

Paris, October 17, 2019

**Vivendi third quarter 2019 revenues: strong 16.7% increase;
organic growth of 7.2%**

- **Universal Music Group: 15.7% organic revenue growth in the third quarter driven by all business segments**
- **Canal+ Group: continued pursuit of the transformation plan in France and international development with the acquisition of M7**
- **Havas Group: dynamic M&A transactions with the acquisitions of Buzzman in France and Langoor in India**
- **Editis: 15.3% organic pro forma revenue growth in the third quarter fueled by the curriculum reform in France**

Revenues (in millions of euros)	Third quarter 2019		First nine months of 2019	
		Organic growth		Organic growth
Universal Music Group	1,800	+15.7%	5,058	+17.5%
Canal+ Group	1,285	-0.9%	3,803	-1.8%
Havas Group	567	-	1,681	+0.1%
Editis	210	+15.3% ¹	470	+7.1% ¹
Other businesses²	108	+4.6%	311	+3.5%
Total Vivendi	3,970	+7.2%	11,323	+6.9 %

¹ Editis has been consolidated since February 1, 2019. Pro forma growth.

² Including elimination of intersegment transactions.

This press release contains unaudited consolidated revenues, established under IFRS.

REVENUES AS OF SEPTEMBER 30, 2019

For the third quarter of 2019, Vivendi's revenues amounted to €3,970 million, an increase of 16,7% compared to the same period in 2018, notably resulting from the growth of Universal Music Group (UMG) as well as the consolidation of Editis since February 1, 2019. At constant currency and perimeter³, revenues increased by 7.2% compared to the third quarter of 2018, primarily driven by the growth of UMG (+15.7%).

For the first nine months of 2019, Vivendi's revenues amounted to €11,323 million, an increase of 14.6% compared to the same period in 2018, notably resulting from the growth of UMG as well as the consolidation of Editis since February 1, 2019. At constant currency and perimeter³, revenues increased by 6.9% compared to the first nine months of 2018, primarily driven by the growth of UMG (+17.5%).

OPENING OF UMG'S SHARE CAPITAL

On August 6, 2019, Vivendi announced that it has entered into preliminary negotiations with Tencent Holdings Limited ("Tencent") for a strategic investment totaling 10% of the share capital of UMG at an equity valuation of €30 billion for 100% of UMG on a fully-diluted basis. In addition, Tencent would have a one-year call option to acquire an additional 10% at the same price and terms.

The due diligence process and the finalization of the legal documentation is ongoing and should be completed in the coming weeks.

In addition, Vivendi is pursuing the process of potentially selling an additional minority stake in UMG to other partners, some of whom have already expressed an interest in investing at a similar price level.

SHARE BUYBACK PROGRAM

Between August 7, 2019 and October 16, 2019, Vivendi repurchased approximately 17.4 million of its own shares (1.3% of the share capital).

The current share buyback program runs until November 13, 2019. It covers a maximum of 130.93 million shares (10% of the share capital) at a maximum purchase price of €25 euros per share.

It is recalled that further to decisions taken by the Management Board on June 17, 2019 and July 25, 2019,

³ *Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group which has been consolidated 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).*

a total of 94.679 million shares (7.23% of the share capital), were cancelled, including 64.7 million shares repurchased under the current program.

As of October 16, 2019, Vivendi directly held 25.3 million of its own shares, representing 1.9% of the share capital, including 18.2 million to be cancelled and 7.1 million to cover performance share plans.

REVENUES BY BUSINESS SEGMENT

Universal Music Group

Universal Music Group's (UMG) revenues amounted to €5,058 million, up 17.5% at constant currency and perimeter compared to the first nine months of 2018 (+22.7% on an actual basis).

For the first nine months of 2019, recorded music revenues grew by 15.6% at constant currency and perimeter thanks to the growth in subscription and streaming revenues (+23.4%) and strong physical sales (+14.9%), which more than offset the continued decline in download sales (-20.4%).

Recorded music best sellers for the first nine months of 2019 included new releases from Billie Eilish, Ariana Grande, Taylor Swift, Post Malone and the Japanese band King & Prince, as well as continued sales of the soundtrack from *A Star Is Born* and multiple albums from Queen.

