Canal+ Group (€18 million as of June 30, 2019, compared to €40 million as of January 1, 2019).

c. Certain commitments given in relation to divestitures are the subject of provisions. These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi.

Changes in provisions

(in millions of euros)	Six months ended June 30, 2019		Year ended December 31, 2018	
Opening balance	**1,290**	(a)	**1,927**	
Addition	72		280	
Utilization	(78)		(231)	
Reversal	(33)		(123)	
Business combinations	30		-	
Divestitures, changes in foreign currency translation adjustments and other	94		(576)	(b)
Closing balance	**1,375**		**1,277**	

a. In accordance with the new accounting standard IFRS 16 – *Leases*, the impact of the change of accounting standard was recorded in the opening balance sheet as of January 1, 2019. For a detailed description, please refer to Notes 1 and 10.

b. Certain reclassifications were made to the Consolidated Financial Statements for the year ended December 31, 2018 to conform to the presentation of the Condensed Financial Statements for the half-year ended June 30, 2019, notably relating to the provisions with respect to the 2012 and 2015 French Tax Group System (€239 million and €203 million, respectively; please refer to Note 20 – Litigation – Tax audits) as well as other litigation provisions.

Note 16 Share-based compensation plans

16.1 Plans granted by Vivendi

16.1.1 Equity-settled instruments

Transactions relating to outstanding instruments that occurred since January 1, 2019 were as follows:

	Stock options				Performance shares	
	Number of outstanding stock options		Weighted average strike price of outstanding stock options		Number of outstanding performance shares	
	(in thousands)		(in euros)		(in thousands)	
Balance as of December 31, 2018	**7,245**		**15.6**		**4,790**	
Granted	-		na		1,601	
Exercised / Issued	(3,126)	(a)	15.8		(753)	
Forfeited	(259)		16.1		na	
Cancelled	(5)		16		(305)	(b)
Balance as of June 30, 2019	**3,855**	(c)	**15.3**		**5,333**	(d)
Acquired / Exercisable as of June 30, 2019	**3,855**		**15.3**		**-**	
Rights acquired as of June 30, 2019	**-**		**na**		**699**	

na: not applicable.

a. During the first half of 2019, beneficiaries exercised stock options at the weighted average stock market price of €24.73.

b. At its meeting held on February 14, 2019, after a review by the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board approved the level of satisfaction of objectives set for the cumulative fiscal years 2016, 2017 and 2018 for the performance share plan granted in 2016. It was confirmed that all the criteria had been met. However, given that the negative impact of the situation in Italy was not reflected in the financial results, the Supervisory Board decided to confirm the final grant of the 2016 performance share plan only up to 75% of the initial grant. Consequently, 222,663 rights to performance shares, which were granted in 2016, were cancelled, of which 73,750 of such cancelled rights were for members of the Management Board. In addition, 82,430 rights were cancelled due to the termination of employment of certain beneficiaries.

c. At the stock market price on June 30, 2019, the cumulated intrinsic value of remaining stock options to be exercised could be estimated at €34 million.

d. The weighted-average remaining period before delivering performance shares was 1.8 years.

Performance share plan

On February 14, 2019, Vivendi granted to employees and executive management 1,601 thousand performance shares, of which 165,000 were granted to members of the Management Board. As of February 14, 2019, the share price was €22.60 and the expected dividend yield was 2.21%. After taking into account the cost associated with the retention period of the shares (described below), the discount for non-transferability was set at 7.9% of the share price as of February 14, 2019. Consequently, the fair value of each granted performance share was estimated at €19.37, corresponding to an aggregate fair value of the plan of €31 million.

Subject to satisfaction of the performance criteria, performance shares definitively vest at the end of a three-year period, subject to the presence of the beneficiaries in the group (vesting period). Furthermore, the shares must be held by the beneficiaries for an additional two-year period (retention period). The compensation cost is recognized on a straight-line basis over the vesting period. The accounting methods that are applied to estimate and recognize the value of these granted plans are described in Note 1.3.10 to the Consolidated Financial Statements for the year ended December 31, 2018 (page 249 of the 2018 Annual Report).

Satisfaction of the objectives that determine the definitive grant of performance shares is assessed over a three-year consecutive period based on the following performance criteria:

- Internal indicators (with a weighting of 70%):
  - the adjusted net income per share (50%); and
  - the group's cash flow from operations after interest and income tax paid - CFAIT (20%).
- External indicators (with a weighting of 30%) tied to changes in Vivendi's share price compared to the STOXX® Europe Media index (20%) and to the CAC 40 index (10%).

For the first half of 2019, the charge recognized with respect to all performance share plans amounted to €10 million, compared to €4 million for the same period of 2018.

16.1.2 Employee stock purchase and leveraged plans

On July 17, 2019, Vivendi carried out a capital increase through employee stock purchase plans and leveraged plans which gave the group's employees and retirees an opportunity to subscribe for Vivendi shares.

These shares, which are subject to certain sale or transfer restrictions during a five-year period, are subscribed to at a discount of up to 15% on the average opening market price for Vivendi shares during the 20 trading days preceding the date of the Management Board meeting which set the subscription price for the new shares to be issued. The difference between the subscription price for the shares and the share price on that date represents the benefit granted to the beneficiaries. In addition, Vivendi applied a discount for non-transferability during a five-year period, which is deducted from the benefit granted to the employees. The value of the subscribed shares is estimated and fixed at the date on which the subscription price for the new shares to be issued is set.

The applied valuation assumptions were as follows:

	2019
Grant date	June 14
Data at grant date:	
Share price (in euros)	24.48
Expected dividend yield	2.04%
Risk-free interest rate	-0.44%
5-year interest rate	3.96%
Repo rate	0.36%
Discount for non-transferability per share	19.28%

Under the employee stock purchase plan (ESPP), 531 thousand shares were subscribed for in 2019 through a company mutual fund (*Fonds Commun de Placement d'Entreprise*) at a price of €21.106 per share. As of June 30, 2019, no charges were recognized, as the benefit granted, which is equal to the positive difference between the subscription price and the stock price at the end of the subscription period on June 14, 2019 (discount of 13.8%), was lower than the discount for non-transferability (19.3%).

Under the leveraged plan, 4,694 thousand shares were subscribed for in 2019 through a company mutual fund at a price of €21.106 per share. The leveraged plan entitles employees and retirees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) equal to 10 shares for each subscribed share. A financial institution mandated by Vivendi hedges this transaction. In addition, 151 thousand shares were subscribed for as part of an employee shareholding plan implemented for employees of the group's Japanese subsidiaries. As of June 30, 2019, the charge recognized with respect to the leveraged plan amounted to nearly €1 million.

Transactions carried out in France and foreign countries through company mutual funds (*Fonds Commun de Placement d'Entreprise*; employee stock purchase and leveraged plans) resulted in a capital increase on July 17, 2019 of an aggregate value of €113 million (including issue premium).

16.2 Restricted and performance share plans granted by Havas

Transactions relating to outstanding shares that have occurred since January 1, 2019 were as follows:

	Number of outstanding shares (in thousands)	
Balance as of December 31, 2018	**5,867**	
Forfeited	(1,988)	(a)
Cancelled	(47)	
Balance as of June 30, 2019	**3,832**	

a. Relates to plans granted on the following dates:

- on January 19, 2015 and which expired on April 19, 2019: 825 thousand Havas shares were settled in cash by Vivendi at a price of €11.51 per share in accordance with the liquidity agreement, and 973 thousand Havas shares were exchanged for 428 thousand Vivendi shares in accordance with the terms and conditions of the plan;
- on May 10, 2016 and which expired on May 10, 2019: 120 thousand Havas shares were settled in cash by Vivendi at a price of €11.24 per share in accordance with the liquidity agreement; and

- on March 19, 2015 and which expired on June 19, 2019: 70 thousand Havas shares were exchanged for 31 thousand Vivendi shares in accordance with the terms and conditions of the plan.

