

2011 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT



vivendi

The Best Emotions, Digitally

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An Online Detailed Sustainable Development Report provides further information on the Group's priority areas for action and presents the extra-financial indicators for 2011 as well as the report by one of Vivendi's Statutory Auditors.



This pictogram identifies stakeholders' points of view relating to the Group's sustainable development policy.



As a signatory of the United Nations Global Compact, Vivendi has committed itself to complying with and promoting its 10 principles concerning human rights, labor standards, the environment, and anti-corruption. The Communication on Progress for 2011 is available on Vivendi's corporate website.

VIVENDI THE BEST EMOTIONS, DIGITALLY

Vivendi is at the heart of the worlds of content, platforms and interactive networks. Vivendi combines the world leader in video games (Activision Blizzard), the world leader in music (Universal Music Group), the French leader in alternative telecoms (SFR), the Moroccan leader in telecoms (Maroc Telecom), the leading alternative broadband operator in Brazil (GVT) and the French leader in Pay tv (Canal+ Group).





MESSAGE FROM JEAN-BERNARD LÉVY CHIEF EXECUTIVE OFFICER

Vivendi had an excellent year in 2011. The Group posted the highest adjusted net income in its history thanks to the strong growth of GVT's business activities in Brazil and the exceptional profitability generated by Activision Blizzard's video games. These two business units make up the most important drivers of growth for the Group.

The 2011 results were achieved while overcoming considerable growth in taxation in France and increasingly tough competition in France and Morocco. The efforts at adaptation brought about by this context will weigh on Vivendi's results in 2012 and 2013.

Yet we remain optimistic, because perspectives for growth do exist. The United States is showing concrete signs of recovery, while China continues to grow. This is a positive factor for Europeans, where savings rates remain high and long-term interest rates are low. Stock market valuations are close to their low points and there is a lot of liquidity that will have to be channeled into profitable investment. We will definitely witness a recovery, even if we cannot predict when this will happen.

Telecommunication networks are the nervous systems and drivers of our 21st century civilization. Their apparent stagnation in Europe is linked to a constant and rapid fall in prices, not to a decline in their use. There is literally an ongoing explosion in the amount of data traffic circulating on telecommunications networks (with growth of nearly 100% per year), due to the effect of innovations and general usage trends. We are experiencing a revolution in the digital world: the Internet, mobility, interactivity, tablets, connected TV, energy control, home automation, means of payment, social networks, instant access to all the information in the world, and modernization of the management of businesses and governments are the main reasons for this extraordinary rate of growth.

In France, the price adjustment on the telecoms market has been accelerated by Free Mobile's very aggressive entry. This means that SFR must revise its marketing and commercial strategy, and adapt its structure. A senior management change has recently been announced.

This readjustment will probably last two years, resulting in a reduction in profit from this business, before stabilizing and growing again with the dynamics provided by new usage and investment.

A similar situation is underway at Maroc Telecom, due to the intensification of competition in Morocco, which is not yet offset by the very encouraging performances in other African countries where the Maroc Telecom group has invested. We are actively adapting to this new situation, with the objective of stabilizing the situation at Maroc Telecom as of 2013.

In parallel, it is essential that we carefully assess the growing contribution of our development activities. Activision Blizzard posted excellent results in 2011, driven by the increase in digital sales and the success of the games *Call of Duty: Modern Warfare 3*®, *Skylanders Spyro's Adventure*™ and *World of Warcraft*®. With *Skylanders Spyro's Adventure*™, which combines the universes of toys, video games, and the Internet, Activision Blizzard has shown its ability to reinvent the games model. They continue to improve the online experience for gamers and are currently working on the next extensions of *World of Warcraft*® and *StarCraft*®, as well as on the release of *Diablo III*®.

GVT shows exceptional perspectives for growth. In 2011, it extended its coverage to 22 additional cities, and now operates in a total of 119 cities in Brazil. Vivendi will continue investing there to continue its geographical expansion and accelerate the deployment of its network, of broadband, and of Pay tv. Growth in the company's revenues is expected to continue at the same pace.

As for music, in November 2011, Vivendi and UMG announced plans to acquire EMI Music's recorded-music activities. We expect this to result in a strengthening of our presence on the music market, where there are signs of recovery, especially in the United States. UMG creates new activities around its artists. The Group is generating new revenues and extending its presence around the world, for example with its digital downloading and streaming offers.

Canal+ Group is offering its subscribers diversified, mobile content and high-quality services accessible from the latest generation of set-top boxes. The Group has secured its principal rights to sports events in France for the next four years. Canal+ Group has also announced a project to build a free-television division in France around the channels owned by the Bolloré Group Direct 8 and Direct Star, as well as the finalizing of a partnership with the Polish ITI/TVN Group – that country's leading television entity – aimed at merging their Pay tv bundles. These three projects in the television and music areas are awaiting approval by the competent authorities.

Vivendi is resolutely engaged in the digital universe. Beginning in 2003, the Group defined three strategic sustainable development challenges, affirming its responsibility toward society: to protect and empower young people in their use of technologies, to promote cultural diversity, and to enable the sharing of knowledge. The Supervisory Board has integrated these specific challenges into the variable pay of the Group's Senior Executives, setting specific goals and putting specific indicators in place.

Vivendi's business units increase and leverage their capacities for innovation through sharing of expertise to accelerate the implementation of new projects and through synergies within the Group that facilitate bringing



The competitiveness and innovativeness of Vivendi's business units must enable us to improve our growth profile.

innovative products to market. This ability to work together reached its full expression in Brazil in 2011, where, thanks to support from Canal+ Group and SFR, GVT launched its High Definition interactive Pay tv offer, while UMG and Activision Blizzard were developing specific offers for the Brazilian operator.

The competitiveness and innovativeness of Vivendi's business units will enable us to improve our growth profile. Growth is a major objective for the businesses that are already well established, and that growth depends on development in emerging countries with strong demographic and economic growth. UMG is multiplying partnerships in those parts of the world; Canal+ Group continues its development in Africa, in the Overseas Territories, in Vietnam and in Poland, and Activision Blizzard has launched the Brazilian Portuguese version of its online game *World of Warcraft* and will develop a specific model of *Call of Duty* for China.

Vivendi's teams, mobilized around economic and societal goals, work unstintingly to anticipate the needs of a digital consumer society that is evolving very fast. I take this opportunity to thank them all.



Handwritten signature of Jean-Bernard Lévy in black ink.

BUSINESSES PANORAMA



Vivendi creates, publishes and distributes digital products and services. The Group relies on the strength of its inventors and designers, its engineers and its brands to offer to its customers digital content, platforms, and distribution networks of the highest quality. It controls the entire value chain, from production to publishing and distribution of content (video games, music, and audiovisual works).

ACTIVISION BLIZZARD

No. 1 WORLDWIDE IN VIDEO GAMES, an independent publisher of online and console video games.

UNIVERSAL MUSIC GROUP

No. 1 WORLDWIDE IN RECORDED MUSIC, number one in most major countries, and the largest catalog of musical works.

SFR

No. 1 ALTERNATIVE TELECOMS OPERATOR IN FRANCE, Europe's premier mobile and fixed-line alternative telecommunications operator.

MAROC TELECOM

No. 1 IN TELECOMS IN MOROCCO, the number one mobile and fixed-line telecommunications operator in Morocco, which also has a foothold in Burkina Faso, Gabon, Mauritania and Mali.

GVT

No. 1 ALTERNATIVE TELECOMS OPERATOR IN BRAZIL, the best performing high-speed operator in Brazil offering fixed-line telephony, Internet, and Pay tv services and products.

CANAL+ GROUP

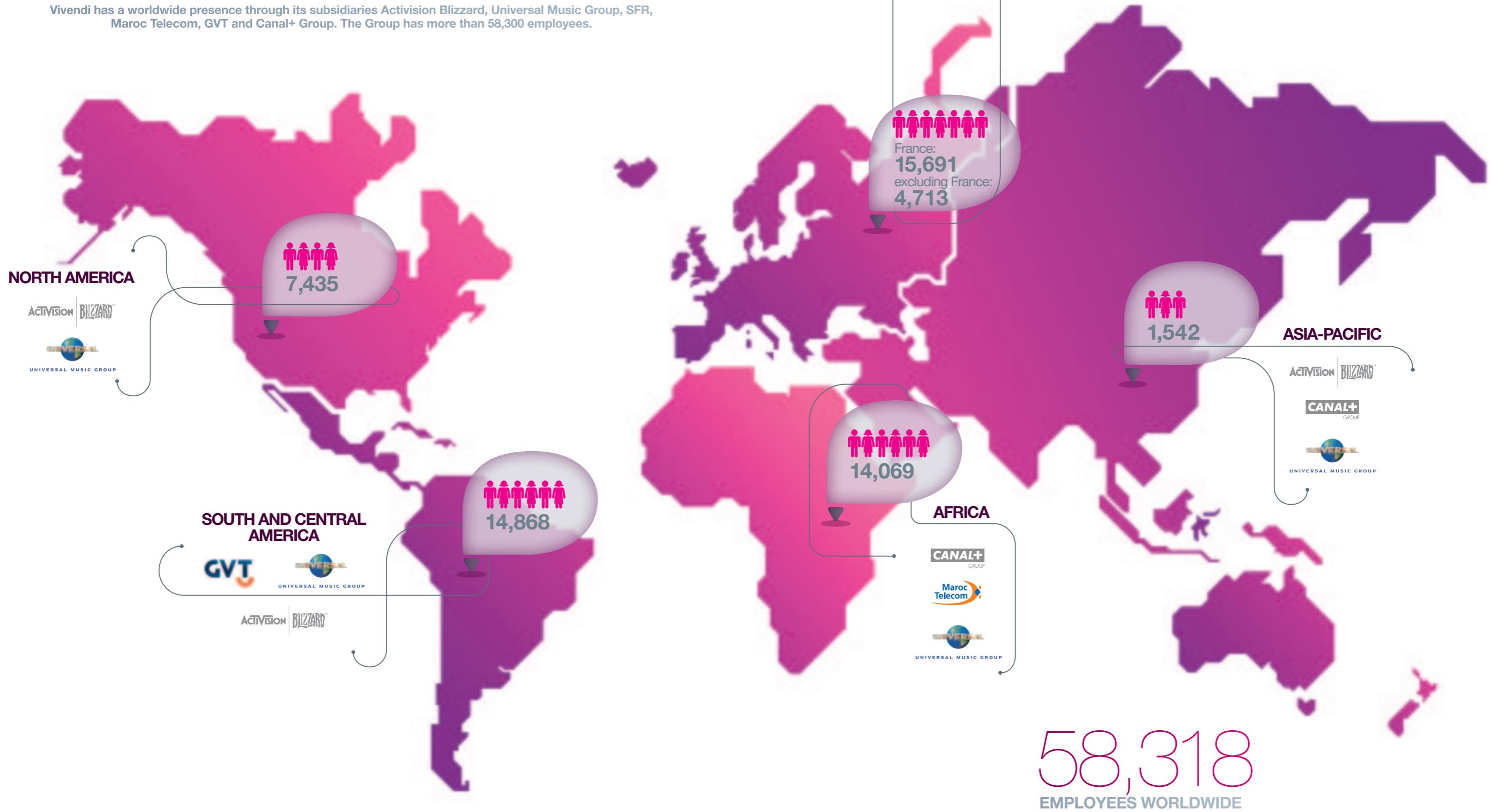
No. 1 IN PAY TV IN FRANCE, France's leading publisher of premium and theme channels, France's leader in aggregation and distribution of Pay tv offers, and Europe's largest producer and distributor of films.

Vivendi owns zaOza (a subscription-based sharing website), Digitick (France's leader in electronic ticketing), See Tickets (the number-two ticketing business in the UK), and Wengo (the French leader in expert phone counseling).

VIVENDI
THE BEST
EMOTIONS,
DIGITALLY

VIVENDI WORLDWIDE

Vivendi has a worldwide presence through its subsidiaries Activision Blizzard, Universal Music Group, SFR, Maroc Telecom, GVT and Canal+ Group. The Group has more than 58,300 employees.



GOVERNANCE SUPERVISORY BOARD

Vivendi is directed by a Supervisory Board and a Management Board. The Supervisory Board, chaired by Jean-René Fourtou, defines major strategic orientations and supervises the Management Board's management of the Group. It met ten times in 2011.

The Supervisory Board has created four committees – the Strategic Committee, the Audit Committee, the Human Resources Committee, and the Corporate Governance Committee – which examine and prepare for the Board's deliberations.

Vivendi's Supervisory Board has eleven members, nine of whom are independent. Three of these members are non-French nationals, two are citizens of European Union member states other than France and the other is an American citizen. The Consolidated Code of AFEP and MEDEF recommendations constitutes the corporate governance code to which Vivendi voluntarily adheres.

1 **JEAN-RENÉ FOURTOU***
Chairman of the Supervisory Board

2 **HENRI LACHMANN***
Vice-Chairman
Chairman of the Supervisory Board of Schneider Electric SA

3 **DANIEL CAMUS**
Independent Director of companies

4 **JEAN-YVES CHARLIER**
Chief Executive Officer of Promethean Inc.