During the third quarter of 2019, Taylor Swift's *Lover* had the biggest sales week for any album in the United States since the release of her last album *Reputation* in 2017, selling nearly 700,000 copies in traditional album sales and surpassing 1 million in total consumption. In addition, Post Malone's *Hollywood's Bleeding* had the biggest streaming week for an album in the United States in 2019, with over 365 million on-demand audio streams. UMG has had the five biggest United States debut sales weeks for albums this year with Taylor Swift, Post Malone, Jonas Brothers' *Happiness Begins*, Ariana Grande's *Thank U, Next* and Billie Eilish's *When We All Fall Asleep Where Do We Go?*

Music publishing revenues grew by 9.7% at constant currency and perimeter compared to the first nine months of 2018, also driven by increased subscription and streaming revenues.

Merchandising and other revenues increased by 82.4% at constant currency and perimeter compared to the first nine months of 2018, thanks to increased touring activity and growth in retail and D2C (direct-to-consumer) revenues.

Canal+ Group

For the third quarter of 2019, Canal+ Group's revenues amounted to €1,285 million, compared to €1,247 million for the same period in 2018 (-0.9% at constant currency and perimeter).

For the first nine months of 2019, Canal+ Group's revenues amounted to €3,803 million, a slight 0.5% decrease compared to the same period in 2018 (-1.8% at constant currency and perimeter). Canal+ Group's subscriber base, which now includes countries where M7 is present, reached nearly 19 million, compared to 16.3 million at the end of September 2018 proforma.

Revenues from television operations in mainland France fell slightly compared to the first nine months of 2018, due to the decline in the overall individual subscriber base (7.9 million, compared to 8.1 million at the end of September 2018 proforma). The Canal+ channel's individual subscriber base continued to grow with a net gain of 99,000 subscribers year-on-year.

Revenues from international operations increased by 6.1% compared to the first nine months of 2018 thanks to the very strong growth in the number of subscribers (+2.9 million year-on-year), which was driven by organic growth and the integration of M7.

During the third quarter, Canal+ Group continued its development plan, in particular with:

- the closing on September 12, 2019, of the acquisition of the pay-TV operator M7. With this acquisition, Canal+ Group is now operating in 40 countries;
- the acquisition on July 15, 2019, 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 on July 17, 2019, jointly with the group Les Echos-Le Parisien, of the Mezzo channel present in 80 countries with a reach of 60 million homes worldwide; and
- the signing on September 16, 2019, of a partnership with Netflix under which, as of October 15 and initially in France, the streaming service will be integrated into Canal+ packages. This offer provides Canal+ Group subscribers with access to a broader and richer range of programs.

Canal+ Group is also pursuing its efforts to transform its operations in France, including a project presented in July 2019 to the company's employee representatives, which could lead to the departure of up to 492 employees, exclusively on a voluntary basis.

Havas Group

As of September 30, 2019, Havas Group's revenues amounted to €1,681 million, up 3.4% (+0.1% at constant currency and perimeter) compared to the first nine months of 2018.

Havas Group's net revenues⁴ rose to €1,590 million, up 2.9% compared to the first nine months of 2018.

Acquisitions contributed +1.2% and exchange rates had a positive impact of 2.3%. Organic growth was -0.6%.

By region, organic growth in North America was satisfactory, due in particular to the performance in health and wellness communications (Havas Health & You), media activities (Havas Media) and the cultural expertise it provides with the collaboration of the Vivendi group (The Annex).

In Europe, the United Kingdom, Spain and Portugal reported strong performances, notably driven by health and wellness communications and creative activities, while business in other countries has slowed down.

Latin America continued to benefit from positive growth, driven mainly by Mexico. Business in Asia Pacific declined in the third quarter of 2019.

The Group is pursuing its policy of targeted acquisitions to secure future growth, closing two significant transactions in the third quarter of 2019:

- **Buzzman:** an independent French agency acclaimed for its creativity.
Havas acquired a 51% stake in Buzzman, in order to strengthen its creative leadership in France. Buzzman's team of 140 talents works with leading brands such as L'Oréal, Ikea, Burger King, Boursorama Banque, Oreo, EasyJet, Huawei and more.
- **Langoor:** a digital agency focused on creativity and technology.
Havas Group continued its expansion in India with the acquisition of Langoor, which followed its acquisition of Think Design in the second quarter of 2019. With 170 experts based in India, the Middle East and Australia, Langoor is a full-service digital agency serving a broad array of clients ranging from multinationals to local firms.

Havas Group continues to generate solid financial results thanks to its deployment of a unique creative ecosystem at the nexus of all culture-driven industries, a resilient client portfolio and its agility in response to constant changes in the industry.