For a detailed description of the plans subject to the liquidity agreement, please refer to Note 18.2 to the Consolidated Financial Statements for the year ended December 31, 2018 – page 289 of the 2018 Annual Report.

For the first half of 2019, the charge recognized in respect of all restricted and performance share plans granted by Havas amounted to €4 million.

16.3 Restricted share plans granted by Gameloft S.E.

On March 21, 2019, Vivendi acquired 717 thousand shares in accordance with the liquidity agreement signed with the beneficiaries during the second half of 2018. As of June 30, 2019, the number of remaining shares referred to in this agreement was 874 thousand shares.

As of June 30, 2019, the number of outstanding restricted shares amounted to 326 thousand shares, compared to 341 thousand shares as of December 31, 2018. For the first half of 2019, the charge recognized in respect of restricted shares granted by Gameloft S.E. was non-significant.

Note 17 Borrowings and other financial liabilities

		June 30, 2019				December 31, 2018		
(in millions of euros)	Note	Total	Long-term	Short-term		Total	Long-term	Short-term
Bonds	17.2	6,150	5,450	700		4,050	3,350	700
Short-term marketable securities issued		-	-	-		-	-	-
Bank overdrafts		84	-	84		98	-	98
Accrued interest to be paid		37	-	37		17	-	17
Bank credit facilities (drawn confirmed)	17.3	-	-	-		-	-	-
Cumulative effect of amortized cost	17.1	(26)	(26)	-		(14)	(13)	(1)
Other		68	12	56		65	10	55
Borrowings at amortized cost		**6,313**	**5,436**	**877**		**4,216**	**3,347**	**869**
Commitments to purchase non-controlling interests		709	131	578	(a)	114	98	16
Derivative financial instruments		6	3	3		6	3	3
Borrowings and other financial liabilities		**7,028**	**5,570**	**1,458**		**4,336**	**3,448**	**888**
Lease liabilities	10	1,459	1,251	208		na	na	na
Total		**8,487**	**6,821**	**1666**		**4,336**	**3,448**	**888**

a. Includes the firm commitment of €566 million related to the share buyback program in place as of June 30, 2019 (please refer to Note 14).

17.1 Fair market value of borrowings and other financial liabilities

	June 30, 2019				December 31, 2018		
(in millions of euros)	Carrying value		Fair market value	Level (a)	Carrying value	Fair market value	Level (a)
Nominal value of borrowings	6,339				4,230		
Cumulative effect of amortized cost	(26)				(14)		
Borrowings at amortized cost	**6,313**		**6,463**	**na**	**4,216**	**4,291**	**na**
Commitments to purchase non-controlling interests	709	(b)	709	1 - 3	114	114	3
Derivative financial instruments	6		6	2	6	6	2
Borrowings and other financial liabilities	**7,028**		**7,178**		**4,336**	**4,411**	

na: not applicable.

a. The three classification levels for the measurement of financial assets at fair value are defined in Note 1.3.1 to the Consolidated Financial Statements for the year ended December 31, 2018 (page 239 of the 2018 Annual Report).

b. Includes the firm commitment of €566 million related to the share buyback program in place as of June 30, 2019, classified in Level 1 (please refer to Note 14).

17.2 Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	June 30, 2019	December 31, 2018
Bonds issued by Vivendi SA					
€700 million (June 2019) (a)	0.000%	0.17%	Jun-22	700	-
€700 million (June 2019) (a)	0.625%	0.67%	Jun-25	700	-
€700 million (June 2019) (a)	1.125%	1.27%	Dec-28	700	-
€850 million (September 2017)	0.875%	0.99%	Sep-24	850	850
€600 million (November 2016)	1.125%	1.18%	Nov-23	600	600
€1 billion (May 2016)	0.750%	0.90%	May-21	1,000	1,000
€500 million (May 2016)	1.875%	1.93%	May-26	500	500
€700 million (December 2009)	4.875%	4.95%	Dec-19	700	700
Bonds issued by Havas SA					
€400 million (December 2015)	1.875%	1.94%	Dec-20	400	400
Nominal value of bonds				**6,150**	**4,050**

a. On June 4, 2019, Vivendi issued a €2.1 billion bond, comprised of three tranches of €700 million each.

Bonds issued by Vivendi SA and Havas SA are listed on the Euronext Paris Stock Exchange, except for the €700 million bond maturing in December 2019, which is listed on the Luxembourg Stock Exchange.

On March 23, 2018, Vivendi set up a €3 billion Euro Medium-Term Note (EMTN) program giving Vivendi full flexibility to issue bonds. This program was renewed on March 22, 2019 and filed with the AMF (*Autorité des marchés financiers*) under visa n°19-112 for a 12-month period. The EMTN program amount was increased from €3 to €5 billion (the prospectus supplement was granted a visa by the AMF on July 4, 2019).

Bonds issued by Vivendi SA contain customary provisions, related to events of default, negative pledge and rights of payment (*pari-passu* ranking). They also contain an early redemption clause in the event of a change of control[5] if, as a result of any such event, the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-).

Havas' bond issue contains an early redemption clause in the event of a change of control[6].

17.3 Bank credit facilities

On January 16, 2019, Vivendi SA's syndicated bank credit facility was amended for an amount of €2.2 billion with a maturity extended to January 16, 2024 (with two one-year extension options). In addition, in January 2019, Vivendi signed committed bilateral credit facilities granted by leading banks, for an aggregate available amount of €1.2 billion maturing in January 2024.
Although all these credit facilities are no longer required to comply with financial covenants, they contain customary provisions relating to events of default and covenants applicable to Vivendi in terms of negative pledge and merger transactions.

On February 14, 2019, Vivendi's Supervisory Board approved the Management Board's proposal to increase the maximum amount of Vivendi SA's short-term marketable securities program authorized by the Banque de France to €3.4 billion.

As of June 30, 2019, taking into account the absence of short-term marketable securities issued and backed by Vivendi SA's credit facility, €3.4 billion of these facilities were available.

In addition, Havas SA has committed credit facilities, undrawn as of June 30, 2019, granted by leading banks for an aggregate amount of €510 million, including €330 million maturing in 2020, €30 million maturing in 2021 and €150 million maturing in 2023.

As of July 23, 2019 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2019), €3.5 billion of Vivendi group's (Vivendi SA and Havas SA) facilities were available, taking into account the short-term marketable securities issued and backed by these credit facilities for €375 million.

[5] *Bolloré Group was carved out of the change-of-control provision under the bonds issued in May 2016 and November 2016.*
[6] *Change of control is defined as the settlement/delivery of a tender offer following which one or more natural or legal entitie(s) which is/are not part of Bolloré Group and Vivendi, acting in isolation or in concert, acquire(s) over 50% of Havas SA's share capital or voting rights.*

17.4 Borrowings by maturity

(in millions of euros)	June 30, 2019		December 31, 2018	
Maturity				
< 1 year (a)	877	*14%*	869	*21%*
Between 1 and 2 years	1,408	*22%*	403	*9%*
Between 2 and 3 years	700	*11%*	1,003	*24%*
Between 3 and 4 years	2	-	1	-
Between 4 and 5 years	600	*10%*	601	*14%*
> 5 years	2,752	*43%*	1,353	*32%*
Nominal value of borrowings	**6,339**	***100%***	**4,230**	***100%***

a. As of June 30, 2019, short-term borrowings (with a maturity period of less than one year) notably included Vivendi SA's bond maturing in December 2019 for €700 million, as well as bank overdrafts for €84 million.