5 **MAUREEN CHIQUET**
Chairwoman and Chief Executive Officer of Chanel

6 **PHILIPPE DONNET**
Member of the Supervisory Board of Financière Miro

7 **DOMINIQUE HÉRIARD DUBREUIL**
Chairwoman of the Board of Rémy Cointreau

8 **ALIZA JABÈS**
Chairwoman of Nuxe Group

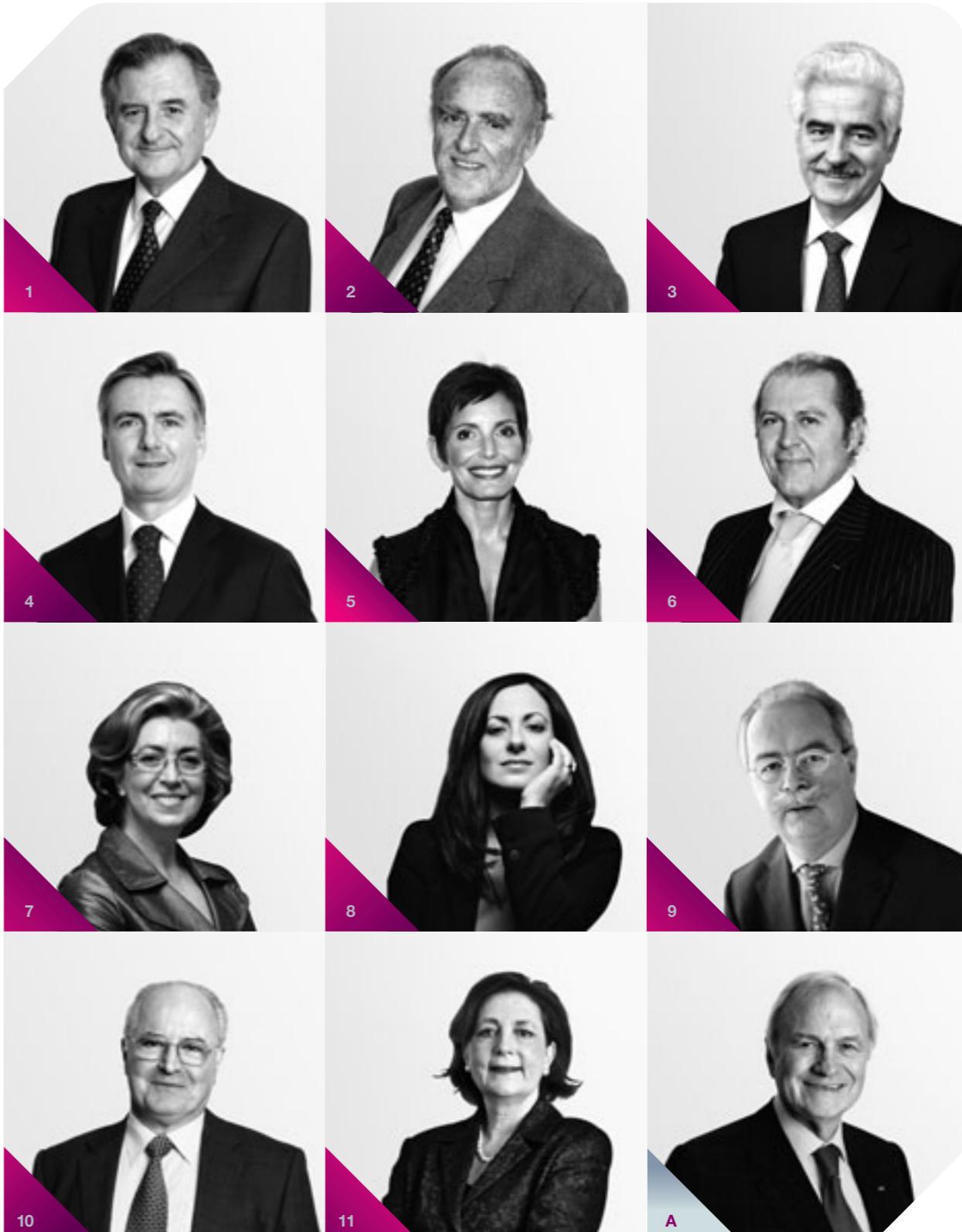
9 **CHRISTOPHE DE MARGERIE**
Chairman and Chief Executive Officer of Total

10 **PIERRE RODOCANACHI**
Chief Operating Officer of Management Patrimonial Conseil

11 **JACQUELINE TAMMENOMS BAKKER**
Member of the Supervisory Board of Tesco PLC

* Non-independent

A **CLAUDE BÉBÉAR**
Honorary Chairman of the AXA Group
Non-voting Director



MANAGEMENT BOARD

Chaired by Jean-Bernard Lévy, the Management Board is currently comprised of six members, including three French, one Moroccan, one British and one Israeli citizen. The Management Board manages Vivendi and ensures the execution of its strategy. It met 18 times in 2011.

A Financial Information and Communication Procedures Committee ensures that the Group fulfills its disclosure requirements with respect to investors, the public, and the competent regulatory and market authorities.

A Risks Committee was created in 2007. It is chaired by the Chairman of Vivendi's Management Board and is comprised of at least four members, including, in addition to its Chairman: the Chief Financial Officer, the General Counsel, Secretary of the Supervisory and Management Boards, and the Senior Vice-President of Internal Audit and Special Projects. Its purpose is to encourage exchange of best practices within the Group with regards to risk prevention and management, and to support the subsidiaries in their continuous-improvement actions. It reports its main conclusions and recommendations to the Audit Committee of Vivendi's Supervisory Board.

1 JEAN-BERNARD LÉVY

Chief Executive Officer,
Chairman and Chief Executive Officer of SFR,
Chairman of Activision Blizzard,
Chairman of the Board of GVT



2 ABDESLAM AHIZOUNE

Chairman of the Management Board
of Maroc Telecom



3 PHILIPPE CAPRON

Chief Financial Officer of Vivendi



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4 AMOS GENISH

Vice-Chairman of the Board of Directors
and Chief Executive Officer of GVT

5 LUCIAN GRAINGE

Chairman and Chief Executive Officer
of Universal Music Group

6 BERTRAND MEHEUT

Chairman of the Management Board
of Canal+ Group



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GENERAL MANAGEMENT

Along with Jean-Bernard Lévy and Philippe Capron, Vivendi's Senior Executives are:



- 1 **JEAN-FRANÇOIS DUBOS**
Senior Executive Vice President, General Counsel and Secretary of the Supervisory and Management Boards
- 2 **SANDRINE DUFOUR**
Executive Vice President, Innovation and Deputy Chief Financial Officer
- 3 **SIMON GILLHAM**
Senior Executive Vice President, Communications and Sustainable Development
- 4 **STÉPHANE ROUSSEL**
Senior Executive Vice President, Human Resources
- 5 **RÉGIS TURRINI**
Senior Executive Vice President, Strategy and Development

Inclusion of sustainable development criteria in Senior Executives' bonuses

In 2010, sustainable development criteria were included in Senior Executives' variable remuneration. The purpose of this measure is to assess their individual contribution to the three sustainable development issues that are strategic for Vivendi: protecting and empowering youth, promoting cultural diversity, and sharing knowledge. Vivendi was an innovator in 2010 in its selection of societal criteria and its decision to call in an external third party to ensure objectivity. The extra-financial rating agency Vigeo,

analyzes the pertinence of the criteria and the associated indicators upstream, then issues an opinion on the self-evaluation procedure that was put in place. The objectives set for 2011 were attained. Regarding protection of youth, for example, we might cite the commitment by SFR and GVT to strengthening tools for parental control and actions to raise the awareness of parents and young audiences. Promoting cultural diversity is fully in line with the activity of Canal+, which strives to

support a certain number of European films and films with modest budgets; and Universal Music Group, which assesses its contribution to developing local talents in emerging countries. The sharing of knowledge was chosen as a criterion by Maroc Telecom, which is deploying ambitious programs to struggle against the digital divide. In 2012, Vigeo will strengthen its evaluation procedure using concrete cases, in the field, beginning with the choice of one or two subsidiaries for evaluation.

KEY FIGURES

2011

In 2011, Vivendi's revenues were €28,813 million, showing growth of 0.5% at constant currency. EBITA, at €5,860 million, was up by 3.3% at constant currency, thanks to the excellent performance of Activision Blizzard and GVT and the Universal Music Group turnaround.

Activision Blizzard

Activision Blizzard delivered excellent results in 2011. Revenues were €3,432 million, up 3.1% (+7% at constant currency) compared to 2010, and EBITA was €1,011 million, up by 46.1% (+52.8% at constant currency) compared to 2010¹. In 2011, *Call of Duty®: Modern Warfare®*³ was the best selling game in Europe and in the U.S.², and the *Call of Duty Elite* platform had more than 7 million gamers as of January 31, 2012 (including 1.5 million paying annual subscribers). Including accessory packs and figures, more than 20 million toys have been sold for *Skylanders Spyro's Adventure*. *World of Warcraft®* remains the number one subscription-based MMORPG, with approximately 10.2 million subscribers as of December 31, 2011.

Universal Music Group

Universal Music Group's (UMG) revenues were €4,197 million, down 5.7% compared to 2010 (-4.6% at constant currency). The 9.6% growth in digital music sales (+11.3% at constant currency) and increased income revenue from new business activities partially offset the falling demand for physical product. Digital music sales accounted for 33.6% of recorded music revenues. EBITA stands at €507 million, up 7.6% compared to 2010 (+8.2% at constant currency). On November 11, 2011 Vivendi and UMG announced plans to acquire EMI Music's recorded-music activities for a total of £1.2 billion.

SFR

SFR's revenues³ were €12,183 million in 2011, a 3.1% decrease compared to 2010, adversely impacted by the new VAT rules and termination price cuts imposed by the regulators⁴. Excluding the impact of these regulatory decisions, revenues increased by 1.9%. Mobile revenues⁵ decreased by 5.4% to €8,452 million compared to 2010. Mobile services revenues⁶ decreased by 6.4% to €7,885 million; excluding the impact of the new VAT rules and regulated price cuts, mobile service revenues increased by 0.8%. During 2011, SFR added 744,000 net new mobile postpaid customers. Data mobile revenue increased 18.4% compared to 2010. SFR's total mobile customer base³ reached 21.463 million. Broadband Internet and fixed revenues⁵ were €4,000 million, a 1.4% increase compared to 2010. Excluding the impact of the new VAT rules and regulated price cuts, broadband Internet and fixed revenues increased by 2.4%. SFR's EBITA was €2,278 million, a 7.8% decrease compared to 2010 and a 9.5% decrease excluding non-recurring items.

Maroc Telecom

The Maroc Telecom group recorded a 12.2% growth of its customer base, reaching 28.982 million, essentially driven by its activities outside of Morocco, where the customer base grew by 39.2% year-on-year. This good dynamic enabled the Maroc Telecom group to limit the decline

in its revenues year-on-year to 3.4%, at €2,739 million (-2.5% at constant currency).

In Morocco, revenues decreased by 5.2% (-4.4% at constant currency). In fixed-line services, the increase in bandwidth and the enhanced offerings lead to a 19% increase in the broadband Internet customer base. Revenues outside of Morocco increased by 7.4% (+8.8% at constant currency), driven by the sharp increase in the mobile customer base (+41%), notably in Mali where revenues rose by 33.7%. Maroc Telecom EBITA amounted to €1,089 million, a 15.2% decrease year-on-year (-14.4% at constant currency).

GVT

GVT's revenues reached €1,446 million, a 40.5% increase compared to 2010 (+39% at constant currency). Broadband Internet service revenues increased by 57.7% (+56.2% at constant currency) and voice service revenues by 34.2% (+32.8% at constant currency). During 2011, GVT expanded its coverage to 22 additional cities and now operates in 119 cities. As a result of GVT's geographical network expansion and its excellent commercial performance, its customer base reached 6.326 million lines in service (LIS)⁷, a 49.5% increase year-on-year. In addition, the sale of offers with speed equal to or higher than 15 Mbits/s reached 57%, compared to 15% last year. GVT's EBITA was €396 million, a 43% increase compared to 2010 (+41.4% at constant currency).

€28,813

MILLION
2011 REVENUES

(+0.5% at constant currency)

€5,860

MILLION 2011 EBITA
(+3.3% at constant currency)

€2,952

MILLION 2011 ADJUSTED
NET INCOME
(+9.4%)

58,318

EMPLOYEES*

*As of December 31, 2011.

€1

PER SHARE IN DIVIDENDS*
AND ONE BONUS SHARE
PER 30 SHARES HELD
FOR 2011

* Motion at the General
Shareholders' Meeting
on April 19, 2012.

Canal+ Group

Canal+ Group's revenues were €4,857 million, a 3.1% increase compared to 2010. Canal+ France's revenues increased by 2.4% to €4,049 million, notably driven by increases in the subscription portfolio, revenue per subscriber (ARPU) and advertising revenues.

At the end of December 2011, Canal+ France had 11.216 million subscriptions, a net increase of 158,000 year-on-year. In mainland France, the subscription portfolio stands at 9.760 million. Average revenue per individual subscriber was up €1.2 year-on-year, reaching €47.5. Canal+ France's subscriber base in regions

operated by Canal+ Overseas (French overseas territories and Africa) reached 1.456 million. Overall, including Poland and Vietnam, Canal+ Group's portfolio at the end of 2011 had 12.946 million subscriptions. Canal+ Group's EBITA was €701 million, a 1.6% increase year-on-year.

1 These results benefited from the accounting principles requiring that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period.

2 According to The NPD Group, Charttrack and GfK.

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

4 Tariff cuts imposed by regulatory decision:
i) 33% decrease in mobile voice termination regulated price on July 1, 2010 and a 33% additional decrease on July 1, 2011;
ii) 33% decrease in SMS termination regulated price on February 1, 2010 and a 25% decrease on July 1, 2011;
iii) roaming tariff cuts; and
iv) 28% decrease in fixed voice termination regulated price on October 1, 2010 and 40% decrease on October 1, 2011.

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

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

7 Excluding Pay tv.

VIVENDI AND ITS INDIVIDUAL SHAREHOLDERS

Communicating with all of its individual shareholders is a priority for Vivendi. The Group wishes to develop a privileged relationship with them and keep them informed about its activities and its strategy.

Individual Shareholders Information Department

Whatever the question, shareholders may contact Vivendi's Individual Shareholders Information Department Monday through Friday, by telephone, at 0805 050 050 for shareholders residing in France (toll-free number, local-call rate from a fixed-line) or at +33 (0)1 71 71 34 99 for shareholders residing abroad. They may leave a message on the actionnaires@vivendi.com voice mail or write to the Department at the following address: Vivendi – Individual Shareholders Information Department – 42, avenue de Friedland, 75380 Paris Cedex 08, France.

The service provides quick, personalized answers to questions – whether about Vivendi's stock,

its results, financial outlook, dividends, strategic operations, the General Shareholders' Meeting, documents, the Shareholders' Committee or the Shareholders' Club.

