

TOGETHER

LETTER TO OUR SHAREHOLDERS

SEPTEMBER 2019

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results

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Vivendi and you



vivendi



Photos DR

SOLID PERFORMANCE FOR THE FIRST HALF OF 2019

Yannick Bolloré, Chairman of the Supervisory Board,
and **Arnaud de Puyfontaine**, Chairman of the Management Board

Dear Shareholders,

It was with enthusiasm that, at the end of July, we published the results of your group for the first half of 2019: a very strong performance that confirms the solid growth dynamic observed for several months. Revenue exceeded €7.3 billion, up 6.7% compared to the first half of 2018, at constant currency and perimeter. This performance was driven by all our businesses.

Universal Music Group (UMG) once again delivered outstanding results and propelled its artists to the top of the worldwide charts. Additionally, on August 6, Vivendi entered into preliminary negotiations with Tencent for a strategic investment of 10% in UMG at a preliminary equity evaluation of €30 billion and a one-year call option to acquire an additional 10%. This partnership would open up new opportunities for the group on the Chinese market. The process for the sale of an additional minority stake in UMG to other potential partners is ongoing.

Canal+ Group pursued its international expansion and announced its acquisition of pay-TV operator M7, allowing it to reach 20 million subscribers and establish itself in seven new countries. It is also in negotiations to acquire certain entities of Nigerian company Iroko, a major player in Nollywood. In France, Canal+ acquired the music channel Mezzo in partnership with the Les Echos-Le Parisien group, and it has presented a transformation plan to adapt to the new competitive landscape.

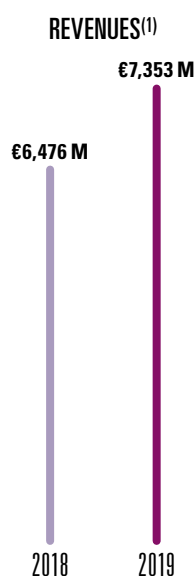
Havas continued to generate solid financial results, confirming the trend started in the second half of 2018, and won 300 awards – a reflection of the creativity and commitment of its teams. Moreover, in September, Havas announced the acquisition of Buzzman, the most award-winning independent creative agency in the French market.

The first half of the year was also marked by the successful integration of Editis, which is already bearing fruit. Finally, the group's other entities – Gameloft, Dailymotion, Vivendi Village – pursued their development in a complex competitive environment.

With this overall performance, we move forward with determination towards the end of the year. Thank you once again for your confidence, which enables us to pursue our ambition to make Vivendi a world-class content, media and communications group.

RESULTS

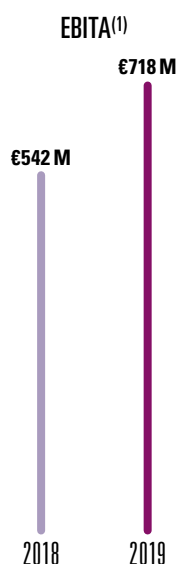
FIRST HALF OF 2019



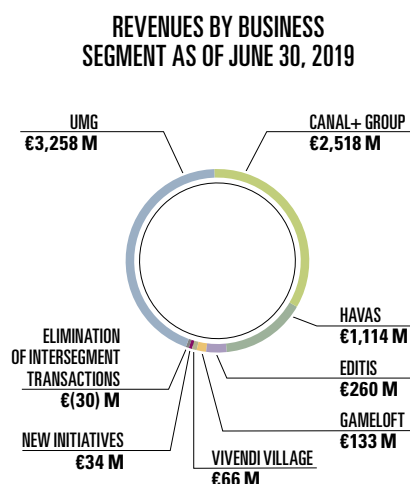
Vivendi experienced a strong increase in profitability in the first half of 2019, driven in particular by the record performance of Universal Music Group (UMG).

Revenues increased by 13.6% (+6.7% at constant currency and perimeter) compared to the first half of 2018 to reach €7,353 million, due to the growth of UMG's business and the integration of Editis.