As of June 30, 2019, the average "economic" term of the group's financial debt, calculated based on the assumption that the available medium term credit lines may be used to redeem the group's shortest term borrowings, was 5.4 years (compared to 5.3 years as of December 31, 2018, taking into account the bank financing signed in January 2019).

17.5 Borrowings by type of interest rate

As of June 30, 2019, the nominal value of borrowings at fixed interest rate amounted to €6,204 million (compared to €4,097 million as of December 31, 2018) and the nominal value of borrowings at floating interest rate amounted to €135 million (compared to €133 million as of December 31, 2018).

As of June 30, 2019 and December 31, 2018, Vivendi did not subscribe to any pay-floating or pay-fixed interest rate swaps.

17.6 Credit ratings

As of July 23, 2019 (the date of the Management Board meeting that approved the Financial Statements for the half-year ended June 30, 2019), Vivendi's credit ratings were as follows:

Rating agency	Type of debt	Ratings	Outlook
Standard & Poor's	Senior unsecured debt	BBB	Stable
Moody's	Long-term unsecured debt	Baa2	Stable

Note 18 Related parties

Vivendi's main related parties are subsidiaries over which the group exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence (please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2018, page 297 of the 2018 Annual Report), as well as the group's corporate officers and their related entities, in particular Bolloré Group and its related parties.

18.1 Corporate officers

Bolloré Group

On April 18, 2019, as part of Vivendi's payment of a dividend to its shareholders with respect to fiscal year 2018, Bolloré Group received a dividend of €165 million (compared to a dividend with respect to fiscal year 2017 of €134 million, which was paid in 2018).

Between June 5 and June 13, 2019, Bolloré Group stated the sale of 11.5 million call options on Vivendi shares maturing on June 25, 2019 for €36.6 million to finance the exercise, on June 13, 2019, of the remaining 1.8 million options giving right to as many Vivendi shares, at a price of €20.1452 per share.

On June 25, 2019, Bolloré Group stated that the 11.3 million Vivendi shares held pursuant to a temporary share sale agreement maturing on June 25, 2019 had been returned.

On June 30, 2019, Bolloré Group stated that it held 320,517,374 Vivendi shares carrying an amount of 387,950,213 voting rights, i.e., 25.45% of Vivendi's share capital and 28.73% of the gross voting rights.

Other corporate officers and high-level management

On April 15, 2019, Vivendi's General Shareholders' Meeting appointed Mr. Cyrille Bolloré as a member of the Supervisory Board for a four-year period, thereby replacing Mr. Vincent Bolloré who decided to terminate his term of office as a member of the Supervisory Board following the Shareholders' Meeting. At the same meeting, Mr. Dominique Delport's term of office as a member of the Supervisory Board was renewed for a four-year period.

At its meeting held on April 15, 2019, following the Shareholders' Meeting and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board unanimously appointed Mr. Vincent Bolloré as Censor for a four-year term. Mr. Vincent Bolloré receives no compensation for serving in this capacity. At the same meeting, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the Supervisory Board unanimously decided to appoint Mr. Vincent Bolloré as Advisor to the Chairman of Vivendi's Management Board under an open-ended employment contract. Pursuant to his employment contract, Mr. Vincent Bolloré's gross annual fixed compensation amounts to €500,000, with a variable portion (target: 80%; maximum: 100%) determined according to the same performance criteria as those used for Vivendi SA's main operational managers.

In addition, Mr. Tarak Ben Ammar's term of office as a member of the Supervisory Board, expired on April 15, 2019. Mr. Tarak Ben Ammar had not requested the renewal of his term of office. Since that date, Quinta Communications is no longer a related party to Vivendi.

18.2 Other related party transactions

Vivendi has not entered into any new significant transactions with related parties, existing or new, during the first half of 2019. For a detailed description of the transactions between Vivendi and its related parties, please refer to Note 21 to the Consolidated Financial Statements for the year ended December 31, 2018 (pages 297 through 300 of the 2018 Annual Report).

(in millions of euros)	June 30, 2019	December 31, 2018
Assets		
Non-current content assets	1	1
Rights-of-use relating to leases	9	na
Of which Bolloré Goup	*9*	*na*
Non-current financial assets	77	86
Of which Banijay Group Holding and Lov Banijay bonds	*75*	*73*
Trade accounts receivable and other	62	60
Of which Bolloré Goup	*5*	*5*
Telecom Italia	*31*	*29*
Banijay Group Holding	*1*	*2*
Mediobanca	*2*	*3*
Liabilities		
Lease liabilities	10	na
Of which Bolloré Group	*10*	*na*
Trade accounts payable and other	26	29
Of which Bolloré Group	*13*	*13*
Banijay Group Holding	*8*	*10*
Off-balance sheet contractual obligations, net	109	168
Of which Banijay Group Holding	*121*	*140*

	Six months ended June 30,	
	2019	2018
Statement of earnings		
Operating income	113	109
Of which Bolloré Group	*2*	*3*
Telecom Italia	*6*	*13*
Banijay Group Holding	*2*	*1*
Mediobanca	-	-
Quinta Communications	*na*	-
Other (Interparfums and Groupe Nuxe)	-	-
Operating expenses	(61)	(54)
Of which Bolloré Group	*(12)*	*(13)*
Banijay Group Holding	*(36)*	*(27)*
Mediobanca	*(2)*	-
Quinta Communications	*na*	-
Other (Interparfums and Groupe Nuxe)	-	-

na: not applicable.

Note 19 Commitments

19.1 Contractual obligations and commercial commitments

		Minimum future payments as of	
(in millions of euros)	Note	June 30, 2019	December 31, 2018
Contractual content commitments	9	5,248	5,339
Commercial commitments		189	128
Operating leases and subleases		na (a)	1,453
Net commitments not recorded in the Consolidated Statement of Financial Position		**5,437**	**6,920**

na: not applicable.

a. As from January 1, 2019, Vivendi applies the new accounting standard IFRS 16 – *Leases*. In accordance with IFRS 16, the impact of the change of accounting standard was recorded in the Statement of Financial Position as of June 30, 2019. For a detailed description, please refer to Notes 1 and 10.

Off-balance sheet commercial commitments

	Minimum future payments as of	
(in millions of euros)	June 30, 2019	December 31, 2018
Satellite transponders	433	471
Investment commitments	140	179
Other	530	560
Given commitments	**1,103**	**1,210**
Satellite transponders	(115)	(124)
Other (a)	(799)	(958)
Received commitments	**(914)**	**(1,082)**
Net total	**189**	**128**

a. Includes minimum guarantees to be received by the group pursuant to distribution agreements entered into with third parties, notably Internet Service Providers and other digital platforms.

On March 14, 2017, Boulogne Studios, a wholly-owned subsidiary of Vivendi, entered into a bilateral land purchase agreement with "Val de Seine Aménagement", the local public urban developer of the Parisian suburb Boulogne-Billancourt, for a construction project on the île Seguin. This purchase agreement was subject to certain conditions precedent, in particular the procurement of a building permit. This project consisted of building a campus of approximately 150,000 m² which would have, in five to seven years, housed a group of companies notably operating in business sectors such as media and content, as well as digital, sports and sustainable development. On that date, to guarantee the satisfaction of its purchase obligations amounting to a total of approximately €330 million, Vivendi paid a €70 million deposit that had to be returned if the transaction was not completed by Vivendi. At the end of the first quarter of 2019, the parties terminated the abovementioned purchase agreement by mutual agreement and, on March 25, 2019, the €70 million deposit Vivendi had paid was returned.

Note 20 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in the 2018 Annual Report: Note 23 to the Consolidated Financial Statements for the year ended December 31, 2018 (pages 305 through 310). The following paragraphs update such disclosure through July 23, 2019 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2019).