Shareholders' Club

The Club was founded in 2010 with the goal of developing information meetings and events for its individual shareholders. The Club is open to any holder of at least one share, whether registered or bearer of shares. The Terms and Conditions of membership and the membership form are available on the Group's website (www.vivendi.com, under the Shareholder section). The Club entitles members to direct access to publications – press releases, the Annual Report, the Activity and

Sustainable Development Report, the Shareholders' Newsletter and *Essentially Vivendi* (Vivendi in brief). The latter three publications are more specifically intended for individual shareholders. All these documents are available in hard copy or electronic format and members may ask for an e-mail alert as soon as they become available. Club members can also receive invitations to the various informational meetings held in France. In 2011, they were able to attend 18 general information meetings, including three topical meetings (on music with Universal Music Group, on cinema with Studiocanal, and on cultural diversity) and training courses with the *École de la Bourse* (on "How to Decipher a Financial Article" and "The General Shareholders' Meeting").

New communication tools

Vivendi provides its individual shareholders with a range of services via the Internet. They can view pages of Vivendi's website aimed specifically at them and leave a message in the mailbox (actionnaires@vivendi.com). Vivendi is committed to responding to all messages within three working days. The site can be viewed via computer, smartphone, or iPad.

Shareholders can also view *Sharing Vivendi* (accessible from www.vivendi.com), the brand-new Group webzine launched in October 2011 (the second issue was published in February 2012). A special module is available for individual shareholders, who can also view pages relating to sustainable development and the Create Joy solidarity program and learn about other topics.

Another new feature has been put in place for individual shareholders. Each Friday afternoon, they can listen to an "audio news" program on Vivendi's website. These commentaries in audio format, lasting approximately two minutes, give glimpses of events in the Group and its subsidiaries.



© Olivier Roy



© Jean-Pierre Burger

↑ Shareholder meeting in Strasbourg
– Actionaria trade event – Opera visit

Lastly, shareholders were invited to the Actionaria trade event, the Vivendi Seve Trophy (an international golf tournament of which Vivendi is title sponsor), sneak previews of films produced or distributed by Studiocanal, and Canal+ television programs. They could also take tours of the Olympia (the famous Paris concert hall) and the SFR security center, as well as see live opera rebroadcasts. All the events offered are related to the Group's activities.

The Shareholders' Committee

Vivendi's Shareholders' Committee met four times in 2011. These encounters between the nine members of the Committee (including two shareholder-employees of SFR and Canal+ Group) and the Group's Communication Department are

opportunities to get to know the expectations and needs of the individual shareholders and make sure that communication is on the right track. Jean-Bernard Lévy, Chief Executive Officer, takes part in each meeting. During the meetings, Vivendi's financial results and strategy are discussed. They also serve as work sessions on different topics – the events organized by the Group for its individual shareholders, the Shareholders' Newsletter, the Activity and Sustainable Development Report, the General Shareholders' Meeting, digital communication, the implementation of new communication tools. The Committee's charter, an application form (members are elected for a two-year renewable term), and a mailbox for asking questions or leaving a message for the Committee's members are all available on the Group's website (www.vivendi.com, Shareholder section).

18
FINANCIAL-INFORMATION
MEETINGS AND

14
EVENTS
IN 2011



STRATEGY AND SUSTAINABLE DEVELOPMENT POLICY



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STRATEGY

The Group's strategy is focused on creating value through organic growth founded on innovation, strengthening its presence in rapid-growth countries, as well as intra-Group synergies.

Innovating to develop the digital society

Vivendi is a leader in communications and entertainment through its activities as a telecommunications operator and its leading positions in the music, video games, and television industries. The Group's ambition is to accompany its customers in adopting the new modes of content consumption, through its efforts toward innovation in technology and in the new distribution models as well through investments in deploying the platforms and networks that are making the new digital society possible. Ideally positioned at the intersection of the content and networks industries, Vivendi can mobilize all the Group's entities to participate, via innovation, in the transition to digital, with the conviction that it is a unique opportunity for growth and value creation.

Strengthening presence in rapid-growth countries

The development of emerging economies over the past ten years is bringing about an unprecedented movement toward mass access to digital services. The demographic forces at work in these countries have created hundreds of millions of new customers, first on the mobile networks and now on the Internet. These customers make massive use of Web applications like Facebook and are avid consumers of digital content. This phenomenon represents a formidable source of development, and Vivendi intends to increase its presence in these geographies to better respond to their needs.

Universal Music Group and Activision Blizzard are offering new models for distribution of digital content suited to emerging countries – for example through agreements with local

telecoms operators that enable leveraging of content catalogs. With the development of online games like *World of Warcraft*, Activision Blizzard can now distribute its products in these countries without fear of piracy – proof being the success of the specific model put in place in China for the game.

Regarding communications and television services, Africa is a priority development area for Maroc Telecom, and also for Canal+ Group, with its offer of television via satellite for the French-speaking countries. The Group is proud to contribute concretely to reducing the digital divide by investing in major infrastructures (submarine cables, fiber-optic networks through the Sahara) that enable countries like Mali and Burkina Faso, among the most isolated in the world, to be connected to the Internet.

Last but not least, Vivendi is particularly attentive to the development of GVT in

Examples of transverse projects between GVT and the other Vivendi subsidiaries

In 2010, GVT took advantage of the Vivendi Group's new anchoring to develop and launch a subscription digital music service, the Power Music Club, thanks to the support of Universal Music Group. In 2011, GVT accelerated its concretization of synergy projects

with other Group entities with new and even more ambitious offers. Thanks to the support of SFR and Canal+ Group, the operator was able to launch a Pay tv offer, unique on the Brazilian market. It makes use of an innovative hybrid technology that combines

satellite broadcast of television channels and distribution of all interactive services via IP network. GVT also worked with Activision Blizzard to offer its customers the Portuguese version of *World of Warcraft*® at very advantageous rates.

Intra-Group synergies



Brazil in order to continue the remarkable growth in revenues there (+39% in 2011*). Financial support from the Group has enabled the company to accelerate its deployment by opening its network in 22 new cities in 2011 and launching a new Pay tv business (a Triple Play offer) that is strategic for its future. The new telecommunications infrastructures installed by GVT enable it to offer Brazilian consumers high-quality Internet access and are the result of a especially heavy investment, amounting to nearly half of revenues.

Organic growth and intra-Group synergies

Vivendi intends to strengthen the positions of its existing business units, leverage synergies between entities, and develop related high-potential activities. In a general context of evolution in uses of digital technology and distribution models, the Group provides all its operational entities with the stability and support

they need for successfully managing these changes.

The Group's businesses all belong to the digital and new-technology sectors. They are aimed directly at the end consumer via leading brands – Activision Blizzard, Universal Music, SFR, Maroc Telecom, GVT and Canal+. The Group offers creative digital content and broadband telecommunications services. These commonalities give Vivendi competitive advantages. They make it possible, through a fruitful exchange of skills and anticipation of technological developments, to develop a high level of expertise in subscriptions, brands, distribution platforms, creation, and copyrights. Belonging to the Group enables various business lines to bring collective answers to concrete challenges such as the impact of social networks, the evolution of customer relationships, the challenges of very-high speed Internet access and the consequences of the growing importance of cloud computing.

Vivendi's performance relies heavily on its economic model, which is subscription-based – both for telecommunications and for television and music platforms, audiovisual works, and online games. The Group has its own specific knowledge and expertise to grow its subscriber base, gaining their loyalty, and optimizing the revenues they generate. The subscription business model is a significant advantage. It provides a recurring – and thus predictable – source of income.

More recently, Vivendi has invested in the ticketing industry, a sector at the crossroads of entertainment and digital technology. It acquired Digitick in France and See Tickets in the UK in order to benefit from the move towards digital technology and e-ticketing. These acquisitions strengthen Vivendi's expertise in developing innovative solutions at the frontiers of its businesses.

* At constant currency.

STRATEGY INNOVATION

Innovation is a central issue for Vivendi. The Group and all its subsidiaries are mobilized to develop innovative products and services that meet the insatiable needs of digital customers and that will drive future growth.

Making innovation a daily commitment

Vivendi is engaged in a daily process of innovation alongside its business units. The Group aims to develop future growth areas and involves all its subsidiaries in the emergence of ambitious development projects:

- all Group managers have been made aware of the challenges facing internal growth and diversification;
- each of the subsidiaries has systematized the search for development projects internally;
- *ad hoc* committees have been created to set priorities and approve allocation of specific resources. This has increased the visibility of certain projects and has accelerated their implementation;
- a Group Committee, involving all the subsidiaries, has been established to open up new development perspectives.

These initiatives have resulted in identifying orientations for development of content and services, platforms for distribution of interactive content, services to connected households, and offers to businesses.

Responding to digital customers' insatiable needs

Each subsidiary originates many innovative services with successful commercial launches. These successes are due in part to excellent growth factors like the

penetration rate of smartphones, the new uses of television on demand, the increase in digital bandwidth, the growth in the demand for attractive, exclusive content, and the need for staying connected through social networks. They are also driven by the desire to respond to the needs of consumers, who are always looking for new content and new ways to stay in touch.

SFR is constantly enriching the neufbox TV offer. The operator has developed applications intended to ensure the continued use of multiscreen. New services have been included on the television portal – such as DokeoTV, an interactive edutainment channel –, and a video games-on-demand portal that lets users play games directly on their television set has been created.

Universal Music Group launched the Vevo video platform, which offers music videos. It is now the world's second-largest video hosting site. With more than 60 million unique visitors, it is ranked number one among music platforms in the USA. It attracts major international advertisers. In 2011, UMG launched OFF TV, the first web TV channel fully integrated into a music label. Thanks to a partnership with SFR, OFF TV is accessible to neufbox customers via an interactive application that offers video in HD.

Maroc Telecom has continued to offer new services to the younger generation: MT Talk offers access to social networks via mobile, and the

Universal Music package, designed in partnership with UMG, has proved a commercial success. It has also developed Menara, the first online information site available in Moroccan and French.

Canal+ Group offers its customers an ever-richer range of interactive content and services. Anticipating developments in the market related to the arrival of connected TV sets, the Group created CanalPlay Infinity, an unlimited video-on-demand subscription offer that is accessible on all screens. The service was previewed with SFR in November 2011. It is the first offer of its type available in France.

Activision Blizzard has innovated by combining the video-games, toy, and Internet industries in a single product, *Skylanders Spyro's Adventure*. Through a "magical portal", figurines come to life in the video game. It's every child's dream! Launched in October 2011, the game is very successful. Also continuing the development of its flagship franchises, the Group created the *Elite* platform, designed to connect more than 30 million *Call of Duty* players. On January 31, 2012, *Elite* already had more than 7 million users.

In October, GVT launched a Pay tv service comprising interactive video-on-demand and catch-up TV services and network applications. As of late February 2012, the service already had 80,000 subscribers.

→ *Continued*



Vivendi has set up
a community of leader
purchasers within the Group.»

Emmanuel Erba / Procurement Director, SFR

"The purpose of the Vivendi Purchasing Cloud is to facilitate sharing of best practices and joint purchases, coordinate actions with key suppliers, and ultimately create value for the Group. The team spirit can be summed up as follows: leadership is shared – there's no centralization – initiatives are put into practice by the teams themselves, and each entity involved receives the benefit of the project activities. 30 representatives (procurement directors and leaders in each product category) have been identified in each subsidiary. In 2011, a number of initiatives already came into being. Benchmarks have been established with all the Group's entities – Canal+ Group, SFR, UMG,

Activision Blizzard, Maroc Telecom, and GVT – on purchasing strategies, panels of suppliers, and sales practices. Certain subsidiaries have conducted joint negotiations on purchases. Other initiatives are underway or set to start, and we plan to coordinate future actions in two phases – telecoms, then media. Leadership of each joint action will be taken by the subsidiary that benefits most. Thanks to this well established community, the negotiations bear their fruit and we can anticipate the volume discounts. Looking at what the other subsidiaries do before making a decision is spreading and is a good sign that the sharing of these best practices works."



Throughout the year Vivendi and its subsidiaries participate in events that bring together the world of the media, technologies, and telecoms.»

Thibaud Morin / Senior Vice President, Business Innovation, Vivendi

"Vivendi's Innovation Department encourages exchanges among its subsidiaries. The forums and events Vivendi's business units participate in (Midem¹, Mipcom³, CES², etc.) and the research trips made by the Group or one of its business units enable information to be shared in the interest of innovation. As an example, at the Midem trade event, all of us, together, presented the 'Coup de cœur Vivendi' award to a start-up. Along with Universal Music Group, SFR and Canal+ Group, we met with 30 innovative start-ups in the digital distribution sectors and exchanged ideas with their leaders. This enabled them to identify tomorrow's services and discern breakthroughs in technologies and usages. A jury of about twenty Senior Executives of the Group's business units selected the winning start-up, Webdoc, whose product makes it simple to create interactive flyers that integrate into the social networks and will be able to be used by each of the subsidiaries. In the media, music was the first sector to undergo a digital transformation. So it's imperative to reach out to young companies and discover the new opportunities other content businesses are faced with or anticipate evolutions in our own

digital distribution businesses. This approach corresponds with our vision: what we learn in one sector – music in this particular case – will be able to be shared with the other subsidiaries to nourish Vivendi's growth strategy."

↓ Thibaud Morin, Stélio Tzonis (co-founder of Webdoc), Anne de Kerckhove (Entertainment Director, ReedMidem), and Yann Ian Rogers (CEO, Topspin).



© Midem

Encouraging expertise sharing and openness to external innovation

Vivendi's business units share of the same new technologies. They face the same developments in usage, in particular the younger generation, for whom the Internet has always been intuitive and accessible.

In order to capitalize on all the Group's knowledge and expertise, Vivendi encourages exchanges between experts and openness to external innovation:

- working groups have been set up to facilitate the transfer of knowledge and sharing of best practices in areas such as networks, platforms, information systems, purchasing and customer relations;

- a Technological Committee led by Canal+ Group and participated in by SFR brings together experts from both inside and outside the Group to work on anticipating new technologies in the fields of television and video;
- many meetings are held with innovative start-up companies, especially at trade events such as the Midem¹ and the CES²;
- an Open Innovation program has been built around Atelier SFR (a beta-test platform), SFR Jeunes Talents Startup' (a support program for innovative young companies), and SFR Développement (an investment fund).