EBITA jumped sharply to €718 million, an increase of 32.4%, or 27.6% at constant currency and perimeter. Following the same trajectory, adjusted net income increased by 40.8% to €554 million.

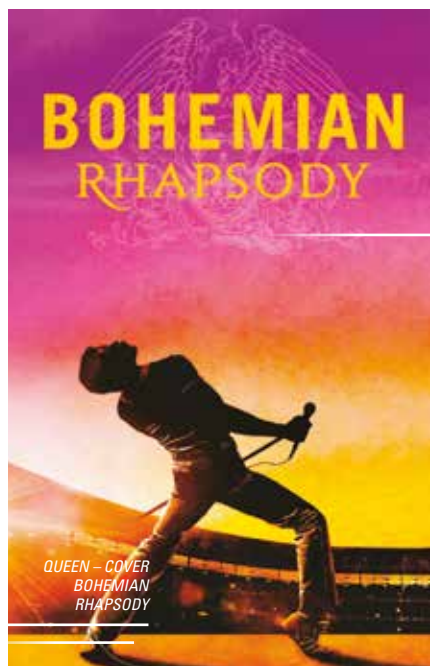


(1) Earnings as of June 30.



UNIVERSAL MUSIC GROUP, CLOSE LINKS BETWEEN CINEMA AND MUSIC

UMG has had great success in recent months thanks to film music, including biopics about its artists.



@Motion Picture Artwork

the best-selling rock title of the first six months of 2019 in the US, with Queen's *Greatest Hits 1* compilation coming in second. Queen continued to make history in July, as the iconic music video for the band's *Bohemian Rhapsody* video became the first pre-1990's music video to reach one billion views on YouTube, whilst 2019 also saw the commercial release of previously unheard music from the band's frontman Freddie Mercury, more than twenty-eight years after his death. The impact of cinema was felt elsewhere within UMG, as the iconic songs and catalog of Elton John were driven by the release of his *Rocketman* biopic earlier this year, which also coincided with the continuation of his three-year long final tour *Farewell Yellow Brick Road* across the US and Europe. The release of Ron Howard's documentary *Pavarotti*, produced by Polygram Entertainment, UMG's film-and-TV division, renewed interest in the music of the legendary tenor and coincided with the release of previously unreleased material and a new companion best-of album that showcases the depth of the Opera star's career.

Later this year *Hitsville: The Making of Motown* – a new documentary on the legendary Detroit label from Polygram Entertainment – will premiere worldwide, which also coincides with the 60th anniversary of the founding of Motown.

In addition, the success of Lady Gaga's Oscar-winning soundtrack to *A Star Is Born* released in 2018 continued throughout 2019, with other major UMG-released soundtracks slated for release throughout the rest of the year including Disney's *Frozen 2* and *Star Wars – The Rise of Skywalker*.

There are many links between cinema and music... bringing great success for UMG! Following the huge box-office success of Queen's biopic *Bohemian Rhapsody*, which won four Oscars in February, the British rock band sold more albums in North America than any other artist in the first half of 2019, as music featured in the film and the band's extensive catalog sent streaming and downloads soaring. A mid-year report by Nielsen Music said the soundtrack to *Bohemian Rhapsody*, was

NEWS

CANAL+ GROUP DEVELOPS MANY INITIATIVES

In recent months, Canal+ Group successively announced the acquisitions of M7 – a pay-TV operator in Eastern Europe –, Iroko – a Nigerian production group –, and the Mezzo music channel.

It has been a busy few months for the Canal+ Group. First, in late May 2019, it announced plans to acquire M7, a pay-TV player operating in Eastern Europe and the Benelux countries. This acquisition, finalized in September, will allow Canal+ Group to expand into seven new European countries to reach almost 20 million subscribers in 40 countries.

The purchase, costing over a billion euros (equity value), should have a positive effect on Vivendi's earnings per share.