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

LBBW et al. against Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, 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. Subsequently, on April 5 and 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 German and British institutional investors. Lastly, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi based on the same grounds. On January 7, 2015, the Paris Commercial Court appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. The latter filed his final reports during the first half of 2018. The first hearings on the merits were held in the second half of 2018 and the first half of 2019.

California State Teachers Retirement System et al. against Vivendi

On April 27, 2012, 67 institutional foreign investors filed a complaint against Vivendi before the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communications made by Vivendi, between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 new plaintiffs joined these proceedings. In November 2012 and March 2014, 12 plaintiffs withdrew from these proceedings. On January 7, 2015, the Commercial Court of Paris appointed a "third party" responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. The latter filed his final reports during the first half of 2018. The first hearings on the merits were held in the second half of 2018 and the first half of 2019.

Mediaset against Vivendi

On April 8, 2016, Vivendi entered into a strategic partnership agreement with Mediaset. This agreement provided for a swap of a 3.5% interest in Vivendi in exchange for a 3.5% interest in Mediaset and 100% of the share capital of the pay-TV company Mediaset Premium, a subsidiary of Mediaset.

Vivendi's purchase of Mediaset Premium was based on financial assumptions provided by Mediaset to Vivendi in March 2016. These assumptions raised some questions within Vivendi, which were communicated to Mediaset. The agreement signed on April 8, 2016 was subsequently subject to a "due diligence review" (carried out for Vivendi by the advisory firm Deloitte), as contractually agreed. It became clear from this audit and from Vivendi's analyses that the figures provided by Mediaset prior to the signing of the agreement were not realistic and were founded on an artificially-inflated base.

While Vivendi and Mediaset had been in discussions in an effort to find an alternative transaction structure to the one provided for in the April 8, 2016 agreement, Mediaset terminated these discussions on July 26, 2016 by publicly rejecting the proposal Vivendi submitted to it. This proposal consisted of a swap of 3.5% of Vivendi's share capital in exchange for 20% of Mediaset Premium's share capital and 3.5% of Mediaset's share capital and, for the balance, the issuance by Mediaset to Vivendi of bonds convertible into Mediaset shares over time.

Subsequently, Mediaset together with its affiliate RTI, and Fininvest, Mediaset's majority shareholder each filed a complaint against Vivendi in August 2016 before the Milan Civil Court seeking to obtain specific performance of the April 8, 2016 agreement and the related shareholders' agreement as well as compensation for alleged damages. In particular, the plaintiffs claim that Vivendi did not file its notification to the European Commission with respect to the transaction and thus blocked the lifting of the last condition precedent to the completion of the transaction. Vivendi maintains that despite its timely completion of the pre-notification process with the Commission, the Commission would not have accepted a formal filing while the parties were discussing their differences.

At the first hearing held in the case, the judge invited the parties to come closer together to try to reach an amicable settlement to their dispute. To this end, on May 3, 2017, the parties initiated mediation proceedings before the Chamber of National and International Arbitration of Milan.

Despite this mediation, on June 9, 2017, Mediaset, RTI and Fininvest filed another complaint against Vivendi seeking damages totaling €2 billion for Mediaset and RTI, and €1 billion for Fininvest, in connection with Vivendi's acquisition of Mediaset shares at the end of 2016. According to the plaintiffs, who unsuccessfully requested that this action be consolidated with the first two, these acquisitions were carried out in breach of the April 8, 2016 agreement, the Italian media regulations and unfair competition rules. In addition, the complaint includes a demand that Vivendi be required to divest the shares of Mediaset which were allegedly bought in breach of applicable law and the April 8, 2016 agreement. Lastly, the plaintiffs have requested that, pending such divestiture, Vivendi be enjoined from exercising its rights (including voting rights) on such Mediaset shares.

On February 27, 2018, the Court noted the termination of the mediation proceedings. During a hearing held on December 4, 2018, Fininvest, RTI and Mediaset renounced, in respect of their first complaint, their claim to specific performance of the April 8, 2016 agreement, while pursuing their claim for compensation for alleged damages, in the amount of up to (i) €720 million for Mediaset and RTI, for non-performance of the April 8, 2016 agreement, and (ii) € 1.3 billion for Fininvest, for non-performance of the above-mentioned shareholders' agreement, for the harm linked to the change in the Mediaset share price between July 26 and August 2, 2016 and various damages relating to the alleged illegal acquisition of Mediaset shares by Vivendi at the end of 2016. Fininvest is also seeking damages for an amount to be determined by the Court for harm done to its decision-making procedures and image.

At a hearing held on March 12, 2019, Vivendi requested that the Court suspend part of the proceedings pending the ruling of the European Court of Justice on the analysis of the compatibility of the Italian law on the protection of media pluralism (the "TUSMAR") with the Treaty on the Functioning of the European Union (see below). The Court is currently considering this request.

In addition, on July 2, 2019, Vivendi filed a complaint against Mediaset and Fininvest, in which it asked the Milan Civil Court, *inter alia*, to (i) annul the resolution adopted by the Mediaset Board of Directors on April 18, 2019 which prevented Vivendi from exercising its rights associated with the shares it holds representing 9.61% of the share capital and 9.9% of the voting rights at Mediaset's Extraordinary General Shareholders' Meeting held on that same date, and (ii) annul the resolution approved by such shareholders' meeting to establish a system of double voting rights after two years of shareholding for shareholders who so request it. The first hearing on this matter is scheduled to be held on November 26, 2019.

Other proceedings related to Vivendi's entry into the share capital of Mediaset

Following Vivendi's entry into the share capital of Mediaset through open market purchases of shares during the months of November and December 2016, culminating in a shareholding of 28.80%, Fininvest stated that it had filed a complaint against Vivendi for market manipulation with the Milan public prosecutor's office and the Consob, the Italian financial markets regulator.

In addition, on December 21, 2016, the AGCOM, the Italian communications authority, opened an investigation into the compatibility between the increase in Vivendi's holdings in Mediaset's share capital and its position as a shareholder of Telecom Italia under Italian media regulations.

On April 18, 2017, the AGCOM issued a decision in which it determined that Vivendi was not in compliance with the regulations. Vivendi, which had 12 months to come into compliance, appealed against this decision to the Regional Administrative Court of Lazio. Pending the decision on this appeal, the AGCOM acknowledged Vivendi's proposed action plan setting out how it will comply with the decision. On April 9, 2018, in compliance with the undertakings given to the AGCOM, Vivendi transferred the portion of its shareholding in excess of 10% of Mediaset's voting rights to an independent trustee. On November 5, 2018, the Regional Administrative Court of Lazio decided to suspend its decision and refer to the European Court of Justice the analysis of the compatibility of the Italian rule under Article 43 of the TUSMAR, as applied by AGCOM, with the free movement principle enshrined in the Treaty on the Functioning of the European Union.

Telecom Italia

On August 5, 2017, the Italian Government informed Vivendi that it was opening a formal investigation into whether certain provisions of Law Decree No. 21 of March 15, 2012 on special powers of the Italian Government relative to the defense and national security sectors (Article 1) and to activities of strategic importance in the fields of energy, transport and communications (Article 2), had been respected by Telecom Italia and Vivendi. Vivendi considered the provisions of that decree inapplicable to Vivendi. In particular, (i) Article 1, concerning the defense and national security sectors had never been hitherto declared and communicated to the market given the nature of the activities carried out by Telecom Italia, and (ii) Article 2, which relates to the energy, transport and communications sectors, does not apply to Vivendi since it refers to purchases of significant shareholdings made by non-European entities.

Additionally, and in the same timeframe as the above-mentioned investigation, on September 13, 2017, the Consob declared that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position and appealed to the Lazio Regional Administrative Court. On April 17, 2019, the Lazio Regional Administrative Court dismissed the appeal brought by Telecom Italia and Vivendi, each of which filed an appeal with the Italian Council of State on July 16 and 17, 2019, respectively.