Editis

Vivendi has fully consolidated Editis since February 1, 2019. Editis' contribution to Vivendi's revenues amounted to €470 million for eight months, up 7.1% pro-forma at constant currency and perimeter compared to the same period in 2018.

⁴ Net revenues correspond to revenues less pass-through costs rebilled to customers.

Since February 1, 2019, Education & Reference revenues rose sharply (+17.3%). Thanks to the reform in high school curriculums, Editis strengthened its leading position in text book publishing with its strong French brands, Nathan and Bordas. At the primary grade level, Nathan was awarded the lot in Mathematics for the Investment Plan in Artificial intelligence (P2I2A) and the mathematics book collection MHM (*Méthode Heuristique de Mathématiques* of Nicolas Pinel) became a best-seller in primary school.

Literature revenues continue to grow with several titles from the first selection of literary awards (Femina award with Chris Kraus' *La fabrique des salauds* (Belfond), "Grand prix des lectrices Elle" with Tayari Jones' *Un mariage américain* (Plon)), and the highly acclaimed new release by Françoise Sagan *Les quatre coins du cœur*.

During the third quarter of 2019, Editis continued to expand its catalog with the purchase by Robert Laffont of the publishing house Éditions Segquier and Nathan's purchase of the publishing house L'Agrume, as well as the acquisition in July 2019 of the l'Archipel publishing group which specializes in literature and essays.

In August 2019, Editis also entered the graphic novel and comic book segments following an agreement with Jungle Publishing (a subsidiary of the Steinkis group) for a three-level partnership: creation of a new comic book publishing house at Editis; the acquisition by Editis of a stake of up to 30% in Jungle; and the sale and distribution by Editis of almost all the books of the Steinkis group.

Gameloft

With 1.6 million downloads per day across all platforms during the first nine months of 2019, Gameloft is one of the world's leading mobile game publishers. For this period, Gameloft's revenues amounted to €194 million, a decrease of 9.8% compared to the same period in 2018, notably due to the distribution activity - a market that has been in structural decline for several years.

In contrast, subscription is a strong trend of the sector. In this respect, Gameloft is one of Apple's partners for its Apple Arcade platform. The first game created for this one is *Ballistic Baseball*, a real-time multiplayer arcade game. Other games are in development for this service.

Gameloft's business is predominately international. 66% of its revenues were generated by its own gaming franchises and its bestselling games are *Dragon Mania Legends*, *Disney Magic Kingdoms*, *Asphalt 9: Legends*, *March of Empires* and *Asphalt 8: Airborne*. For the first nine months of 2019, Gameloft's revenues from its five best-performing games on smartphones grew by 7% compared to its top five best-sellers during the same period in 2018.

Gameloft and Alibaba announced a strategic partnership to bring in China *Asphalt 9: Legends*, the latest entry in the world's most downloaded mobile racing franchise. Since launching in China in August 2019, *Asphalt 9: Legends* already passed the 10 million downloads milestone in that country.

After *Disney Magic Kingdoms*, Disney entrusted Gameloft to create two new games: *Disney Princess Majestic Quest*, and *Disney Getaway Blast*. These puzzle games feature iconic characters and stories from Disney and Pixar.

Vivendi Village

For the first nine months of 2019, Vivendi Village's revenues amounted to €108 million, an increase of 50.3% at constant currency and perimeter compared to the same period in 2018 (+23.2% on an actual basis).

Live activities, which include Olympia Production (France), U Live (Great Britain) and venues in France and Africa, recorded very strong revenue growth at €56 million, a strong increase (x2.4). Vivendi Village now produces 12 festivals that experienced a significant increase in attendance this past summer, especially *Garorock* in France and *Sundown* in the United Kingdom.

Ticketing activities are now all grouped under the same See Tickets brand. Ticketing revenues amounted to €48 million, an increase of 19.5% compared to the first nine months of 2018 (+8.5% at constant currency and perimeter) due in particular to the robust growth of the activities in the United States, where revenues doubled in one year.

In July, a thirteenth CanalOlympia venue was inaugurated in Antananarivo, Madagascar. In August, CanalOlympia enjoyed record attendance with more than 90,000 tickets sold throughout its network due to highly successful films such as *The Lion King* and *Fast and Furious 8*.

New Initiatives

For the first nine months of 2019, New Initiatives, which brings together entities in the launch or development phase such as Dailymotion and GVA, recorded revenues of €50 million, up 5.7% compared to the same period in 2018 (+8.0% at constant currency and perimeter).

