Financial Report and Unaudited Condensed Financial Statements for the Half Year ended June 30, 2008

VIVENDI

Société anonyme with a Management Board and Supervisory Board with a share capital of €6,433,776,442,50

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Selected key consolidated financial data

Consolidated data	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Revenues	11,268	10,223	21,657	20,044	19,484	17,883
EBITA (a)	2,567	2,596	4,721	4,370	3,985	3,504
Earnings attributable to equity holders of the parent	1,222	1,526	2,625	4,033	3,154	3,767
Adjusted net income (a)	1,454	1,526	2,832	2,614	2,218	1,498
Financial Net Debt (a)	11,406	6,309	5,186	4,344	3,768	4,724
Equity	21,554	21,905	22,242	21,864	21,608	18,092
o/w attributable to equity holders of the parent	19,445	20,024	20,342	19,912	18,769	15,449
Cash flow from operations (CFFO) (a)	2,066	2,134	4,881	4,466	4,157	4,354
Capital expenditures, net (capex, net) (b)	999	926	1,626	1,645	1,291	1,004
Financial investments	4,461	84	846	3,881	1,481	394
Financial divestments	(300)	(692)	(456)	(1,801)	(155)	(5,264)
Dividends paid in respect to previous fiscal year	1,515	1,387	1,387	1,152	689	-
Per share amounts						
Weighted average number of shares outstanding	1,164.9	1,156.4	1,160.2	1,153.4	1,149.6	1,144.4 (c)
Adjusted net income per share	**1.25**	**1.32**	**2.44**	**2.27**	**1.93**	**1.31**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,165.2	1,162.3	1,164.7	1,155.7	1,151.0	1,144.9 (c)
Equity per share, attributable to equity holders of the parent	16.69	17.23	17.47	17.23	16.31	13.49
Dividends per share in respect to previous fiscal year	**1.30**	**1.20**	**1.20**	**1.00**	**0.60**	**0.00**

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

a. Vivendi considers that the non-GAAP measures EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are relevant indicators of the group's operating and financial performance. Each of the indicators is defined in the appropriate section of the Financial Report or in the notes to the Condensed Financial Statements for the half year ended June 30, 2008. These indicators should be considered in addition to, not as a substitute for, other GAAP measures of operating and financial performances as presented in the Condensed Financial Statements and the related notes, or described in the Financial Report. Moreover it should be emphasized that other companies may define and calculate these indicators differently than Vivendi, thereby affecting comparability.

b. Capex, net consists of capital expenditures, net of proceeds from property, plant and equipment and intangible assets.

c. Includes shares to be issued under notes mandatory redeemable for new Vivendi shares which matured on November 2005.

I - Financial report for the first half of 2008

Preliminary comments:

The Financial Report and the Unaudited Condensed Financial Statements for the half year ended June 30, 2008 were approved by Vivendi's Management Board on August 26, 2008. Following a review by the Audit Committee on August 27, 2008, they were reviewed by Vivendi's Supervisory Board on August 28, 2008.

The Condensed Financial Statements for the half year ended June 30, 2008 were subjected to a limited review by Vivendi's Statutory Auditors. The Statutory Auditors' Review Report on the half-yearly financial information for 2008 follows the Financial Statements.

The Financial Report for the half year ended June 30, 2008 should be read in conjunction with the Financial Report for the year ended December 31, 2007 as published in the 2007 "Rapport annuel - Document de Référence" that was filed under number D.08-0131 with the "Autorité des marchés financiers" (AMF) on March 18, 2008. Please also refer to pages 131 to 160 of the English translation[1] of the "Document de Référence" (the "2007 Annual Report") which is provided on our website (www.vivendi.com) for informational purposes.

1 2008 Main Developments

1.1 Main Developments for the First Half of 2008

1.1.1 ACQUISITIONS/DIVESTITURES OF INVESTMENTS

Sales of certain music publishing catalogs by UMG: On February 25, 2008, UMG completed the sale of certain music publishing catalogs including Rondor UK, Zomba UK, 19 Music, 19 Songs and BBC Catalog, to CP Masters BV and ABP, thus complying with the European Commission mandated conditions of the acquisition of BMG Music Publishing by UMG. For a detailed description of this transaction, please refer to Note 2.4 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 188 of the 2007 Annual Report).

Acquisition of Kinowelt by StudioCanal: On January 17, 2008, StudioCanal announced its planned acquisition of the entire share capital of Kinowelt, the leading German independent film company specializing in the acquisition and distribution of films. This transaction was completed on April 2, 2008. As a result of this transaction, which followed the acquisition in 2006 of Optimum Releasing in the UK, StudioCanal became the European leader in film distribution. Its operations cover the three main European markets (UK, France and Germany) via local wholly-owned subsidiaries. StudioCanal has also joined the American majors as the only companies to offer an all-media distribution network (theaters, video, audiovisual and VOD) covering a population of more than 230 million people. This transaction allows StudioCanal to strengthen its production tool and international sales in order to create an unique alternative for international filmmakers and directors, and has substantially increased StudioCanal's European and American film catalog, which already contained more than 5,000 titles.

Early redemption of the Vivendi bonds exchangeable for Sogecable shares: Please refer to Note 4 to the Condensed Financial Statements for the half year ended June 30, 2008.

Take over of Neuf Cegetel by SFR: On April 15, 2008, Vivendi and SFR received permission from the French Minister of the Economy, Industry and Employment to proceed with the purchase of the Louis Dreyfus Group's equity stake in Neuf Cegetel, condition precedent to the take over of Neuf Cegetel by SFR. Consequently, in accordance with the agreement announced on December 20, 2007 (please refer to Note 2.9 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 191 of the 2007 Annual Report)), SFR acquired the 60.15% equity interest in Neuf Cegetel that it did not own, as follows:

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

- On April 15, 2008, SFR acquired from Louis Dreyfus Group their entire interest in Neuf Cegetel (i.e., 28.45%) at €34.50 per share (2007 coupon of €0.60 per share attached), for a purchase price of €2,074 million, and hence SFR gained control of Neuf Cegetel on this same date by attaining a 68.30% aggregate voting equity interest in Neuf Cegetel.
- Between April 25 and May 2, 2008, SFR acquired an additional interest of approximately 10% in Neuf Cegetel at an average price of €36.50 per share, for a purchase price of €752 million, thus reaching an approximate 77.90% aggregate ownership interest in Neuf Cegetel.
- As a result of the success of the Simplified Public Purchase Offer, which was opened between May 19 and June 13, 2008 inclusive, followed by a Public Withdrawal Offer implemented on June 24, 2008, SFR acquired a further approximate 19% interest in Neuf Cegetel at €35.90 per share (2007 coupon of €0.60 per share detached), for a purchase price of €1,497 million, thereby attaining an approximate 97.44% aggregate ownership interest in Neuf Cegetel.
- In addition, SFR entered into symmetrical put and call option agreements with almost all of the executives and employees of Neuf Cegetel who were granted restricted shares, which are currently in a conservation period, allowing for SFR to obtain, in the future, 1.98% of the share capital of Neuf Cegetel, for an estimated amount of €140 million.

Therefore, as at June 30, 2008, as a result of the Public Withdrawal Offer and taking into account the treasury shares held by Neuf Cegetel (0.58% of the share capital), as well as the symmetrical put and call option agreements with the beneficiaries of restricted shares, SFR held more than 99.99% of Neuf Cegetel's share capital, 60.15% of which was acquired at a price of €4,478 million (including transaction costs and fees).

For a detailed description of this transaction and its impacts on the accounts, please refer to Note 2.1 to the Condensed Financial Statements for the half year ended June 30, 2008.

The Minister's approval was given as a result of new commitments made by Vivendi and its subsidiaries. They address competitor access and new market entrants to wholesale markets on SFR's fixed and mobile networks, acceptance on the fixed network of an independent television distributor if such a player appears, as well as the availability, on a non-exclusive basis, on ADSL of eight new channels which are leaders in their particular themes (Paris Première, Teva, Jimmy, Ciné Cinéma Famiz, three M6 Music channels and Fun TV).

With 19 million mobile customers, 3.6 million Internet broadband customers, 10,000 employees and annual revenues totalling €12 billion, the newly expanded company will become, due to its size, a major operator capable of responding to the needs of all market segments: the general public, corporate and wholesale. This new-generation telecommunications company will play a leading role in the fields of innovation, development of new convergent services and convergent issues as well as in the rolling out of very high-speed fixed (optic fiber) and mobile (3G/3G+) broadband networks in the best interests of consumers.

Acquisition of Univision Music Group by UMG: On February 27, 2008, UMG announced the acquisition of Univision Music Group from Univision Communications Inc. This transaction was completed on May 5, 2008 for an acquisition price of €92 million (including acquisition costs).

1.1.2 OTHER

Results of the League 1 soccer bidding process: On February 6, 2008, following the completion of a bidding process, the French Professional Football League awarded Canal+ Group nine out of the ten television lots offered for League 1 broadcasting rights (2008-2009 to 2011-2012). Canal+ Group will therefore continue to broadcast all League 1 football events on its channels. These events will notably include all matches of all League 1 clubs, the top ten matches of the season, the Sunday night match fixture, multiplex programs to open and close the championship, and all informational programs. Canal+ Group will pay €465 million per season for these rights (compared to €600 million for each of the last three seasons), representing an aggregate of €1,860 million for the four coming seasons.

Canal+ Events: On May 23, 2008, the French Professional Football League awarded Canal+ Events the international rights to broadcast the League 1 and League 2 French Championship matches, and the French *Coupe de la Ligue* for a period of 8 years, with a reciprocal exit right that may be exercised by either party at the end of the first four-year period. The guaranteed minimum payments will total €68 million for the first four seasons, starting at €15 million in the first year and gradually increasing to €19 million in the fourth year. This is a major step in the development of Canal+ Events.

New borrowings (please refer to Section 5.2 of this Financial Report):
- Vivendi obtained a €3.5 billion syndicated loan; and
- Vivendi raised $1.4 billion through the issuance of U.S. dollar notes.

Launch of zaOza: At the end of March 2008, the zaOza offer was launched in France. It allows subscribers to share and to have an unlimited access on both PC and mobile telephone screens to new and exclusive content (music, games and videos) for a subscription fee of

€3 per month. The company's objective is to expand zaOza internationally focusing initially on Europe, beginning with Germany where the launch is planned for the end of 2008.

Dividend paid with respect to fiscal year 2007: At the Annual Shareholders' Meeting held on April 24, 2008, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2007. As a result, the dividend was set at €1.30 per share, representing a total distribution of approximately €1.5 billion which was paid beginning May 14, 2008.

Elektrim and Deutsche Telekom: On June 18, 2008, the Warsaw court recognized the Arbitral Award issued on November 26, 2004, in Vienna (Second Vienna Award) in the dispute between Elektrim and Deutsche Telekom (DT), most importantly including the fourth point of the award deciding that: "it (the tribunal) has no jurisdiction over Telco and DT's claims against Telco cannot be entertained in this arbitration". Telco's position is that this award does not bind Telco and therefore cannot affect Telco's ownership rights. The Austrian Supreme Court already reached the same conclusion in December 2006 when analyzing the meaning of this award. It is for Polish courts only to decide PTC's ownership rights in the pending proceedings following the May 21, 2008, Warsaw Court of Appeal's decision. Please refer to Note 27 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 252 of the 2007 Annual Report).

1.2 Main developments since June 30, 2008

Creation of Activision Blizzard: On December 1, 2007, Vivendi, Activision, Inc. ("Activision") and certain of their respective subsidiaries entered into a business combination agreement (the "BCA") to combine Vivendi Games with Activision. The transactions contemplated by the BCA received the approval from the U.S. competition authorities and the European Union merger control regulations on January 16, and April 16, 2008, respectively, were approved by Activision's stockholders at a special stockholder meeting on July 8, 2008, and were consummated on July 9, 2008.

Pursuant to the BCA, at closing, a wholly-owned subsidiary of Activision, merged with and into Vivendi Games, and hence Vivendi Games became a wholly-owned subsidiary of Activision. In the merger, a subsidiary of Vivendi received approximately 295.3 million newly issued shares of Activision common stock, which number was based upon a valuation of Vivendi Games at $8,121 million and a per share price for Activision common stock of $27.50. Concurrently with the merger, Vivendi purchased approximately 62.9 million newly issued shares of Activision common stock, at a price of $27.50 per share for a total of approximately $1,731 million in cash, resulting in a total Vivendi ownership interest in Activision Blizzard of approximately 54.46% of shares outstanding (approximately 52% on a fully diluted basis). Upon closing of the transactions, Activision was renamed Activision Blizzard, Inc. ("Activision Blizzard") and continues to operate as a public company traded on NASDAQ under the ticker symbol ATVI. Activision Blizzard now conducts the combined business operations of Activision and Vivendi Games including Blizzard Entertainment.

In accordance with the terms of the BCA, on July 16, 2008, Activision Blizzard commenced a $4,028 million all-cash tender offer to purchase up to 146.5 million of Activision Blizzard common shares at $27.50 per share. As a result of this tender offer, that expired on August 13, 2008, 85,916 shares of Activision Blizzard common stock were properly tendered for a total cost of approximately $2.3 million in cash, resulting in a total Vivendi ownership interest in Activision Blizzard of approximately 54.25% (based on shares outstanding and net of the dilution effect of stock-options exercised since the closing date).

In addition, under the terms of the BCA, Vivendi and Activision gave a number of reciprocal commitments customary for this type of transaction, notably certain representations and warranties and undertakings, expired upon the closing of the transaction. The parties have also entered into various ancillary agreements at the closing of the transaction, including an investor agreement and tax sharing and indemnity agreements.

From July 9, Vivendi has the ability to nominate a majority of the members of the board of directors of Activision Blizzard, hence has the power to govern the financial and operational policies of Activision Blizzard so as to obtain benefits from its operations. From this date, Vivendi fully consolidates Activision Blizzard. Prior to the fifth anniversary of the closing date, the approval of certain matters by Activision Blizzard board of directors will require the affirmative vote of (a) a majority of the votes present or otherwise able to be cast on the board, and (b) at least a majority of the independent directors on the board. Nevertheless, after the first anniversary of the closing date, the affirmative vote of the majority of the independent directors will not apply if Activision Blizzard's pro forma net debt amount, after giving effect to such dividend, does not exceed $400 million.

From an accounting perspective, Vivendi Games will be deemed to be the accounting acquirer of Activision. The combination of Vivendi Games and Activision is accounted for as (a) the dilution by approximately 45.75% of Vivendi's interest in Vivendi Games; the dilution gain is expected to be $3,656 million (€2,327 million); and (b) the acquisition of a controlling interest of approximately 54.25% in Activision for a consideration of $5,572 million (€3,546 million); the preliminary allocation of the purchase price is expected to result in preliminary goodwill amounting to approximately $3.2 billion (€2 billion), before allocation of the purchase price to the assets and liabilities of Activision.

For a detailed description of this transaction and its impacts on the accounts, please refer to Note 2.2 to the Condensed Financial Statements for the half year ended June 30, 2008.

On July 11, 2008, Activision Blizzard announced that its Board of Directors approved a two-for-one stock split of its outstanding shares of common stock to be effected in the form of a common stock dividend. Stockholders will receive one additional share for each share of common stock issued and outstanding as of the close of business on August 25, 2008 (the "record date"). Upon completion of the split, the number of Activision Blizzard's common shares outstanding will be approximately 1.3 billion. Trading will begin on a split-adjusted basis on September 8, 2008.

Voluntary redundancy plan at SFR: On July 10, 2008, as part of an information and consultation procedure, management presented a new project to the employee representative bodies of SFR and Neuf Cegetel aimed at reorganizing the SFR and Neuf Cegetel operating teams. Pursuant to the terms and conditions of Book IV transmitted on this occasion, the project based on a voluntary participation ("Voluntary Redundancy Plan") could result in the elimination of a maximum of 801 jobs and the creation of 351 jobs. The employee representative bodies of SFR and Neuf Cegetel may be consulted in the second half of September 2008. Assuming the number of voluntary redundancies reaches the aforementioned maximum of 801 positions, the total cost to SFR could be approximately €75 million.

2 Earnings for the first half of 2008

2.1 Consolidated earnings and consolidated adjusted net income

2008 SECOND QUARTER

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	Three Months Ended June 30,		Three Months Ended June 30,		
	2008	2007	2008	2007	
Revenues	**5,988**	**5,203**	**5,988**	**5,203**	**Revenues**
Cost of revenues	(2,851)	(2,233)	(2,851)	(2,233)	Cost of revenues
Margin from operations	**3,137**	**2,970**	**3,137**	**2,970**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,755)	(1,662)	(1,755)	(1,662)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(18)	14	(18)	14	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(98)	(60)			
Impairment losses of intangible assets acquired through business combinations	(22)	(31)			
EBIT	**1,244**	**1,231**	**1,364**	**1,322**	**EBITA**
Income from equity affiliates	50	90	50	90	Income from equity affiliates
Interest	(97)	(40)	(97)	(40)	Interest
Income from investments	2	2	2	2	Income from investments
Other financial charges and income	12	(120)			
Earnings from continuing operations before provision for income taxes	**1,211**	**1,163**	**1,319**	**1,374**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(264)	(252)	(238)	(286)	Provision for income taxes
Earnings from continuing operations	**947**	**911**			
Earnings from discontinued operations	-	-			
Earnings	**947**	**911**	**1,081**	**1,088**	**Ajusted net income before minority interests**
Attributable to:					*Attributable to:*
Equity holders of the parent	**667**	**594**	**757**	**755**	**Adjusted net income**
Minority interests	280	317	324	333	Minority interests
Earnings, attributable to equity holders of the parent per share - basic (in euros)	**0.57**	**0.51**	**0.65**	**0.65**	**Adjusted net income per share - basic (in euros)**
Earnings, attributable to equity holders of the parent per share - diluted (in euros)	**0.57**	**0.51**	**0.65**	**0.65**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

2008 HALF YEAR

CONSOLIDATED STATEMENT OF EARNINGS					ADJUSTED STATEMENT OF EARNINGS
	Six Months Ended June 30,		Six Months Ended June 30,		
	2008	2007	2008	2007	
Revenues	**11,268**	**10,223**	**11,268**	**10,223**	**Revenues**
Cost of revenues	(5,345)	(4,506)	(5,345)	(4,506)	Cost of revenues
Margin from operations	**5,923**	**5,717**	**5,923**	**5,717**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,319)	(3,213)	(3,319)	(3,213)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(37)	92	(37)	92	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(183)	(120)			
Impairment losses of intangible assets acquired through business combinations	(22)	(31)			
EBIT	**2,362**	**2,445**	**2,567**	**2,596**	**EBITA**
Income from equity affiliates	135	172	135	172	Income from equity affiliates
Interest	(134)	(64)	(134)	(64)	Interest
Income from investments	4	4	4	4	Income from investments
Other financial charges and income	(10)	77			
Earnings from continuing operations before provision for income taxes	**2,357**	**2,634**	**2,572**	**2,708**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(540)	(476)	(474)	(532)	Provision for income taxes
Earnings from continuing operations	**1,817**	**2,158**			
Earnings from discontinued operations	-	-			
Earnings	**1,817**	**2,158**	**2,098**	**2,176**	**Ajusted net income before minority interests**
Attributable to:					*Attributable to:*
Equity holders of the parent	**1,222**	**1,526**	**1,454**	**1,526**	**Adjusted net income**
Minority interests	595	632	644	650	Minority interests
Earnings, attributable to equity holders of the parent per share - basic (in euros)	**1.05**	**1.32**	**1.25**	**1.32**	**Adjusted net income per share - basic (in euros)**
Earnings, attributable to equity holders of the parent per share - diluted (in euros)	**1.04**	**1.31**	**1.24**	**1.31**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

2.2 Earnings review

For the first half of 2008, **adjusted net income** was €1,454 million, or €1.25 per share, compared to €1,526 million, or €1.32 per share for the first half of 2007, a decrease of €72 million (-4.7%), which was primarily due to the following impacts:

- a -€29 million decline in EBITA, which was mainly driven by the favorable settlement of a tax litigation (+€73 million), the sale of real estate assets in Germany (+€48 million) in the first half of 2007 combined with Vivendi Games (-€27 million), detailed in Section 4 "Business segment performance analysis";
- a -€70 million increase in interest; and
- a -€37 million decrease in income from equity affiliates.

These impacts were partially offset by the following items:

- a +€58 million decrease in tax expense; and
- a +€6 million decrease in earnings attributable to minority interests.

Breakdown of the main items from the statement of earnings

Revenues were €11,268 million compared to €10,223 million for the first half of 2007, an increase of €1,045 million (+10.2%, representing +12.3% at constant currency). For a breakdown of revenues by business segments, please refer to Section 4 "Business segment performance analysis".