On September 28, 2017, the Presidency of the Council of Ministers declared that (i) the notification made by Vivendi under Article 1 of the aforementioned legislative decree as a precautionary measure was made late and (ii) Telecom Italia had not made a notification under Article 1 of the decree following a change of control over its assets that are of strategic importance in the fields of energy, transport and communications. Therefore, the Presidency of the Council of Ministers launched proceedings against Telecom Italia for failing to make the required notification under Article 2 of the same legislative decree. Vivendi and Telecom Italia have appealed this finding.

Furthermore, by a decree dated October 16, 2017, the Italian Government decided to exercise the special powers laid down in Article 1 of the 2012 legislative decree, relative to the defense and national security sectors. This decree imposes a number of organizational and governance measures on Vivendi and Telecom Italia and its two subsidiaries, Telecom Italia Sparkle Spa ("Sparkle") and Telsy Elettronica e Telecomunicazioni Spa ("Telsy"). In particular, Telecom Italia, Sparkle and Telsy must have a division in charge of supervising all activities related to defense and national security, which is fully autonomous and endowed with human and financial resources sufficient to guarantee its independence, and to appoint to their governing bodies a member who is an Italian citizen, who is approved by the Italian Government and who has security clearance. It also requires the establishment of a supervisory committee under the auspices of the Council of Ministers (*Comitato di monitoraggio*) to monitor compliance with these obligations. On February 13, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

In addition, by a decree dated November 2, 2017, the Italian Government decided to implement the special powers conferred by Article 2 of the 2012 legislative decree, relative to the fields of energy, transport and communications. This decree imposes on Telecom Italia the obligation to implement development, investment and maintenance plans for its networks to guarantee their operation and security, to provide universal service, and, more generally, to satisfy public interest in the medium and long term, under the control of the *Comitato di monitoraggio*, who must be notified of any reorganization of the Telecom Italia group's holdings or any project having an impact on the security, availability and operation of the networks. On March 2, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the Italian Presidency of the Council of Ministers.

Finally, by a decree dated May 8, 2018, the Italian Government imposed an administrative fine of €74 million on Telecom Italia for failure to comply with its information obligations (failure to notify under Article 2 of Law Decree No. 21 of March 15 2012, see above). On July 5, 2018, the Regional Administrative Court of Lazio suspended the enforcement of such fine until November 30, 2019 at the earliest.

Parabole Réunion

In July 2007, the 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, and the degradation of the channels made available to it. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under threat of a fine, from allowing the broadcast by third parties of these channels or replacement channels that have substituted these channels and was ordered to replace the TPS Foot channel in the event it is dropped. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was unsuccessful in its claims concerning the content of the channels in question. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion.

On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre seeking enforcement of the fine imposed by the Paris Tribunal of First Instance and confirmed by the Court of Appeal. On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion and held, after noting that production of the TPS Foot channel had not stopped, that there was no need to replace this channel. Parabole Réunion filed a first appeal against this decision on April 11, 2013. On May 22, 2014, the Versailles Court of Appeal declared this appeal inadmissible due to Parabole Réunion's lack of representative capacity. On February 14, 2014, Parabole Réunion filed an appeal on points of law and filed a second appeal against the April 9, 2013 decision. On April 9, 2015, the French Supreme Court overturned the May 22, 2014 decision of the Versailles Court of Appeal in which the appeal filed by Parabole Réunion on April 11, 2013 was declared inadmissible. The case was remanded to the Paris Court of Appeal which, on May 12, 2016, upheld the decision of the Court of First Instance and dismissed all of Parabole Réunion's claims. In a decision issued on September 28, 2017, the French Supreme Court dismissed Parabole Réunion's appeal against the decision of the Court of Appeal of Paris.

At the same time, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion also filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance requesting 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. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance partially recognized the admissibility of Parabole Réunion's claim with respect to the period following June 19, 2008 and recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal also ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter. On June 3, 2016, the Paris Court of Appeal upheld the April 29, 2014 decision of the

Paris Tribunal of First Instance. Canal+ Group filed an appeal against this decision to the French Supreme Court, which was dismissed on January 31, 2018.

In an order issued on October 25, 2016, the Pre-Trial Judge held that the April 29, 2014 decision in which Canal+ Group was ordered to compensate Parabole Réunion established in principle a debt of the latter, even if the assessment of its amount was still to be finalized. The Judge ordered Canal+ Group to pay the sum of €4 million as an advance. On January 17, 2017, the Paris Tribunal of First Instance ordered Canal+ Group to pay the sum of €37,720,000, with provisional enforceability. On February 23, 2017, Parabole Réunion appealed against that decision to the Paris Court of Appeal. On July 20, 2017, Canal+ Group filed its response to the appeal and a cross-appeal. Due to the failure of Parabole Réunion group to file its response within the time period prescribed by law, on December 8, 2017, Canal + Group filed a motion raising the failure to meet such deadline and, consequently, seeking an invalidation of the expertise ordered on October 12, 2017 (see below). On June 7, 2018, the Pre-Trial Judge of the Paris Court of Appeal issued an order, dismissing the request for the invalidation of the expertise underway. Canal+ Group lodged a petition for review against this order, which it withdrew in October 2018, noting the progress of the expertise.

On May 29, 2017, Parabole Réunion raised an incidental question in order to have the court appoint an additional expert to assess the loss in value of its business. On October 12, 2017, the Pre-Trial Judge of the Paris Court of Appeal granted this request and a judicial expert was appointed. On December 17, 2018, Parabole Réunion raised a new incidental question before the Pre-Trial Judge of the Paris Court of Appeal in order to have the court clarify the mission of the judicial expert who has halted his work. In an order issued on April 4, 2019, the Pre-Trial Magistrate of the Paris Court of Appeal decided that the judicial expert would formulate hypothetical estimate of damages for the loss in value of the business based on the number of subscribers proposed by Parabole Réunion (i.e., 40,000), with the judicial expert specifying, if appropriate, whether the loss in value of the business resulted from the 40,000 lost and/or missed subscribers attributable to Canal+ Group. However, the Pre-Trial Magistrate (i) rejected Parabole Réunion's request to include in the judicial expert's additional work the assumption that the 40,000 subscribers referred to above had generated a certain EBIT margin and (ii) ordered Parabole Réunion to bear the costs of the incidental procedure. The judicial expert resumed his work in mid-April 2019.

Canal+ Group against TF1, M6 and France Télévision

On December 9, 2013, Canal+ Group filed a complaint with the French Competition Authority against the practices of the TF1, M6 and France Télévision groups in the French-language film market. Canal+ Group claims that the defendants added certain pre-emption rights to co-production contracts aimed at restricting competition. On February 23, 2018, the French Competition Authority served a notification of grievances on France Télévision, TF1 and M6. On February 13, 2019, the case was reviewed by the French Competition Authority, which, on May 25, 2019, rendered a decision dismissing the case. On July 2, 2019, Canal+ Group appealed against this decision.

Aston France and Strong against Canal+ Group

On September 25, 2014, Aston notified the French Competition Authority about Canal+ Group’s decision to stop selling its satellite subscription called “cards only” (enabling the reception of Canal+/Canalsat programs on Canal Ready-labeled satellite set-top boxes, manufactured and distributed by third parties, including Aston). In parallel, on September 30, 2014, Aston filed a request for injunctive relief against Canal+ Group before the Commercial Court of Paris, seeking a stay of the decision of the Canal+ Group to terminate the Canal Ready partnership agreement and thus stop the marketing of satellite subscriptions called “cards only”. On October 17, 2014, the Paris Commercial Court issued an order denying Aston’s requests. On November 4, 2014, Aston appealed this decision and, on January 15, 2015, the Paris Court of Appeal, ruling in chambers, granted its requests and suspended the decision of Canal+ Group to stop selling its “cards only” subscriptions until the French Competition Authority rendered its decision on the merits of the case. On March 21, 2018, Canal+ Group received the French Competition Authority’s preliminary assessment setting out its competition concerns and submitted to the French Competition Authority a proposal for commitments. On July 24, 2018, the French Competition Authority, considering that the commitments, in force until December 31, 2021, met both the need to fight against piracy and maintain an alternative offer of set-top boxes to the ones leased by Canal+ Group, decided to make them compulsory and closed the proceedings.