All these initiatives enable the Group to offer its customers services that set it apart and position itself on new

markets while fully respecting the Group's issues: protecting and enabling youth, promoting cultural diversity and sharing knowledge.

Putting innovation to work to achieve growth means responding to technological changes together, with agility and reactivity, and moving forward to meet the dynamic demands of tomorrow's digital consumers.

1 Midem: International Disk and Music Publishing Market (Marché international du disque et de l'édition musicale)

2 CES: Consumer Electronic Show

3 Mipcom: International Audiovisual Content Market (Marché international des contenus audiovisuels)



The Advitech, a one-of-a-kind Committee on innovation.

Joseph Guégan / Executive Vice President, Technology and Information Systems, Canal+ Group.

"Founded six years ago, the Advitech (Advisory Board for Technology) is a Consulting Committee on the impact of technologies on our businesses. Its purpose is to get the opinions of experts who are not specialists in the media and who are considered key innovators in their skills areas, with an international perspective. The Advitech is comprised of two American university professors and three high-level specialists in high-tech areas, external speakers invited to speak on ad hoc topics, and internally, five people from Canal+ Group, with participation by SFR.

We meet two to three times a year over an entire day. We discuss new innovation topics from a futurological perspective, and review ideas that have moved into the operational phase. Recurring themes have to do with the evolution of the Internet, the ways in which the Internet and mobility are going to continue to change our models, and how that will impact our offers, the Group's technologies, and our strategic

partnerships. The external participants throw light on the major trends and on the maturity of technologies as they see them. They can pick up on a topic that will eventually become a priority and move into project mode. As an example, the Advitech was a precursor in integrating Wi-Fi into set-top boxes and recommendation engines. The discussions help find possible areas for action, drive internal innovation, and provide guidelines for future work. We also need to innovate in the way we deal with innovation itself. There needs to be some degree of organization, but the process needs to leave a lot of space for 'thinking out of the box', which is essential for innovation. The Advitech is a fine example of that. Because it is set up to be free from any obligation to produce immediate results, and includes people who are looking at our field with a fresh, disinterested attitude, it is very participative. As proof of that, most of the major innovation topics have been dealt with by the Advitech."



In 2011, a burgeoning of new initiatives at UMG.

Olivier Robert-Murphy / Global Head of New Business, UMG

"For some years, UMG has conducted a policy of diversification based on partnerships between music and other industries. We enter into long-term agreements with brands in sectors as diverse as automotive, mass retail, social networks, banks, telecoms, and more. It's a way for UMG to increase its artists' notoriety and get exposure for repertoire, and to reach new consumers. As an example, under our agreement with Peugeot, covering 26 countries, customers are entitled to a year of music when they purchase a car. Then there's the one with Hewlett-Packard, which has extended UMG's presence in 35 countries. We work with partners in countries like China, India, Thailand, Canada, and certain African countries, and also smaller countries like Bangladesh, Laos, Ukraine, and Slovakia."

"These long-term strategic marketing partnerships now account for 50% of new businesses revenues. UMG also enters into associations with well-established platforms like Deezer and Spotify and also with investors and media groups to start programs like Muzzia, a local player in music distribution in the Czech Republic, Slovakia, Romania, Bulgaria, Poland, and Serbia. Over the past 18 months, we've signed 275 agreements worldwide, covering all sectors and all approaches (platforms, marketing partnerships, subscription services, merchandising, etc.). While UMG's core business remains bringing artists to the fore via hits, all of these innovative diversification activities have generated new revenues and extended our presence around the world, on local markets."



SFR sets up Open Innovation system.

Stéphanie Hajjar / Open Innovation Director, SFR

"The objective of the Open Innovation process is to nourish innovation at SFR by supporting start-ups and engaging in dialogue with partners and consumers about new products. With the Jeunes Talents Start-up program and the SFR Développement investment fund, we support innovative young companies by providing them with a certain volume of business to accelerate their commercial takeoff. We spot them within the French and foreign (20-30%) ecosystem, meet with 600 of them per year, and have aided more than 150. With the help of an upstream evaluation, we select the most promising start-ups and identify new market segments. Once a trend is spotted, it has to be confirmed with our partners and tested with consumers. For that, we use Atelier SFR, an exchange platform

in which 45,000 consumer volunteers react to proposals for new products. They suggest innovative new functionalities or tell us about new uses. The Atelier is used by Vivendi's business units (Canal+ Group is testing its new set-top box that way) and by our major accounts, such as La Poste and insurance companies. We combine our know-how in order to enter markets where we weren't present initially. Dokéo TV, an interactive channel for the whole family launched by SFR with the publishing house Nathan, a legitimate actor in the edutainment sector, is a good example. Thanks to this system and the way in which it puts innovation at the service of growth, SFR can be quick and agile in positioning itself on new markets."

SUSTAINABLE DEVELOPMENT

INTERVIEW WITH JEAN-YVES CHARLIER, MEMBER OF THE SUPERVISORY BOARD



How does Vivendi's sustainable development policy contribute to the Group's performance?

Vivendi's sustainable development policy is a response to three fundamental requirements: it is directly linked to the activity of the business units, it perfectly expresses the major role the Group plays in society, and it is fully integrated into the Group's strategy – as witness, for example, the inclusion of specific criteria in the variable remuneration of Senior Executives.

Vivendi constantly needs to analyze the extent of its responsibility towards society. Technological and business innovation, vital to the company's success, must be accompanied by societal innovation. That is why the three strategic issues defined in 2003 – protecting and empowering youth, promoting cultural diversity, and sharing knowledge – are especially pertinent and contribute to the Group's performance.

Let us take the example of protecting and empowering young people. This is a priority for building the digital universe that is so indispensable for creativity, for knowledge sharing and for economic competitiveness. However we must take care not to expose our children to certain risks (inappropriate content, practices or behaviors) that can be avoided through shared vigilance. I feel it is important that Jean-Bernard Lévy is one of the founding members of the CEO Coalition to make the Internet a better place for

kids, an initiative of Neelie Kroes, Vice President of the EU Commission in charge of digital strategy. This coalition of major companies in the media and telecommunications sectors, whose aim is to make the Internet a space for self-expression that guarantees children's safety as much as possible, is perfectly in line with our corporate responsibility and our business strategy.

Which of these three challenges is most interesting for you?

The issue I feel is most innovative is that of promoting cultural diversity. For three reasons:

First of all because we cannot be a leader in the content businesses (music, cinema, audiovisual programs) unless we meet the greatly varied tastes of tens of millions of customers around the world. Nearly 90% of Canal+' subscribers say they are satisfied with the film offer, which is rich in diversity and originality. 60% of Universal Music Group's physical and digital sales account for by local artists within a scope of 59 countries. Promoting cultural diversity provides us with an undeniable competitive advantage.

It is also an essential responsibility toward the younger generation and future generations. The considerable investments we make in content – more than €2 billion in 2011 – and in industrial infrastructures – more than €3 billion – are made for the long term. Our intent is



The success of Vivendi is based on innovation in a context of sustainable development.

to enrich our music repertoires, our catalogues of films and audiovisual programs, to ensure the broad palette of artistic expressions indispensable to the development of cultural diversity. Finally, Vivendi is conquering new markets in emerging and fast growth countries. That cultural diversity is a real opportunity to leverage our investments, to spot new artists and promote them on the international scene. Universal Music Group has made it a priority to develop local talents in emerging countries to find new growth areas. In fact, that is the sustainable development objective UMG's Senior Executives have chosen to include in the calculation of their variable remuneration. It is a good illustration of the strategic nature of this policy – encouraging financial performance while contributing to better social cohesion in the countries where the Group operates.

What examples can you give to illustrate Vivendi's contribution to strengthening local production capacities?

Let's take the example of Africa. Vivendi, through its business activity and through carefully targeted training programs, contributes to developing capacities for production of local content. Universal Music Group has signed some of Africa's greatest artists, such as Salif Keita, Youssou N'Dour, or Souad Massi. As an official partner of the FESPACO and the *Festival Écrans noirs*, the Canal+ Group co-finances several film productions every year and regularly programs works

by African filmmakers in more than 30 countries in sub-Saharan Africa. Vivendi also invests in skill development. In Mali, the Group is continuing its training program for sound engineers. Launched in 2006, this program supports singer-songwriter Salif Keita in his commitment to promoting young talent and making his studio in Bamako, *Le Moffou*, a crossroads for all of West Africa. The program was selected by UNESCO for its contribution to strengthening local cultural capacities and infrastructures. In Morocco, since 2009 Vivendi has supported training for students at the *Institut spécialisé dans les métiers du cinéma* (film professions institute – ISMC) in Ouarzazate. Vivendi is also a founding partner of the *Rencontres internationales du cinéma sous la tente*, which brings some twenty cinema schools from several continents together each year in the city, which is a focal point for filmmaking.

Vivendi's contribution to strengthening local production capacities is visible on all continents. In Europe, for example, Studiocanal, a Canal+ Group subsidiary, is a major player in film co-production, purchase, and distribution, operating directly in the three main territories – France, the UK, and Germany. Every year some 50 films are distributed in Europe. Studiocanal also has one of the world's largest catalogues, with more than 5,000 French, British, Italian, German or American titles for which it ensures conservation and restoration. Conserving and promoting this priceless heritage is a long-term investment for present and future generations.

As a member of the Supervisory Board, how are you involved in sustainable development governance?

I make sure that the Strategy Committee fully plays its role by carefully considering these issues in defining the Group's strategy. Also, the Audit Committee needs to be fully and constantly vigilant to make sure that the mechanisms for monitoring and control are in place. That is because there is a need to evaluate how the subsidiaries are taking into consideration not only these three specific issues, but all other areas for action that affect the Group's responsibility regarding its employees, its customers, and its suppliers. Finally, the Remuneration Committee closely examines how sustainable development criteria are integrated into the Senior Executives' variable remuneration.

The success of Vivendi, whose business units are main players in this fantastic digital revolution, is based on innovation in a context of sustainable development.

SUSTAINABLE DEVELOPMENT

OUR POLICY

Vivendi's contribution to sustainable development is a specific one: empowering present and future generations to satisfy their need to communicate, feed their curiosity, develop their talents and encourage intercultural dialogue.

Our priority areas for action

Vivendi conducts a stringent sustainable development policy that puts its economic, social, societal, and environmental performance into perspective with regard to its business activities and its geographical locations. This approach implies that Vivendi clearly state its commitments regarding all of its stakeholders – customers, shareholders, employees, suppliers, the public authorities, and civil society. Ten priority areas for action have been determined. A table shows the correspondences between these action areas and the nature of the different challenges (see p. 37).

Vivendi's sustainable development policy is defined based on the Group's

main characteristics: Vivendi is a Group that produces and distributes content, at the heart of the technological changes ushered in by broadband and mobility, centered on a subscription business model, and desirous of conquering new markets in emerging and fast growth countries.

- The first of those characteristics requires that the Group appraise the opportunities and the risks its content and services can represent for various audiences. That is why, as soon as 2003, Vivendi defined three strategic sustainable development issues: to protect and empower young people in their use of technologies, to promote cultural diversity, and to enable the sharing of knowledge (see below).

- The second characteristic has to do with the capacity Vivendi should have to reconcile the digital revolution with recognition of the needs of its stakeholders (employees, customers, artists, suppliers, civil society, and others) and with regulatory requirements. Managing human capital, leveraging content, vigilance towards suppliers, and dialogue with its partners are all sustainable development issues for the Group.

- The third characteristic raises the issue of collection and processing of personal data on subscribers and customers of the Group's business units. In all countries where Vivendi operates, the expectations of subscribers with regard to content offerings and services must be satisfied while honoring the Group's commitments regarding management of their personal data.

Sustainable development indices and guidelines

In 2011, Vivendi continues to garner good ratings from extra-financial rating agencies. The Group renewed its inclusion in the principal SRI (socially responsible investment) indices: the Dow Jones Sustainability World Enlarged Index (Dow Jones), founded late 2010; the ASPI Eurozone index (Vigeo); the Ethibel Sustainability Index (Ethibel); the ECPI Ethical Indexes (E.Capital Partners); and the FTSE4Good Global (FTSE). Vivendi tied for first place worldwide in the FTSE4Good ESG Ratings in April 2011.

This classification is drawn up by the FTSE (Financial Times Stock Exchange, an independent company owned by the London Stock Exchange Group). It is based on the results of an annual evaluation of the extra-financial performance of the companies selected in the FTSE4Good index. In 2011 the Group also became part of the STOXX Global ESG Leaders indices and has been assigned the status of Corporate Responsibility Prime by Oekom agency. Vigeo ranked Vivendi in first place in the European media sector in January 2011.

And Vivendi was ranked seventh – and first among French groups – in the Global 100 list of the world's most sustainable corporations in the world. This announcement was made at the opening of the World Economic Forum in Davos on January 26, 2012. The Group also responds each year to the Carbon Disclosure Project (CDP – an international organization that publishes an annual report on the integration of climate change in the strategies of the world's 50 largest companies).



⟨ Vivendi was ranked number 7 in the Global 100 list of the most sustainable corporations in the world. ⟩

Davos World Economic Forum, January 2012

- The fourth characteristic requires the implementation of a process of assessment of Vivendi's contribution to local development in the emerging countries where the Group is present. This applies to employment, investment in infrastructures, development of local talents, and access to the information and communication technologies, which are some of the keys to the success governments strive for in the areas of education and competitiveness.

Our specific, innovative issues

In 2003, in its very definition of its three strategic issues of sustainable development, Vivendi innovated by broadening the scope of its responsibility. The Group formulated its ambitions in a positive and concrete way.

Protecting and empowering youth

Vivendi has a responsibility to accompany all audiences, and young people in particular, in their cultural and media practices, while working to build a more secure digital universe. Vivendi must reconcile the development of content and service offerings encouraged by the new technologies with the protection of young audiences against practices and behaviors that could be harmful to them. Cellular phones, the Internet, video games, and films can be vehicles for harmful content or give rise to inappropriate modes of consumption. The Group's acknowledgement about this issue is embodied in a cross-cutting mobilization of the business units in liaison with Vivendi's Sustainable Development Department.