Restructuring charges and other operating charges and income were a charge of -€37 million compared to an income of +€92 million for the first half of 2007, a difference of -€129 million. In the first half of 2008, it mainly included restructuring expenses at UMG (-€29 million), resulting from the acquisition of BMG Music Publishing and Sanctuary in 2007 and Univision in 2008, as well as from the restructuring of the recorded music division. In the first half of 2007, it mainly included the favorable effect of the settlement in Vivendi SA's favor of a litigation instigated by it regarding its right to deduct VAT (+€73 million) and the agreement to sell real estate assets in Germany (+€48 million), partially offset by restructuring expenses resulting from Canal+ Group's voluntary redundancy plan (-€25 million).

EBITA was €2,567 million compared to €2,596 million for the first half of 2007, a decrease of €29 million (-1.1%, representing +0.2 % at constant currency). For a breakdown of EBITA by business segments, please refer to Section 4 "Business segment performance analysis".

Amortization of intangible assets acquired through business combinations were -€183 million compared to -€120 million for the first half of 2007, an additional charge of -€63 million, notably due to the amortization of BMG Music Publishing's music catalogs and publishing rights acquired by UMG in 2007, and Neuf Cegetel and Tele2 France's customer lists following their acquisition by SFR in April 2008 and July 2007, respectively.

Impairment losses of intangible assets acquired through business combinations represented -€22 million compared to -€31 million for the first half of 2007. For the first half of 2008, they were mostly due to the impairment of certain UMG music catalogs; in the first half of 2007, they were essentially comprised of the write-off of the TPS trade name following the termination of the TPS branded program bouquet.

EBIT was €2,362 million compared to €2,445 million for the first half of 2007, a decrease of €83 million (-3.4%).

Income from equity affiliates was €135 million compared to €172 million for the first half of 2007. Vivendi's pro rata share of income earned by NBC Universal represented €118 million for the first half of 2008 compared to €143 million for the first half of 2007, a decrease mainly driven by the decline of the U.S. dollar. In addition, between January 1 and April 14, 2008, Vivendi's pro rata share of income from Neuf Cegetel amounted to €18 million compared to €31 million for the full first half of 2007. Neuf Cegetel has been fully consolidated by SFR since April 15, 2008.

Interest increased to -€134 million compared to -€64 million for the first half of 2007, an increase of €70 million, which was mainly driven by the increase in average outstanding borrowings (€8.4 billion in the first half of 2008 compared to €7.8 billion in the first half of 2007, calculated on a daily basis), reflecting the financing of the Neuf Cegetel acquisition by SFR (€4.3 billion), and the consolidation of Neuf Cegetel's Financial Net Debt (approximately €1 billion) as of April 15, 2008. The average financing rate on borrowings increased to 4.50% for the first half of 2008, compared to 4.00% for the first half of 2007. In addition, the average amount of cash equivalents decreased to €2.6 billion for the first half of 2008 compared to €3.3 billion for the first half of 2007, calculated on a daily basis. The average rate of income earned on cash equivalents increased to 4.41% in the first half of 2008 compared to 4.06% in the first half of 2007. Moreover, between January 1 and May 25, 2007, interest was favorably impacted by €25 million, the amount of the capitalized interest relating to the acquisition of BMG Music Publishing. For more information, please refer to Section 5 of this Financial Report and to Note 4 to the Condensed Financial Statements for the half year ended June 30, 2008.

Other financial charges and income was a net charge of -€10 million compared to a net income of €77 million for the first half of 2007, a difference of €87 million. For the first half of 2008, it mainly included the capital gain (+€83 million) resulting from the early redemption of the Vivendi bonds exchangeable for Sogecable shares following the tender offer launched by Prisa for the share capital of Sogecable, and the favorable change in the value of financial derivative instruments (+€20 million), offset by the impact of certain non-cash adjustments relating to the acquisition of Neuf Cegetel by SFR (-€68 million). For the first half of 2007, it included primarily the dilution gain on the sale of a 10.18% equity interest in Canal+ France to Lagardère (+€239 million), partially offset by the write-off of the minority stake in Amp'd (-€65 million). For more information, please refer to Note 4 to the Condensed Financial Statements for the half year ended June 30, 2008.

Provision for income taxes was a net charge of -€540 million compared to a net charge of -€476 million for the first half of 2007. This increase mainly resulted from the decline in the savings expected from the Consolidated Global Profit Tax System in 2009 following the acquisition of Neuf Cegetel by SFR. Excluding the impact of items excluded from adjusted net income, income taxes was a net charge of -€474 million, compared to -€532 million for the first half of 2007, a decrease of €58 million, which notably reflected the favorable impact in the first half of 2008 of the settlement of certain tax audits.

Earnings attributable to minority interests, mainly SFR, Maroc Telecom Group, and Canal+ France, was €595 million compared to €632 million for the first half of 2007. The decrease was mainly driven by the decline of SFR's performance.

For the first half of 2008, **earnings attributable to equity holders of the parent** was €1,222 million, or €1.05 per share, compared to €1,526 million, or €1.32 per share for the first half of 2007, a decrease of €304 million (-19.9%).

The reconciliation of earnings attributable to equity holders of the parent with adjusted net income is presented in Note 6 to the Condensed Financial Statements for the half year ended June 30, 2008. For the first half of 2008, this reconciliation notably included the impact of certain non-cash adjustments related to the purchase price allocation of Neuf Cegetel by SFR (-€68 million; please refer to Note 2.1 to the Condensed Financial Statements for the half year ended June 30, 2008), the decline of the savings expected from the Consolidated Global Profit Tax System in 2009 following the acquisition of Neuf Cegetel by SFR (-€138 million), as well as the amortization and impairment losses of intangible assets acquired through business combinations (-€205 million, before tax and minority interests), offset by the capital gain related to the early redemption of the Vivendi bonds exchangeable for Sogecable shares (+€83 million). For the first half of 2007, this reconciliation mainly included the dilution profit on the sale of a 10.18% equity interest in Canal+ France to Lagardère (+€239 million), the write-off of the minority stake in Amp'd (-€65 million), as well as the amortization and impairment losses of intangible assets acquired through business combinations (-€151 million, before tax and minority interests).

2.3 Vivendi's outlook for 2008

Vivendi's performance during the second quarter of 2008 reflects the quality and dynamism of the business units of the group in a tighter economic environment. Vivendi closed two strategic transactions: the acquisition of Neuf Cegetel by SFR and the creation of Activision Blizzard, the global leader in video games publishing, in which Vivendi holds a 54% stake. Vivendi completed these two major transactions under conditions rendering a rights issue, announced in December 2007, unnecessary. As a result of the first half of 2008 earnings, Vivendi confirms its full year outlook, expecting to deliver profit growth similar to 2007, at constant perimeter (other than Neuf Cegetel and Activision) and its intention to maintain, in 2009, a distribution rate of at least 50% of the adjusted net income, at constant perimeter.

3 Cash flow from operations analysis

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

For the first half ended June 30, 2008, cash flow from operations after interest and income tax paid (CFAIT) was €1,106 million compared to €1,138 million for the first half of 2007, a decrease of €32 million, or -3%. This evolution mainly reflected the stability of cash flows generated by businesses before capital expenditures (+€5 million), offset by the increase in capital expenditures (+€73 million), in particular those related to decoders and television rights at Canal+ Group, as well as by the increase in cash used for financing activities (+€119 million) linked to the establishment of new borrowings during the first half of 2008, despite the decrease in income tax paid, net (-€155 million).

Cash flows from operations before capital expenditures, net (CFFO before capex, net) generated by businesses were stable in the first half of 2008 and amounted to €3,065 million (compared to €3,060 million for the first half of 2007). Including capital expenditures, cash flows from operations (CFFO) was €2,066 million compared to €2,134 million for the first half of 2007, a decrease of €68 million (-3%). The main factors of this evolution were the impact of the growth in capital expenditures (see above), and the growth in restructuring charges paid, in particular at UMG (-€27 million), and transition costs at Canal+ Group (-€54 million), as well as the decrease in dividends received from NBC Universal (-€29 million). They were partially offset by the increase in EBITDA (after changes in net working capital), in particular at UMG, SFR and Maroc Telecom Group, despite the decrease in net working capital at Canal+ Group, Vivendi Games and Vivendi SA. In addition, for the first half ended June 30, 2007, CFFO included the favorable impact of the repayment of tax payments following the settlement in Vivendi's favor of the litigation instigated by it concerning its right to deduct VAT (+€50 million).

(in millions of euros)		Six Months Ended June 30,		
		2008	2007	% Change
Revenues		11,268	10,223	10%
Operating expenses excluding depreciation and amortization		(7,809)	(7,014)	-11%
EBITDA		*3,459*	*3,209*	*8%*
Restructuring charges paid		(51)	(25)	-104%
Content investments, net		(102)	(171)	40%
Neutralization of change in provisions included in EBITDA		(144)	1	na*
Other cash operating items excluded from EBITDA		(30)	51	na*
Other changes in net working capital		(212)	(176)	-20%
Net cash provided by operating activities before income tax paid	(a)	***2,920***	***2,889***	***1%***
Dividends received from equity affiliates	(b)	143	171	-16%
o/w NBC Universal		*142*	*171*	*-17%*
Dividends received from unconsolidated companies	(b)	2	-	na*
Capital expenditures, net (capex, net)	(c)	(999)	(926)	-8%
o/w SFR		*(660)*	*(642)*	*-3%*
o/w Maroc Telecom Group		*(189)*	*(167)*	*-13%*
Cash flow from operations (CFFO)		**2,066**	**2,134**	**-3%**
Interest paid, net	(d)	(134)	(89)	-51%
Other cash items related to financial activities	(d)	(82)	(8)	-925%
Financial activities cash payments		***(216)***	***(97)***	***-123%***
Income tax paid, net		(744)	(899)	17%
Cash flow from operations after interest and income tax paid (CFAIT)		**1,106**	**1,138**	**-3%**

na*: not applicable

a. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

b. As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

c. Consists of capital expenditures, net of proceeds from property, plant and equipment and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

d. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

Cash flow from operations (CFFO) by business segment was as follows:

	Six Months Ended June 30,		
(in millions of euros)	2008	2007	% Change
Universal Music Group	224	172	30.2%
Canal+ Group	(102)	53	na*
NBC Universal dividends	142	171	-17.0%
SFR	1,347	1,146	17.5%
Maroc Telecom Group	507	475	6.7%
Vivendi Games	115	207	-44.4%
Holding & Corporate	(141)	(86)	-64.0%
Non core operations and others	(26)	(4)	-550.0%
Total Vivendi	**2,066**	**2,134**	**-3.2%**

na*: not applicable

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

2008 SECOND QUARTER

	Three Months Ended June 30,			
(in millions of euros)	2008	2007	% Change	% Change at constant rate
Revenues				
Universal Music Group	1,011	1,068	-5.3%	3.0%
Canal+ Group	1,139	1,087	4.8%	4.3%
SFR	2,987	2,240	33.3%	33.3%
Maroc Telecom Group	640	615	4.1%	6.4%
Vivendi Games	223	209	6.7%	17.9%
Non core operations and others, and elimination of intersegment transactions	(12)	(16)	25.0%	25.0%
Total Vivendi	**5,988**	**5,203**	**15.1%**	**17.4%**
EBITA				
Universal Music Group	148	163	-9.2%	-6.4%
Canal+ Group	181	138	31.2%	30.1%
SFR	716	721	-0.7%	-0.7%
Maroc Telecom Group	316	282	12.1%	15.0%
Vivendi Games	42	12	250.0%	312.6%
Holding & Corporate	(28)	5	na*	na*
Non core operations and others	(11)	1	na*	na*
Total Vivendi	**1,364**	**1,322**	**3.2%**	**4.2%**

2008 HALF YEAR

(in millions of euros)	Six Months Ended June 30, 2008	2007	% Change	% Change at constant rate
Revenues				
Universal Music Group	2,044	2,095	-2.4%	4.9%
Canal+ Group	2,254	2,154	4.6%	4.2%
SFR	5,289	4,336	22.0%	22.0%
Maroc Telecom Group	1,254	1,165	7.6%	9.9%
Vivendi Games	444	500	-11.2%	-3.1%
Non core operations and others, and elimination of intersegment transactions	(17)	(27)	37.0%	37.0%
Total Vivendi	**11,268**	**10,223**	**10.2%**	**12.3%**
EBITA				
Universal Music Group	259	220	17.7%	24.4%
Canal+ Group	351	302	16.2%	15.4%
SFR	1,340	1,364	-1.8%	-1.8%
Maroc Telecom Group	584	538	8.6%	11.3%
Vivendi Games	92	119	-22.7%	-16.6%
Holding & Corporate	(39)	51	na*	na*
Non core operations and others	(20)	2	na*	na*
Total Vivendi	**2,567**	**2,596**	**-1.1%**	**0.2%**

na*: not applicable

As a reminder: The information presented above takes into account the consolidation of the following entities:

- at UMG: Univision Music Group (May 5, 2008); BMG Music Publishing (May 25, 2007); and Sanctuary (August 2, 2007);
- at Canal+ Group: Kinowelt (April 2, 2008);
- at SFR: Neuf Cegetel (April 15, 2008); the fixed and ADSL activities of Tele2 France (July 20, 2007); and Debitel France (December 1, 2007); and
- at Maroc Telecom Group: Gabon Telecom (March 1, 2007).

4.2 Comments on revenues and EBITA for controlled business segments

Universal Music Group (UMG) (100% Vivendi economic interest)

Revenues

First Half:

Universal Music Group's (UMG's) revenues of €2,044 million grew 4.9% at constant currency (a 2.4% decline in actual currency) compared to the same period last year. This strong performance reflects a 33% increase in digital sales at constant currency, growth in music publishing and merchandising following the 2007 acquisitions of BMG Music Publishing and of Sanctuary. Higher license income more than offset lower physical sales.

Best sellers included the debut release from Duffy, new albums from Mariah Carey, Jack Johnson and Lil' Wayne and very strong carryover sales of Amy Winehouse's 2006 release *Back to Black*.

Second Quarter:

UMG's revenues of €1,011 million grew 3% at constant currency (a 5.3% decline in actual currency) compared to the same period last year.

EBITA

First Half:

Universal Music Group's (UMG's) EBITA of €259 million was 17.7% (+24.4% at constant currency) higher than the same period last year. This increase is driven by UMG's very good market shares, notably in the U.S.A. and in Japan, as well as the momentum of digital sales growth, the inclusion of BMG Music Publishing and Sanctuary in the results, credits from the downward valuation of compensation schemes linked to equity value, and increased license income. EBITA was impacted by restructuring costs of €29 million resulting from the ongoing rationalization of the recorded music division and integration of last year's acquisitions and Univision Music Group. Excluding restructuring costs and at constant currency, EBITA increased 38% in the first half of 2008.

UMG plans a strong release schedule for the second half of 2008 with new albums from Black Eyed Peas, Pussycat Dolls, Paulina Rubio, Akon, The Killers, Bon Jovi, Keane, Fall Out Boy, Ne-Yo, Tokio Hotel, Hikaru Utada, Mylène Farmer and Florent Pagny.

The Canal+ Group (100% Vivendi economic interest; Vivendi economic interest in Canal+ France: 65%)

Revenues

First Half:

Canal+ Group's revenues reached €2,254 million, up 4.6% compared to the first half of 2007.

On June 30, 2008, Canal+ Group's total subscription portfolio attained 10.445 million (a net increase of nearly 140,000 compared to end June 2007). Canal+ had 5.257 million subscriptions and CanalSat/TPS 5.188 million subscriptions. Subscription growth included a negative adjustment of approximately 65,000 subscriptions resulting from the portfolio change of scope to include viable contracts only.
Canal+ continues increasing its proportion of digital subscriptions (76% of total portfolio compared to 67% end June 2007).
As of June 30, 2008, 80% of TPS subscribers had already been transferred to the CanalSat platform confirming the goal of having a single platform by end 2008.

Revenues from pay-TV operations in France grew €72 million (+3.9%) compared to first half 2007. Pay-TV operations benefited from higher portfolio subscriptions, and higher advertising revenues due to good audience ratings. Revenues growth from CanalOverseas in the French overseas territories and in Africa also contributed to these good performances.

Canal+ Group's other operations revenues increased nearly by 10% compared to first half 2007. This performance is mainly explained by a double digit growth of sales in Poland, higher advertising revenues from i>Télé and the integration of the German company Kinowelt in StudioCanal since April 2008.

Second Quarter:

Canal+ Group's revenues were to €1,139 million up 4.8% compared to 2007.

Revenues from pay-TV operations in France grew €23 million (+2.4%) thanks to higher portfolio subscriptions on Canal+ and CanalSat/TPS and higher advertising revenues.

Canal+ Group's other operations revenues growth is driven by good performance in Poland and the Kinowelt integration.

EBITA

First Half:

Canal+ Group reported EBITA, excluding transition costs linked to the TPS merger, of €399 million, up 17.4%. Including transition costs (€48 million), EBITA was €351 million, up 16.2%. These transition costs mainly included the technical migration costs of former TPS subscribers to CanalSat. As of June 30, 2008, 80% of TPS subscribers had already been transferred to the CanalSat platform.

EBITA growth was mainly pushed by the strong performance of pay-TV operations in France, up €55 million excluding transition costs linked to the TPS merger. In addition to higher revenues, EBITA continued to benefit from synergies from the TPS merger, both on distribution costs (mainly subscriber acquisition costs) and programming costs (content and channel fees).

EBITA from Canal+ Group's other operations increased €4 million compared to the same period last year, mainly explained by growing results of Canal+ in Poland and I>Télé as well as the integration of the German company Kinowelt in StudioCanal since April 2008.

SFR (56% Vivendi economic interest)

Revenues

First Half:

SFR's revenues increased by 22% to €5,289 million compared to the same period in 2007 due to the consolidation of Neuf Cegetel since April 15, 2008 and of Tele2 France fixed and ADSL activities since July 20, 2007. On a comparable basis[2], SFR revenues increased by 2.6% mainly due to the favorable effects of an increase in mobile customer base and mass market broadband Internet customers along with usage growth – especially on access, fixed and mobile Internet services – and the dynamism of the Enterprise segment.

Mobile revenues[3] increased by 2.1% to €4,416 million compared to the same period in 2007 (+1.7% on a comparable basis). Mobile service revenues[4] increased by 2.7% to €4,230 million. Excluding the impact of mobile voice termination rates cuts (13%) as of January 1, 2008, SFR mobile service revenues would have increased by 4.4%.
For the first half of 2008, SFR added 509,000 net new mobile customers, taking its registered customer base to 19.275 million[5], following the integration of 438,000 Neuf Mobile and Debitel customers into the SFR mobile customer base at end June 2008. The contract customer base grew by 10.3% year-on-year to 13.056 million, leading to an improved customer mix (percentage of postpaid customer in customer base) of 1.9 percentage point in one year.

Net growth in data revenues from mobile services reflected the success of the Illimythics offers launched in the fall of 2007. It improved by 26.9% mainly due to interpersonal services (SMS and MMS), content (music, TV-Videos and games) and the development of mobile Internet and corporate segment operations.

Broadband Internet and fixed revenues[3] reached €968 million, increasing by 7.2% compared to the same period in 2007 on a comparable basis. Growth is due to mass market broadband Internet services and the Enterprise segment. In total, by June 2008, SFR had 3.767 million broadband Internet customers and 184,000 Enterprise data links connected to the SFR network.

Second Quarter:

SFR's revenues increased by 33.3% to €2,987 million compared to same period in 2007 due to the consolidation of Neuf Cegetel since April 15, 2008 and of Tele2 France fixed and ADSL activities since July 20, 2007. On a comparable basis, SFR revenues increased by 1.5%.

Mobile revenues were stable at +0.1% to €2,238 million compared to the same period in 2007 (-0.3% on a comparable basis). Mobile service revenues increased by 2.5% to €2,151 million. Excluding the impact of mobile voice termination regulated tariff cuts (13%) as of January 1, 2008, SFR mobile services revenues would have increased by 4.2%.

Broadband Internet and fixed revenues reached €842 million, increasing by 7.6% compared to the same period in 2007 on a comparable basis.

EBITA

First Half:

Mobile EBITDA amounted to €1,787 million, a decrease by €19 million on a comparable basis[6] . The 2.7% growth in mobile service revenues (up 2.5% on a comparable basis) and the strong control of other costs were offset by a 1.6 percentage point increase in customer acquisition and retention costs (12.5% of mobile service revenues), new cuts in wholesale offers imposed by regulators and an increase in inter-connection costs following the success of unlimited messaging offers.

Broadband Internet and fixed EBITDA amounted to €145 million, an increase by €18 million, on a comparable basis,. EBITA, excluding restructuring costs, was €32 million and included Neuf Cegetel since April 15, 2008 and Tele2 France fixed and ADSL activities since July 20, 2007.