Next, in July 2019, Canal+ Group announced the acquisition of Nigerian company Iroko's production, content distribution and channel programming activities (in the 1990s, Nigeria developed Nollywood, one of the most prolific movie industries in the world).

In France, the group announced the acquisition of the music channel Mezzo in partnership with Les Echos-Le Parisien. This channel is available in 80 countries and received by 60 million households globally.

The same month, Canal+ Group's management presented to French employee representatives the details of a transformation plan for its activities, to better adapt to changes in the market. This could result in the departure of up to 492 people, solely on a voluntary basis.



@DR-Canal+ Group

ON JULY 27, 2019, EDITIS FINALIZED THE ACQUISITION OF L'ARCHIPEL GROUP. Established in 1991, this group includes l'Archipel, Archipoche and Presses du Châtelet, as well as the labels Écriture and Bibliothèque des classiques. The publishing house continues to be managed by its founder, Jean-Daniel Belfond, reporting directly to Pierre Conte, CEO of the Editis Group.

IN ADDITION, ON AUGUST 28, 2019, EDITIS ANNOUNCED A JOINT VENTURE WITH ÉDITIONS JUNGLE. This is an innovative and pivotal partnership on many levels, reflecting the second-largest French publishing group's ambitions to expand into the thriving graphic novel and comic book sector. Editis and Jungle are joining forces to set up a comic book publishing company together.

@DR-HavasGroup



HAVAS
GROUP

HAVAS EXPLORES DEVELOPMENTS IN ENTERTAINMENT

Havas Group, in collaboration with the Cannes Lions, published its annual study, *Prosumer Report*, on the perception and consumption of entertainment, which has become a basic necessity of life.

In the first quarter of 2019, the *Prosumer Report (The Future of Entertainment)*, conducted at global level by Havas, BETC and Vivendi, analyzed the fundamental shifts transforming how consumers view entertainment. This study of over 17,400 people aged 13 and over, in 37 countries, with a focus on prosumers (influencers and trend leaders) showed, in particular, that today:

- entertainment is as important as health.

83% of respondents consider it a vital need and no longer as superficial;

- entertainment is prioritized over sleep, notably.

56% of prosumers are prepared to sacrifice sleep to binge-watch a show;

- entertainment is an expectation in many sectors of activity. Almost six out of ten prosumers want the education system and the workplace to be more entertaining, and a third of them want to extend it to hospitals and retirement homes;

- entertainment must have a lasting impact.

Almost nine out of ten prosumers believe that entertainment should educate, empower, and give them tools with which to create better versions of themselves. Almost half the prosumers are prepared to pay more for content that meets this expectation.

This extensive study (*The Future of Entertainment*) is available in full on the Havas website.

— editis **E**

EDITIS, ALREADY SIGNIFICANT SYNERGIES WITH VIVENDI

Synergies between Vivendi and Editis are growing due to the numerous links between publishing, movies, television and music. Projects were put in place since late January when the second-largest French publishing company was acquired.

For the release of *J'ai dû rêver trop fort*, the latest book from Michel Bussi published by Presses de la Cité (an Editis publishing company), Gauvain Sers, an artist with Fontana Records (Universal Music Group label) composed a new title for which Michel Bussi wrote the text, and which is one of the central parts of the novel. Marc Lévy and Bret Easton Ellis (both published by Robert Laffont) organized the presentation evenings for their latest books at L'Olympia and Théâtre de l'Œuvre, two venues owned by Vivendi. Canal+ subscribers now have access to Lizzie, an Editis company, specialized in audio books. In addition, Havas will share its expertise in communication, advertising and customer data analysis with Editis. Finally, many films and series are based on a book and vice versa. Canal+ and Studiocanal will be able to develop projects based on novels published by the various Editis companies.