Promoting cultural diversity in the production and distribution of content

Vivendi aims to promote cultural diversity as an illustration of human dignity and a pillar of social cohesion. Vivendi shares the vision of UNESCO, whose Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which took effect in March 2007, states that cultural diversity is "a mainspring for the sustainable development for communities, peoples, and nations." Vivendi's ambition is to encourage diversity in music repertoires, support diversity of televisual and cinematic expressions, promote local talents and heritage.

Sharing knowledge notably by reducing the digital divide

Encouraging the sharing of knowledge to strengthen a spirit of openness towards others and mutual understanding is the third specific sustainable development pillar for Vivendi. Through its international positioning, the Group has a certain influence on how cultures are represented, and it can foster mutual understanding. It has an obligation to guarantee the quality and pluralism of content, encourage intercultural dialogue, raise public awareness of sustainable development issues and facilitate access to new technologies. Vivendi contributes to reducing the digital divide – whether geographic (through the deployment of its networks), social (by offering advantageous rates to schools, universities, and the disadvantaged), or physical (by adapting products and offers to the disabled and seniors).



Jean-Philippe Desmartin / Head of ESG Research, Oddo Securities

Sustainable Development and Innovation: think positive & think outside the box!



"We have integrated the capacity for innovation into our models of sustainable development analysis since 2008, and since then we have noted a strong positive correlation between these two driving forces. The explanation is simple: if we consider sustainable development as not being limited to a matter of communication, but as an integral part of strategy, the most innovative companies are also pioneers in defining their responsibility policy itself, and are at the very least capable of adapting their development models to include ESG (environment, social, societal, governance) risks and opportunities.

In this framework, we salute the approach taken by Vivendi since 2003 – an approach that is innovative and vitally pertinent to managing, measuring and emphasizing the specific long-term societal characteristics of its business activities. As a leader in the content industry (cinema, music, television, etc.), we appreciate the focus on opportunities related to cultural diversity. Reducing the digital divide also appears to us to be indispensable for telecommunications, knowledge, and information. Finally, in investing in protecting and empowering youth, Vivendi is fully consistent with a long-term vision of future generations."

SUSTAINABLE DEVELOPMENT

IMPLEMENTATION OF OUR POLICY

The implementation of this policy involves both the organization of its deployment, the means of control put in place, and regular updating of the piloting tool that is the reporting Protocol.

Involvement at the highest decision-making levels

The Chairman of the Management Board regularly includes sustainable development issues on the agenda of the Management Board and the Risk Committee. Throughout the year, the Chairman brings together experts from civil society to share their analysis of the evolution of the Group's activities in the light of these sustainable development issues. In 2011, the Chairman of Vivendi's Management Board was a founding member of the CEO Coalition to make the Internet a better place for kids, an initiative of Neelle Kroes (Vice President of the EU Commission in charge of digital strategy) aimed at making the Internet safer and better suited to children's needs. Perfectly

in line with Vivendi's sustainable development policy, this initiative also enables the Group to share best practices with other companies in the same business areas. The Chairman regularly writes about his responsibility as a business leader on his blog.

The Supervisory Board examines the sustainable development policy when, for example, evaluating the compensation of the Group's Senior Executives, which includes sustainable development criteria, and risks mapping which integrates extra-financial risks. It aims to regularly include a progress review and forecasts in the area of sustainable development on the agenda of the Management Board, the Strategic Committee, and the Supervisory Board.

Cross-Mobilization

The Sustainable Development Department manages policy in close association with the head-office functional divisions and the subsidiaries.

- With the Investor Relations Department, it organizes meetings with the financial community in order to make progress in its analysis of market expectations. Some 20 investors and analysts were met with in 2011 (in Switzerland, the UK, and France).
- It regularly works with the Internal Audit and Special Projects Department on mapping risks, measures for vigilance toward suppliers, and revising the scope of environmental reporting in accordance with changes in the Group.

Our specific issues stem from human rights



The three specific issues of Vivendi's sustainable development policy refer to international standards.
• The protection and empowerment of youth are set down in the United Nations Convention on the Rights of the Child of 1989 (Art. 17).

- The promotion of cultural diversity relates to the Universal Declaration of Human Rights of 1948 (Art. 27), the UNESCO Universal Declaration on Cultural Diversity of 2001 (Art. 5), and the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 2005 (Art. 2).

- Sharing knowledge contributes fully to the exercise of human rights as recalled in the Charter of Fundamental Rights of the European Union of 2000 (Art. 11) relating to freedom of expression and information and the United Nations Millennium Development Goals of 2000.

- In liaison with the General Counsel, it contributes to applying the Compliance Program within the Group and promotes it to its various partners. It takes part in monitoring Vivendi's policy regarding collection and processing of personal data. It also shares the reflections and actions undertaken to keep up with the evolutions of the extra-financial reporting called for in France's "Grenelle II" Law adopted in 2010.
- In close cooperation with the Human Resources Department, it contributes to defining the sustainable development criteria that are integrated into the remuneration of the Group's Senior Executives and ensures its monitoring. It also conducts awareness-raising actions for employees, trade-union, and personnel representatives.
- The Sustainable Development Department is backed by a Sustainable Development Committee which meets several times each year. In 2011, one of the meetings was devoted to evolutions in the collection and consolidation of environmental, social, and societal data as required by the "Grenelle II" Law. On that occasion, Vivendi brought together representatives of the Legal and Audit Departments along with the colleagues in charge of reporting in the different subsidiaries. This Committee meeting was part of the process of raising awareness of the changes in regulations implemented by the Head Office for the subsidiaries in 2009.

Revised reporting Protocol

In 2011, Vivendi made changes to its extra-financial reporting process. The goal is to have the best possible management tool while meeting all regulatory and industry requirements, both national and international. All the Group's entities, as defined in the "Reporting methodology" note in the Online Detailed Sustainable Development Report, provide environmental, social, and societal data defined in the reporting Protocol. The goal is to publish the most pertinent extra-financial indicators in the Annual Report.

Vivendi wins the FIR-Vigeo prize in the CAC 40 companies category

Established for the first time in 2011 during Socially Responsible Investment Week in France, this prize rewards companies who best incorporate sustainable development issues into their corporate governance. The prize was presented to Jean-Bernard Lévy by Nicole Notat, Chairwoman and CEO of the extra-financial rating agency Vigeo.

FIR FORUM POUR L'INVESTISSEMENT RESPONSABLE

vigeo

The societal chapter provided for in the "Grenelle II" Law

Article 116 of the New Economic Regulations Law (NRE) of 2001 did not call for a specific societal chapter. Yet as early as 2007, Vivendi had organized the collection of societal information related to its three strategic issues. France's "Grenelle II" Law specifies and strengthens the societal dimension of companies' extra-financial reporting. In order to comply with the Law, Vivendi defined societal indicators directly related to its business activities and integrated its three strategic issues into the area of "Actions undertaken in favor of human rights" (see focus, p. 28). These indicators related to human rights and our strategic issues are defined in the societal chapter of the reporting Protocol. The chapter also includes data relating to the way in which Vivendi assesses the territorial, economic, and social impact of its business activities, its relations with stakeholders (including subcontractors and suppliers), and the fairness of its practices.

The Global Reporting Initiative (GRI)

The mission of the GRI, founded in 1997, is to define guidelines to help organizations in accounting for their economic, environmental, social, and societal performance.

In addition to the general guidelines, supplements for certain sectors are provided in order to deal with their specific issues. Given the intellectual and cultural footprint of the media industry, an international, multi-partner working group was formed in 2009 to draw up a supplement for the media sector. Vivendi is a founding member of this working group. As such, the Group contributed actively to drawing up the Media Sector Supplement (MSS), which was published in May 2012. The working group represents significant progress in defining the reporting framework specific to the media industry at the international level. Several themes are included, such as freedom of expression, pluralism and quality of content, the representation of cultures, editorial independence, protection of personal data, accessibility, and media literacy.

SUSTAINABLE DEVELOPMENT

DIALOGUE WITH OUR STAKEHOLDERS

The Group needs to be highly attentive to its different stakeholders, share expertise with them, and take advantage of every opportunity to engage in dialogue, which is at the heart of Vivendi's approach. It is a necessary factor for successfully reconciling technological and societal innovation.



↑ Vivendi organized a seminar devoted to young people and their digital practices with experts, researchers, institutional stakeholders and representatives of the Group's subsidiaries. Young ambassadors from the Pan-EU Youth program (PEY) co-chaired the discussions (above left, left to right: Cddy Johnson (COO, Activision Studios), Marc Valleur (Psychiatrist and head physician at the Marmottan hospital), Tereza Ondrackova (PEY ambassador), Janice Richardson (Senior Advisor, European Schoolnet), Sean Tötterell (PEY ambassador), Yann Padova (General Secretary, CNIL¹). Journalists on hand for the discussions interviewed the young ambassadors of the Pan-EU Youth program – such as the young Portuguese ambassador Jao Pedro Damas Martins (above center). Albert Geisler Fox, the Danish representative of the Pan-EU Youth program, ended the session, underlining the need to take what young citizens have to say into account (above right).

Recognition for an innovative positioning

At many international conferences and meetings, Vivendi has been invited to tell about the particular contribution it is making to sustainable development.

The French Essec Business School held a conference on the theme "Innovation, Effectiveness, Responsibility," and invited Vivendi to explain how the Group defined the scope of its responsibility to society in an innovative way. By bringing together public and private individuals, the organizers provided the various speakers with an opportunity to compare their approaches to

reconciling the culture of innovation with the culture of responsibility. As a partner in the tenth European Forum for Sustainable Development and Responsible Enterprise (Federel), held in Paris, Vivendi contributed to the session entitled "Piloting CSR (Corporate Social Responsibility) strategy in international competition: what action plan to deal with pressure from regulations, financial markets, and citizens?"

The Group also contributed to the Paris Europlace workshops devoted to the theme "Sustainable Development-CSR-SRI (Socially Responsible Investment), A Catalyst for Value Creation Recommendations for the G20 and the B20²."

The United Nations invited Vivendi to the fourth Alliance of Civilizations Forum held in December 2011 in Doha (Qatar). On that occasion, Vivendi took part in the plenary session devoted to "New Strategies for Intercultural Dialogue, Understanding and Cooperation" alongside political and academic representatives from the Middle East, South America and Europe (see p. 32–33).

¹ CNIL is responsible for ensuring that information technology remains at the service of citizens, and does not jeopardize human identity or breach human rights, privacy or individual or public liberties.

² The G20 includes the states who account for 85% of the world economy and two thirds of the global population. The B20 brings together representatives of the management lobbies of these twenty states.

Sharing experiences with civil society and young citizens

Throughout the year, Vivendi focused on exchanges with civil society, making particular efforts to listen to what young citizens had to say.

Vivendi supports the EU Commission's Safer Internet program and spoke during the "Policy Shaping through Youth Participation" panel at the Safer Internet Forum held in Luxembourg. Vivendi has continued its partnership with European Schoolnet and the Insafe network to launch the Pan-EU Youth online platform. This innovative program is aimed at giving young Europeans a space where they can express themselves and discuss citizenship topics. A group of ambassadors aged 14 to 19 was put together and consulted in preparation for a seminar devoted to young people and their digital life held by Vivendi in Paris (see p. 30). The ambassadors, from several countries (Bulgaria, Denmark, Ireland, Portugal, the Czech Republic, and Slovakia), have been prepared to lead the debates, bringing together representatives from French and European institutional, academic, medical, and non-profit communities as well as industry representatives from Vivendi's subsidiaries.

The Group also consulted *La Voix de l'Enfant* and the *Collectif interassociatif enfance et média* (CIEME) on the theme of responsible marketing. Indeed the CIEME conducts an ongoing watch of media and content companies' societal responsibility through panels made up of parents.

Vivendi also engages in reflection with researchers at the Sorbonne Nouvelle university and the French National Commission for UNESCO on the implementation of awareness-raising actions aimed at educating young people about the media and the news.

With a view towards including culture in the worldwide sustainable development agenda, Vivendi again brought together a working group

that includes representatives of the UN, UNESCO, OECD, ALECSO and the EU Commission. The goal is to better integrate culture into the assessment of well-being and economic and social progress. Also, as an expert designated by the French National Commission for UNESCO, Vivendi took part in the work devoted to the theme "Cultural and Digital Diversity."

Exchange with the financial and extra-financial communities

In 2011, the Sustainable Development Department and the Investor Relations Department continued their meetings with the financial community to present the Group's sustainable development policy. In the context of these roadshows, specifically set up for this purpose, some 20 investors were met in 2011 (in Switzerland, the UK, and France). Vivendi also re-contacted several of the analysts it has met with in preceding years to organize progress briefings during which the strong points of the sustainable development policy and progress axes are brought out.

Answering the many questionnaires sent by the extra-financial rating agencies is another tool for strengthening the Group's capacity to enrich its reporting and enables Vivendi and its subsidiaries to attract attention to emerging or sectorally pertinent subject areas.

Vivendi has developed exchanges with its individual shareholders, and on several occasions has informed them of evolutions in the Group's sustainable development policy. At the Actionaria trade event; at a "Jeudi, c'est Vivendi" meeting where the issue of promoting cultural diversity was the featured theme; via the webzine *Sh@ring Vivendi*; or in the Shareholders' Newsletter, which includes a special sustainable development section; the Group's individual shareholders had many opportunities and forums for exchange and learning.



Janice Richardson / Senior Advisor European Schoolnet and Insafe Coordinator (European Commission)

Dialogue with Vivendi to give a voice to youth



"European Schoolnet, an international not-for-profit consortium of 30 national ministries of Education, has worked in partnership with Vivendi over the past few years to realise a shared vision: give a voice to Youth!"

In 4 years the partnership has progressed from facilitating youth participation in the European Commission's annual 4-day Safer Internet Forum to creating a veritable team of youth ambassadors to take the lead in their home country and represent Insafe's 30 national youth panels abroad.

With invaluable input from young people, the partnership has also produced 4 exciting discussion games called Play-Decide which are being used in thousands of classrooms across Europe to get youth discussing issues such as eSkills and Privacy, topics of crucial importance to them in their life and future career.