[2] Comparable basis mainly illustrates the full consolidation of Neuf Cegetel and of Tele2 France as if these acquisitions had taken place on April 15, 2007 and on January 1, 2007, respectively. For information, Neuf Cegetel Broadband Internet and fixed revenues from April 15 to June 30, 2007 amounted to €652 million (before elimination of intersegment operations between Neuf Cegetel and SFR). Tele2 France revenues for the first half and the second quarter of 2007 amounted to €235 million and €120 million, respectively.
[3] Mobile revenues and Broadband Internet and fixed revenues correspond to revenues before elimination of intersegment operations within SFR.
[4] Mobile service revenues correspond to mobile revenues excluding revenues from net equipment sales.
[5] SFR excluding wholesale customer total base. Wholesale customer base can be estimated at 930,000 at the end of June 2008 (impacts of Neuf Cegetel and Debitel mobile customers into SFR mobile customer base). As a reminder as from January 1 2007, VNO base is calculated excluding pre-activations.
[6] Comparable basis mainly illustrates the full consolidation of Neuf Cegetel (including Club Internet and the *IFRIC 12 "Service Concession Arrangements") and of Tele2 France as if these acquisitions had taken place on April 15, 2007 and on January 1, 2007, respectively.*

SFR's EBITDA amounted to €1,932 million and EBITA amounted to €1,340 million, decreasing by €1 million and by €56 million respectively compared to the same period in 2007, on a comparable basis; thus including first restructuring costs amounting to €10 million following the integration of Neuf Cegetel by SFR and an increase of write-offs by €11 million during the second quarter of 2008.

Maroc Telecom Group (53% Vivendi economic interest)

Revenues

First Half:

Maroc Telecom Group's revenues increased by 7.6% to €1.254 million compared to the same period last year (+8.2% at constant currency and at constant perimeter[7]).

Group mobile revenues grew by 11.8% to €891 million compared to the same period last year (+13% at constant currency and at constant perimeter). Regarding Maroc Telecom SA, despite increased competition, the mobile customer base[8] experienced strong growth and reached 14.211 million customers, a 21.3% increase compared to the end of June 2007 (a net increase of 884,000 customers during the first half of 2008), driving the sharp evolution of mobile revenue. With the strong increase of the customer base and the decrease of the access fees, the churn rate reached 27.6%, increasing by 3.6 percentage points compared to the first half of 2007.
The blended ARPU[9] reached €8.6, a 8.2% decrease at constant currency compared to the same period last year, mainly due to the strong increase of the customer base. The average price decrease driven by promotional offers, in particular unlimited offers, allowed strong customer usage growth.
Regarding Maroc Telecom's subsidiaries, the mobile customer base reached 2.350 million customers, a 63.9% increase compared to June 2007 at constant perimeter (a net increase of 335,000 customers during the first half of 2008).

Group fixed and Internet revenues decreased by 1.9% to €486 million compared to the same period last year (-2% at constant currency and at constant perimeter).
Regarding Maroc Telecom SA, the fixed customer base[10] reached 1.329 million lines, stable during the first half of 2008. The ADSL customer base still experienced growth and reached 482,000 lines, increasing by 10% compared to the end of June 2007. Voice average monthly invoice decreased by 3.9% (at constant currency) compared to the same period last year, in particular the "Teleboutique" business segment.
Regarding Maroc Telecom's subsidiaries, the fixed customer base reached 207,000 lines, representing a net increase of more than 25,000 lines during the first half of 2008.

Second Quarter:

Maroc Telecom Group's revenues increased by 4.1% to €640 million compared to the same period last year (+8.1% at constant currency and at constant perimeter).

Group mobile revenues grew by 8.6% to €459 million compared to the same period last year (+12.4% at constant currency and at constant perimeter).

Group fixed and Internet revenues decreased by 6.2% to €244 million compared to the same period last year (-2.1% at constant currency and at constant perimeter).

EBITA

First Half:

Maroc Telecom's EBITA increased by 8.6% to €584 million compared to the first half of 2007 (+12.4% at constant currency and at constant perimeter).

This performance was the result of the combined effect of revenue growth (+8.2% at constant currency and at constant perimeter), the control both of acquisition costs in the context of steady growth in the mobile customer base and also operational expenses.

Mobile EBITA increased by 9.2% to €450 million compared to the same period last year (+12.2% at constant currency and at constant perimeter). Mobile activity evolution was driven by strong revenue growth (+13% at constant currency and at constant perimeter).

[7] Constant perimeter illustrates the consolidation of Gabon Telecom, consolidated since March 1, 2007, as if this transaction had occurred on January 1, 2007. For information, first half of 2007 revenues of Gabon Telecom amounted to €57 million.
[8] The customer base includes prepaid customers making or receiving a voice call during the last 3 months and not resiliated postpaid customers.
[9] ARPU (Average Revenue Per User) is defined as revenues from incoming and outgoing calls and data services, net of promotions and excluding roaming in and equipment sales, divided by average prepaid and postpaid customer base over the period.
[10] Maroc Telecom SA's fixed customer base is now displayed in numbers of equivalent lines. It was previously displayed in number of access.

Fixed and Internet EBITA increased by 6.3% to €134 million compared to the same period last year (+13.1% at constant currency and at constant perimeter).

Vivendi Games (100% Vivendi economic interest)

Revenues

First Half:

A comparison of the first half of 2007 and the first half of 2008 performances is not representative because first half of 2007 included the hugely successful release of *World of Warcraft: The Burning Crusade®*. Blizzard Entertainment®'s second expansion, *World of Warcraft: Wrath of the Lich King™*, is scheduled to be released in the second half of 2008. Consequently, Vivendi Games' revenues for the first half of 2008 reached €444 million, compared to €500 million for the first half of 2007.

Blizzard Entertainment's revenues were €378 million. Sierra Entertainment, Sierra Online and Vivendi Games Mobile revenues were slightly higher than their performance for the same period last year, due mainly to two new releases for Sierra Entertainment in 2008. Each of the business segments were impacted by unfavorable currency exchange movements.

Second Quarter:

Vivendi Games' revenues of €223 million were up 17.9% on a constant currency basis (6.7% in actual currency). Blizzard Entertainment, Inc's revenues of €185 million were higher than 2007 on a constant currency basis by 16% (up 5.2% in actual currency), due to the continued organic growth of *World of Warcraft ®'s* subscriber base in all regions despite a competitive environment. Sierra Entertainment, Sierra Online and Vivendi Games Mobile revenues were slightly higher than 2007.

EBITA

First Half:

Activity during the first half of 2008 was outstanding at Blizzard Entertainment, Inc. The company continued to make strong headway with *World of Warcraft,* adding 1.8 million incremental subscribers compared to the end of June 2007. After reaching the 10 million subscriber milestone at the end of 2007, *World of Warcraft's* subscriber base grew to more than 10.9 million by the end of the first half of 2008.

However, a comparison of the first half of 2007 and the first half of 2008 performances is not representative because first half of 2007 included the hugely successful release of *World of Warcraft: The Burning Crusade™*. Blizzard Entertainment®'s second expansion, *World of Warcraft: Wrath of the Lich King™*, is scheduled to be released in the second half of 2008.

Vivendi Games' EBITA amounted to €92 million. Blizzard Entertainment's EBITA amounted to €197 million excluding the allocation of company overheads.
Sierra Entertainment's negative EBITA of -€80 million (excluding allocations of company overheads) was affected by increased investment in Sierra product development, higher marketing costs, mainly for *Spiderwick™* and *The Bourne Conspiracy™*, as well as higher royalty costs related to accelerated expenses of prepaid advances on current year releases and pre-release expenses on certain 2009 releases.

On July 9, 2008, Vivendi and Activision completed the creation of Activision Blizzard, the world's most profitable pure-play online and console game publisher. Today, Vivendi owns 54% of outstanding shares of Activision Blizzard, a leader in interactive entertainment. The combination brings together Activision's best-selling video games, *Guitar Hero®*, *Call of Duty®*, *Tony Hawk*, and Vivendi Games' portfolio of leading franchises, including *Crash Bandicoot™*and *Spyro™*, as well as Blizzard Entertainment's *StarCraft®*, *Diablo®* and *Warcraft®* franchises, including the global number one subscription-based massively multiplayer online role-playing game, *World of Warcraft*.

Holding & Corporate

EBITA

First Half:

Holding & Corporate EBITA was -€39 million, a €90 million decrease compared to the first half of 2007. In the first half of 2007, EBITA included the favorable impacts of the settlement in Vivendi SA's favor of a litigation instigated by it regarding its right to deduct VAT (+€73 million) and of the agreement to sell real estate assets in Germany (+€48 million). In addition, in the first half of 2008, EBITA included a net reduction in the provision for share-based compensation plans (+€21 million).

5 Treasury and capital resources

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

5.1 Financial Net Debt changes

As of June 30, 2008, Financial Net Debt amounted to €11,406 million, compared to €5,186 million as of December 31, 2007.

(in millions of euros)	June 30, 2008	December 31, 2007
Borrowings and other financial liabilities	12,458	7,376
o/w long-term (a)	*8,600*	*5,610*
o/w short-term (a)	*3,858*	*1,766*
Derivative financial instruments in assets (b)	(125)	(69)
Cash deposits backing borrowings (b)	(25)	(72)
	12,308	**7,235**
Cash and cash equivalents (a)	(902)	(2,049)
Financial Net Debt	**11,406**	**5,186**

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

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

For the first half of 2008, Financial Net Debt increased by €6,220 million. This increase resulted mainly from the impact of the take over of Neuf Cegetel by SFR (€5,316 million, including Financial Net Debt of Neuf Cegetel; see below) and is analyzed as follows:

- The impact on Financial Net Debt following the take over of Neuf Cegetel by SFR included the purchase price for the 60.15% equity interest in Neuf Cegetel not owned by SFR (€4,323 million paid in cash), as well as the recognition of Neuf Cegetel's Financial Net Debt (borrowings for €1,219 million, and cash for €215 million).
- Net cash used during the period was €1,147 million. Of this amount, net cash used for investing activities amounted to €5,015 million (including €4,323 million related to the take over of Neuf Cegetel by SFR and capital expenditures, net of €999 million). These net cash outflows were financed by net cash inflows provided by operating activities (€2,176 million) and financing activities (€1,705 million, including net cash of €4,057 million provided by new borrowings, partially offset by the net cash used for the payment of dividends by Vivendi SA to its shareholders amounting to €1,515 million and the payment of dividends by the consolidated entities to their minority shareholders amounting to €623 million.
- Non-cash activities impacting Financial Net Debt amounted to €5,073 million which mainly comprised the net impact of the establishment of new borrowings of €3,839 million and the consolidation of Neuf Cegetel borrowings of €1,208 million, offset by the early redemption of the Vivendi bonds exchangeable for Sogecable shares amounting to €231 million following the tender offer launched by Prisa for the share capital of Sogecable.

(in millions of euros)	Cash and cash equivalents	Borrowings and other (a)	Impact on financial net debt
Financial Net Debt as of December 31, 2007	**(2,049)**	**7,235**	**5,186**
Outflows/(inflows) generated by:			
Operating activities	(2,176)	-	(2,176)
Investing activities	5,015	1,296	6,311
Financing activities	(1,705)	3,788	2,083
Foreign currency translation adjustments	13	(11)	2
Change in financial net debt over the period	1,147	5,073	6,220
Financial Net Debt as of June 30, 2008	**(902)**	**12,308**	**11,406**

a. "Other" comprises commitments to purchase minority interests, derivative financial instruments and cash deposits backing borrowings.

5.2 Analysis of Financial Net Debt changes

(in millions of euros)		Refer to section	Six Months Ended June 30, 2008 Impact on cash and cash equivalents	Impact on borrowings and other	Impact on Financial Net Debt
EBIT		2	(2,362)	-	(2,362)
Adjustments			(872)	-	(872)
Content investments, net			102	-	102
Gross cash provided by operating activities before income tax paid			***(3,132)***	***-***	***(3,132)***
Other changes in net working capital			212	-	212
Net cash provided by operating activities before income tax paid		3	***(2,920)***	***-***	***(2,920)***
Income tax paid, net		3	744	-	744
Operating activities	**A**		**(2,176)**	**-**	**(2,176)**
Financial investments					
Purchases of consolidated companies, after acquired cash			4,365	1,249	5,614
o/w take over of Neuf Cegetel by SFR:			*4,108*	*1,208*	*5,316*
- Payment in cash			*4,323*	*-*	*4,323*
- Financial Net Debt acquired			*(215)*	*1,219*	*1,004*
- Cancellation of a financial liability			*-*	*(11)*	*(11)*
o/w acquisition of Univision Music Group by UMG (May)			*67*	*-*	*67*
Purchases of investments in equity affiliates			23	-	23
Increase in financial assets			73	-	73
Total financial investments			***4,461***	***1,249***	***5,710***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			10	-	10
Decrease in financial assets			(310)	47	(263)
Total financial divestments			***(300)***	***47***	***(253)***
Financial investment activities			**4,161**	**1,296**	**5,457**
Dividends received from equity affiliates		3	(143)	-	(143)
Dividends received from unconsolidated companies			(2)	-	(2)
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**4,016**	**1,296**	**5,312**
Capital expenditures			1,051	-	1,051
Proceeds from sales of property, plant, equipment and intangible assets			(52)	-	(52)
Capital expenditures, net		3	***999***	***-***	***999***
Investing activities	**B**		**5,015**	**1,296**	**6,311**

Please refer to the next page for the end of this table.

For further information about net cash provided by operating activities before income tax paid and capital expenditures, net, please refer to Section 3 "Cash flow from operations analysis" above.

Continued from previous page

(in millions of euros)		Refer to section	Six Months Ended June 30, 2008 Impact on cash and cash equivalents	Impact on borrowings and other	Impact on Financial Net Debt
Transaction with shareholders					
Net proceeds from issuance of common shares			(2)	-	(2)
Dividends paid by Vivendi SA, €1.30 per share (May)			1,515	-	1,515
Dividends paid by consolidated companies to their minority shareholders			623	-	623
o/w SFR			*237*	-	*237*
o/w Maroc Telecom SA			*331*	-	*331*
Total dividends and other transactions with shareholders			***2,136***	***-***	***2,136***
Transactions on borrowings and other financial liabilities					
Establishment of long-term borrowings and increase in other long-term financial liabilities			(2,392)	2,392	-
o/w Vivendi SA's US dollar notes of $1.4 billion (a)			*(900)*	*900*	-
o/w SFR's additional redeemable notes			*(200)*	*200*	-
o/w Vivendi SA's credit facility of €2.0 billion			*(350)*	*350*	-
o/w SFR's credit facility			*(920)*	*920*	-
Principal payments on long-term borrowings and decrease in other financial liabilities			217	(217)	-
o/w MAD 6 billion notes - tranche B: 4 billion			*175*	*(175)*	-
Principal payments on short-term borrowings			172	(390)	(218)
o/w early redemption of the Vivendi bonds exchangeable for Sogecable shares (b)			*14*	*(231)*	*(217)*
Other changes in short-term borrowings and other short-term financial liabilities			(2,054)	2,054	-
o/w Vivendi SA's bridging loan (c)			*(1,200)*	*1,200*	-
o/w Vivendi SA's commercial paper			*(540)*	*540*	-
Non cash transactions			-	(51)	(51)
Interest paid, net		3	134	-	134
Other cash items related to financial activities		3	82	-	82
Total transactions on borrowings and other financial liabilities			***(3,841)***	***3,788***	***(53)***
Financing activities	**C**		**(1,705)**	**3,788**	**2,083**
Foreign currency translation adjustments	D		13	(11)	2
Change in Financial Net Debt	**A+B+C+D**		**1,147**	**5,073**	**6,220**

a. On April 2, 2008, Vivendi SA agreed to sell $700 million (€450 million) in aggregate principal amount of 5.75% senior notes due 2013 at a price equal to 99.397% of the principal amount thereof and $700 million (€450 million) in aggregate principal amount of 6.625% senior notes due 2018 at a price equal to 99.675% of the principal amount thereof (together the "Senior Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-US persons in compliance with Regulation S under the Securities Act. The objective of this new borrowing is to rebalance Vivendi's debt structure between bank debt and bond debt and to lengthen the maturity profile of its debt. This financing is a substitute to drawings under bank facilities which are available to Vivendi today and which are already largely sufficient to ensure the financing of the Activision Blizzard and Neuf Cegetel transactions.

b. Please refer to Note 4 to the Condensed Financial Statements for the first half ended June 30, 2008.

c. In February 2008, Vivendi obtained a €3.5 billion syndicated loan. This new facility consists of 3 tranches:
   - a €1.5 billion tranche under a bridging loan repayable with capital raised through a rights issue in the approximate same amount to be carried out upon completion of the acquisition of Neuf Cegetel or within a 18-month period; and
   - a €2 billion tranche under a "revolving" facility, half of which will be available during a three-year period and the other half during a five-year period, which was undrawn as of June 30, 2008.

Available undrawn facilities

As of August 26, 2008, the date of the Management Board meeting which approved the financial statements for the first half ended June 30, 2008, Vivendi SA and SFR's undrawn credit facilities, net of the treasury bonds, amounted to €5,110 million and €1,121 million, respectively.

Moreover, as part of the Activision Blizzard transaction, Vivendi granted a borrowing to Activision Blizzard on April 29, 2008. This facility, available only on and after the closing of the Activision Blizzard transaction (which occurred on July 9, 2008), initially consisted of 3 tranches:

- A first tranche of up to $400 million to be used to fund that portion of the post-closing tender offer consideration, if any, in excess of $3.628 billion;

- A second tranche, of up to $150 million, to be used to repay after closing the borrowing under a Vivendi Games credit facility outstanding at the closing date of the transaction if after the consummation of the tender offer Activision Blizzard did not have sufficient cash on hand to repay such Vivendi Games facility; and
- A revolving tranche of up to $475 million, due March 31, 2011, with a margin of 1.20% based on the LIBOR rate, to be used after the closing of the Activision Blizzard transaction for general corporate purposes. It has not been used as of the date of this Financial Report.

As of the date of this report, the availability under the first and the second tranches described above has terminated and each was undrawn at the date of such termination. The only tranche available for borrowing by Activision Blizzard is the third tranche revolving line described above.

5.3 Main financing characteristics and credit ratings

5.3.1 CREDIT RATINGS

As of August 26, 2008, the date of the Management Board meeting which approved the financial statements for the half year ended June 30, 2008, the credit ratings were as follows:

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

5.3.2 DESCRIPTION OF FINANCIAL COVENANTS

Vivendi and its subsidiary SFR are subject to certain financial covenants which require them to maintain various financial ratios computed at the end of each half year. The main covenants are described hereafter. As of June 30, 2008, Vivendi and SFR were in compliance with applicable financial ratios.

Loans

Regarding Vivendi, the two syndicated facilities (each in the amount of €2.0 billion, set up in April 2005 and in August 2006) as well as the €3.5 billion loan (established in January 2008 and consisting of three tranches) contain customary provisions related to events of default and restrictions in terms of negative pledge and divestiture and merger transactions. In addition, Vivendi is required to maintain a ratio of Proportionate Financial Net Debt[11] to proportionate EBITDA[12] at a maximum of three for the duration of the loans.

Regarding SFR, the three credit lines (€1.2 billion, €450 million and €850 million, respectively) contain customary default, negative pledge and merger and divestiture restrictions. These facilities are subject to a change in ownership clause. In addition, SFR must comply at the end of each semester with the two following financial ratios: (i) a ratio of Financial Net Debt to EBITDA not exceeding 3.5:1 and (ii) a ratio of Earnings from operations to Net Financing costs (interest) equal to or greater than 3:1.

Moreover, the loans carried by Neuf Cegetel and described in Section 10.1.2.1 of its 2007 Annual Report, particularly a €740 million syndicated loan (Club deal), a €300 million securitization program and a €100 million structured financing (UK lease) include standard default and limitation clauses for this type of loan. As of June 30, 2008, Neuf Cegetel was in compliance with these financial covenants. The corresponding agreements are being renegotiated with the lenders, particularly with regard to financial covenants and change of control provisions, in order to align these clauses with those of the SFR financing agreements.

[11] Defined as Vivendi Financial Net Debt less the share of Financial Net Debt attributable to minority shareholders of SFR and Maroc Telecom Group.

[12] Defined as Vivendi modified EBITDA less modified EBITDA attributable to minority shareholders of SFR and Maroc Telecom Group plus the dividends received from entities that are not consolidated.

Lastly, on January 4, 2005, SPT "Société de Participations dans les Télécommunications" issued a MAD 6 billion facility to finance the acquisition of an additional 16% of Maroc Telecom. The borrowing is comprised of two tranches: a MAD 2 billion tranche that was early terminated in May 2006 and a MAD 4 billion tranche with a 2011 maturity date. In connection therewith, Vivendi has granted a security (jointly liable guarantee) to SPT which contains the same financial ratios as those included in the €2 billion syndicated loan, set up in April 2005.

5.3.3 FINANCIAL NET DEBT OF SFR AND MAROC TELECOM GROUP

As of June 30, 2008, the Financial Net Debt of SFR amounted to €7,788 million (compared to €2,813 million as of December 31, 2007) and included borrowings of €8,279 million (compared to €2,982 million as of December 31, 2007). As of June 30, 2008, borrowings notably included the revolving credit facilities totaling €3,700 million granted by Vivendi SA to SFR as follows:

- €700 million granted as of December 2006, maturing in December 2009, with a margin of 0.15% based on the Euribor rate; and
- €3 billion granted as of April 4, 2008, redeemable in the amount of €1 billion at each maturity date period, i.e. on July 1, 2009, July 1, 2010 and January 1, 2013, with a margin of 0.35% based on the Euribor rate.