In addition, on January 18, 2019, another company, Strong, filed an application with the Paris Commercial Court for injunctive relief requesting the Court to order the suspension of Canal+ Group's decision to stop marketing subscriptions on Canal Ready-labeled satellite set-top boxes following the above-mentioned decision of the French Competition Authority. Aston, which had not contested the commitments made by Canal+ Group to the French Competition Authority, voluntarily intervened in this injunctive relief proceeding. On February 22, 2019, the Paris Commercial Court dismissed Strong’s and Aston's claims and ordered them, jointly and severally, to pay Canal+ Group €20,000.

Touche Pas à Mon Poste

On June 7, 2017, the French Broadcasting Authority (*Conseil Supérieur de l’Audiovisuel*) (the “CSA”) decided to sanction C8 for a sequence broadcast on the show “TPMP” on December 7, 2016. The CSA considered that this sequence in which the presenter of the show, Cyril Hanouna, and one of its columnists, Capucine Anav, are seen engaging in a game on set during an "off" sequence, undermined the image of women. The sanction consisted of the suspension of advertising broadcasts during the show, “Touche Pas à Mon Poste” and its rebroadcasts, as well as well during the 15 minutes before and the 15 minutes after its broadcast, for a period of two weeks from the second Monday following notification of the decision.

On the same date, the CSA sanctioned C8 for another sequence broadcast on the show "TPMP! La grande Rassrah" on November 3, 2016. The CSA considered that this new sequence, the filming by hidden camera of Matthieu Delormeau, a columnist for the show, violated his dignity. This sanction consisted of the suspension of advertising broadcasts during the show, "Touche Pas à Mon Poste" and its rebroadcasts, as well as during the 15 minutes before and the 15 minutes after its broadcast, for a period of one week.

On July 3, 2017, following the two decisions of the CSA, C8 filed two appeals with the French Council of State (*Conseil d'Etat*). On July 4, 2017, C8 filed two claims for compensation with the CSA, which were rejected by implied decision. On November 2, 2017, C8 appealed against each of these to the Council of State. On June 18, 2018, the Council of State dismissed C8's action for annulment of the CSA's first decision, but granted the second application, overturning the CSA's second decision. The Council of State's decision to dismiss C8's action for annulment of the CSA's first decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. The claims for compensation are being reviewed by the Council of State.

On July 26, 2017, the CSA decided to sanction C8 for a sequence broadcast on the show "TPMP Baba hot line" on May 18, 2017, considering that the channel violated the principle of respect for privacy and its obligation to fight against discrimination, and imposed a monetary fine of €3 million.

Following this decision, on September 22, 2017, C8 filed an action for annulment before the Council of State, which was dismissed on June 18, 2018. This decision is the subject of an appeal pending before the European Court of Human Rights, filed in December 2018. In addition, C8 filed a claim for compensation with the CSA, whose implicit rejection of it was challenged before the Council of State on January 25, 2018. On September 7, 2018, C8 withdrew its claim for compensation.

In connection with the same case, on February 18, 2019, Canal+ Group sent a letter to the CSA requesting the cancellation of the aforementioned €3 million fine in light of the November 2018 statements made by a representative of the French association, Le Refuge, explaining that it had not received a complaint from an alleged victim of the hoax, contrary to its initial statements. On April 5, 2019, this request was rejected. An appeal against this decision was filed with the Council of State on June 5, 2019.

In addition, on November 28, 2018, an Independent Rapporteur, upon referral by the Managing Director of the CSA, commenced sanction proceedings against C8 and served a notification of grievances on C8. The facts that may lead to a sanction relate to a sequence on the September 12, 2018 TPMP show during which Cyril Hanouna made remarks that could be considered as insulting against two executives of the TF1 channel. On April 24, 2019, the CSA decided not to sanction C8.

Finally, on June 4, 2019, the CSA's Independent Rapporteur commenced sanction proceedings against C8 and served it with a notification of grievances. The facts that may lead to a sanction relate to a sequence from the October 31, 2018 TPMP show during which old nude photos of a TF1 host were shown on the air.

Rovi Guides, Inc. against Canal + Group

Rovi Guides filed a request for mediation before the International Chamber of Commerce for the breach by Canal+ Group of an electronic program guide license agreement entered into in 2008 and for the non-payment of royalties related thereto between January 1, 2016 and June 30, 2017.

The mediation terminated without an agreement and Rovi Guides filed a request for arbitration on June 1, 2018. A decision is expected at the end of 2019.

Harry Shearer and Century of Progress Productions against Studiocanal, Universal Music Group and Vivendi

A complaint was filed in California federal court against Studiocanal and Vivendi by Harry Shearer, through his company Century of Progress Productions, in his capacity as a creator, actor and composer of the film "This Is Spinal Tap", an American film produced and financed in 1984 by Embassy Pictures (Studiocanal is the successor to Embassy's rights). Mr. Shearer is seeking damages for breach of contractual obligations to provide operating accounts, fraud, and failure to use the film's trademark, and is also seeking attribution of the trademark. On February 8, 2017, four new plaintiffs, co-creators of the film, joined the proceedings. On February 28, 2017, in response to the complaint, the defendants filed a motion to dismiss, in which they asked the Court to declare the claims of the new plaintiffs to be inadmissible and to deny the claim for fraud. On September 28, 2017, the Court issued its decision. With respect to inadmissibility, it dismissed the claims of three of the four co-creators as well as the fraud claim but gave permission to the plaintiffs to file amended complaints in their individual capacities as well as to supplement their fraud claim. On October 19, 2017, a new complaint (the "Second Amended Complaint") was filed, which reintroduced the claims of three plaintiffs previously found to be inadmissible and added Universal Music Group (UMG) as a plaintiff. On December 21, 2017, UMG and Studiocanal each filed a motion to dismiss in response. By decision of August 28, 2018, the Court denied Studiocanal's motion to dismiss the plaintiffs' fraud claim. While the Court did not recognize the existence of fraud, it left open the possibility for the plaintiffs to prove it in the subsequent proceedings on the merits and granted some of UMG's motions but with leave for the plaintiffs to file an amended complaint with respect to these claims. The Court also denied UMG's motion to dismiss the plaintiffs' application for declaratory relief to terminate and recover from UMG the copyrights in the sound recordings from the motion picture in the United States; this point will therefore be decided in the context of the proceedings on the merits. On September 18, 2018, the plaintiffs filed their new complaint (the "Third Amended Complaint"). In parallel, the parties decided to enter into mediation, which took place on March 11, 2019 and did not result in a settlement. However, the plaintiffs and Studiocanal have agreed to begin an audit of the operating accounts sent to the plaintiffs to determine whether they contain any accounting irregularities. UMG and the plaintiffs are negotiating a potential agreement for the exclusive and direct payment from UMG to the plaintiffs for the film's soundtrack royalties. The proceedings on the merits have been suspended until August 8, 2019 in the case of UMG and until September 13, 2019 in the case of Studiocanal.