ON JUNE 4, 2019,
VIVENDI
SUCCESSFULLY
ISSUED A
€2.1 BILLION BOND

The purpose of this issue, which was oversubscribed more than 2.5 times, was to finance the proposed acquisition of M7 and allow the group to take advantage of favorable market conditions.

FROM MAY 28 TO
JULY 23, 2019,
VIVENDI BOUGHT BACK
65.465 MILLION
OF ITS OWN SHARES
(5% of the share capital) and canceled a total of 94.679 million on June 17 and July 25, 2019, corresponding to 7.23% of the share capital. As of July 25, 2019, Vivendi held 7.8 million of its own shares, corresponding to 0.6% of the share capital.



GAMELOFT LAUNCHES NEW CREATIONS



In recent months, Gameloft announced the development of three games with two prestigious partners, LEGO and Disney, and the release of *Asphalt 9: Legends* on Nintendo Switch™.

The latest installment of the most-downloaded racing game franchise worldwide for mobile devices and winner of several awards, *Asphalt 9: Legends* was made available on the Nintendo Switch™ as a free download this summer. This is the second title Gameloft has published on this console, after *Modern Combat 5: Blackout*. Gameloft and the LEGO Group have revealed the title of their next LEGO game, *Legacy: Heroes Unboxed*. This RPG (role playing game) will embark LEGO fans of all ages on an epic adventure celebrating its iconic collections. Disney has also entrusted Gameloft with developing two new games: *Disney Princess Majestic Quest* and *Disney Getaway Blast*. *Princess Majestic Quest* will take place in the Disney princesses' kingdoms, while *Disney Getaway Blast* will whisk players off to a paradise island where they will be able to collect Disney and Pixar characters.



CYRILLE BOLLORÉ APPOINTED TO THE SUPERVISORY BOARD

Cyrille Bolloré brings, in particular, his experience as an industry leader.

Vivendi's main shareholder, Vincent Bolloré, who holds his shares through the Bolloré Group (26.28% of the share capital and 28.51% of the voting rights as of December 31, 2018), decided to step down from the Supervisory Board at the Annual General Meeting of April 15, 2019. His son, Cyrille Bolloré, replaced him and was thus appointed member of the Supervisory Board for a four-year term. Cyrille Bolloré is currently Chairman and CEO of the Bolloré Group, a group that is active in transport, logistics, and electricity storage and systems and, through Vivendi, content, media and communication. He brings his experience as an industry leader with an integrated international industrial group and is already perfectly familiar with the content, media and communication fields. His appointment will also strengthen the Board's expertise in high-growth countries, particularly Africa. A new generation is therefore joining the Vivendi Supervisory Board. This appointment reflects the long-term commitment of Vivendi's principal shareholder, who, since 2014, has believed in the group, its subsidiaries and its employees, and is working to establish it as a world leader.

— vivendi village

NEW FESTIVALS FOR VIVENDI VILLAGE

Through its subsidiaries – Olympia Production in France and U Live in Great Britain – Vivendi Village today finds itself at the center of a constellation of music festivals. It owns nine of them.

In France, along with local players, Vivendi Village helps enrich the diversity of the cultural offering at regional level, and owns Les Déferlantes in Argelès-sur-Mer, Live au Campo in Perpignan, Brive Festival (together with Centre France) and Garorock in Marmande (the most recent acquisition). With big names like Ben Harper, Marshmello, Bigflo & Oli and Clara Luciani, Garorock, one of the five biggest festivals in France, broke its attendance record this year with over 160,000 participants (up 10% compared to 2018). Les Déferlantes and Live au Campo also enjoyed successful festivals this summer with prestigious and international artists. Recently, Olympia Production entered into a joint venture with OL Group to set up a new festival. Going by

the name Felyn, the first edition will take place on June 19 and 20, 2020 at the Groupama Stadium in Lyon. Outside of France, in Morocco, Olympia Production is responsible for the executive production and programming of Mawazine, one of the biggest festivals in the world in terms of the number of participants; this year it played host to 2.8 million people in Rabat. In Great Britain, U Live organizes five festivals: Sundown, Nocturne, Love Supreme, The Long Road and Crxssing. By way of example, the jazz festival Love Supreme brought together 50,000 people this year, an increase of 8% from the previous year. Through its subsidiaries Olympia Production and U Live, Vivendi is thus fully committed to a development strategy for festivals and live shows.