As of June 30, 2008, Maroc Telecom Group showed a financial net debt of €353 million (compared to a net cash position of €126 million as of December 31, 2007).

For further information about long-term and short-term borrowings, please refer to Note 16 to the Condensed Financial Statements for the first half ended June 30, 2008.

6 FORWARD LOOKING STATEMENTS – MAJOR RISKS AND UNCERTAINTIES

Forward looking statements

This report contains forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Vivendi. 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, and notably some risks described in the 2007 Document de référence of the group filed with the Autorité des marchés financiers (French securities regulator) and which is also available in English on Vivendi's web site (www.vivendi.com). The present forward-looking statements are made as of the date of the present report and 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

As a result of the first half of 2008 earnings, Vivendi confirms its full year outlook, expecting to deliver profit growth similar to 2007, at constant perimeter (other than Neuf Cegetel and Activision) and its intention to maintain, in 2009, a distribution rate of at least 50% of the adjusted net income, at constant perimeter. For further details, please refer to Section 2 "Earnings for the first half of 2008", and Paragraph 2.3 "Vivendi's Outlook for 2008". Taking into account the above-mentioned reminder relating to forward-looking statements, Vivendi is not aware of any other risks or uncertainties for the remaining six months of the fiscal year.

7 DISCLAIMER

This report is an English translation of the French version of such report and is provided for informational purposes. This translation is qualified in its entirety by the French version which is available on the company's web site (www.vivendi.com). In the event of any inconsistencies between the French version of this report and the English translation, the French version will control.

II - Condensed Financial Statements for the half year ended June 30, 2008 (unaudited)

Condensed Statement of Earnings

	Note	Three Months Ended June 30, (unaudited) 2008	Three Months Ended June 30, (unaudited) 2007	Six Months Ended June 30, (unaudited) 2008	Six Months Ended June 30, (unaudited) 2007	Year Ended December 31, 2007
Revenues	3	**5,988**	**5,203**	**11,268**	**10,223**	**21,657**
Cost of revenues		(2,851)	(2,233)	(5,345)	(4,506)	(9,876)
Selling, general and administrative expenses		(1,853)	(1,722)	(3,502)	(3,333)	(7,202)
Restructuring charges and other operating charges and income		(18)	14	(37)	92	(159)
Impairment losses of intangible assets acquired through business combinations		(22)	(31)	(22)	(31)	(34)
Earnings before interest and income taxes (EBIT)	3	**1,244**	**1,231**	**2,362**	**2,445**	**4,386**
Income from equity affiliates		50	90	135	172	373
Interest	4	(97)	(40)	(134)	(64)	(166)
Income from investments		2	2	4	4	6
Other financial charges and income	4	12	(120)	(10)	77	(83)
Earnings from continuing operations before provision for income taxes		**1,211**	**1,163**	**2,357**	**2,634**	**4,516**
Provision for income taxes	5	(264)	(252)	(540)	(476)	(747)
Earnings from continuing operations		**947**	**911**	**1,817**	**2,158**	**3,769**
Earnings from discontinued operations		-	-	-	-	-
Earnings		**947**	**911**	**1,817**	**2,158**	**3,769**
Attributable to:						
Equity holders of the parent		**667**	**594**	**1,222**	**1,526**	**2,625**
Minority interests		280	317	595	632	1,144
Earnings from continuing operations, attributable to equity holders of the parent per share - basic	7	0.57	0.51	1.05	1.32	2.26
Earnings from continuing operations, attributable to equity holders of the parent per share - diluted	7	0.57	0.51	1.04	1.31	2.25
Earnings, attributable to equity holders of the parent per share - basic	7	**0.57**	**0.51**	**1.05**	**1.32**	**2.26**
Earnings, attributable to equity holders of the parent per share - diluted	7	0.57	0.51	1.04	1.31	2.25
Adjusted net income	6	**757**	**755**	**1,454**	**1,526**	**2,832**
Adjusted net income per share - basic	7	**0.65**	**0.65**	**1.25**	**1.32**	**2.44**
Adjusted net income per share - diluted	7	0.65	0.65	1.24	1.31	2.43

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

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

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2008 (unaudited)	December 31, 2007
ASSETS			
Goodwill	8	20,037	15,427
Non-current content assets	9	2,908	3,127
Other intangible assets		3,546	2,772
Property, plant and equipment		5,939	4,675
Investments in equity affiliates	10	5,301	6,825
Non-current financial assets	11	862	1,215
Deferred tax assets		2,237	1,422
Non-current assets		**40,830**	**35,463**
Inventories		419	429
Current tax receivables		578	646
Current content assets	9	698	964
Trade accounts receivable and other		5,664	5,208
Short-term financial assets	11	140	187
Cash and cash equivalents		902	2,049
		8,401	**9,483**
Assets held for sale		-	133
Current assets		**8,401**	**9,616**
TOTAL ASSETS		**49,231**	**45,079**
EQUITY AND LIABILITIES			
Share capital		6,409	6,406
Additional paid-in capital		7,333	7,332
Treasury shares		(2)	(2)
Retained earnings and other		5,705	6,606
Equity, attributable to Vivendi SA's shareholders		**19,445**	**20,342**
Minority interests		2,109	1,900
Total equity		**21,554**	**22,242**
Non-current provisions	13	1,451	1,594
Long-term borrowings and other financial liabilities	16	8,600	5,610
Deferred tax liabilities		945	1,096
Other non-current liabilities		1,444	1,078
Non-current liabilities		**12,440**	**9,378**
Current provisions	13	657	705
Short-term borrowings and other financial liabilities	16	3,858	1,766
Trade accounts payable and other		10,698	10,784
Current tax payables		24	204
Current liabilities		**15,237**	**13,459**
Total liabilities		**27,677**	**22,837**
Contractual obligations and other commitments	17	-	-
TOTAL EQUITY AND LIABILITIES		**49,231**	**45,079**

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

Condensed Statement of Cash Flows

(in millions of euros)	Note	Six Months Ended June 30, (unaudited) 2008	2007	Year Ended December 31, 2007
Operating activities				
EBIT		2,362	2,445	4,386
Adjustments		872	791	1,857
Including amortization and depreciation of tangible and intangible assets		*1,058*	*866*	*1,833*
Content investments, net	9	(102)	(171)	(97)
Gross cash provided by operating activities before income tax paid		***3,132***	***3,065***	***6,146***
Other changes in net working capital		(212)	(176)	20
Net cash provided by operating activities before income tax paid		***2,920***	***2,889***	***6,166***
Income tax paid, net		(744)	(899)	(1,072)
Net cash provided by operating activities		**2,176**	**1,990**	**5,094**
Investing activities				
Capital expenditures		(1,051)	(930)	(1,647)
Purchases of consolidated companies, after acquired cash	2	(4,365)	31	(398)
Investments in equity affiliates	10	(23)	(25)	(254)
Increase in financial assets	11	(73)	(90)	(194)
Investments		***(5,512)***	***(1,014)***	***(2,493)***
Proceeds from sales of property, plant, equipment and intangible assets		52	4	21
Proceeds from sales of consolidated companies, after divested cash	2	(10)	475	304
Disposals of equity affiliates		-	-	23
Decrease in financial assets	11	310	217	129
Divestitures		***352***	***696***	***477***
Dividends received from equity affiliates	10	143	171	340
Dividends received from unconsolidated companies		2	-	1
Net cash provided by (used for) investing activities		**(5,015)**	**(147)**	**(1,675)**
Financing activities				
Net proceeds from issuance of common shares		2	100	149
Sales (purchases) of treasury shares		-	2	(212)
Dividends paid by Vivendi SA to its shareholders		(1,515)	(1,387)	(1,387)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their minority shareholders		(623)	(809)	(1,048)
Transactions with shareholders		***(2,136)***	***(2,094)***	***(2,498)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	16	2,392	370	758
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	16	(217)	(299)	(180)
Principal payment on short-term borrowings	16	(172)	(55)	(1,805)
Other changes in short-term borrowings and other financial liabilities	16	2,054	563	181
Interest paid, net	4	(134)	(89)	(191)
Other cash items related to financial activities		(82)	(8)	(24)
Transactions on borrowings and other financial liabilities		***3,841***	***482***	***(1,261)***
Net cash provided by (used for) financing activities		**1,705**	**(1,612)**	**(3,759)**
Foreign currency translation adjustments		(13)	(2)	(11)
Change in cash and cash equivalents		**(1,147)**	**229**	**(351)**
Cash and cash equivalents				
At beginning of the period		2,049	2,400	2,400
At end of the period		902	2,629	2,049

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

Condensed Statement of changes in equity

Six months ended June 30, 2008 (unaudited)

		Attributable to Vivendi SA shareholders										
		Common shares				Retained Earnings and Other						
(in millions of euros, except number of shares)	Note	*Number of shares* (In thousands)	Amount	Additional paid-in capital	Treasury shares	Retained earnings	Net unrealized gains (losses)	Foreign currency translation adjustments	Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2007		**1,164,743**	**6,406**	**7,332**	**(2)**	**9,209**	**134**	**(2,737)**	**6,606**	**20,342**	**1,900**	**22,242**
Dividends paid by Vivendi S.A. (€1.3 per share)		-	-	-	-	(1,515)	-	-	(1,515)	**(1,515)**	-	**(1,515)**
Exercise of stock options		117	1	1	-	-	-	-	-	**2**	-	**2**
Other transactions with shareholders		424	2	-	-	26	-	-	26	**28**	-	**28**
Dividends and other transactions with Vivendi SA shareholders		**541**	**3**	**1**	**-**	**(1,489)**	**-**	**-**	**(1,489)**	**(1,485)**	**-**	**(1,485)**
Dividends		-	-	-	-	-	-	-	-	**-**	(435)	**(435)**
Other transactions with minority interests		-	-	-	-	-	-	-	-	**-**	47	**47**
Transactions with minority interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(388)**	**(388)**
Earnings		-	-	-	-	1,222	-	-	1,222	**1,222**	595	**1,817**
Charges and income directly recognized in equity		-	-	-	-	342	(109)	(867)	(634)	**(634)**	2	**(632)**
Total recognized charges and income for the period	12	**-**	**-**	**-**	**-**	**1,564**	**(109)**	**(867)**	**588**	**588**	**597**	**1,185**
Total changes over the period		***541***	***3***	***1***	***-***	***75***	***(109)***	***(867)***	***(901)***	***(897)***	***209***	***(688)***
BALANCE AS OF JUNE 30, 2008		**1,165,284**	**6,409**	**7,333**	**(2)**	**9,284**	**25**	**(3,604)**	**5,705**	**19,445**	**2,109** (a)	**21,554**

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

a. Includes cumulative foreign currency translation adjustments of -€63 million.

Six months ended June 30, 2007 (unaudited)

(in millions of euros, except number of shares)	Note	Attributable to Vivendi SA shareholders: Common shares: Number of shares (In thousands)	Common shares: Amount	Additional paid-in capital	Treasury shares	Retained Earnings and Other: Retained earnings	Retained Earnings and Other: Net unrealized gains (losses)	Retained Earnings and Other: Foreign currency translation adjustments	Retained Earnings and Other: Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2006		**1,157,034**	**6,364**	**7,257**	**(33)**	**7,907**	**96**	**(1,679)**	**6,324**	**19,912**	**1,952**	**21,864**
Dividends paid by Vivendi SA (€1.2 per share)		-	-	-	-	(1,387)	-	-	(1,387)	**(1,387)**	-	**(1,387)**
Exercise of stock options		6,683	37	63	-	-	-	-	-	**100**	-	**100**
Treasury shares cancellation		(1,300) (a)	(7)	(24)	31	-	-	-	-	**-**	-	**-**
Other transactions with shareholders		-	-	-	-	22	-	-	22	**22**	-	**22**
Dividends and other transactions with Vivendi SA shareholders		**5,383**	**30**	**39**	**31**	**(1,365)**	**-**	**-**	**(1,365)**	**(1,265)**	**-**	**(1,265)**
Dividends		-	-	-	-	-	-	-	-	**-**	(613)	**(613)**
Other transactions with minority interests		-	-	-	-	-	-	-	-	**-**	(91)	**(91)**
Transactions with minority interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(704)**	**(704)**
Earnings		-	-	-	-	1,526	-	-	1,526	**1,526**	632	**2,158**
Charges and income directly recognized in equity		-	-	-	-	(4)	76	(221)	(149)	**(149)**	1	**(148)**
Total recognized charges and income for the period	12	**-**	**-**	**-**	**-**	**1,522**	**76**	**(221)**	**1,377**	**1,377**	**633**	**2,010**
Total changes over the period		***5,383***	***30***	***39***	***31***	***157***	***76***	***(221)***	***12***	***112***	***(71)***	***41***
BALANCE AS OF JUNE 30, 2007		**1,162,417**	**6,394**	**7,296**	**(2)**	**8,064**	**172**	**(1,900)**	**6,336**	**20,024**	**1,881** (b)	**21,905**

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

a. Results from the conversion of the former ADS option plans into SAR plans in May 2006.

b. Includes cumulative foreign currency translation adjustments of -€40 million.

Year ended December 31, 2007

(in millions of euros, except number of shares)	Note	Attributable to Vivendi SA shareholders: Common shares: *Number of shares* (In thousands)	Common shares: Amount	Additional paid-in capital	Treasury shares	Retained Earnings and Other: Retained earnings	Retained Earnings and Other: Net unrealized gains (losses)	Retained Earnings and Other: Foreign currency translation adjustments	Retained Earnings and Other: Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2006		**1,157,034**	**6,364**	**7,257**	**(33)**	**7,907**	**96**	**(1,679)**	**6,324**	**19,912**	**1,952**	**21,864**
Dividends paid by Vivendi SA (€1.2 per share)		-	-	-	-	(1,387)	-	-	(1,387)	**(1,387)**	-	**(1,387)**
Exercise of stock options		7,733	43	74	-	-	-	-	-	**117**	-	**117**
Capital increase in connection with the employee Share Purchase Plan (July 18, 2007)		1,276	6	25	-	-	-	-	-	**31**	-	**31**
Treasury shares cancellation		(1,300)	(7)	(24)	31	-	-	-	-	**-**	-	**-**
Other transactions with shareholders		-	-	-	-	62	-	-	62	**62**	-	**62**
Dividends and other transactions with Vivendi SA shareholders		**7,709**	**42**	**75**	**31**	**(1,325)**	**-**	**-**	**(1,325)**	**(1,177)**	**-**	**(1,177)**
Dividends		-	-	-	-	-	-	-	-	**-**	(1,047)	**(1,047)**
Other transactions with minority interests		-	-	-	-	-	-	-	-	**-**	(133)	**(133)**
Transactions with minority interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,180)**	**(1,180)**
Earnings		-	-	-	-	2,625	-	-	2,625	**2,625**	1,144	**3,769**
Charges and income directly recognized in equity		-	-	-	-	2	38	(1,058)	(1,018)	**(1,018)**	(16)	**(1,034)**
Total recognized charges and income for the period	12	**-**	**-**	**-**	**-**	**2,627**	**38**	**(1,058)**	**1,607**	**1,607**	**1,128**	**2,735**
Total changes over the period		***7,709***	***42***	***75***	***31***	***1,302***	***38***	***(1,058)***	***282***	***430***	***(52)***	***378***
BALANCE AS OF DECEMBER 31, 2007		**1,164,743**	**6,406**	**7,332**	**(2)**	**9,209** (a)	**134**	**(2,737)**	**6,606**	**20,342**	**1,900** (b)	**22,242**

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

a. Mainly includes previous years' earnings which were not distributed and 2007 earnings attributable to equity holders of the parent.

b. Includes cumulative foreign currency translation adjustments of -€53 million.

Notes to the Condensed Financial Statements

On August 26, 2008, the Management Board approved the Financial Report and the Condensed Financial Statements for the half year ended June 30, 2008. Following a review by the Audit Committee on August 27, 2008, they were reviewed by Vivendi's Supervisory Board on August 28, 2008.

The unaudited Condensed Financial Statements for the half year ended June 30, 2008 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2007, as published in the 2007 *Rapport annuel - Document de référence* that was filed under number D.08-131 with the *Autorité des marchés financiers* (AMF) on March 18, 2008 (the *Document de référence*). Please also refer to pages 161 to 256 of the English translation[1] of the *Document de référence* (the "2007 Annual Report") which is provided on our website (www.vivendi.com) for informational purposes.

Note 1. Accounting policies and valuation methods

1.1. Interim Financial Statements

The Condensed Financial Statements of Vivendi for the first half of 2008 are presented and have been prepared based on the provisions of IAS 34 "Interim financial reporting" as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, Vivendi applied the same accounting methods used for the Consolidated Financial Statements for the year ended December 31, 2007 (please refer to Note 1 "Accounting policies and valuation methods" presented in those financial statements (pages 169 to 185 of the 2007 Annual Report)) and the following provisions were applied:

- Provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to the pre-tax earnings adjusted for any items subjected to a lower tax rate. However, where a lower tax rate is applicable, the current rate has been used for the calculation. 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.
- Compensation costs recorded for stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for non-recurring events which occurred over the period, if necessary.

1.2. New IFRS applicable as of January 1, 2008

The new IFRS applicable as of January 1, 2008, as described in Note 1.5 "New IFRS standards and IFRIC interpretations that have been published but are not yet effective" to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2007 (pages 184 and 185 of the 2007 Annual Report), were not applicable to the first half of 2008.

Note 2. Changes in the scope of consolidation

2.1. Take over of Neuf Cegetel by SFR

Acquisition by SFR of the 60.15% equity interest in Neuf Cegetel that it did not own

On April 15, 2008, Vivendi and SFR received permission from the French Minister of the Economy, Industry and Employment to proceed with the purchase of the Louis Dreyfus Group's equity stake in Neuf Cegetel, condition precedent to the take over of Neuf Cegetel by SFR. Consequently, in accordance with the agreement announced on December 20, 2007 (please refer to Note 2.9 to the Consolidated Financial Statements for the year ended December 31, 2007 - page 191 of the 2007 Annual Report), SFR acquired the 60.15% equity interest in Neuf Cegetel that it did not own, as follows:

- On April 15, 2008, SFR acquired from Louis Dreyfus Group their entire interest in Neuf Cegetel (i.e., 28.45%) at €34.50 per share (2007 coupon of €0.60 per share attached), for a purchase price of €2,074 million, and hence SFR gained control of Neuf Cegetel on this same date by attaining a 68.30% aggregate voting equity interest in Neuf Cegetel.
- Between April 25 and May 2, 2008, SFR acquired an additional interest of approximately 10% in Neuf Cegetel at an average price of €36.50 per share, for a purchase price of €752 million, thus reaching an approximate 77.90% aggregate ownership interest in Neuf Cegetel.

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

- As a result of the success of the Simplified Public Purchase Offer, which was opened between May 19 and June 13, 2008 inclusive, followed by a Public Withdrawal Offer implemented on June 24, 2008, SFR acquired a further approximate 19% interest in Neuf Cegetel at €35.90 per share (2007 coupon of €0.60 per share detached), for a purchase price of €1,497 million, thereby attaining an approximate 97.44% aggregate ownership interest in Neuf Cegetel.
- In addition, SFR entered into symmetrical put and call option agreements with almost all of the executives and employees of Neuf Cegetel who were granted restricted shares, which are currently in a conservation period, allowing for SFR to obtain, in the future, 1.98% of the share capital of Neuf Cegetel, for an estimated amount of €140 million.

Therefore, as at June 30, 2008, as a result of the Public Withdrawal Offer and taking into account the treasury shares held by Neuf Cegetel (0.58% of the share capital), as well as the symmetrical put and call option agreements with the beneficiaries of restricted shares, SFR held more than 99.99% of Neuf Cegetel's share capital, 60.15% of which was acquired at a price of €4,478 million (including transaction costs and fees).

Full consolidation of Neuf Cegetel by SFR from April 15, 2008

SFR has obtained the majority control over the voting rights in Neuf Cegetel since April 15, 2008, and began to fully consolidate Neuf Cegetel from that date. Until April 14, 2008, SFR held a 39.85% minority interest in Neuf Cegetel, which was accounted for as equity affiliate.

As of June 30, 2008, in accordance with accounting standards applicable to business combinations, SFR has performed a preliminary allocation of the purchase price of the 60.15% interest acquired in Neuf Cegetel, and consolidated 100% of the fair value of identifiable assets acquired and liabilities incurred or assumed from Neuf Cegetel, based on analyses and estimates prepared by SFR with the assistance of a third-party appraiser. The allocation of the purchase price will be finalized within the 12-month period prescribed by accounting standards and the final goodwill amount may significantly differ from the amount presented below.