As today's young people will be the leaders of tomorrow, European Schoolnet hopes to continue its endeavours with Vivendi for years to come to foster debate and facilitate intercultural dialogue amongst young people. These are the corner stones to promoting democracy and ensuring sustainability in our rapidly evolving society."

Vivendi and the United Nations Alliance of Civilizations partners



Jean-Christophe Bas / Senior Advisor, Strategic Development and Partnerships, United Nations Alliance of Civilizations

Intercultural dialogue at the heart of sustainable development

↑ The United Nations Alliance of Civilizations (UNAOC) held its fourth Annual Forum at Doha (Qatar), from December 11 to 13, 2011. Its High Representative, Jorge Sampaio, former President of the Republic of Portugal, led one of many discussions alongside Her Highness Sheikha Moza Bint Nasser, ambassador of the UNAOC (above left). The Secretary General of the United Nations, Ban Ki-moon (above center), participated in the opening session of the Forum, attended by some 2,000 participants from 130 countries and many personalities (above right).

Vivendi and the United Nations Alliance of Civilizations share the ambition of making the promotion of cultural diversity and intercultural dialogue part of the worldwide sustainable development agenda.

Throughout its sphere of influence, Vivendi is committed to promoting human rights through its content production and distribution activities and through the services it offers. The Group's businesses play a major role in strengthening mutual understanding and social ties. In choosing to promote cultural diversity on the continents where the Group operates, by investing

massively in content and in networks, Vivendi's ambition is to encourage its customers to participate in cultural life, facilitating their communication through technology and encouraging a spirit of openness between peoples and generations.

Vivendi presented its strategic orientations in the area of sustainable development to some 15 young leaders from the Middle East and the Maghreb who came to Paris in September 2011 as part of the United Nations Alliance of Civilizations Fellowship Program. The Program's goal is to build ties



↑ Vivendi received a delegation of 15 young leaders from the Middle East and the Maghreb as part of the Fellowship Program of the United Nations Alliance of Civilizations.

between young professionals from the Middle East, the Maghreb, Europe, and the Americas by organizing encounters with economic, cultural and institutional actors in these different regions of the world. The direct and informal nature of the exchanges gives participants in the program an opportunity to discover other socio-cultural environments with differing outlooks, contributing to combating stereotypes and encouraging mutual understanding.

The United Nations invited Vivendi to the fourth Alliance of Civilizations Forum held between December 11 and 13, 2011 in Doha (Qatar). During the plenary session devoted to the theme "New Strategies for Intercultural Dialogue, Understanding and Cooperation," Vivendi explained

how promoting cultural diversity and intercultural dialogue are strategic issues in its sustainable development policy and accompany the Group's business challenge – to innovate continuously in order to continue to satisfy its tens of millions of clients on all continents in the era of the digital revolution. This session, attended by representatives of academic, institutional, and business communities in Europe, Latin America and the Middle East, produced proposals for best practices that can be replicated. Among these were Vivendi's description of the initiative taken by its Senior Executives that consists in integrating sustainable development criteria related to the promotion of culture and dialogue between cultures in their bonuses.



"The ability to manage and optimize the question of diversity and intercultural dialogue is vital for the survival and expansion of business and the economy, but also for ensuring peace and stability in the world.

The corporate sector is often more in the vanguard in this area than governments or civil society. It has created conditions that are conducive to intercultural dialogue and to diversity.

Vivendi is an extraordinarily innovative example in this area. By tying part of its Senior Executives' bonuses to the company's achievements in favor of cultural diversity, Vivendi has placed itself in the forefront. It is a model that I hope will inspire other major multinationals in the culture sector.

At its fourth worldwide Forum held in Doha on December 11 to 13, 2011, the United Nations Alliance of Civilizations (UNAOC) made a point of bringing together public and private actors to promote intercultural dialogue as a part of the worldwide sustainable development agenda. All 130 of its Member States and its 30 affiliated international organizations joined Vivendi and representatives of corporations and civil society in seeking innovative solutions for encouraging the emergence of societies that are inclusive and rich in their diversity."

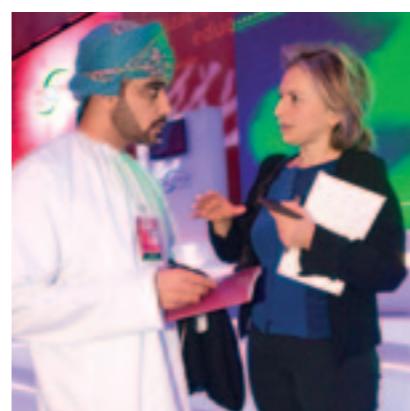


Providing consumers with choices means giving them freedom of thought, at home and abroad.»

Dala Ghandour / Attorney and mediator, Lebanon

"I took part in a presentation of Vivendi's sustainable development policy as a member of the United Nations Alliance of Civilizations MENA (Middle East and North Africa) Program. I was very impressed by the challenges defined by Vivendi and the way they are integrated into the Group's strategy. In a world that is becoming more and more culturally homogeneous, Vivendi provides a haven of freedom that celebrates cultural diversity in all its forms: world music, young talent, atypical documentaries. Because providing consumers with choices means making them true citizens of the world

– giving them freedom of thought, at home and abroad. As a Lebanese citizen, an attorney, and a mediator, I am convinced that dialogue between cultures and promotion of cultural diversity are a fundamental responsibility for media companies. That is because cultivating otherness, discovering the culture of others, already creates invisible ties that encourage us to understand better, to explore new horizons that once opened cannot be closed; and those ties will make it increasingly difficult to make war on a people whose myths, music, or films we are familiar with."



←
Pascale Thumerelle, Vivendi's Vice President for Sustainable Development, was invited by the United Nations to address a plenary session and present the strategic issues of the Group's sustainable development policy, including intercultural dialogue; here she answers a participant's questions.

SUSTAINABLE DEVELOPMENT

PROGRESS IN 2011 AND PERSPECTIVES FOR 2012-2013

Corporate responsibility / Specific issues

	Objectives 2011-2012	Progress in 2011	Perspectives for 2012-2013
Remuneration of Senior Executives	Strengthen our pioneering approach by choosing criteria related to our three specific issues: develop actions involving the Group's strategic societal challenges – protecting and empowering youth, promoting cultural diversity, and sharing knowledge	<ul style="list-style-type: none"> ✓ Vivendi and its subsidiaries attained their goals (see p. 11) ✓ Vivendi: first winner of the FIR-Vigeo prize in the CAC 40 category (see p. 29) 	<ul style="list-style-type: none"> ✓ Increase stringency of evaluations by an independent third party
	Continue the Group's contribution to the EU Commission's Safer Internet program	<ul style="list-style-type: none"> ✓ Inclusion of a societal chapter in the Group's reporting Protocol 	<ul style="list-style-type: none"> ✓ Present an assessment of the reporting of societal data to the Supervisory Board
	Continue exchanges with experts from the academic, non-profit, medical, and professional communities	<ul style="list-style-type: none"> ✓ Founding member of the CEO Coalition to make the Internet a better place for kids ✓ Participation in the work of the EU Commission and intervention in the Safer Internet Forum (Luxembourg, October 2011) ✓ Support for the Pan-EU Youth platform, a space for self-expression for young European Internet users (see p. 75) 	<ul style="list-style-type: none"> ✓ Participate in the work of the CEO Coalition ✓ Strengthen the participation of young people in our partnership (Pan-EU Youth / European Schoolnet / Insafe) ✓ Continue the Group's contribution to the EU Safer Internet program
	Contribute to defining sectoral indicators in the GRI Media Working Group	<ul style="list-style-type: none"> ✓ Regular and substantive discussions with stakeholders (see p. 30-31) ✓ Discussion with the CIEME and <i>La Voix de l'Enfant</i> on the theme of responsible marketing 	<ul style="list-style-type: none"> ✓ Continue exchanges with experts from the academic, non-profit, medical, institutional, and professional communities
	Prepare for the 2012 Sustainable Development Seminar	<ul style="list-style-type: none"> ✓ Inclusion into the Group's societal reporting of the following indicator: "Protecting and empowering youth: existence of a formal commitment to professional ethics regarding content (production and/or distribution), part of which specifically concerns protection of young audiences" ✓ Verification of this indicator by one of Vivendi's Statutory Auditors (see the examination report by one of Auditors in the Online Detailed Sustainable Development Report) 	<ul style="list-style-type: none"> ✓ Continue and extend the evaluation of this indicator
	Continue our support for events in favor of promotion of culture, cultural diversity and Intercultural dialogue in the international sustainable development agenda	<ul style="list-style-type: none"> ✓ Participation in the meeting to finalize the document held in 2011 ✓ Launch planned in the 1st semester of 2012 	<ul style="list-style-type: none"> ✓ Include and adapt the new GRI Media Sector Supplement in the Group's reporting
	Continue the programs aimed at strengthening local production capacities	<ul style="list-style-type: none"> ✓ Organization of the second Sustainable Development Seminar in the presence of Vivendi's Senior Executives and the subsidiaries (March 29 and 30, 2012) 	<ul style="list-style-type: none"> ✓ Develop the areas for reflection worked out during the Sustainable Development Seminar
	Contribute to defining sectoral indicators in the GRI Media Working Group	<ul style="list-style-type: none"> ✓ Participation in the United Nations Alliance of Civilizations Forum (Doha, December 2011) ✓ Official founding partner in the fourth Avignon Forum (November 2011) 	<ul style="list-style-type: none"> ✓ Continue our efforts, in partnership with our stakeholders, to include culture and intercultural dialogue in the international sustainable development agenda (see p. 32-33)
	Prepare for the 2012 Sustainable Development Seminar	<ul style="list-style-type: none"> ✓ Renewal of Vivendi's support for <ul style="list-style-type: none"> - the 7th training session for sound engineers with Salif Keita (see p. 82) - the <i>Institut du cinéma</i>, in particular during the 3rd <i>Rencontres Internationales du cinéma</i> in Ouarzazate (see p. 82) 	<ul style="list-style-type: none"> ✓ Continue the programs aimed at strengthening local production capacities
	Contribute to defining sectoral indicators in the GRI Media Working Group	<ul style="list-style-type: none"> ✓ Participation in the meeting held to finalize the document in 2011 ✓ Launch planned in the 1st semester of 2012 	<ul style="list-style-type: none"> ✓ Include and adapt the new GRI Media Sector Supplement in the Group's reporting
Promoting cultural diversity	Prepare for the 2012 Sustainable Development Seminar	<ul style="list-style-type: none"> ✓ Organization of the second Sustainable Development Seminar in the presence of Vivendi's Senior Executives and the subsidiaries (March 29 and 30, 2012) 	<ul style="list-style-type: none"> ✓ Develop the areas for reflection worked out during the Sustainable Development Seminar
	Continue our reflection with the academic community and NGOs	<ul style="list-style-type: none"> ✓ Many exchanges with the academic (Essec, Paris Sorbonne) and institutional (United Nations) communities (see p. 30-34) 	<ul style="list-style-type: none"> ✓ Continue these exchanges ✓ Consider holding a meeting bringing together the private sector and the academic community
	Contribute to defining sectoral indicators in the GRI Media Working Group	<ul style="list-style-type: none"> ✓ Participation in the meeting held to finalize the document in 2011 ✓ Launch planned in the 1st semester of 2012 	<ul style="list-style-type: none"> ✓ Include and adapt the new GRI Media Sector Supplement in the Group's reporting
	Prepare for the 2012 Sustainable Development Seminar	<ul style="list-style-type: none"> ✓ Organization of the second Sustainable Development Seminar in the presence of Vivendi's Senior Executives and the subsidiaries (March 29 and 30, 2012) 	<ul style="list-style-type: none"> ✓ Develop the areas for reflection worked out during the Sustainable Development Seminar
Sharing knowledge	✓ Objective reached	> Underway	✗ Objective not reached
	34	2011 Activity and Sustainable Development Report	