Investigation by the Departmental Directorate for the Protection of Populations in the Hauts de Seine

On April 20, 2018, the Departmental Directorate for the Protection of the Populations of the Hauts de Seine (*Direction Départementale de la Protection des Populations des Hauts de Seine*) (DDPP92) ordered Canal+ Group to stop positioning enriched offers to its subscribers during the term of their contract, a practice which the Court described as selling without prior order. On June 19, 2018, Canal+ Group filed a notice of appeal with the French Minister of the Economy, which was rejected on August 9, 2018. On October 5, 2018, Canal+ Group filed an appeal with the Administrative Court of Cergy-Pontoise.

In parallel, the DDPP92 informed Canal+ Group that it had referred the case to the Public Prosecutor's Office of Nanterre and, in relation to this, sent it a note stating that it considered that Canal+ Group had committed the offense of the forced sale of services, punishable under the provisions of the French Consumer Code (*Code de la consommation*). The *inter partes* procedure is ongoing.

Canal+ Group against the French Professional Football League

On July 4, 2019, following the cancellation between December 2018 and April 2019 of a number of Ligue 1 matches due to the "Yellow Vest" protests in France with their postponement having been decided by the French Professional Football League (*Ligue de Football Professionnel*) (LFP) unilaterally (without consulting or obtaining the agreement of Canal+ Group), Canal+ Group filed a complaint against the LFP seeking damages for the loss suffered as a result of these postponements. Canal+ Group considers that, having acquired, at the time of the call for tenders for the periods 2016/2017 to 2019/2020, the broadcasting rights to matches and magazines for the identified time slots, the LFP breached the terms of the call for tenders and is seeking €46 million in damages.

The first hearing will be held on September 5, 2019 before the Paris Commercial Court.

Proceedings before the Bobigny Labor Court

Several employees of the Canal+ Group telephone call center located in Saint-Denis brought an action against Canal+ Group before the Bobigny Labor Court seeking the annulment of their dismissal on the grounds that the job protection plan implemented in the call center is discriminatory.

Aspire against Cash Money Records and UMG

On April 7, 2017, Aspire Music Group filed a complaint with the New York State Supreme Court against Cash Money Records alleging breach of contract and non-payment of profits from Drake's first six albums. Following unsuccessful negotiations, the plaintiff amended its complaint to add UMG as a defendant on April 12, 2018. UMG filed a motion to dismiss on the grounds that it lacks privity with Aspire and is not liable for Cash Money's contractual obligations to Aspire. The Court denied UMG's motion to dismiss, and UMG appealed that decision. On February 7, 2019, the Appellate Division granted UMG's appeal. On July 17, 2019, the parties entered into a settlement agreement putting an end to this dispute.

Soundgarden, Hole, Steve Earle and the estates of Tom Petty and Tupac Shakur against UMG

On June 21, 2019, the groups Soundgarden and Hole, recording artist Steve Earle, Tom Petty's ex-wife and Tupac Shakur's estate filed a class action lawsuit against UMG in the Central District Court of California relating to a 2008 fire that allegedly destroyed thousands of archived recordings.

The plaintiffs allege that UMG breached the terms of the contracts with the artists by failing to adequately protect the recordings. It is also argued that the Group should have shared the settlement proceeds received as a result of its negotiations with the insurance companies and NBC Universal. On July 17, 2019, UMG filed a motion to dismiss the lawsuit.

John Waite and Joe Ely against UMG Recordings, Inc.

On February 5, 2019, a class action lawsuit was filed against UMG Recordings, Inc. on behalf of a putative class of all recording artists who had requested the termination of their contracts with UMG pursuant to Section 203 of the Copyright Act that allows, under certain conditions, a creator who has contractually transferred the rights to his or her work to a third party to terminate such contract after 35 years. The complaint seeks to have the Court recognize the termination of the plaintiffs' contracts and also alleges copyright infringement, as UMG continued to use the recordings after the purported end date of the contract. On May 3, 2019, UMG Recordings filed a motion to dismiss. On June 15, 2019, the plaintiffs filed a First Amended Complaint adding artists Syd Straw, Kasim Sulton and The Dickies as additional plaintiffs. On June 26, 2019, UMG Recordings, Inc. filed a new motion to dismiss.

Investigation into the services provided by Havas Paris to Business France

On February 7, 2019, Havas Paris, a subsidiary of Havas SA, was indicted for having benefited from favoritism in an amount of €379,319. This indictment was brought in the context of a judicial investigation opened by the Paris Public Prosecutor's Office for the offence of favoritism allegedly committed by Business France when it organized a communication event which it entrusted to Havas Paris. Havas Paris denies the claims against it and has appealed against this decision.

Swiss Competition Commission against Interforum Suisse

On March 13, 2008, following a complaint lodged by local booksellers, the Secretariat of the Swiss Competition Commission (COMCO) opened an investigation into distributors of French-language books operating in Switzerland, including Interforum Suisse.

On May 27, 2013, COMCO imposed a fine of CHF 3,792,720 on Interforum Suisse, considering that Interforum Suisse was a party to unlawful market-partitioning agreements. This decision is the subject of a suspensive appeal.
On July 12, 2013, Interforum Suisse filed an appeal with the Swiss Federal Administrative Court (TAF) challenging this decision. Interforum Suisse is currently awaiting the TAF's decision, which is expected in 2019.

Reti Televisive Italiane (RTI) against Dailymotion

Since 2012, several legal actions have been filed by RTI against Dailymotion before the Civil Court of Rome. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform. In one of these cases, on July 15, 2019, following a complaint filed on April 12, 2012, the Civil Court of Rome ordered Dailymotion to pay €5.5 million in damages to RTI and to remove the videos in question under penalty of fine. Dailymotion has until September 11, 2019 to appeal against this decision.

Tax audits

In the normal course of their business, Vivendi SA and its subsidiaries are subject to tax audits by the relevant tax authorities in the countries in which they conduct or conducted business. Various tax authorities have proposed adjustments to the financials results reported by Vivendi and its subsidiaries for fiscal year 2017 and prior years, under statutes of limitation applicable to Vivendi and its subsidiaries. In litigation situations, Vivendi's policy is to pay the taxes it intends to contest, and to seek a refund through appropriate legal proceedings. Regarding ongoing tax audits, no provision is recorded where the impact that could result from an unfavorable outcome cannot be reliably assessed. To date, Vivendi Management believes that these tax audits are unlikely to have a material impact on the group's financial position or liquidity.

Regarding Vivendi SA, the tax authorities have challenged Vivendi's right to use its foreign tax receivables upon the exit from the Consolidated Global Profit Tax System, for the payment of its tax obligation with respect to fiscal years 2012 and 2015. In any event, the impacts in relation to the use of foreign tax receivables upon exit from the Global Profit Tax System of 2012 and 2015 were recorded as provisions for €239 million and €203 million, respectively.

The French Tax Group and Consolidated Global Profit Tax Systems have the following impacts on the valuation of Vivendi's tax attributes (tax losses, foreign tax receivables and tax credits carried forward):

Considering that Vivendi's foreign tax receivables available at the exit from the Consolidated Global Profit Tax System can be carried forward upon the end of the authorization, Vivendi requested a refund of the tax paid with respect to the fiscal year ended December 31, 2012. On May 8, 2013, Vivendi received a refund of €201 million. This refund was then challenged by the tax authorities as part of a tax audit and Vivendi provisioned the associated risk for a principal amount of €208 million in its Financial Statements for the year ended December 31, 2012, increased to €221 million as of December 31, 2013. In its Financial Statements for the year ended December 31, 2014, Vivendi maintained and increased this provision by €11 million (the amount of additional default interest), for a total amount of €232 million, which was subsequently decreased to €228 million as of December 31, 2015 after deduction of ordinary tax credits. As part of this audit, on March 31, 2015, Vivendi made a payment of €321 million, corresponding to the amounts of €221 million and €11 million mentioned above, increased by additional penalties of €89 million.