Investment previously accounted for as equity affiliate by SFR

As at April 14, 2008, the carrying value of SFR's equity investment in Neuf Cegetel amounted to €1,087 million. In accordance with accounting standards, upon the consolidation of 100% of the fair value of assets and liabilities of Neuf Cegetel as at April 15, 2008, SFR recognized a revaluation surplus that reflects that part of the increase in the fair value of assets and liabilities that is attributable to the equity investment previously held in Neuf Cegetel, i.e. 39.85%, as follows:

- The asset revaluation surplus amounted to €345 million, which was directly recorded in equity; and
- The negative revaluation adjustment amounted to -€68 million, which was recorded in earnings as other financial charges and income.

Preliminary allocation of the purchase price of 60.15% of Neuf Cegetel shares

As of April 15, 2008 (in millions of euros)	**Carrying value of net assets before acquisition**	**Fair value of net assets acquired at the acquisition date**	
ASSETS			
Goodwill	1,405	-	
Non-current content assets	-	-	
Other intangible assets	504	943	(a)
Property, plant and equipment	1,386	1,388	
Investments in equity affiliates	12	12	
Non-current financial assets	108	108	
Deferred tax assets	382	844	(b)
Non-current assets	**3,797**	**3,295**	
Inventories	5	5	
Current tax receivables	6	6	
Current content assets	-	-	
Trade accounts receivable and other	1,102	1,096	
Short-term financial assets	-	-	
Cash and cash equivalents	215	215	
	1,328	1,322	
Assets held for sale	24	24	
Current assets	**1,352**	**1,346**	
TOTAL ASSETS (A)	**5,149**	**4,641**	
Minority interests	**41**	**41**	
Non-current provisions	16	15	
Long-term borrowings and other financial liabilities	1,041	1,041	
Deferred tax liabilities	7	-	
Other non-current liabilities	581	655	
Non-current liabilities	**1,645**	**1,711**	
Current provisions	18	48	
Short-term borrowings and other financial liabilities	178	178	
Trade accounts payable and other	1,518	1,553	
Current tax payables	1	1	
Current liabilities	**1,715**	**1,780**	
Total liabilities	**3,360**	**3,491**	
TOTAL MINORITY INTERESTS AND LIABILITIES (B)	**3,401**	**3,532**	
NET ASSETS (A-B)	**1,748**	**1,109**	

a. Fair value of other intangible assets is composed of:

(in millions of euros)	**As of April 15, 2008**
Neuf Cegetel trade name (indefinite life)	26
Customer list (amortized over 7 years)	475
Acquired software	87
Indefeasible rights of use	106
FAS and other intangible assets	249
Total	**943**

b. Mostly comprised of the deferred tax asset accounted for an amount of €955 million in respect of the recognition of Neuf Cegetel's entire ordinary losses carried forward (€808 million) and temporary differences (€147 million) as of April 15, 2008, as well as the deferred tax liability (-€173 million) associated to the customer list and the trade name, and the deferred tax assets (€62 million) associated to the other adjustments related to the purchase price allocation of Neuf Cegetel.

(in millions of euros)	As of April 15, 2008
Fair value of Neuf Cegetel's assets and liabilities	**1,109**
- Net assets variation related to interests acquired between April 15 and June 24, 2008	(42)
- Asset revaluation surplus directly recognized in the equity	(345)
- Negative reevaluation adjustment recognized through profit and loss	68
- Carrying value of Neuf Cegetel's equity investment until April 14, 2008	(1,087)
Preliminary goodwill	4,775
Purchase price of 60.15% of Neuf Cegetel	**4,478**

Supplemental financial data concerning Neuf Cegetel

The group's share in earnings of Neuf Cegetel for the period between January 1 and April 14, 2008 amounted to €18 million. Neuf Cegetel's revenues and EBITA between January 1 and April 14, 2008 amounted to €766 million (before elimination of intersegment operations between Neuf Cegetel and SFR) and €62 million, respectively. Furthermore, for reference, Neuf Cegetel's revenues and EBITA between January 1 and June 30, 2008 amounted to €1,825 million (before elimination of intersegment operations between Neuf Cegetel and SFR) and €98 million, respectively.

2.2. Creation of Activision Blizzard

On December 1, 2007, Vivendi, Activision, Inc. ("Activision") and certain of their respective subsidiaries entered into a business combination agreement (the "BCA") to combine Vivendi Games with Activision. The transactions contemplated by the BCA received the approval from the U.S. competition authorities and the European Union merger control regulations on January 16, and April 16, 2008, respectively, were approved by Activision's stockholders at a special stockholder meeting on July 8, 2008, and were consummated on July 9, 2008.

Pursuant to the BCA, at closing, a wholly-owned subsidiary of Activision, merged with and into Vivendi Games, and hence Vivendi Games became a wholly-owned subsidiary of Activision. In the merger, a subsidiary of Vivendi received approximately 295.3 million newly issued shares of Activision common stock, which number was based upon a valuation of Vivendi Games at $8,121 million and a per share price for Activision common stock of $27.50. Concurrently with the merger, Vivendi purchased approximately 62.9 million newly issued shares of Activision common stock, at a price of $27.50 per share for a total of approximately $1,731 million in cash, resulting in a total Vivendi ownership interest in Activision Blizzard of approximately 54.46% of shares outstanding (approximately 52% on a fully diluted basis). Upon closing of the transactions, Activision was renamed Activision Blizzard, Inc. ("Activision Blizzard") and continues to operate as a public company traded on NASDAQ under the ticker symbol ATVI. Activision Blizzard now conducts the combined business operations of Activision and Vivendi Games including Blizzard Entertainment.

In accordance with the terms of the BCA, on July 16, 2008, Activision Blizzard commenced a $4,028 million all-cash tender offer to purchase up to 146.5 million of Activision Blizzard common shares at $27.50 per share. As a result of this tender offer, that expired on August 13, 2008, 85,916 shares of Activision Blizzard common stock were properly tendered for a total cost of approximately $2.3 million in cash, resulting in a total Vivendi ownership interest in Activision Blizzard of approximately 54.25% (based on shares outstanding and net of the dilution effect of stock-options exercised since the closing date).

In addition, under the terms of the BCA, Vivendi and Activision gave a number of reciprocal commitments customary for this type of transaction, notably certain representations and warranties and undertakings, expired upon the closing of the transaction. The parties have also entered into various ancillary agreements at the closing of the transaction, including an investor agreement and tax sharing and indemnity agreements.

Consolidation of Activision Blizzard by Vivendi

From July 9, Vivendi has the ability to nominate a majority of the members of the board of directors of Activision Blizzard, hence has the power to govern the financial and operational policies of Activision Blizzard so as to obtain benefits from its operations. From this date, Vivendi fully consolidates Activision Blizzard. Prior to the fifth anniversary of the closing date, the approval of certain matters by Activision Blizzard board of directors will require the affirmative vote of (a) a majority of the votes present or otherwise able to be cast on the board, and (b) at least a majority of the independent directors on the board. Nevertheless, after the first anniversary of the closing date, the affirmative vote of the majority of the independent directors will not apply if Activision Blizzard's pro forma net debt amount, after giving effect to such dividend, does not exceed $400 million.

From an accounting perspective, Vivendi Games will be deemed to be the accounting acquirer and Activision will be deemed to be the accounting acquiree. As the result, iIn the Consolidated Financial Statements of Vivendi, the combination of Vivendi Games and Activision is accounted for as (a) the dilution by approximately 45.75% of Vivendi's interest in Vivendi Games and (b) the acquisition of a controlling interest of approximately 54.25% in Activision.

Dilution of 45.75% in Vivendi Games

From an accounting perspective, the dilution by approximately 45.75% of Vivendi's interest in Vivendi Games will generate a dilution gain of $3,656 million (€2,327 million), an amount equal to the positive difference between (a) the fair value amount allocated to this interest, on the basis of $8,121 million for 100% of Vivendi Games and a per share price for Activision common stock of $27.50, and (b) its carrying amount.

Acquisition of 54.25% of Activision

From an accounting perspective, Vivendi Games is deemed the acquirer of Activision, and after consummation both of the merger and share purchase transactions under the BCA and the completion of the tender offer, Vivendi holds a 54.25% controlling interest in Activision Blizzard.

The purchase price of 54.25% of Activision is determined on the basis of the fair value of exchanged assets, plus the cash paid ($1,731 million) and the estimated costs directly attributable to the acquisition and should amount to $5,572 million (€3,545 million):

(in millions of US dollars)	**As of July 9, 2008**
Fair value of the exchange assets (45.75% of Vivendi Games, valued at $8,121 million for 100%)	3,715
Cash received from the Vivendi share purchase	1,731
Transaction expenses directly attributable to the transaction	126
Total purchase price (in millions of US dollars)	**5,572**
Total purchase price (in millions of euros)	***3,546***

In accordance with the accounting standards applicable to business combinations, Activision Blizzard has performed a preliminary allocation of the purchase price, in order to determine the fair value of identifiable assets acquired and liabilities incurred or assumed, based on analyses and forecasts performed by Activision Blizzard and independent experts.

For illustrative purposes only, the unaudited balance sheet of Activision as of March 31, 2008, prepared in conformity with U.S. GAAP, has been adjusted to reflect the preliminary allocation of the purchase price to identifiable net assets acquired and the excess purchase price to goodwill. The allocation of the purchase price is preliminary and is dependent upon certain valuations and other studies that have not progressed to a stage where there is sufficient information to make a definitive allocation. Accordingly, for the preparation of Vivendi Consolidated Financial Statements, the allocation of the purchase price will be performed on the basis of the balance sheet of Activision under IFRS as at July 9, 2008. The final allocation of the purchase price will be finalized within the 12-month period from July 9, 2008, as prescribed by accounting standards, and may be materially different from the illustrative adjustments presented below, which was prepared on the basis of the unaudited balance sheet of Activision as of March 31, 2008 (in millions of U.S. dollars, except where noted):

As of March 31, 2008 (in millions of US dollars under US GAAP)	**Carrying value**	**Fair value**
Cash and cash equivalent on hand	1,396	1,396
Cash received from the Vivendi share purchase	1,731	1,731
Inventories	147	162
Property and equipment	55	55
Long term investments	91	91
Other long term assets	15	15
Intangible assets (a)	194	2,011
Working capital	(276)	(313)
Long term liabilities	(27)	(53)
Deferred tax liability	74	(639)
Other Financial instruments	-	(93)
Total net assets of Activision (100%)	**3,400**	**4,363**
Implies fair value of net assets acquired (54.25%) estimated	**1,845**	**2,367**
Preliminary Goodwill (in millions of US dollars)	3,727	3,205
Cost of the Business Combination for 54.25% acquired	**5,572**	**5,572**
Preliminary Goodwill (in millions of euros)	***2,372***	***2,039***
Cost of the Business Combination for 54.25% acquired (in millions of euros)	***3,546***	***3,546***

a. Fair value of other intangible assets is composed of:

(in millions of US dollars under US GAAP)	**Life**	**As of March 31, 2008**
License agreements	3 - 10 years	122
Developed software	Less than 1 year	200
Game engine	2 - 5 years	129
Internally developed franchises	5 - 12 years	1,202
Retail customer relationships	Less than 1 year	36
Activision trademark / trade name	Indefinite	322
Total		**2,011**

2.3. Other changes in scope

Acquisition of Kinowelt by StudioCanal (Canal+ Group). On April 2, 2008, StudioCanal acquired the entire share capital of Kinowelt, the leading German independent film company specializing in the acquisition and distribution of films. Kinowelt has been fully consolidated since this date.

Acquisition of Univision Music Group by UMG. On May 5, 2008, UMG acquired the entire share capital of Univision Music Group ("Univision") from Univision Communications Inc. for a purchase price of €92 million. Univision has been fully consolidated since that date.

Note 3. Segment data

The group operates through five different numerical entertainment businesses: Universal Music Group, Canal+ Group, SFR, Maroc Telecom Group, and Vivendi Games.

Condensed Statement of Earnings

Three Months Ended June 30, 2008 (in millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and others	Eliminations	**Total Vivendi**
External revenues	1,007	1,139	2,986	630	223	-	3	-	5,988
Intersegment revenues	4	-	1	10	-	-	(1)	(14)	-
Revenues	**1,011**	**1,139**	**2,987**	**640**	**223**	**-**	**2**	**(14)**	**5,988**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(833)	(916)	(1,899)	(243)	(169)	(38)	(14)	14	(4,098)
Charges related to stock options and share-based compensation plans	(3)	(4)	(12)	(1)	-	(2)	-	-	(22)
EBITDA	**175**	**219**	**1,076**	**396**	**54**	**(40)**	**(12)**	**-**	**1,868**
Restructuring charges	(17)	-	(10)	-	-	(1)	-	-	(28)
Gain (losses) on tangible and intangible assets	1	-	(13)	-	-	-	-	-	(12)
Other non recurring items	-	(2)	1	-	1	13	2	-	15
Depreciation of tangible assets	(11)	(23)	(217)	(61)	(10)	-	-	-	(322)
Amortization of intangible assets excluding those acquired through business combinations	-	(13)	(121)	(19)	(3)	-	(1)	-	(157)
Adjusted earnings before interest and income taxes (EBITA)	**148**	**181**	**716**	**316**	**42**	**(28)**	**(11)**	**-**	**1,364**
Amortization of intangible assets acquired through business combinations	(62)	(7)	(23)	(6)	-	-	-	-	(98)
Impairment losses of intangible assets acquired through business combinations	(21)	-	-	(1)	-	-	-	-	(22)
Earnings before interest and income taxes (EBIT)	**65**	**174**	**693**	**309**	**42**	**(28)**	**(11)**	**-**	**1,244**
Income from equity affiliates									50
Interest									(97)
Income from investments									2
Other financial charges and income									12
Provision for income taxes									(264)
Earnings from discontinued operations									-
Earnings									**947**
Attributable to:									
Equity holders of the parent									**667**
Minority interests									280

Three Months Ended June 30, 2007 (in millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and others	Eliminations	**Total Vivendi**
External revenues	1,063	1,080	2,238	608	209	-	5	-	5,203
Intersegment revenues	5	7	2	7	-	-	-	(21)	-
Revenues	**1,068**	**1,087**	**2,240**	**615**	**209**	**-**	**5**	**(21)**	**5,203**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(882)	(873)	(1,296)	(266)	(162)	(28)	(9)	21	(3,495)
Charges related to stock options and share-based compensation plans	(12)	(2)	(8)	-	(23)	(12)	-	-	(57)
EBITDA	**174**	**212**	**936**	**349**	**24**	**(40)**	**(4)**	**-**	**1,651**
Restructuring charges	(2)	(25)	-	9	-	-	-	-	(18)
Gain (losses) on tangible and intangible assets	-	(1)	(12)	-	-	-	-	-	(13)
Other non recurring items	2	1	-	1	-	46	8	-	58
Depreciation of tangible assets	(11)	(29)	(120)	(63)	(12)	(1)	(3)	-	(239)
Amortization of intangible assets excluding those acquired through business combinations	-	(20)	(83)	(14)	-	-	-	-	(117)
Adjusted earnings before interest and income taxes (EBITA)	**163**	**138**	**721**	**282**	**12**	**5**	**1**	**-**	**1,322**
Amortization of intangible assets acquired through business combinations	(46)	(8)	-	(6)	-	-	-	-	(60)
Impairment losses of intangible assets acquired through business combinations	-	(25)	(6)	-	-	-	-	-	(31)
Earnings before interest and income taxes (EBIT)	**117**	**105**	**715**	**276**	**12**	**5**	**1**	**-**	**1,231**
Income from equity affiliates									90
Interest									(40)
Income from investments									2
Other financial charges and income									(120)
Provision for income taxes									(252)
Earnings from discontinued operations									-
Earnings									**911**
Attributable to:									
Equity holders of the parent									**594**
Minority interests									317

Six Months Ended June 30, 2008 (in millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and others	Eliminations	**Total Vivendi**
External revenues	2,039	2,255	5,285	1,242	444	-	3	-	11,268
Intersegment revenues	5	(1)	4	12	-	-	(1)	(19)	-
Revenues	**2,044**	**2,254**	**5,289**	**1,254**	**444**	**-**	**2**	**(19)**	**11,268**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,746)	(1,819)	(3,343)	(507)	(336)	(72)	(21)	19	(7,825)
Charges related to stock options and share-based compensation plans	10	(6)	(14)	(2)	7	21	-	-	16
EBITDA	**308**	**429**	**1,932**	**745**	**115**	**(51)**	**(19)**	**-**	**3,459**
Restructuring charges	(29)	-	(10)	1	-	-	-	-	(38)
Gain (losses) on tangible and intangible assets	1	-	(19)	3	-	-	-	-	(15)
Other non recurring items	1	(1)	1	(1)	1	14	-	-	15
Depreciation of tangible assets	(22)	(50)	(347)	(124)	(20)	(2)	-	-	(565)
Amortization of intangible assets excluding those acquired through business combinations	-	(27)	(217)	(40)	(4)	-	(1)	-	(289)
Adjusted earnings before interest and income taxes (EBITA)	**259**	**351**	**1,340**	**584**	**92**	**(39)**	**(20)**	**-**	**2,567**
Amortization of intangible assets acquired through business combinations	(126)	(15)	(30)	(12)	-	-	-	-	(183)
Impairment losses of intangible assets acquired through business combinations	(21)	-	-	(1)	-	-	-	-	(22)
Earnings before interest and income taxes (EBIT)	**112**	**336**	**1,310**	**571**	**92**	**(39)**	**(20)**	**-**	**2,362**
Income from equity affiliates									135
Interest									(134)
Income from investments									4
Other financial charges and income									(10)
Provision for income taxes									(540)
Earnings from discontinued operations									-
Earnings									**1,817**
Attributable to:									
Equity holders of the parent									**1,222**
Minority interests									595

Six Months Ended June 30, 2007 (in millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and others	Eliminations	**Total Vivendi**
External revenues	2,088	2,139	4,333	1,154	500	-	9	-	10,223
Intersegment revenues	7	15	3	11	-	-	-	(36)	-
Revenues	**2,095**	**2,154**	**4,336**	**1,165**	**500**	**-**	**9**	**(36)**	**10,223**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,834)	(1,733)	(2,530)	(488)	(320)	(47)	(15)	36	(6,931)
Charges related to stock options and share-based compensation plans	(20)	(3)	(10)	(1)	(33)	(16)	-	-	(83)
EBITDA	**241**	**418**	**1,796**	**676**	**147**	**(63)**	**(6)**	**-**	**3,209**
Restructuring charges	(1)	(25)	-	9	-	(1)	-	-	(18)
Gain (losses) on tangible and intangible assets	1	(1)	(14)	-	(1)	-	-	-	(15)
Other non recurring items	1	1	-	1	-	118	14	-	135
Depreciation of tangible assets	(22)	(59)	(251)	(119)	(21)	(3)	(6)	-	(481)
Amortization of intangible assets excluding those acquired through business combinations	-	(32)	(167)	(29)	(6)	-	-	-	(234)
Adjusted earnings before interest and income taxes (EBITA)	**220**	**302**	**1,364**	**538**	**119**	**51**	**2**	**-**	**2,596**
Amortization of intangible assets acquired through business combinations	(93)	(15)	-	(12)	-	-	-	-	(120)
Impairment losses of intangible assets acquired through business combinations	-	(25)	(6)	-	-	-	-	-	(31)
Earnings before interest and income taxes (EBIT)	**127**	**262**	**1,358**	**526**	**119**	**51**	**2**	**-**	**2,445**
Income from equity affiliates									172
Interest									(64)
Income from investments									4
Other financial charges and income									77
Provision for income taxes									(476)
Earnings from discontinued operations									-
Earnings									**2,158**
Attributable to:									
Equity holders of the parent									**1,526**
Minority interests									632

As of June 30, 2008, income from equity affiliates is mainly comprised of the group's share in earnings of NBC Universal for €66 million for the second quarter of 2008 (compared to €78 million for the second quarter of 2007) and €118 million for the half year of 2008 (compared to €143 million for the half year of 2007). This investment is allocated to the Holding & Corporate business segment.

The group's share in earnings of Neuf Cegetel for the period from January 1, to April 14, 2008 amounted to €18 million compared to €31 million for the entire half year of 2007). This investment was allocated to the SFR business segment. Please refer to Note 10 "Investments in equity affiliates".

Consolidated Statement of Financial Position

(in millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom Group	Vivendi Games	Holding & Corporate	Non core operations and others	**Total Vivendi**
June 30, 2008								
Segment assets	7,727	7,370	19,705	4,867	339	5,464	42	45,514
incl. investments in equity affiliates (a)	*46*	*2*	*46*	-	-	*5,207*	-	*5,301*
Unallocated assets								3,717
Total assets								**49,231**
Segment liabilities	2,584	2,828	6,679	1,288	362	486	23	14,250
Unallocated liabilities								13,427
Total liabilities								**27,677**
Increase in tangible and intangible assets	17	105	379	169	14	1	-	**685**
Net industrial investments (capex, net) (b)	12	123	660	189	14	1	-	**999**

In addition, segment data is presented in Note 8 "Goodwill" and Note 9 "Content assets and commitments".

a. Holding & Corporate includes the 20% stake in NBC Universal. SFR included the 39.85% stake in Neuf Cegetel until April 14, 2008. Please refer to Note 2.1.