✓ Objective reached > Underway ✗ Objective not reached

Corporate responsibility / Economic, social and environmental issues

Economic issues

Objectives 2011-2012	Progress in 2011	Perspectives for 2012-2013
Achieve in 2011 slight increase in Adjusted Net Income excluding NBC Universal ¹	✓ <ul style="list-style-type: none">Record Adjusted Net Income in 2011 at €2.95 billion, up 9% vs 2010, due to excellent operating performance at GVT and Activision Blizzard and 44% SFR stake acquisition	• Adapt the Group to a challenging environment in 2012 and 2013 • Stimulate growth initiatives in order to resume growth in 2014 • Maintain Adjusted Net Income above €2.5 billion in 2012 ²
Provide monitoring of the risks of sustainable development mapping	> <ul style="list-style-type: none">Map of sustainable development risks being drawn up with the Internal Audit and Special Projects Department	• Finalize the map of sustainable development risks at Group level • Break down the map of sustainable development risks at the level of each subsidiary
Continue including sustainable development issues in the audits conducted in the field: continue deployment of the questionnaire and monitor its results	> <ul style="list-style-type: none">Audits of three Activision Blizzard suppliers located in ChinaReview of the sourcing process at Bravado (Germany), the UMG subsidiary in charge of merchandising activitiesTwo audits of suppliers conducted by SFR	• Hold awareness-raising sessions on supplier management
In collaboration with the Audit Department, conduct an evaluation of integration of the sustainable development clause into subsidiaries' supplier contracts	✓ <ul style="list-style-type: none">All the subsidiaries have integrated sustainable development issues into their supplier contracts (see p. 80)Inclusion in the Group's societal reporting of the following indicator: "Taking social and environmental issues into consideration in the purchasing policy: existence of a formal commitment regarding inclusion of sustainable development issues"Verification of this indicator by one of Vivendi's Statutory Auditors (see the examination report by one of Auditors in the Online Detailed Sustainable Development Report)	• Continue and extend the evaluation of integration of the sustainable development issues into the purchasing policies of the Group's subsidiaries
Continue dialogue with the financial community	✓ <ul style="list-style-type: none">18 investors met with at roadshows dedicated to sustainable development (Switzerland, UK, France) organized by the Sustainable Development and Investor Relations DepartmentsSetting up of progress briefings with the analysts met with in 2011	• Continue dialogue with the financial community
Further develop Vivendi's reference Guidelines in the area of protection of personal data Raise the awareness of the Group's Senior Executives	> <ul style="list-style-type: none">The issue of protection of personal data was placed on the agenda of a session of the Risks Committee	• Adapt procedures regarding protection of personal data to suit evolutions in the regulatory framework
Continue raising the social partners' awareness of the sustainable development policy	> <ul style="list-style-type: none">The Sustainable Development Department was interviewed during preparation of the expert report compiled for the Corporate Work's Committee	• Continue raising the social partners' awareness of the sustainable development policy as part of their training program
Hold a meeting of the Diversity Skills Network on the theme of the integration of young apprentices	X <ul style="list-style-type: none">The Diversity Skills Network, created by the Sustainable Development Department in 2007, did not meet in 2011	• Hold a meeting of the Diversity Skills Network on the theme of the integration of young apprentices
Continue our commitments to the public authorities to contribute to creating jobs in areas impacted by unemployment and industrial restructuring	✓ <ul style="list-style-type: none">5,263 certified jobs and 4,361 jobs created as of 12.31.2011 (see p. 82 and section 1.5.3 of Chapter 2 of the 2011 Annual Report)	• Continue our commitments to the public authorities to contribute to creating jobs in areas impacted by unemployment and industrial restructuring
Make progress in evaluating the business units' contribution to economic and social development in the regions	✓ <ul style="list-style-type: none">Promotion of the Group's contribution to development in areas where it operates in a specific area for action (see p. 82)Inclusion in societal reporting of a section devoted to the impact of the Group's activities within a defined scope: Brazil, Africa, France	• Continue improving evaluation of the Group's contribution to economic and social development in emerging and fast growth countries
Renew the employee shareholding operation in 2011	✓ <ul style="list-style-type: none">Operation repeated (see p. 81 and section 1.5.1 of Chapter 2 of the 2011 Annual Report)Record subscription amount (€143.1 million); more than 9.3 million new shares created to benefit employees2.5% of the capital held by Vivendi employees	• Renew the employee shareholding operation in 2012
Support GVT's recruiting needs by developing international mobility	X <ul style="list-style-type: none">Decision made to give preference to local recruiting due to urgency and the number of positions to be filled	• Continue making use of succession plans to encourage mobility
Better involve employees in Vivendi's Create Joy solidarity program	✓ <ul style="list-style-type: none">Organization of actions in which employees participated:<ul style="list-style-type: none">Collections for various non-profit associations (Madison Sq. US, Emmaüs Défi France),Long-term commitment to <i>Entraide scolaire amicale</i> or to one-time actions (Super Noël by Emmaüs Défi)	• Launch of the Create Joy Ambassador program for employees • Reflection underway on implementation of a Create Joy Associations Forum to encourage sponsorship and skills volunteer work
Continue awareness-raising and training actions for employees of corporate headquarters	✓ <ul style="list-style-type: none">Raising awareness of employees at headquarters of environmental actions in the context of the EMAS Environmental Management System	• Inform employees at headquarters of environmental actions in the context of the EMAS Environmental Management System
Conduct an audit of the entire Environmental Management System in view of the renewal of EMAS certification	✓ <ul style="list-style-type: none">Audit conducted for monitoring the Environmental Management System at Vivendi's head office	• Renew EMAS certification of the Vivendi head office
Train the correspondents at GVT and Maroc Telecom in verification of environmental-data reporting	✓ <ul style="list-style-type: none">Training on reporting and verification of environmental data dispensed to the Maroc Telecom group's environmental correspondentsAwareness raising on evolutions in the environmental reporting process at GVT	• Review the protocol for reporting extra-financial data • Train correspondents in the evolutions in the reporting process
Continue the internal audits in conformity with the Program of compliance with environmental, health and safety standards adopted in 2000	✓ <ul style="list-style-type: none">Three new sites audited, including two Maroc Telecom sites and one Canal+ Group site	• Have all subsidiaries conduct audits of environmental conformity
Have the environmental performance objectives specific to our business areas approved by the Management Board	>	• By the end of 2013, make sure that evaluation of our CO ₂ impact improves through specific initiatives

1 Adjusted Net Income excluding NBC Universal: €2,548 million in 2010

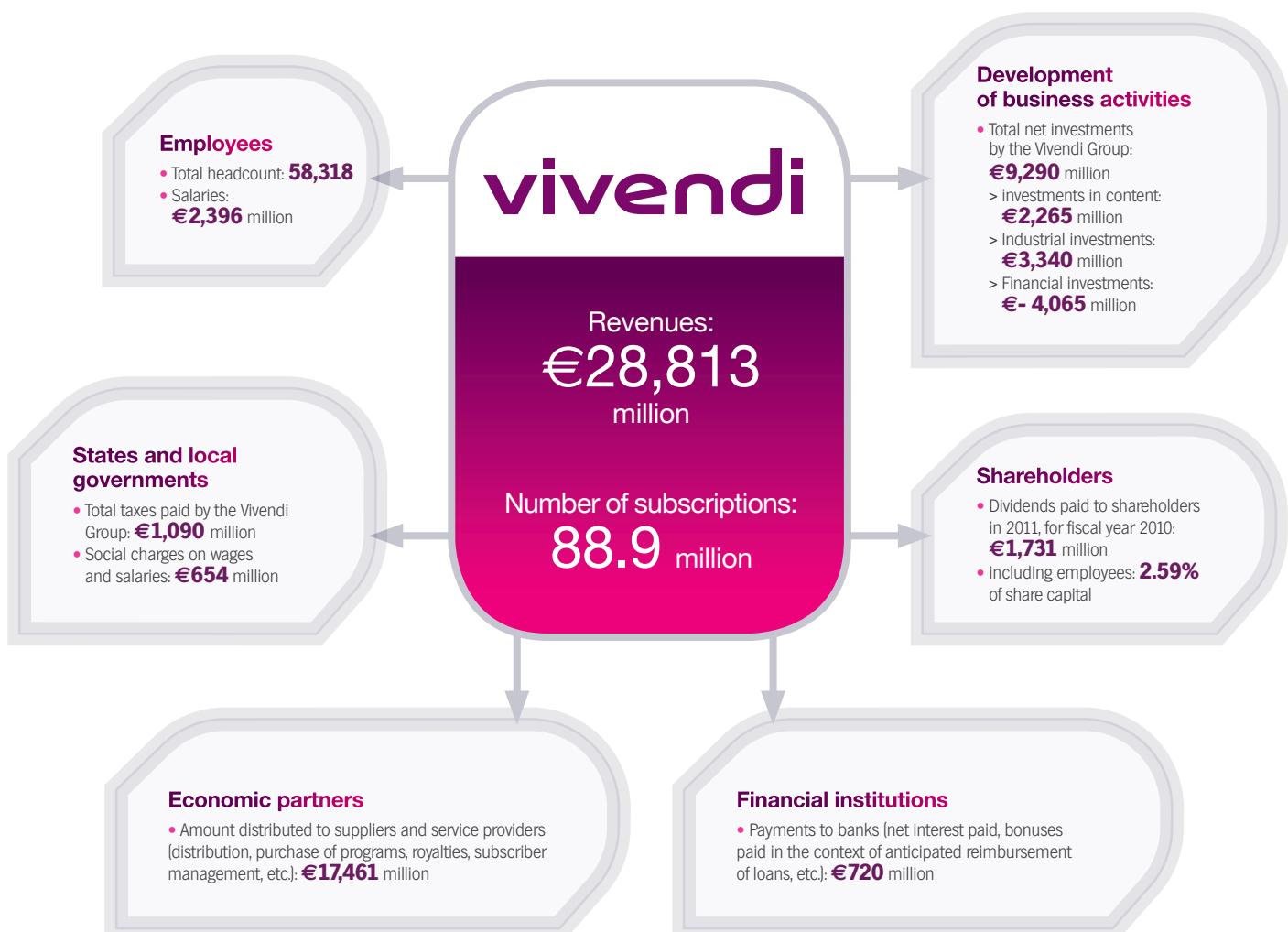
2 Before impact of operations announced in 2nd semester of 2011

SUSTAINABLE DEVELOPMENT

SHARING VALUE IN 2011

The graph below shows a summary view of the sharing of the value produced by Vivendi among its principal stakeholders.
(data as of 12.31.2011)

The economic, environmental, social, societal and governance indicators consolidated as of 12.31.2011 are presented in their entirety in the Online Detailed Sustainable Development Report. For further information, also see the 2011 Annual Report, and for all information relating to the definition and scope of the indicators, see the separate document *Sociographics - Environmental Policy - 2011*.



SUSTAINABLE DEVELOPMENT

OUR TEN PRIORITY AREAS FOR ACTION

In addition to the traditional pillars of sustainable development (economic, social, and environmental issues), in 2003 Vivendi defined three challenges specific to its core business activities (protecting and empowering youth, promoting cultural diversity, and sharing knowledge). In order to fully take into account all the Group's responsibilities related to its business activities (see p. 26–27), all these issues have been defined in the form of ten priority areas for action. The table below shows the coherence between the two classifications and the correspondence with the main national and international guidelines.

Table of correspondences

Our former classification of issues	New classification into ten priority areas for action (see p. 74–83)	Main guidelines				
		GRI (G3.1) ¹	NRE Law ²	“Grenelle II” Law ³	OECD principles	United Nations Global Compact
	• Ethics and business practices	p. 74	✓	✓	✓	✓
Specific/Societal issues	• Protecting and empowering youth	p. 75	✓	✓	✓	✓
	• Promoting cultural diversity	p. 76	✓	✓	✓	✓
	• Sharing knowledge	p. 77	✓	✓	✓	✓
Economic issues	• Ensuring protection of personal data	p. 78	✓	✓	✓	✓
	• Leveraging content and innovation	p. 79	✓	✓	✓	✓
	• Vigilance towards suppliers	p. 80	✓	✓	✓	✓
Social issues	• Leveraging human resources	p. 81	✓	✓	✓	✓
	• Territorial development	p. 82	✓	✓	✓	✓
Environmental issues	• Respecting the environment	p. 83	✓	✓	✓	✓

1 The guideline includes the general principles of G3.1 as well as the Telecommunications and Media Sector Supplements (the later was launched in May 2012).

2 NRE Law: New Economic Regulations Law adopted in 2001.

3 The 2010 French “Grenelle II” Law is extending mandatory extra-financial reporting related to environmental, social, societal, and governance information.



BUSINESS UNITS: 2011 HIGHLIGHTS



- 40 Video games
- 46 Music
- 52 Telecoms
- 54 *Telecoms in France*
- 58 *Telecoms in Morocco*
- 62 *Telecoms in Brazil*
- 66 Television and cinema



Video games



↑ Robert Kotick, Director and Chief Executive Officer of Activision Blizzard

VIDEO GAMES

ACTIVISION BLIZZARD

Activision Blizzard is a global leader in interactive entertainment software and one of the world's largest independent video game publishers. The company was formed in 2008 through the merger of Activision, Inc. and Blizzard Entertainment, Inc., two of the leading players in the field of interactive entertainment.



↑ Call of Duty: Modern Warfare 3®



↑ Skylanders Spyro's Adventure™

Headquartered in Santa Monica, California, USA, Activision Blizzard maintains operations in the U.S., Canada, the United Kingdom, France, Germany, Ireland, Italy, Sweden, Spain, the Netherlands, Australia, South Korea and China.

Activision Publishing

Activision Publishing, Inc. ("Activision") is a leading international developer and publisher of interactive software products and content. Activision develops and publishes video games on various consoles, handheld platforms and the PC platform using both internally developed and licensed intellectual property.

Activision Publishing focuses on development and publishing activities principally for products and content that are, or have the potential to become, franchises with sustainable mass

consumer appeal and recognition. It is Activision's experience that these products and content can then serve as the basis for sequels, prequels and related new products and content that can be released over an extended period of time.

In recent years, Activision has been best known for its success in the first-person action category due to the *Call of Duty*® original intellectual property, including the latest release *Call of Duty: Modern Warfare 3*®, which was launched on November 8, 2011. *Call of Duty: Modern Warfare 3* became the biggest entertainment launch ever in its first 24 hours, selling approximately \$400 million in North America and the United Kingdom¹.

2011 marked the third consecutive year that *Call of Duty*® set day-one launch records across all forms of entertainment. The game also established an all-new first five-day

7,738
EMPLOYEES IN 2011



↑ Cabela's Survival: Shadows of Katmai

worldwide retail sales record of more than \$775 million exceeding Activision's previous first five-day worldwide retail sales record of \$650 million set by last year's *Call of Duty: Black Ops*^{®1}.

For calendar year 2011, in aggregate across all platforms in the United States and Europe, *Call of Duty: Modern Warfare 3*[®] was the #1 best-selling title in dollars, and *Call of Duty: Black Ops*[®] was the #5 best-selling title in dollars².

On November 8, 2011, in conjunction with *Call of Duty Modern Warfare 3*[®], Activision launched an innovative new digital service that provides both free and paid subscription-based content and features for *Call of Duty*[®], *Call of Duty Elite*[®], that significantly enhances the *Call of Duty* franchises' multiplayer experience and delivers a new level of social engagement that is expected to unite the *Call of Duty* community. As of January 31, 2012, more than 7 million gamers have registered for *Call of Duty Elite*, including more than 1.5 million premium annual memberships Activision has sold for the online service.

During calendar 2011, in addition to *Call of Duty: Modern Warfare 3*[®], Activision released an innovative new family entertainment property, *Skyllanders Spyro's Adventure*[™], which brings the world of toys, video games and the Internet together like never before. In North America and Europe, including accessory packs and figures, *Skyllanders Spyro's Adventure*[™] was the #8 best-selling game in US dollars for the fourth quarter of 2011, and the #1 best-selling kid's title in US dollars for the calendar year 2011².