In the third quarter of 2019, Dailymotion signed partnerships with leading publishers, including Liberty Times, the leading news site in Taiwan, JPI Media, the fifth largest press group in the United Kingdom (including The Scotsman and the Yorkshire Post) and the French website Konbini. These partnerships are part of Dailymotion's premium strategy of offering the best content to a high-quality audience throughout the world.

About Vivendi

Since 2014, Vivendi has been focused on building a world-class content, media and communications group with European roots. In content creation, Vivendi owns powerful, complementary assets in music (Universal Music Group), movies and series (Canal+ Group), publishing (Editis) and mobile games (Gameloft) which are the most popular forms of entertainment content in the world today. In the distribution market, Vivendi has acquired the Dailymotion platform and repositioned it to create a new digital showcase for its content. The Group has also joined forces with several telecom operators and platforms to maximize the reach of its distribution networks. In communications, through Havas, the Group possesses unique creative expertise in promoting free content and producing short formats, which are increasingly viewed on mobile devices. In addition, through Vivendi Village, the Group explores new forms of business in live entertainment, franchises and ticketing that are complementary to its core activities. Vivendi's various businesses cohesively work together as an integrated industrial group to create greater value. www.vivendi.com

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ANALYST CONFERENCE CALL

Speakers:

Arnaud de Puyfontaine

Chief Executive Officer

Hervé Philippe

Member of the Management Board and Chief Financial Officer

Date: October 17, 2019

6:00 pm Paris time – 5:00 pm London time – 12:00 pm New York time

Media invited on a listen-only basis.

The conference call will be held in English.

Internet: The conference call can be followed on the Internet at: www.vivendi.com (audiocast)

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On our website **www.vivendi.com** will be available an audio webcast and the slides of the presentation.

APPENDIX I

VIVENDI

REVENUES BY BUSINESS SEGMENT

(IFRS, unaudited)

Third quarter

(in millions of euros)	Three months ended September 30,				
	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	1,800	1,495	+20.4%	+18.0%	+15.7%
Canal+ Group	1,285	1,247	+3.2%	+3.1%	-0.9%
Havas Group	567	553	+2.5%	+1.4%	-
Editis	210	-	na	na	na
Gameloft	61	74	-18.4%	-19.6%	-21.8%
Vivendi Village	42	36	+16.4%	+16.8%	+43.2%
New Initiatives	16	15	-	-	+6.9%
Elimination of intersegment transactions	(11)	(19)			
Total Vivendi	3,970	3,401	+16.7%	+15.4%	+7.2%

First nine months

(in millions of euros)	Nine months ended September 30,				
	2019	2018	% Change	% Change at constant currency	% Change at constant currency and perimeter (a)
Revenues					
Universal Music Group	5,058	4,123	+22.7%	+19.1%	+17.5%
Canal+ Group	3,803	3,822	-0.5%	-0.4%	-1.8%
Havas Group	1,681	1,626	+3.4%	+1.2%	+0.1%
Editis	470	-	na	na	na
Gameloft	194	215	-9.8%	-11.7%	-14.2%
Vivendi Village	108	88	+23.2%	+23.0%	+50.3%
New Initiatives	50	47	+5.7%	+5.7%	+8.0%
Elimination of intersegment transactions	(41)	(44)			
Total Vivendi	11,323	9,877	+14.6%	+12.8%	+6.9%

na: not applicable.

- a. Constant perimeter notably reflects the impacts of the acquisition of M7 by Canal+ Group (September 12, 2019), the acquisition of the remaining interest in Ingrooves Music Group which has been consolidated 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).

APPENDIX I (Cont'd)

VIVENDI

REVENUES BY BUSINESS SEGMENT

(IFRS, unaudited)

Quarterly revenues

(in millions of euros)	2019		
	Three months ended	Three months ended	Three months ended
	March 31,	June 30,	September 30,
Revenues			
Universal Music Group	1,502	1,756	1,800
Canal+ Group	1,252	1,266	1,285
Havas Group	525	589	567
Editis (a)	89	171	210
Gameloft	68	65	61
Vivendi Village	23	43	42
New Initiatives	15	19	16
Elimination of intersegment transactions	(15)	(15)	(11)
Total Vivendi	3,459	3,894	3,970

(in millions of euros)	2018			
	Three months ended	Three months ended	Three months ended	Three months ended
	March 31,	June 30,	September 30,	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 Group	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.