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

Note 4. Financial charges and income

Interest

(in millions of euros)	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	Year Ended December 31, 2007
Interest expense on borrowings	124	83	190	156	301
Capitalized interest relating to the acquisition of BMG Music Publising	-	(10)	-	(25)	(25)
Interest income from cash and cash equivalents	(27)	(33)	(56)	(67)	(110)
Interest at nominal rate	**97**	**40**	**134**	**64**	**166**
Impacts of amortized cost on borrowings	*8*	*7*	*17*	*14*	*28*
Interest at effective rate	***105***	***47***	***151***	***78***	***194***

The impact of amortized cost on borrowings is recorded under "other financial charges" (see below). This impact represents the difference between the interest at nominal rate and the interest at effective rate.

Other financial charges and income

(in millions of euros)	Note	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	Year Ended December 31, 2007
Other capital gain on the divestiture of businesses		1	2	2	243	262
o/w the capital gain on the divestiture of Canal+ France to Lagardère		-	-	-	*239*	*239*
Downside adjustment on the divestiture of businesses		(68)	(12)	(68)	(12)	(40)
o/w impact of certain non-cash adjustments relating to the acquisition of Neuf Cegetel by SFR	2.1	*(68)*	-	*(68)*	-	-
Other capital gain on financial investments		86	1	97	1	4
o/w early redemption of the Vivendi bonds exchangeable for Sogecable shares (a)		*83*	-	*83*	-	-
Downside adjustment on financial investments		(4)	(69)	(5)	(70)	(185)
o/w the write-off of the minority stake in Amp'd		-	*(65)*	-	*(65)*	*(65)*
Financial components of employee benefits		(8)	(8)	(14)	(15)	(29)
Impacts of amortized cost on borrowings		(8)	(7)	(17)	(14)	(28)
Change in derivative instruments		16	(1)	5	(15)	9
Effect of undiscounting assets and liabilities (b)		-	(23)	(11)	(36)	(75)
Other		(3)	(3)	1	(5)	(1)
Other financial charges and income		**12**	**(120)**	**(10)**	**77**	**(83)**

a. Following the tender offer launched by Prisa for the share capital of Sogecable at €28.00 per share, Vivendi offered to deliver to the holders of these bonds Sogecable shares on the basis of a ratio of one bond for 1.0118 Sogecable shares plus €2.00 in cash. This offer, which expired on April 18, 2008, resulted in virtually all the outstanding bonds being returned to Vivendi. Thereafter, Vivendi redeemed the remaining bonds, at a price of €29.32 plus interest accrued to the redemption date. Following this operation, Vivendi owned only 0.64% of Sogecable's share capital and contributed these shares to Prisa's takeover bid for Sogecable. For a detailed description of this borrowing, please refer to Note 24.3 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 238 of the 2007 Annual Report).
On the condensed financial statements for the half year ended June 30, 2008, this transaction mainly generated a €83 million capital gain, comprised of a €74 million capital gain on the bonds conversion and repurchase, and a €9 million capital gain on the shares contribution to Prisa, as well as a €217 million decrease in Financial Net Debt.

b. This line item mainly corresponds to the effect of undiscounting of liabilities related to the combination of pay-TV activities of Canal+ Group and TPS in France.

Note 5. Income taxes

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31, 2007
(in millions of euros)	2008	2007	2008	2007	
Provision for income taxes:					
Impact of the Consolidated Global Profit Tax System	79 (a)	133	158 (a)	265	605
Other components of the provision for income taxes	(343)	(385)	(698)	(741)	(1,352)
Provision for income taxes	**(264)**	**(252)**	**(540)**	**(476)**	**(747)**

a. Corresponding to the expected tax savings relating to the 2009 fiscal year (i.e., 25% and 50%, respectively), which decreased due to the anticipation of the acquisition of Neuf Cegetel by SFR. On May 19, 2008, Vivendi applied to the Minister of Finance for permission to use the Consolidated Global Profit Tax System for an additional three-year period from 2009 to 2011. Please refer to Note 6.1 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 198 of the 2007 Annual report).

Note 6. Reconciliation of earnings, attributable to equity holders of the parent and adjusted net income

		Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31, 2007
(in millions of euros)	Note	2008	2007	2008	2007	
Earnings, attributable to equity holders of the parent (a)		**667**	**594**	**1,222**	**1,526**	**2,625**
Adjustments						
Amortization of intangible assets acquired through business combinations		98	60	183	120	301
Impairment losses of intangible assets acquired through business combinations (a)		22	31	22	31	34
Other financial charges and income (a)	4	(12)	120	10	(77)	83
Change in deferred tax asset related to the Consolidated Global Profit Tax System		69	2	138	4	(53)
Non recurring items related to provision for income taxes		(2)	-	2	-	74
Provision for income taxes on adjustments		(41)	(36)	(74)	(60)	(155)
Minority interests in adjustments		(44)	(16)	(49)	(18)	(77)
Adjusted net income		**757**	**755**	**1,454**	**1,526**	**2,832**

a. As presented in the condensed statement of earnings.

Note 7. Earnings per share

	Three Months Ended June 30,				Six Months Ended June 30,				Year Ended December 31,	
	2008		2007		2008		2007		2007	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)										
Earnings attributable to equity holders of the parent	667	667	594	594	1,222	1,222	1,526	1,526	2,625	2,625
Adjusted net income	757	757	755	755	1,454	1,454	1,526	1,526	2,832	2,832
Number of shares (in millions)										
Weighted average number of shares outstanding restated (a)	1,165.1	1,165.1	1,156.0	1,156.0	1,164.9	1,164.9	1,156.4	1,156.4	1,160.2	1,160.2
Potential dilutive effects related to share-based compensation	-	4.9	-	8.0	-	5.2	-	7.8	-	7.6
Adjusted weighted average number of shares	**1,165.1**	**1,170.0**	**1,156.0**	**1,164.0**	**1,164.9**	**1,170.1**	**1,156.4**	**1,164.3**	**1,160.2**	**1,167.8**
Earnings per share (in euros)										
Earnings attributable to equity holders of the parent per share	0.57	0.57	0.51	0.51	1.05	1.04	1.32	1.31	2.26	2.25
Adjusted net income per share	0.65	0.65	0.65	0.65	1.25	1.24	1.32	1.31	2.44	2.43

Earnings from discontinued operations are not applicable over presented periods. Therefore, earnings from continuing operations, attributable to the equity holders of the parent, correspond to earnings attributable to the equity holders of the parent.

a. Net of treasury shares (79,564 shares as of June 30, 2008).

Note 8. Goodwill

(in millions of euros)	June 30, 2008	December 31, 2007
Goodwill, gross	30,521	26,402
Impairment losses	(10,484)	(10,975)
Goodwill	**20,037**	**15,427**

Changes in goodwill

(in millions of euros)	Goodwill as of December 31, 2007	Impairment losses	Changes in value of commitments to purchase minority interests	Business combinations	Divestitures, changes in foreign currency translation adjustments and other	**Goodwill as of June 30, 2008**
Universal Music Group	4,246	(6)	-	82 (a)	(329)	**3,993**
Canal+ Group	4,850	-	(10)	144	(3)	**4,981**
o/w StudioCanal	*127*	-	-	*94*	*(2)*	***219***
SFR	4,270	-	-	4,762 (b)	1	**9,033**
Maroc Telecom Group	1,960	(1)	2	(6) (c)	(22)	**1,933**
Vivendi Games	101	-	-	4	(8)	**97**
Non core operations and others	-	-	-	-	-	**-**
Total	**15,427**	**(7)**	**(8)**	**4,986**	**(361)**	**20,037**

a. Corresponds notably to preliminary goodwill attributable to the acquisition of Univision by UMG completed on May 5, 2008 (please refer to Note 2.3).

b. Corresponds notably to preliminary goodwill attributable to the acquisition of Neuf Cegetel (please refer to Note 2.1).

c. Corresponds to the adjustment to the goodwill attributable to the acquisition of Gabon Telecom.

Note 9. Content assets and commitments

9.1. Content assets

(in millions of euros)	June 30, 2008			December 31, 2007
	Content assets, gross	Accumulated amortization and impairment losses	Content assets	Content assets
Music catalogs and publishing rights	5,307	(3,083)	2,224	2,515
Advances to artists and repertoire owners	453	-	453	449
Merchandising contracts and artists services	55	(6)	49	58
Sports rights	26	-	26	378
Film and television costs	4,844	(4,049)	795	627
Games advances	127	(68)	59	64
Content assets	**10,812**	**(7,206)**	**3,606**	**4,091**
Deduction of current content assets	(807)	109	(698)	(964)
Non-current content assets	**10,005**	**(7,097)**	**2,908**	**3,127**

Changes in the main content assets are as follows:

(in millions of euros)	Six Months Ended June 30, 2008
Opening balance of music catalogs and publishing rights	**2,515**
Amortization, net (a)	(122)
Business combinations	13
Purchases of catalogs	13
Changes in foreign currency translation adjustments and other	(195)
Closing balance of music catalogs and publishing rights	**2,224**

a. This amortization is recorded in "Amortization of intangible assets acquired through business combinations" in the statement of earnings.

(in millions of euros)	Six Months Ended June 30, 2008
Opening balance of payments to artists and repertoire owners	**449**
Payment to artists and repertoire owners	300
Business combinations	13
Recoupment of advances, net	(275)
Changes in foreign currency translation adjustments and other	(34)
Closing balance of payments to artists and repertoire owners	**453**

(in millions of euros)	Six Months Ended June 30, 2008
Opening balance of sports rights	**378**
Rights acquisition (a)	362
Rights accrual, net (a)	(348)
Consumption of broadcasting rights (b)	(369)
Other	3
Closing balance of sports rights	**26**

a. The rights are accrued upon the opening of the broadcasting period. They are reclassified as acquired rights upon billing by the third party, unless they have already been expensed. The rights accrual, net corresponds to accrued rights less rights transferred to acquired rights and rights consumed before their billing.

b. As of June 30, 2008, the rights to broadcast the French Professional Soccer League for the 2007-2008 season were fully amortized. Please refer to Note 9.2 (see below).

(in millions of euros)	Six Months Ended June 30, 2008
Opening balance of film and television costs	**627**
Acquisition of coproductions and catalogs	28
Consumption of coproductions and catalogs	(40)
Acquisition of film and television rights	458
Consumption of film and television rights	(362)
Business combinations	61
Other	23
Closing balance of film and television costs	**795**

9.2. Contractual content commitments

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

	Minimum Future Payments		
(in millions of euros)	as of June 30, 2008		as of December 31, 2007
Music royalties to artists and repertoire owners	1,257		1,485
Film and television rights	288		182
Sports rights	28	(a)	473
Creative talent, employment agreements and others	189		225
Total content liabilities	**1,762**		**2,365**

Commitments given/received not recorded in the Statement of Financial Position

	Minimum Future Payments		
(in millions of euros)	as of June 30, 2008		as of December 31, 2007
Film and television rights (b)	3,163		3,278
Sports rights	2,018	(a)	181
Creative talent, employment agreements and others	873		1,005
Total given	**6,054**		**4,464**
Film and television rights	(74)		(87)
Creative talent, employment agreements and others	not available		
Other	(5)		(9)
Total received	**(79)**		**(96)**
Total net	**5,975**		**4,368**

a. The decrease in sports rights recorded in the Statement of Financial Position compared to December 31, 2007 mainly corresponds to the consumption of residual rights to broadcast the French professional Soccer League for the 2007-2008 season. The increase in sports rights not recorded in the Statement of Financial Position compared to December 31, 2007 mainly results from two events. First, on February 6, 2008, following the completion of a bidding process, the French Professional Football League awarded Canal+ Group nine out of the ten television lots offered for League 1 broadcasting rights (2008-2009 to 2011-2012). Canal+ Group will pay €465 million per season for these rights, i.e., a total of €1,860 million. Then, on May 23, 2008, the French Professional Football League awarded Canal+ Events the international rights to broadcast the League 1 and League 2 French Championship matches and the French *Coupe de la Ligue* for a period of 8 years. The guaranteed minimum payments will total €68 million for the first four seasons, starting at €15 million in the first year and gradually increasing to €19 million in the fourth year. These commitments will be recorded in the Statement of Financial Position upon the opening of every season.

b. Provisions recognized in respect of rights amounted to €428 million as of June 30, 2008 compared to €566 million as of December 31, 2007.

Note 10. Investments in equity affiliates

(in millions of euros)	Note	Voting Interest June 30, 2008	Voting Interest December 31, 2007	Value of Equity Affiliates June 30, 2008	Value of Equity Affiliates December 31, 2007
NBC Universal		20.0%	20.0%	5,207	5,641
Neuf Cegetel	2.1	na*	39.85%	na*	1,091
Other		na*	na*	94	93
				5,301	**6,825**

na*: not applicable.

Changes in equity affiliates

(in millions of euros)	Value of Equity Affiliates as of December 31, 2007	Changes in Scope of Consolidation	Income from Equity Affiliates	Dividends Received	Changes in foreign currency translation adjustments and other	Value of Equity Affiliates as of June 30, 2008
NBC Universal	5,641	19	118	(142)	(429)	**5,207**
Neuf Cegetel	1,091	(1,087) (a)	18	-	(22)	**-**
Other	93	6	(1)	(1)	(3)	**94**
	6,825	**(1,062)**	**135**	**(143)**	**(454)**	**5,301**

a. During the first half of 2008, SFR acquired 60.15% of Neuf Cegetel shares it did not own. Consequently, Neuf Cegetel has been fully consolidated since April 15, 2008. Please refer to Note 2.1.

Note 11. Financial assets

(in millions of euros)	June 30, 2008		December 31, 2007
Available-for-sale securities	94	(a)	306
Derivative financial instruments	125		69
Financial assets at fair value through profit or loss	59		106
Financial assets at fair value	**278**		**481**
Cash deposits	25		72
Other loans and receivables	698		848
Held-to-maturity investments	1		1
Financial assets at amortized cost	**724**		**921**
Financial assets	**1,002**		**1,402**
Deduction of short-term financial assets	(140)		(187)
Non-current financial assets	**862**		**1,215**

a. The decrease corresponds mainly to the sale of the Sogecable shares hedging the exchangeable bonds (please refer to Note 4).

Note 12. Statement of recognized charges and income

12.1. Statement of recognized charges and income

(in millions of euros)	Six Months Ended June 30, 2008			Six Months Ended June 30, 2007			Year Ended December 31, 2007		
	Attributable to Vivendi SA's shareholders	Minority interests	Total	Attributable to Vivendi SA's shareholders	Minority interests	Total	Attributable to Vivendi SA's shareholders	Minority interests	Total
Net Income	**1,222**	**595**	**1,817**	**1,526**	**632**	**2,158**	**2,625**	**1,144**	**3,769**
Foreign currency translation adjustments	**(867)** (a)	**(11)**	**(878)**	**(221)** (a)	**(4)**	**(225)**	**(1,058)** (a)	**(17)**	**(1,075)**
Assets available for sale	(75)	-	(75)	40	-	40	2	-	2
Valuation gains/(losses) taken to equity	*7*	-	*7*	*40*	-	*40*	*2*	-	*2*
Transferred to profit or loss on divestiture	*(82)*	-	*(82)*	-	-	-	-	-	-
Hedging instruments	(25)	20	(5)	39	8	47	38	2	40
Tax	(9)	(7)	(16)	(3)	(3)	(6)	(2)	(1)	(3)
Unrealized gains (losses)	**(109)**	**13**	**(96)**	**76**	**5**	**81**	**38**	**1**	**39**
Charges and income directly recorded in equity related to equity affiliates	(3)	-	(3)	3	-	3	(2)	-	(2)
Asset revaluation surplus	345 (b)	-	345	-	-	-	-	-	-
Other	-	-	-	(7)	-	(7)	4	-	4
Other impacts on retained earnings	**342**	**-**	**342**	**(4)**	**-**	**(4)**	**2**	**-**	**2**
Charges and income directly recognized in equity	**(634)**	**2**	**(632)**	**(149)**	**1**	**(148)**	**(1,018)**	**(16)**	**(1,034)**
Total recognized charges and income for the period	**588**	**597**	**1,185**	**1,377**	**633**	**2,010**	**1,607**	**1,128**	**2,735**

a. Includes changes in foreign currency translation adjustments relating to the investment in NBC Universal of -€426 million for the first half of 2008, -€100 million for the first half of 2007 and -€481 million for fiscal year 2007.

b. Includes the positive revaluations of Neuf Cegetel's assets and liabilities (please refer to Note 2.1).

Note 13. Provisions

(in millions of euros)	Note	December 31, 2007	Addition	Utilization	Reversal	Business combinations	Divestiture, changes in foreign currency translation adjustments and other	**June 30, 2008**
Employee benefit plans	14	439	18	(30)	4	11	(22)	**420**
Share-based compensation plans	15	231	5	(9)	(58)	-	(15)	**154**
Other employee provisions		60	18	(3)	-	-	(5)	**70**
Employee benefits		**730**	**41**	**(42)**	**(54)**	**11**	**(42)**	**644**
Restructuring costs		59	30	(41)	(1)	-	(1)	**46**
Litigations	19	436	34	(80)	(34)	12	(1)	**367**
Losses on onerous contracts		655	1	(64)	(10)	4	15	**601** (a)
Contigent liabilities due to disposal	17	66	-	(7)	(2)	-	1	**58**
Cost of dismantling and restoring site		80	3	-	-	5	1	**89**
Other		273	40	(16)	(22)	42	(14)	**303**
Provisions		**2,299**	**149**	**(250)**	**(123)**	**74**	**(41)**	**2,108**
Deduction of current provisions		(705)	(41)	131	46	(50)	(38)	**(657)**
Non-current provisions		1,594	108	(119)	(77)	24	(79)	**1,451**

a. Includes the costs incurred in 2006 relating to the combination of the Canal+ Group and TPS pay-TV activities in France amounting to €177 million, of which €165 million were recorded under provisions. As of June 30, 2008, the remaining provision amounted to €89 million compared to €109 million as of December 31, 2007.

Note 14. Employee benefits

The analysis of the charge related to defined benefit plans for the first half of 2008 and 2007 is as follows:

(in millions of euros)	Pension Benefits		Post-retirement Benefits		Total	
Six Months Ended June 30,	2008	2007	2008	2007	2008	2007
Current service cost	5	6	-	-	5	6
Amortization of actuarial (gains) losses	1	3	-	-	1	3
Amortization of past service costs	-	5	-	-	-	5
Effect of curtailments/settlements	1	3	-	-	1	3
Adjustment related to asset ceiling	-	-	-	-	-	-
Impact on selling, administrative and general expenses	**7**	**17**	**-**	**-**	**7**	**17**
Interest cost	20	29	4	4	24	33
Expected return on plan assets	(10)	(18)	-	-	(10)	(18)
Impact on other financial charges and income	**10**	**11**	**4**	**4**	**14**	**15**
Net benefit cost	**17**	**28**	**4**	**4**	**21**	**32**

Note 15. Share-based compensation plans

15.1. Impact of the expense related to share-based compensation plans

Impact on the consolidated statement of earnings

(in millions of euros)	Note	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	Year Ended December 31, 2007
Equity-settled instruments				
Vivendi stock option plans		11	12	24
Vivendi restricted stock plans		7	4	10
Neuf Cegetel restricted stock plans	2.1	4	-	-
Employee stock purchase plans	15.5	10	6	6
		32	**22**	**40**
Cash-settled instruments				
Vivendi stock appreciation right plans		(54)	23	50
Vivendi “restricted stock unit” plans		-	1	4
UMG employee equity unit plan	15.4	3	11	(9)
Blizzard employee equity unit plan	15.4	3	26	69
		(48)	**61**	**114**
Share-based compensation cost		**(16)**	**83**	**154**

Impact on the provisions

(in millions of euros)	Six Months Ended June 30, 2008	Year Ended December 31, 2007
Vivendi stock appreciation right plans	28	89
o/w former ADS option and acquisition plans converted into SAR plans (May 2006)	*24*	*79*
Vivendi “restricted stock unit” plans	8	9
UMG employee equity unit plan	49	55
Blizzard employee equity unit plan	69	78
Provisions related to cash-settled instruments	**154**	**231**

15.2. Characteristics of the plans granted or acquired in the first half of 2008

During the first half of 2008, Vivendi set up equity-settled restricted stock plans and stock option plans, wherever the fiscal residence of the employee. Moreover, in connection with Neuf Cegetel's consolidation by SFR, Vivendi took over the residual plans of Neuf Cegetel.

For a detailed description of the various plans set up by the Group prior to January 1, 2008 and the accounting treatment of these instruments, please refer to Notes 1.3.11 and 21 to the Consolidated Financial Statements for the year ended December 31, 2007 contained in the 2007 Annual Report (*Document de Référence*) (pages 182 to 184 and pages 222 to 228, respectively).