On June 29, 2015, after completion of the tax audit, Vivendi challenged before the tax authorities the tax paid and default interest as well as penalties, for which no provision has been accrued upon the recommendation of its advisors. Vivendi has since brought this case before the Administrative Court of Montreuil. On March 16, 2017, the Administrative Court of Montreuil ruled in favor of Vivendi. Pursuant to this decision, on April 18, 2017, Vivendi received (i) a €315 million refund corresponding to the principal tax amount due in 2012 (€218 million), as well as default interest (€10 million) and additional penalties (€87 million), and (ii) moratorium interest (€31 million), representing an aggregate amount of €346 million. The Ministry appealed this decision with respect to the principal tax amount due; therefore, in its Financial Statements for the year ended December 31, 2017, Vivendi maintained the provision related to the principal refund (€218 million), the default interest (€10 million), and the moratorium interest (€23 million), i.e., an aggregate provision of €251 million. Given that the Ministry's appeal did not include penalties (€87 million), Vivendi recorded a tax income of €9 million in its Financial Statements as of December 31, 2017, corresponding to the portion of moratorium interest irrevocably earned by Vivendi. On November 22, 2018, the Versailles Administrative Court of Appeal quashed the March 16, 2017 decision of the Administrative Court of Montreuil and ordered Vivendi to pay the amount of the additional contributions to which it was subject for the year ended December 31, 2012. However, it granted discharge of the default interest charged to Vivendi. In its financial statements for the fiscal year ended December 31, 2018, Vivendi recorded a net income of €12 million due to the discharge of default interest (€10 million) and the corresponding moratorium interest (€2 million), reducing the total amount provisioned to €239 million (€218 million with respect to the principal amount and €21 million with respect to moratorium interest). On December 31, 2018, Vivendi filed an appeal with the French Council of State (*Conseil d'Etat*) requesting the quashing of the decision of the Versailles Administrative Court of Appeal. On February 11, 2019, pursuant to a decision of the Versailles Administrative Court of Appeal, Vivendi received a request for repayment from the tax authorities in the amount of €239 million, satisfied on February 15, 2019. Considering that the amount is provisioned in Vivendi's Financial Statements, this payment had no impact on the Statement of Earnings. To date, Vivendi's request is still under investigation at the French Council of State (*Conseil d'Etat*).

On June 15, 2017, following the Administrative Court of Montreuil ruling of March 16, 2017, Vivendi made a claim for payment of the tax amount due for the year ended December 31, 2015 (€203 million). Vivendi recorded a provision as of December 31, 2017 in the amount of the refund requested (€203 million) and maintained this provision in its Financial Statements for the year ended December 31, 2018 pending the decision of the French Council of State (*Conseil d'Etat*) mentioned above.

For the same fiscal year 2015, regarding the taxation of the capital gain realized on the sale of the interest in GVT, Vivendi considers that the long-term capital gains tax system applicable in France is not an exemption system (by which the costs and expenses incurred to acquire a non-taxable capital gain, assessed at a flat rate of 12% of the amount of the capital gain, are not deductible), but a tax system of a fraction (12%) of the capital gain realized, at the common corporate tax rate. As a result, Vivendi considers that it should be entitled to offset the tax paid to Brazil in France on the sale in 2015 of its interest in GVT, i.e., €82 million, which Vivendi requested be refunded by a claim dated December 20, 2017. In the absence of a response from the tax authorities within the time period prescribed, Vivendi filed an application with the Administrative Court of Montreuil on December 14, 2018. The tax authorities filed their comments in response on June 11, 2019, challenging Vivendi's position. Pending resolution of this litigation, Vivendi has not accounted for the €82 million tax savings for the allocation in France of tax credits from Brazilian sources.

Regarding the tax audit for fiscal years 2008 to 2011, Vivendi SA is subject to a rectification procedure for which the tax authorities challenge the accounting and tax treatment of NBC Universal shares received in consideration of the sale of Vivendi Universal Entertainment shares in 2004. Additionally, the tax authorities challenge the deduction of the €2.4 billion loss recorded as part of the sale of these shares in 2010 and 2011. Proceedings were brought before the National Direct Tax System (*Commission Nationale des Impôts Directs*), which rendered its opinion on December 9, 2016 (which was notified to Vivendi SA on January 13, 2017), in which it declared the discontinuation of the adjustments suggested by the tax authorities. Moreover, given that the disagreement was based on administrative doctrine, Vivendi asked for its cancellation on the ground that it was tantamount to adding to the law. On May 29, 2017, the French Council of State (*Conseil d'Etat*) favorably received Vivendi's appeal for misuse of authority. By letter dated April 1, 2019 and following various appeals, the tax authorities confirmed the continuation of the rectification procedure. On June 18, 2019, Vivendi therefore initiated a legal proceeding before the tax department. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

In respect of the US Tax Group, the tax audit for fiscal years 2011, 2012, and 2013 is ongoing. On January 31, 2018, Vivendi was informed by the US tax authorities that fiscal years 2014, 2015 and 2016 were under audit. Vivendi Management believes that it has solid legal grounds to defend its positions for determining the taxable income for the fiscal years under audit.

With regard to the Havas Group, Havas SA initiated legal proceedings for the refund of the withholding tax paid by the company between 2000 and 2002 on the redistribution of dividends from European subsidiaries (€38 million). Following the filing of the case before the Administrative Court, the Paris Court of Appeal and the Versailles Court of Appeal, on July 28, 2017, the French Council of State (*Conseil d'Etat*) found that the appeal in cassation made by Havas against the decision of the Versailles Court of Appeal was inadmissible. This decision irrevocably ended the tax litigation and deprived Havas of a refund of the withholding tax. To restore Havas' right to compensation, three combined actions were taken: (i) a claim before the European Commission, (ii) a filing before the European Court of Human Rights, and (iii) a claim for compensation under an action for damages against the French state. Vivendi Management believes that it had solid legal grounds to defend the positions for determining the taxable income for the fiscal years under audit.

Note 21 Subsequent events

The significant events that occurred between the half-year closing date as of June 30, 2019 and July 23, 2019 (the date of Vivendi's Management Board meeting that approved the Condensed Financial Statements for the half-year ended June 30, 2019) were as follows:

- on July 9, 2019, Canal+ Group's Management presented to the employee representatives the details of a plan to transform its French activities. This could lead to the departure of up to 492 employees, exclusively on a voluntary basis; and
- on July 17, 2019, Vivendi carried out a capital increase of €113 million (including issue premium) through an employee stock purchase plan and leveraged plan (please refer to Note 16.1.2).

IV- Statement on the Financial Report for the half-year 2019

The following is a free English translation of the Statement on the Financial Report for the half-year 2019 issued in French and is provided solely for the convenience of English speaking readers.

I state that, to my knowledge, the Condensed Financial Statements for the first half of 2019 have been drawn up in accordance with the applicable accounting standards and give a fair view of the assets and liabilities, and of the financial position and results of operations of the company and of all the entities included in its consolidation perimeter, and that the half-year management report, contained in the first part of this Financial Report, provides a fair view of the main events that occurred during the first six months of the fiscal year and their impact on the half-year financial statements, of the main related party transactions and of the major risks and uncertainties for the remaining six months of the fiscal year.

Arnaud de Puyfontaine

Chairman of the Management Board

V- Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2019

This is a free English translation of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code (*"Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Vivendi, for the period from January 1 to June 30, 2019,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion above, we draw your attention to paragraph 1.2 of the notes to the condensed financial statements which sets out the changes in accounting methods relating to the mandatory application as of January 1, 2019 of IFRS 16 " Leases ".

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La-Défense, July 25, 2019

The Statutory Auditors
French original signed by

Ernst & Young et Autres	Deloitte & Associés
Jacques Pierres	Jean Paul Séguret