@Teddy Morelle

SHAREHOLDERS' DIARY VIVENDI AND YOU

QUESTION FROM A SHAREHOLDER

What is your corporate social responsibility (CSR) policy, and how do you make it known?

Vivendi is at the heart of all cultures and all creation. The group's ambition is to ensure its audiences can access a variety of content that nurtures curiosity, embodies an open and diverse society, and creates strong bonds between individuals. Vivendi's CSR roadmap is built around six commitments: supporting creativity and showcasing cultures; promoting diversity and inclusion in the group's businesses; proposing ambitious, meaningful content; making our employees the driving force behind the company; protecting the environment; and contributing to local development. In terms of communication, the CSR and Compliance department publishes numerous reports. In Vivendi's 2018 Annual Report, almost 50 pages are devoted to CSR. The group's website has a "Corporate Social Responsibility" section and, shortly, a dedicated platform will group together all Vivendi's CSR information. CSR news is also posted on Twitter via the accounts [Vivendi](#) and [@JalehBradea](#). To finish, on several occasions, Vivendi has invited individual shareholders to Thursday meetings ("Jeudi, c'est Vivendi") on its CSR strategy.

VIVENDI SHARE PRICE

Stock price/reinvested dividends



Important disclaimer: forward-looking statements. This letter to shareholders contains forward-looking statements concerning Vivendi's financial condition, results of transactions, businesses, strategy and prospects, including issues regarding the impact of certain transactions and the payment of dividends and distributions, as well as share repurchases. Although Vivendi believes that such statements are based on reasonable assumptions, they do not constitute guarantees of future performance by the company. Actual results may differ materially from forward-looking statements because of a number of risks and uncertainties, many of which are beyond our control, in particular risks related to obtaining the consent of competition authorities and other regulatory authorities, as well as all other authorizations that may be required in conjunction with certain transactions and the risks described in the documents Vivendi has filed with the *Autorité des marchés financiers*. Also available in English on our website (www.vivendi.com). Investors and securities holders may obtain free copies of the documents filed by Vivendi from the *Autorité des marchés financiers* (www.amf-france.org) or directly from Vivendi. This letter to our shareholders contains forward-looking statements that can be assessed only as of the date of its dissemination. Vivendi makes no commitment to supplement, update or alter these forward-looking statements as a result of new information, future events or any other reason. Unsponsored ADRs. Vivendi does not sponsor American Depositary Receipt (ADR) programs for its shares. Any currently existing ADR program is "unsponsored" and has no connection of any kind with Vivendi. Vivendi disclaims all responsibility for such programs.

CONTACT US

For further information on Vivendi, please contact the Shareholders Information department (IAI):

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42, avenue de Friedland, 75008 Paris, France

— by e-mail: actionnaires@vivendi.com

— and by phone: 0 805 050 050

toll-free from a fixed line phone if you are calling from France, or +33 (0)1 71 71 34 99 if you are calling from abroad.

The department will respond Monday through Friday from 9:00 a.m. to 6:00 p.m.

(hours extended in the event of important news).

IF YOU OWN AT LEAST ONE VIVENDI SHARE

You can join the **Vivendi Shareholders' Club**. Send us your membership form downloadable from the Internet or sent on request by the Shareholders Information department.
www.vivendi.com

FINANCIAL MEETINGS

The Shareholders Information department runs four financial meetings each year in the provinces, in pairs with another group of the CAC 40, organized by the F2iC or a financial weekly newspaper. The next meetings will take place **on November 5 in La Rochelle and November 19 in Montpellier**. Registration is by invitation only.

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