Plans granted in the first half of 2008

	Subscription plans		Restricted stock plans
Grant date	April 16 (a)	April 16	April 16 (a)
Data at the grant date:			
Options strike price (in euros)	25.13	25.13	na*
Maturity (in years)	10	10	2
Expected term (in years)	6.5	6.5	na*
Number of instruments granted	732,000	5,571,200	525,496
Share price (in euros)	25.54	25.54	25.54
Expected volatility (b)	23%	23%	na*
Risk-free interest rate	3.93%	3.93%	na*
Expected dividend yield	5.48%	5.48%	5.48%
Performance conditions achievement rate	100%	na*	100%
Fair value of the granted option at the grant date (in euros)	**3.56**	**3.56**	**22.89**
Discount for non-transferability (% of the share price at the grant date)	na*	na*	8.69%
Fair value of the granted option at the grant date after discount (in euros)	**3.56**	**3.56**	**20.67**
Fair value of the plan at the grant date (in millions of euros)	2.6	19.8	10.9

na*: not applicable.

a. Some of the stock option plans granted on April 16, 2008, to the members of the Management Board of Vivendi, as well as the restricted stock plans granted to the members of the Management Board and employees are conditioned upon the achievement of operating objectives linked to the financial results of the group (adjusted net income and cash flow from operations) as set forth in the budget for the current fiscal year. As of June 30, 2008, the plan was measured using a factor of 100% achievement. The compensation cost is recognized on a straight-line basis over the vesting period, i.e., three-year vesting period for the stock option plans and two-year vesting period for the restricted stock plans.

b. The volatility corresponds to the weighted average of (a) 75% of the 4-year historical volatility of Vivendi shares (3-year as of December 31, 2007) and (b) 25% of the implied volatility based on Vivendi put and call options traded on a liquid market with a maturity of 6 months or more (compared to 50% and 50% respectively, as of December 31, 2007).

15.3. Information on plans underway since January 1, 2008

Equity-settled instruments

	Stock Options on Vivendi Shares			
	Number of Stock Options Outstanding	Weighted Average Strike Price of Stock Options Outstanding	Total Intrinsic Value	Weighted Average Remaining Contractual Life
		(in euros)	(in millions of euros)	(in years)
Balance as of December 31, 2007	**49,966,235**	**42.3**		
Granted	6,303,200	25.1		
Exercised (a)	(213,386)	16.9		
Forfeited	(2,627,227)	108.4		
Cancelled	(279,117)	30.7		
Balance as of June 30, 2008	**53,149,705**	**37.2**	**72.7**	**5.2**
Exercisable as of June 30, 2008	**39,479,850**	**40.3**	**72.7**	
Acquired as of June 30, 2008	**39,712,106**	**40.3**	**72.7**	

a. The weighted average share price for options exercised was €26.84.

	Restricted Stock Plans	
	Number of Restricted Stocks Outstanding	Weighted Average Remaining Period Before Issuing Shares
		(in years)
Balance as of December 31, 2007	**1,276,893**	
Granted	525,496	
Shares issued	(423,516)	
Cancelled	(192,000)	
Balance as of June 30, 2008	**1,186,873**	**1.2**
Exercisable as of June 30, 2008	**-**	
Acquired as of June 30, 2008	**206,550**	

Cash-settled instruments

	SARs (including former ADS converted into SARs in May 2006)			
	Number of SARs Outstanding	Weighted Average Strike Price of SARs Outstanding	Total Intrinsic Value	Weighted Average Remaining Contractual Life
		(in US dollars)	(in millions of US dollars)	(in years)
Balance as of December 31, 2007	**31,182,571**	**53.0**		
Exercised (a)	(226,731)	32.8		
Forfeited	(2,056,977)	45.2		
Cancelled	(82,124)	50.1		
Balance as of June 30, 2008	**28,816,739**	**53.8**	**39.2**	**2.1**
Exercisable as of June 30, 2008	**27,211,551**	**54.6**	**38.0**	
Acquired as of June 30, 2008	**27,219,551**	**54.6**	**38.0**	

a. The weighted average share price for SAR exercised was $42.54.

	RSUs	
	Number of Restricted Stocks Units Outstanding	Weighted Average Remaining Period Before Acquisition (in years)
Balance as of December 31, 2007	**342,892**	
Cancelled	(3,905)	
Balance as of June 30, 2008	**338,987**	**0.4**
Exercisable as of June 30, 2008	**-**	
Acquired as of June 30, 2008	**236,458**	

15.4. Long-term incentive plan

UMG long-term incentive plan

Since 2003, UMG has maintained an Equity Incentive Plan, denominated in U.S. dollars. Under the Plan, certain key executives of UMG are awarded equity units. These equity units are phantom stock units whose value is intended to reflect the value of UMG, net of certain other adjustments as defined in the Plan. These equity units are simply units of account, and they do not represent an actual ownership interest in either UMG or Vivendi. In general, the Plan calls for equity units to vest at the end of a fixed vesting period that typically coincides with the term of the executive's employment agreement. Cash payments to participants at the end of that vesting period are based on the value of the equity units at that time. Except in the case of certain transactions, such payments will be based on the appraised value of UMG as determined by a third-party valuation. This appraised value is based on UMG's total enterprise value, taking into account other adjustments as defined in the Plan as of December 31 of the year preceding the payment.

As of June 30, 2008, there are 1,250,000 units granted (compared to 1,350,000 units granted as of December 31, 2007) following the exercise of 100,000 units that became fully vested and payable at February 29, 2008. The remaining amounts payable under the Plan are due in 2009.

While an executive's equity units generally vest at the end of a fixed vesting period, compensation expense is recognized over the vesting period as services are rendered. Specifically, the expense recognized is based on the portion of the vesting period that has elapsed and the last available estimated value of those equity units. The expense is recorded as a provision. As of June 30, 2008, the estimated value of the rights vested, i.e., 1,142,000 units, amounted to $77 million (€49 million), compared to 1,134,000 units, $78 million (€55 million) as of December 31, 2007.

Blizzard (Vivendi Games Subsidiary) long-term incentive plan

In 2006, Blizzard implemented the Blizzard Equity Plan (BEP), an equity incentive plan denominated in U.S. dollars. Under the Blizzard Equity Plan, certain key executives and employees of Blizzard were awarded restricted shares of Blizzard stock and other cash settled awards of Blizzard as follows:

- In October 2006, 1,361,000 restricted shares were granted. In general, the participants may only redeem vested shares in exchange for cash payments over the 10-year life of the grant. These restricted shares vest in one-third increments over three years, starting January 1, 2007. As of June 30, 2008, there were 1,206,416 restricted shares outstanding, net of shares redeemed and forfeited.
- In March 2007, 729,000 cash settled stock options were granted with a strike price of $19.24 and a fixed exercise/ payment term on May 1, 2009. These awards call for cash payments to participants at this fixed date based on the value of Blizzard shares at that time. These options shall vest in accordance with the following schedule: one-third (243,000 awards) immediately vested at the date of grant, one-third as of January 1, 2008 and the remaining portion as of January 1, 2009. As of June 30, 2008, there were 726,500 cash settled stock options outstanding, net of rights forfeited.
- In March 2007, an additional 1,215,000 cash settled stock options were granted with a strike price of $19.24 and a fixed exercise/payment term on May 1, 2010. These awards call for cash payments to participants at this fixed date based on the value of Blizzard shares at that time. These options vest in one-third increments over 3 years, starting January 1, 2008. As of June 30, 2008, there were 1,210,000 cash settled stock options outstanding, net of rights forfeited.
- On December 1, 2007, Vivendi signed a definitive business combination agreement (''BCA'') with Activision, Inc. (''Activision'') to combine Vivendi Games with Activision. The transaction was approved by Activision's stockholders at a special stockholder meeting on July 8, 2008 and closed on July 9, 2008. Pursuant the terms of the BCA, Vivendi Games was merged with a wholly owned subsidiary of Activision and formed the new combined entity Activision Blizzard. Under the provisions of the BEP, the

consummation of this transaction is deemed a change in control, which automatically triggered cash payments to the beneficiaries for the portion of awards that were vested on July 9, 2008. In addition, under the terms of the BEP, at the consummation of the transaction, the outstanding unvested rights were immediately vested, cancelled and extinguished and were converted into a new right to receive an amount in cash 18 months after the closing date on January 9, 2010, upon the terms and subject to the conditions set forth in the BEP, including continued employment through the payment date.

The payments made on the closing date for previously vested awards and to be made 18 months thereafter for the unvested awards are fixed based on the fair value of Blizzard as allocated in the transaction and the applicable aggregate strike price, and represent an aggregate amount of approximately $199 million (€128 million) as of June 30, 2008. The aggregate cash payment made by Activision Blizzard to participants on or about the closing date was $107 million (€69 million) and an estimated additional $92 million (€59 million) will be paid 18 months after the closing date of the transaction, assuming participants remain employed through the payment date.

As of June 30, 2008 and December 31, 2007, the estimated value of the vested rights amounted to $107 million (€69 million) and $113 million (€78 million), respectively. As of June 30, 2008, the estimated value of the non-vested outstanding rights amounted to $92 million (€59 million), which will be recognized on a straight-line basis as an expense over the 18-month period from the closing date.

15.5. Employee stock purchase plans

During the first half of 2008, Vivendi set up stock purchase plans for its employees and retirees (employee stock purchase plan and leveraged plan) as follows:

	Employee Stock Purchase plan	Leveraged plan Europe and Morocco (a)
Grant date	June 30	June 30
Subscription price (in euros)	21.08	21.08
Leverage	na*	10
Maturity (in years)	5	5
Data at the grant date		
Share price (in euros)	24.10	24.10
Number of shares subscribed (b)	993,593	3,309,909
Amount subscribed (in millions of euros)	20.9	69.8
Expected dividend yield	5.81%	5.81%
Risk-free interest rate	4.63%	4.63%
5-year interest rate	7.08%	7.08%
Discount for non-transferability (c)	9.6%	9.6%
Fair value per share subscribed at the grant date (in euros)	**0.7**	**2.8**
Fair value of the plan at the grant date (in millions of euros)	1	9

na*: not applicable.

a. Under the leveraged plan, virtually all employees and retirees of Vivendi and its French and foreign subsidiaries can subscribe to Vivendi shares via a reserved share capital increase, while obtaining a discount upon subscription, and ultimately receive the capital gain attached to 10 shares for one subscribed share. A financial institution mandated by Vivendi hedges this transaction.

   In addition, in the United States, employees received 132,541 shares according to the specific conditions due to local regulation, and in Germany, employees received 57,550 SAR (economic equivalent of the leveraged plan with a cash settlement).

b. Given the subscription realized through the classical employee share purchase plan and the leveraged plan (Europe, Morocco, the United States and Germany), the share capital was increased by a total amount of €95 million on July 24, 2008.

c. Computed as a percentage of the share price at the grant date.

Note 16. Borrowings and other financial liabilities

Analysis of long-term borrowings and other financial liabilities

(in millions of euros)	Nominal interest rate (%)	Effective interest rate (%)	Maturity	June 30, 2008	December 31, 2007
Finance leases	-	-	2009 - 2013	45 (a)	9
***Asset-backed borrowings** (b)*				***45***	***9***
Notes					
€700 million notes (October 2006) (c)	Euribor 3 months +0.50%	-	October 2011	700	700
€500 million notes (October 2006) (c)	4.50%	4.58%	October 2013	500	500
€630 million notes (April 2005) (c)	3.63%	3.63%	April 2010	630	630
€600 million notes (February 2005) (c)	3.88%	3.94%	February 2012	600	600
$700 million notes (April 2008)	5.75%	6.06%	April 2013	450	-
$700 million notes (April 2008)	6.63%	6.85%	April 2018	450	-
€800 million notes (April 2008) - SFR (c)	3.38%	3.88%	July 2012	800 (d)	600
Other notes	-	-	na*	-	209
Facilities					
MAD 6 billion notes - tranche B: 4 billion	TMP BDT 5 yrs +1.15% (e)	-	December 2011	175	353
€2.0 billion credit facility - Vivendi SA	Euribor 1 month +0.250%	-	April 2012	350	-
€1.2 billion credit facility - SFR	Euribor 1 month +0.175%	-	April 2011	1,200	440
€450 million credit facility - SFR	Euribor 1 month +0.16%	-	November 2012	450	290
Syndicated facility ("Club Deal") tranche A - SFR (f)	Euribor 1 month +0.350%	-	July 2010	247	-
Syndicated facility ("Club Deal") tranche B - SFR (f)	Euribor 1 month +0.350%	-	March 2012	300	-
Securitization programs - SFR	-	-	na*	400 (g)	-
Other	-	-	na*	258	202
Unsecured borrowings		-		***7,510***	***4,524***
Nominal value of borrowings				**7,555**	**4,533**
Cumulative effect of amortized cost and split accounting of embedded derivatives	na*	-	na*	(26)	(9)
Borrowings				**7,529**	**4,524**
Put options granted to TF1 and M6 on 15% of the share capital of Canal+ France	na*	-	February 2010	1,046	1,034
Put options granted to various third parties by Canal+ Group and SFR	na*	-	-	24	33
Commitments to purchase minority interests				**1,070**	**1,067**
Other financial derivative instruments	na*	-	-	1	19
Other derivative instruments				**1**	**19**
Long-term borrowings and other financial liabilities				**8,600**	**5,610**

na*: not applicable.

a. Includes the commitments of Neuf Cegetel, fully consolidated since April 15, 2008, for €42 million as of June 30, 2008.

b. Borrowings are considered secured whenever the creditor(s) is/are backed by a pledge on the borrower and/or its guarantors assets.

c. The notes, listed on the Luxembourg Stock Exchange, are subject to customary pari passu, negative pledge and event of default provisions.

d. In April 2008, SFR increased the amount of notes redeemable in July 2012 from €600 to €800 million.

e. The interest rate is calculated based on the weighted average rate of the treasury bonds issued by the Kingdom of Morocco.

f. Concerns a syndicated loan of €740 million set up by Neuf Cegetel, including a €247 million tranche repayable in July 2010 and a €492 million revolving facility due in March 2012, under which €300 million has been drawn.

g. Includes a €300 million securitization program and a €100 million structured financing (UK lease), both were set up by Neuf Cegetel.

Analysis of short-term borrowings and other financial liabilities

(in millions of euros)	Note	Nominal interest rate (%)	June 30, 2008		December 31, 2007
Current portion of finance leases		-	46	(a)	23
Asset-backed borrowings *(b)*			***46***		***23***
Treasury Bills					
Vivendi SA		Eonia +0.05%	540		-
SFR		Eonia +0.20%	410		376
€1.5 billion bridging loan (February 2008) (c)		Euribor 3 months +0.25%	1,200		-
Current portion of long-term borrowings					
€400 million notes (October 2006) - SFR (d)		Euribor 3 months +0.125%	400		400
Bonds exchangeable for Sogecable shares	4	1.75%	-	(e)	221
Other notes		-	306		101
Other borrowings		-	62		33
Other		-	832	(f)	546
Unsecured borrowings			***3,750***		***1,677***
Nominal value of borrowings			**3,796**		**1,700**
Cumulative effect of amortized cost and split accounting of embedded derivatives		na*	30		22
Borrowings			**3,826**		**1,722**
Put options granted to various third parties by Canal+ Group		na*	1		10
Commitments to purchase minority interests			**1**		**10**
Embedded derivative in bonds exchangeable for Sogecable shares	4	na*	-	(e)	19
Other financial derivative instruments		na*	31		15
Short-term borrowings and other financial liabilities			**3,858**		**1,766**

*na: no interest accrued on other financial liabilities.

a. Includes the commitments of Neuf Cegetel for €27 million as of June 30, 2008.

b. Borrowings are considered secured whenever the creditor(s) is/are backed by a pledge on the borrower and/or its guarantors assets.

c. In February 2008, Vivendi obtained a €3.5 billion syndicated loan. This new facility consists of 3 tranches:
   - a €1.5 billion tranche under a bridging loan repayable with capital raised through a rights issue in the approximate same amount to be carried out upon completion of the acquisition of Neuf Cegetel or within a 18-month period; and
   - a €2 billion tranche under a "revolving" facility, half of which will be available during a three-year period and the other half during a five-year period, and undrawn as of June 30, 2008.

d. The notes, listed on the Luxembourg Stock Exchange, are subject to customary pari passu, negative pledge and event of default provisions.

e. Corresponds to the early redemption of the Vivendi bonds exchangeable for Sogecable shares, following the tender offer launched by Prisa for the share capital of Sogecable.

f. Mainly includes bank overdrafts.

Note 17. Contractual obligations and other commitments

The following note should be read in conjunction with Note 26 "Contractual obligations and contingent assets and liabilities" to the Consolidated Financial Statements for the year ended December 31, 2007 (pages 241 to 249 of the 2007 Annual Report).

17.1. Contractual obligations

(in millions of euros)	Note	Total as of June 30, 2008	Total as of December 31, 2007
Borrowings and other financial liabilities		14,191	8,296
o/w nominal value of borrowings and other financial liabilities (a)		*12,537*	*7,461*
o/w interests to be paid (b)		*1,654*	*835*
Contractual content commitments	9	1,762	2,365
Subtotal - future minimum payments related to the Consolidated Statement of Financial Position elements		**15,953**	**10,661**
Operating leases		2,167	1,624
Contractual content commitments	9	5,975	4,368
Other purchase obligations		1,463	1,358
Subtotal - not recorded in the Consolidated Statement of Financial Position		**9,605**	**7,350**
Total contractual obligations		**25,558**	**18,011**

a. Future payment obligations are presented at their nominal value as set forth in the relevant agreements.

b. The interest to be paid on floating rate borrowings is estimated based on the floating rate as of June 30, 2008 and December 31, 2007, respectively.

Details of off balance sheet operating leases and subleases

(in millions of euros)	Minimum Future Leases as of June 30, 2008		Minimum Future Leases as of December 31, 2007
Buildings	2,221	(a)	1,639
Other	41		40
Leases	**2,262**		**1,679**
Buildings	(95)		(55)
Subleases	**(95)**		**(55)**
Net total	**2,167**		**1,624**

Details of commercial commitments

(in millions of euros)	Minimum Future Payments as of June 30, 2008	Minimum Future Payments as of December 31, 2007
Satellite transponders	780	936
Investment commitments (b)	589	316
Other	136	151
Given commitments	**1,505**	**1,403**
Satellite transponders	(42)	(45)
Received commitments	**(42)**	**(45)**
Net total	**1,463**	**1,358**

a. The increase of minimum future payments related to buildings was mainly generated by the consolidation of Neuf Cegetel's commitments (€605 million), fully consolidated since April 15, 2008.

b. Commitments of Maroc Telecom Group related to the agreement signed in 2006 with the government of the Kingdom of Morocco have been fulfilled as of June 30, 2008 (please refer to Note 26.1.2 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 243 of the 2007 Annual Report). Therefore, as of June 30, 2008, Maroc Telecom Group no longer has any outstanding commitment related to this agreement.

In addition, on May 4, 2008, as part of the PACTE universal service program, Maroc Telecom Group signed a convention and committed to provide mobile telephony coverage to 1,500 isolated areas in Morocco in 2008, for a total investment of MAD 923 million (€81 million). In exchange, Maroc Telecom Group will be exempt from paying a MAD 396 million (€35 million) universal service contribution related to the 2008 fiscal year.

17.2. Other commitments given or received relating to operations

- **Guarantee related to the risk management of pension fund in the United Kingdom:** In connection with the restructuring of the VUPS pension fund in the United Kingdom and its division into three separate funds, Vivendi issued a guarantee equal to 125% of the accounting deficit of one of these funds i.e., approximately £37 million. The guarantee is in effect until January 2011.
- **Consolidation of Neuf Cegetel by SFR:** As Neuf Cegetel has been fully consolidated since April 15, 2008, SFR assumed the commitments given or received by Neuf Cegetel and its subsidiaries relating to operations for a total amount of approximately €61 million.

Vivendi has not given or received any other significant commitments during the first half of 2008 relating to operations.

17.3. Commitments related to divestitures or acquisitions of assets

- **Consolidation of Neuf Cegetel by SFR:**
  Following the French Minister of the Economy, Industry and Employment's approval given on April 15, 2008, SFR acquired from Louis Dreyfus Group its entire interest in Neuf Cegetel (28.45% and 28.37% after dilution). At this date, the shareholders' agreement between SFR and Louis Dreyfus Group ended (please refer to Note 26.5 to the Consolidated Financial Statements for the year ended December 31, 2007 (page 249 of the 2007 Annual Report)). In addition, the Minister's approval resulted from new commitments made by Vivendi and its subsidiaries. They address competitor access and new market entrants to wholesale markets on SFR's fixed and mobile networks, acceptance on the fixed network of an independent television distributor if such a player appears, as well as the availability, on a non-exclusive basis, on ADSL of eight new channels which are leaders in their particular themes (Paris Première, Teva, Jimmy, Ciné Cinéma Famiz, three M6 Music channels and Fun TV).
  On May 19, 2008, in agreement with stock exchange regulations, SFR launched a Simplified Public Purchase Offer (the "Offer") at a price of €36.50 a share (2007 coupon attached). Following the success of the Offer, which enabled SFR to attain a 96.41% equity interest in Neuf Cegetel, on June 24, 2008, SFR launched a Public Withdrawal Offer (the "Withdrawal") of the Neuf Cegetel shares under the same terms and conditions as those of Offer. The funds relating to compensation for the Neuf Cegetel shares which will not have been claimed by depository institutions on behalf of beneficiaries, shall be held by CACEIS Corporate Trust for a period of 10 years commencing on the effective date of the Withdrawal and then paid to the *Caisse des Dépôts et Consignations* upon expiration of this deadline. These funds may be claimed at any time by beneficiaries subject to the thirty-year statute of limitations period, after which time the funds shall be paid to the French State.
  Finally, SFR has entered into symmetrical put and call option agreements with almost all of the executives and employees of Neuf Cegetel who were granted restricted shares, which are currently in a conservation period, allowing for SFR to obtain, in the future, 1.98% of the share capital of Neuf Cegetel.
- **Acquisition of Kinowelt by Canal+ Group:** As part of the acquisition of Kinowelt completed on April 2, 2008, global and customary guarantees were granted by the sellers to StudioCanal. In addition, some specific guarantees, notably on film rights, were also granted.
- **Commitment given on the sale of 20% in Canal+ France to Lagardère Active**: As part of the sale of 20% in Canal+ France to Lagardère Active, Canal+ Group granted to Lagardère Active general, tax and social guarantees with a €162 million cap on entities held by Canal+ France, excluding Canal Satellite, MultiThématiques and the TPS entities. Those guarantees will expire on January 4, 2009 and January 4, 2011, respectively.

In addition, as of June 30, 2008, Vivendi was involved in divestitures or acquisitions of various companies. Some of these transactions were completed after this date, in particular the Activision Blizzard transaction finalized on July 9, 2008. Please refer to Note 2.2 (see below).

17.4. Shareholders' agreements

- **Consolidation of Neuf Cegetel by SFR:** As Neuf Cegetel has been fully consolidated since April 15, 2008, SFR assumed the shareholders' agreements between Neuf Cegetel or its subsidiaries and various third parties.

Note 18. Transactions with related parties

The following note should be read in conjunction with Note 25 "Transactions with related parties" to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2007 (pages 239 to 241 of the Annual Report). The group has not entered into any significant transactions with related parties during the first half of 2008.

As a reminder, group related parties are those companies over which the group exercises control, joint control or significant influence (joint ventures and equity affiliates), shareholders exercising joint control over group joint ventures, minority shareholders exercising significant influence over group subsidiaries, executive officers, group management and directors and companies over which the latter exercise control, joint control, significant influence or in which they hold significant voting rights.

For the first half of 2008, most Vivendi related companies were equity affiliated (e.g., NBC Universal and Neuf Cegetel until April 14, 2008). Vivendi's related companies also include minority shareholders which exercise significant influence on Group affiliates such as Vodafone, which owns 44% of SFR, the Kingdom of Morocco, which owns 30% of Maroc Telecom Group and Lagardère, which holds a 20% interest in Canal+ France.

Note 19. Litigations

Vivendi is subject to various litigations, arbitrations or administrative proceedings in the normal course of its business.

Some litigation in which Vivendi or its subsidiaries are defendants are described in the 2007 Annual Report (pages 250 and followings). The following paragraphs update those disclosures through August 26, 2008, the date of the Management Board meeting held to approve Vivendi's financial statements for the half year ended on June 30, 2008.

To the Company's knowledge, there are no legal or arbitration proceedings or any facts of an exceptional nature which may have or have had in the recent past a significant effect on the company and on its group's financial position, profit, business and property, other than those described below.

COB/AMF Investigation Opened in July 2002

On December 19, 2006, the Commercial Chamber of the French Supreme Court (Cour de Cassation), upon appeal of the Autorités des Marchés Financiers (AMF), partially reversed the Paris Court of Appeal's decision dated June 28, 2005. In its decision, the Commercial Chamber of the French Supreme Court ruled that the statements made orally by Jean-Marie Messier at the company's 2002 Annual Shareholders' Meeting were binding on the company, regardless of whether such statements were accurate or complete, due to the fact that he made the statements while performing his duties as the chief executive officer. However, the French Supreme Court confirmed the accuracy and appropriateness of certain consolidation methods applied by Vivendi. The case has been partially remanded to the Paris Court of Appeal in a different composition. A procedural hearing took place on May 19, 2008.

The AMF filed an appeal for interpretation before the French Supreme Court regarding its decision dated December 19, 2006, seeking a ruling that such decision, which partially reversed the Paris Court of Appeal's judgment dated June 28, 2005, was applicable to the entire financial penalty of € 300 000. On May 6, 2008, the Court ruled an interpretation judgment in compliance with the AMF's position.

Investigation by the Financial Department of the Parquet de Paris

In October 2002, the financial department of the Parquet de Paris initiated an investigation led by two judges as to whether there was a publication of false or misleading information regarding the financial situation or forecasts of the company, as well as a publication of untrue or inaccurate financial statements (for financial years 2000 and 2001). Certain charges were added to this investigation related to purchases by the company of its own shares between September 1, 2001 and December 31, 2001, following the submission, on June 6, 2005, to the Parquet de Paris of an AMF investigation report. Vivendi joined as a civil party to the investigation. On January 15, 2008, the judges notified the parties of the end of the investigation.

Securities Class Action in the United States

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

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934. On January 7, 2003, they filed a consolidated class action suit that may benefit potential groups of shareholders. Vivendi contests these allegations. Based on their experts' reports, the plaintiffs seek damages of an undetermined amount, which might impact the company's accounts.

Fact discovery and depositions closed on June 30, 2007.

In parallel with these proceedings, the Court, on March 22, 2007, has decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that the persons from the United States, France, England and the Netherlands who purchased or acquired shares or ADSs of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class. On April 9, 2007, Vivendi filed an appeal against this decision. On May 8, 2007, the United States Court of Appeals for the Second Circuit denied both Vivendi's and some other plaintiffs' petitions seeking review of the district court's decision with respect to class certification. On August 6, 2007, Vivendi filed a petition with the Supreme Court of the United States for a Writ of Certiori seeking to appeal the Second Circuit's decision on class certification. On October 9, 2007, the Supreme Court denied the petition. On March 12, 2008, Vivendi filed a motion for reconsideration of the Court's class certification decision with respect to the French shareholders included in the class. The Court has not yet ruled on this motion.

Following the March 22, 2007 order, a number of individual cases have recently been filed against Vivendi by plaintiffs who were excluded from the certified class. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action. The trial may start by January 2009.

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi, Mssrs. Messier and Hannezo for claims arising out of a merger agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. Liberty Media seeks rescission damages. The case has been consolidated with the securities class action for pre-trial purposes.

Elektrim Telekomunikacja

As of today, Vivendi is a 51% shareholder in each of Elektrim Telekomunikajca Sp. z o.o. (Telco) and Carcom Warszawa (Carcom), companies organized under and existing under the laws of Poland which own, either directly or indirectly, 51% of the capital of Polska Telefonia Cyfrowa Sp. Z.o.o. (PTC), one of the primary mobile telephone operators in Poland. These shareholdings are the subject of several litigation proceedings the most recent developments are described below:

Arbitration Proceedings before the London Court of International Arbitration (LCIA)

On August 22, 2003, Vivendi and Vivendi Telecom International SA (VTI) lodged an arbitration claim with an arbitration court under the auspices of the London Court of International Arbitration (LCIA) against Elektrim, Telco and Carcom. This request for arbitration relates to the Third Amended and Restated Investment Agreement dated September 3, 2001, entered into by and among Elektrim, Telco, Carcom, Vivendi and VTI (the "TIA"). The purpose of the TIA, amongst other things, is to govern relations between Vivendi and Elektrim within Telco and Carcom. The subject matter of the dispute mainly relates to alleged breaches of the TIA by Vivendi and Elektrim.

On March 19, 2008, the arbitral tribunal issued an award in favor of Vivendi and found that Elektrim breached the basic premise of the TIA by systematically acting against the interest of Telco in furtherance of its own interest and by refusing to acknowledge Telco's right to the economic benefit of the PTC Shares, and breached several provisions of the TIA. It dismissed all of Elektrim's counterclaims against Vivendi.

Proceedings against Deutsche Telekom before the Paris Commercial Court

In April 2005, Vivendi summoned Deutsche Telekom (DT) before the Paris Commercial Court for wrongful termination of negotiations. In September 2004, DT ended, without prior notice and without legitimate justification, tri-party negotiations with Elektrim and Vivendi which had begun one year earlier in relation to the transfer of 51% of PTC to DT. Vivendi has made an indemnity claim in the amount of €1.8 billion against DT. On March 18, 2008, the Paris Commercial Court dismissed Vivendi's action. Vivendi will appeal this decision.

Declaratory proceedings before the Polish Courts

In December 2004, following the Vienna Award dated November 26, 2004, Telco initiated proceedings on the merits with the intention of obtaining a declaratory judgment confirming that it is the rightful owner of the PTC shares**.** On May 22, 2007, Telco's request for a declaratory judgment was denied on jurisdictional grounds. Telco appealed this decision. On May 21, 2008, the Warsaw Court of Appeal reversed the first instance decision and confirmed that the polish courts had jurisdiction with respect to the ownership of the PTC shares. The case has been sent back to a court of first instance.

Proceedings against DT before the Federal Court in the State of Washington (USA)

On October 23, 2006, Vivendi filed a civil Racketeer Influenced and Corrupt Organizations Act (RICO) complaint in federal court in the State of Washington, claiming that T-Mobile had illegally appropriated Vivendi's investment in PTC through a pattern of fraud and racketeering. Named in the complaint are T-Mobile USA, Inc., T-Mobile Deutschland GmbH, Deutsche Telekom AG and Mr Zygmunt Solorz-Zak, Elektrim's main shareholder. Vivendi is claiming compensation in the amount of approximately $7.5 billion. On June 5, 2008, the Court of Seattle considered that it lacked jurisdiction and dismissed Vivendi's claim. Vivendi appealed this decision.

Exequatur Proceedings of the Arbitral Award rendered in Vienna on November 26, 2004

On January 18, 2007, following the appeal filed by Telco, the Polish Supreme Court overturned the decision authorizing the exequatur of the Arbitral Award rendered in Vienna on November 26, 2004. The case was remanded to the Warsaw Tribunal of first instance.

On June 18, 2008, the Warsaw Tribunal of first instance recognized the Arbitration Award issued in Vienna on November 26, 2004, including the fourth point ruling that "the Arbitration Tribunal has no jurisdiction over Telco, and that all the DT claims against Telco cannot be fulfilled through an arbitral procedure".

French Competition Council – Mobile Telephone Market

On June 29, 2007, the Commercial Chamber of the French Supreme Court partially reversed the decision rendered by the Court of appeal on December 12, 2006, confirming the order rendered by the French Competition Council ordering SFR to pay a fine of €220 million, and recognizing that an illegal agreement existed due to exchange of information among French mobile telephone operators between 1997 and 2003 and imposing a financial penalty on this basis. The French Supreme Court remanded the case to the Paris Court of Appeal otherwise composed.

On March 11, 2008, customers and "UFC Que Choisir" consumer association which brought litigation proceedings before the Commercial Court of Paris withdrew their claims.

Claim against a former Seagram subsidiary

A former Seagram subsidiary, divested in December 2001 to Diageo PLC and Pernod Ricard SA, as well as those companies and certain of their subsidiaries, were sued by the Republic of Colombia and certain of its political subdivisions before the United States District Court for the Eastern District of New York, for alleged unlawful practices, including alleged participation in a scheme to illegally distribute their liquor products in Colombia and money laundering, claimed to have had an anti-competitive effect in Colombia. Vivendi is not a party to this litigation. Diageo and Pernod Ricard have demanded indemnification from Vivendi with respect to their purchase of Vivendi's former Seagram subsidiary in 2001 and Vivendi has reserved its rights with respect to the indemnity demand. The defendants have denied that they have any liability for any of the claims asserted in the complaint. The discovery process is in progress.

Compañia de Aguas de Aconquija and Vivendi against the Republic of Argentina

On August 20, 2007, the International Center for Settlement of Investment Disputes (ICSID) issued an arbitration award in favor of Vivendi and its Argentine subsidiary Compañia de Aguas de Aconquija, relating to a dispute that arose in 1996 regarding the water concession in the Argentine Province of Tucuman, which was entered into in 1995 and terminated in 1997. The arbitration award held that the actions of the Provincial authorities had infringed the rights of Vivendi and its subsidiary, and were in breach of the provisions of the Franco-Argentine Bilateral Investment Protection Treaty.

The arbitration tribunal awarded Vivendi and its subsidiary damages of $105 million plus interest and costs. On December 13, 2007, the Argentine Government filed an application for the arbitration award to be set aside, in particular on the basis of an alleged conflict of interest concerning one of the arbitrators. On May 22, 2008, the ICSID appointed an ad hoc committee to review this application. On July 17 and 18, 2008 a preliminary hearing took place. The main hearing is scheduled for July 2009.

Claim against the company Compagnie Immobilière Phénix Expansion

Compagnie Immobilière Phénix Expansion (CIP Expansion), a former subsidiary of Vivendi, is the subject of a claim by Tso Yaroslavstroi, the Russian public corporation, relating to a contract for the construction of prefabricated houses in the Yaroslav region. On March 30, 2005, Tso Yaroslavtroi filed a claim against CIP Expansion with the ICC International Court of Arbitration, seeking an order for the payment of sums representing, in particular, the loss of profits envisaged from the sale of the prefabricated houses and compensation for the loss suffered. On May 14, 2008, the ICC International Court of Arbitration ordered CIP (guaranteed by Vivendi) to pay € 33 million. This case is closed.

Complaint of Bouygues Telecom against SFR and Orange

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices on the call termination and mobile markets. On March 13, 2008, SFR received a notification of grievances and must file its response within two months. On May 19, 2008, SFR submitted its observations in response.

Vivendi against Deutschland c./ FIG

Further to a claim filed by CGIS BIM (a subsidiary of Vivendi) against FIG to obtain the release of a part of the amount remaining due pursuant to a buildings sale contract, FIG obtained, on May 29, 2008, the cancellation of the sale by a judgment of the Berlin Court of Appeal, which invalidated the judgment rendered by the Berlin High Court. Vivendi was ordered to the repurchase of the buildings and to pay damages of an unspecified amount. Vivendi has delivered a guarantee so as to pursue settlement negotiation. Vivendi appealed this decision to the Supreme Court.

UFC « Que Choisir » consumer association against the decision of the Minister of Economy dated April 15, 2008

On July 7, 2008, the UFC – "Que Choisir" association filed a claim before the Council of State challenging the decision of the Ministry of Economy, Industry and Employment dated April 15, 2008 authorizing the acquisition of Neuf Cegetel by SFR.

Neuf Cegetel v. French State- Universal Service

Neuf Cegetel and the operators which are members of the AFORST (Association Française des Opérateurs de Réseaux et de Services de Télécommunications) (French Association of Telecommunications Networks and Services Operators) disputed before the Paris Administrative Court the legality of the funding of the Universal Service on the grounds that it was not proved that the provision of the Universal Service constituted an undue burden for its provider, and the absence of transparency in the method of calculating the fees. The overall amount claimed by Neuf Cegetel is €31.1 million. On March 1, 2007, the Paris Administrative Court ordered the State to refund the amounts of the contributions paid by Cegetel from 1998 through 2000. The State lodged an appeal against this judgment and refused to refund the corresponding sums on the grounds that these contributions were allegedly paid pursuant to the decree of April 16, 2007, which Neuf Cegetel disputes. In eight judgments rendered on November 8, 2007, the Paris Administrative Court ordered the State to refund the total amount of €2,429,273 for the contributions to the Universal Service paid by four companies now absorbed by Neuf Cegetel. The State lodged an appeal against these decisions, except for one (Ventelo). In March 2008, the Paris Administrative Court dismissed an appeal by Neuf Cegetel concerning the contribution for 2005.

Neuf Cegetel v. Minefi

Further to a judgment of the Paris Administrative Court dated June 19, 2003, Neuf Telecom (now "Neuf Cegetel") and its subsidiaries disputed the validity of the management taxes invoiced by the ARCEP. On June, 7, 2007, the Paris Administrative Court ordered the State to refund the sums paid by Neuf Cegetel for the annual file administration tax for 2000. On October 17, 2007, the State paid €2.8 million corresponding to the principal amount due. In May 2008, Neuf Cegetel requested the refund of the interest paid on amounts in arrears. It also initiated similar actions for the management and control taxes for a total amount of €14 million. On March 30, 2007, the Paris Administrative Court dismissed the claims made for 1998 (€10.1 million). Neuf Cegetel lodged an appeal before the Paris Administrative Court.

Class action against Activision in the United States

In February 2008, a purported class action was filed in the United States in the Delaware Chancery Court against Activision and its directors regarding the combination of Activision and Vivendi Games, and against Vivendi and its concerned subsidiaries. On June 24, 2008, the plaintiffs filed their conclusions dismissing the Vivendi defendants from the lawsuit. On June 30, 2008, the Court entered its order dismissing the Vivendi defendants from the action.

Parabole Reunion

In July 2007, the group Parabole Réunion filed a suit before the Tribunal of first instance of Paris following the termination of the distribution on an exclusive basis of the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, Groupe Canal+ was enjoined, under fine, from allowing the broadcast of these channels by a third party, unless it offers to Parabole Réunion the replacement of these channels by other channels of a similar attractivity, to be distributed on an exclusive basis. Groupe Canal+ appealed this decision. By a judgment dated June 19, 2008, the Paris Court of Appeal reversed the judgment dated September, 18, 2007 and dismissed Parabole Réunion's main claims against Groupe Canal+. As a result, the injunction ordered pursuant to the decision of September 18, 2007 was lifted.

Action brought by the French Competition Council on practices implemented in the pay television sector

In February 2008, the French Competition Council initiated an investigation regarding some practices implemented in the pay television sector. For the moment, the scope of this investigation is very broad and, as a result, the issues which the Council will ultimately focus on cannot be determined. Groupe Canal+ has not yet been notified of any grievances.

Note 20. Subsequent events

The main events that occurred since June 30, 2008 were as follows:

- **Creation of Activision Blizzard:** on July 8, at a special shareholders meeting, Activision's shareholders approved the agreement to combine Vivendi Games with Activision. This transaction was completed on July 9, 2008. Please refer to Note 2.2.
- **Voluntary redundancy plan at SFR**: On July 10, 2008, as part of an information and consultation procedure, management presented a new project to the employee representative bodies of SFR and Neuf Cegetel aimed at reorganizing the SFR and Neuf Cegetel operating teams. Pursuant to the terms and conditions of Book IV transmitted on this occasion, the project based on a voluntary participation ("Voluntary Redundancy Plan") could result in the elimination of a maximum of 801 jobs and the creation of 351 jobs. The employee representative bodies of SFR and Neuf Cegetel may be consulted in the second half of September 2008. Assuming the number of voluntary redundancies reaches the aforementioned maximum of 801 positions, the total cost to SFR could be approximately €75 million.

- **Activision Blizzard's share capital:** On July 11, 2008, Activision Blizzard announced that its Board of Directors approved a two-for-one stock split of its outstanding shares of common stock to be effected in the form of a common stock dividend. Stockholders will receive one additional share for each share of common stock issued and outstanding as of the close of business onheld on August 25, 2008 (the "record date"). The company expects that the record date for the stock split will be a date shortly after the closing of the company's previously announced self tender offer. Upon completion of the split, the number of Activision Blizzard's common shares outstanding will be approximately 1.3 billion. Trading will begin on a split-adjusted basis on September 8, 2008.

III STATEMENT ON THE HALF YEAR CONDENSED FINANCIAL STATEMENTS

This is a free translation into English of the Statement on the half year consolidated financial statements issued in French and is provided solely for the convenience of English speaking readers.

I state, to the best of my knowledge, that the accounts are prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of Vivendi and the companies included in its consolidation scope, and that the half year management report presents a fair review of the significant events which occurred during the first six months of the fiscal year and their impact on the half year financial statements, of related parties and of the major risks and uncertainties for the remaining six months of the fiscal year.

Chairman of the Management Board

Jean-Bernard Lévy

IV STATUTORY AUDITORS' REVIEW REPORT ON THE FIRST HALF YEAR FINANCIAL INFORMATION FOR 2008

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings and in accordance with article L. 232-7 of the French Commercial Law ("Code de commerce") and article L. 451-1-2 III of the French Monetary and Financial Law ("Code monétaire et financier"), we hereby report to you on :

- the review of the accompanying condensed half-year consolidated financial statements of Vivendi for the six-month period ended June 30, 2008, the verification of the information contained in the half-year management report.
- These condensed half-year consolidated financial statements are the responsibility of your Management Board. 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 can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatement. This level of assurance is less than can be obtained from an audit.

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

II. Specific verification

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

Paris La Défense and Neuilly-sur-Seine, August 29, 2008

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