Additionally, during calendar year 2011, Activision released several other games including, *Spider-Man™: Edge of Time*; *X-Men™: Destiny*; *Transformers™: Dark of the Moon*; *GoldenEye 007™: Reloaded Double 'O' Edition*; *Wipeout In The Zone* and several from its popular Cabela's franchise—*Cabela's Survival: Shadows of Katmai*, *Cabela's Adventure Camp*, *Cabela's Big Game Hunter 2012*, and *Cabela's Hunting Party*.

Blizzard Entertainment

Best known for blockbuster hits including *World of Warcraft*[®] and the *Warcraft*[®], *StarCraft*[®], and *Diablo*[®] franchises, Blizzard Entertainment, Inc. ("Blizzard") is a premier developer and publisher of entertainment software renowned for creating some of the industry's most critically acclaimed games. Blizzard's track record includes thirteen #1-selling games and multiple Game of the Year awards. The company's online-gaming service, *Battle.net*[®], is one of the biggest in the world with millions of active players.

Since November 2004, when Blizzard first launched its subscription based massively multiplayer online role-playing game ("MMORPG"), *World of Warcraft*[®], the franchise has significantly expanded. In January 2007, the company released the first *World of Warcraft* expansion pack, *World of Warcraft: The Burning Crusade*[®], which is now included as part of the base game. *World of Warcraft: Wrath of the Lich King*[®], the game's second expansion pack, was released in November 2008, and in December 2010, Blizzard launched



Paul Sams / Chief Operating Officer, Blizzard Entertainment

Our responsibility: a multilingual and best quality costumer support



"Our highest priority is providing players with a game play experience that fully lives up to their expectations as well as our own. A core component of that experience is customer service. The quality of service we provide players has a direct influence on how much they enjoy our games. Knowing that, we have built what is widely recognized as an industry-leading, world-class customer service organization.

*Because we place an extremely high value on our relationship with our players, we go above and beyond standard practices with our service offerings. As an example, we ensure our players have 24x7 Blizzard-quality customer support in the ten languages *World of Warcraft*[®] is offered in. If a player from nearly anywhere on the planet has a technical issue with *World of Warcraft*[®], or a billing or game play question, he or she is able to discuss the subject with a support representative, without language barriers. In addition, for every language *World of Warcraft*[®] is available in, we also provide a community website. These sites are managed by community engagement teams coming from different parts of the world. This level of commitment has always been a hallmark of Blizzard Entertainment. Most importantly, it helps ensure we're providing our players with a truly complete entertainment experience."*

World of Warcraft: Cataclysm®, the third expansion pack. *World of Warcraft: Cataclysm* had sold more than 3.3 million copies as of its first 24 hours of release, making it the fastest-selling PC game of all time. Blizzard announced plans for the fourth *World of Warcraft* expansion pack – *World of Warcraft: Mists of Pandaria*™.

In July 2010, Blizzard launched *StarCraft II*®: *Wings of Liberty*®, the sequel to its 1998 hit strategy game, *StarCraft*. As of its first 48 hours of release, *StarCraft II: Wings of Liberty*® had sold more than 1.5 million copies, making it the fastest-selling strategy game of all time. The company is currently at work on an upcoming expansion pack for the game, *StarCraft II: Heart of the Swarm*™.

Simultaneously with the release of *StarCraft II: Wings of Liberty*, Blizzard launched a new version of Battle.net, which it redesigned from the ground up to be the premier online gaming destination for Blizzard gamers. In addition to *StarCraft II: Wings of Liberty* and *World of Warcraft*, Battle.net® will host Blizzard's future releases. The service is designed to keep players connected to their friends no matter which Battle.net-powered Blizzard game they are playing.

Looking forward, Blizzard has announced its intention to launch *Diablo III*, the next title in its critically acclaimed series of action role-playing games, and at least one other title, in 2012.

***World of Warcraft*®, the most popular subscription-based MMORPG**

Today, *World of Warcraft*® is played throughout the world and is available in 10 different languages: English, Latin American Spanish, European Spanish, Brazilian Portuguese, French, German, Russian, Korean, Simplified Chinese, and Traditional Chinese. An 11th language, Italian, was announced for 2012.

World of Warcraft® remained the #1

subscription-based MMORPG worldwide for calendar year 2011, ending the year at approximately 10.2 million subscribers³.

Activision Blizzard: a portfolio of successful franchises

Activision Blizzard's portfolio of proven franchises is unmatched in the industry and includes Activision Publishing's *Call of Duty*® and Blizzard Entertainment's *World of Warcraft*®, *StarCraft*® and *Diablo*®. Each of these franchises is a long-standing leader in its respective genre and has strong online player communities.

In addition to Activision Blizzard's wholly owned portfolio of franchises, in May 2010, Activision entered into an exclusive 10-year partnership with Bungie, the developer of blockbuster game franchises including *Halo*, *Myth* and *Marathon*, to bring Bungie's next big action game universe to market in future years. During the term of the agreement, Activision will have exclusive, worldwide rights to publish and distribute all future Bungie games based on that new intellectual property on multiple platforms and devices.

Activision Blizzard's existing core franchises, coupled with Bungie's new game universe, as well as a new MMORPG currently in development by Blizzard Entertainment, should provide the company with a solid foundation for long-term growth. Its strong financial position, its global best-in-class retail and online distribution capabilities and its proven ability to create value should enable it to grow its biggest franchises through innovation, establish new online business models, expand within Asia and into new geographies and continue to partner with the industry's best development talent.

¹ According to Charttrack and retail customer sell-through information.

² According to The NPD Group, Charttrack and GfK.

³ According to Blizzard's internal data.



↑ *World of Warcraft*®:
Mists of Pandaria™

€3,432

**MILLION IN TOTAL
REVENUES IN 2011**

€1,011

MILLION EBITA IN 2011

2011 HIGHLIGHTS

ACTIVISION BLIZZARD



SKYLANDERS SPYRO'S ADVENTURE™: AN INNOVATIVE GAME FOR 6 TO 12 YEARS OLD CHILDREN

In 2011, Activision released *Skylanders Spyro's Adventure*™. The game lets players transport real-world toys into virtual game worlds using the *Portal of Power*™ peripheral. Each *Skylanders* game figure remembers skill advancements and level-ups, allowing players to take their *Skylanders* character with them when they play on any of the other platforms.

ACTIVISION BLIZZARD LEADS GAME PUBLISHING WORLDWIDE

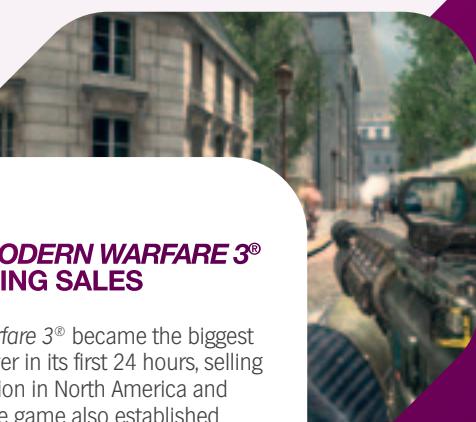
For calendar year 2011, Activision Blizzard was the #1 console and handheld publisher in the United States and Europe for the fourth quarter* and the #1 console and handheld publisher in the United States for the calendar year 2011. The company had three #1 best-selling titles in their genres worldwide – Activision Publishing's *Call of Duty: Modern Warfare 3*® was the #1 first-person action franchise and *Skylanders Spyro's Adventure*™ was the #1 kids title, including accessory packs and figures. Blizzard Entertainment's *StarCraft*® II: *Wings of Liberty*® was the #1 strategy game on the PC in US dollars. In addition, Blizzard Entertainment's *World of Warcraft*® was the #1 subscription-based MMORPG, ending the year at approximately 10.2 million subscribers.

* According to The NPD Group, Charttrack and GfK.



CALL OF DUTY: ELITE ENHANCES THE MULTIPLAYER EXPERIENCE

On November 8, 2011, Activision launched an innovative digital service that provides both free and paid subscription-based content and features for *Call of Duty*®, *Call of Duty Elite*, that significantly enhances the *Call of Duty* franchises' multiplayer experience and delivers a new level of social engagement that will unite the *Call of Duty* community. Six days after its launch, the company has sold one million premium memberships. As of January 31, 2012, more than 7 million gamers have registered for *Call of Duty Elite*, including more than 1.5 million premium annual memberships the company has sold for the online service.



CALL OF DUTY: MODERN WARFARE 3® RECORD-BREAKING SALES

Call of Duty: Modern Warfare 3® became the biggest entertainment launch ever in its first 24 hours, selling approximately \$400 million in North America and the United Kingdom¹. The game also established an all-new first five-day worldwide retail sales record of more than \$775 million².

¹ According to Charttrack and retail customer sell-through information.

² According to internal estimates.



MUSIC UNIVERSAL MUSIC GROUP

Universal Music Group is the world leader in music* with top market positions in recorded music, music publishing and merchandising. A pioneer in digital distribution of music, UMG offers the world's largest digital music catalog through the widest range of products and services.

The recorded music business discovers and develops recording artists and then markets and promotes their music across a wide array of formats and platforms. UMG continues to expand its participation in other operations related to its recording artists, including brand rights management, sponsorship and touring.

In the music publishing business, UMG discovers and develops songwriters, and owns and administers copyrights to musical compositions for use in recordings, public performances, and related uses, such as films and advertisements.

The merchandising business produces and sells artist and other branded products via multiple sales points including fashion retail, concert touring and the Internet.

In November 2011, Vivendi and UMG entered into an agreement to purchase

EMI's recorded music division for a total consideration of £1.2billion. Closing of the agreement remains subject to a number of conditions precedent, including approval by regulatory authorities in the countries and continents concerned.

A leader in recorded music

UMG is the world's leader in recorded music*. It holds market leading positions in most of the world's major music markets, including the United States, the United Kingdom, France and Germany. The development of the digital market and new innovative business models has enabled UMG to improve its performance in the BRIC (Brazil, Russia, India, and China) countries as well as expand its presence into other emerging markets, such as the Middle East and Eastern Europe.



© Fabien

↑ Kanye West



© GutoCosta



© Universal Music

↑ Paula Fernandes

↑ Kara

**6,500
EMPLOYEES IN 2011**



↑ *Lady Gaga*

© Meeno

Thanks to their diversity and their locations, both worldwide and local, UMG's labels complement each other, through their focus on different genres and music segments.

UMG owns many labels, including pop-music labels such as Island Def Jam, Interscope Geffen A&M Records, Universal Music Nashville, Mercury Records, Polydor, and Universal Republic, and classical music and jazz labels such as Decca, Deutsche Grammophon and Verve.

In 2011, best-selling albums included titles from a wide range of artists, including best selling acts such as Lady Gaga, Rihanna, Lil Wayne and Justin Bieber and emerging talents such as Nicki Minaj, Jessie J, LMFAO and Scotty McCreery, via UMG's partnership with *American Idol*. Regional best sellers included titles from Girls' Generation and Kara in Japan, Paula Fernandes in Brazil and Nolwenn Leroy in France.

Sales from prior releases account for a significant and stable part of UMG's recorded music revenues each year. UMG owns the most comprehensive catalog of recorded music in the world, with performers from the United States, the United Kingdom and around the world, including ABBA, Louis Armstrong, Chuck Berry, Black Sabbath, James Brown, Eric Clapton, Elvis Costello, Dire Straits, Ella Fitzgerald, Serge Gainsbourg, Marvin Gaye, Bebel Gilberto, Johnny Hallyday, The Jackson Five, Elton John, Herbert von Karajan, Bob Marley, Nirvana, Luciano Pavarotti, Édith Piaf, The Police, The Rolling Stones, Michel Sardou, Frank Sinatra, Caetano Veloso and The Who.

UMG markets its recordings and promotes its artists through advertising in the media and through point-of-sale material. Public appearances and performances are also important elements in the marketing process. Television advertising plays an important role in the marketing of compilations and new albums.

UMG is also very active in developing new sources of revenue including expanded rights arrangements, often described as '360° deals', through advertising and sponsorship agreements and participation in theatrical and TV production. Its new division u-bee, dedicated to the new business, is now operating in 45 countries developing long-term strategic marketing partnership with international companies such as Hewlett-Packard, Indonesia's Indosat and Peugeot.

The digital music market

UMG plays a leading role in the expansion of the digital music market and continues to encourage and support innovation, giving consumers an increasing number of ways in which to legally access music.

UMG is also a participant in Vevo, a US-based premium video service launched in the United States and Canada in December 2009, and the UK in 2009. Vevo was immediately the number one Music/Entertainment network in the United States. UMG has over 670 ePartners around the globe including Spotify, Aspiro's WIMP, Google Music, iTunes, Amazon, and Deezer.



Alice Waldie / Supply Chain Director, Bravado International Group (UK)*

For a responsible and ethical supply chain



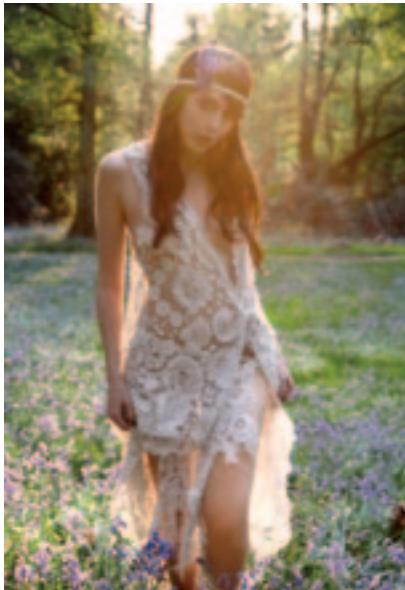
"Corporate Social Responsibility, we believe, is vital in today's business. Since 2010, we, at Bravado UK, have been working on our Sustainable and Ethical Development project primarily focusing on achieving a responsible and transparent supply chain. Two initial areas were relationships with business partners in the UK and developing countries.

In the UK, by challenging our habitual practices, we have reduced our truck usage by 25%. We also have implemented new KPI's (Key Performance Indicators), not only internal but also applicable to suppliers. We became a member of Sedex (organization to promote responsible and ethical data exchange).

The key manufacturer we use in Bangladesh, is not only affiliated with Sedex but is also used as an example of how factories can deliberately undertake initiatives like a crèche, a medical centre, a meal for every worker.

We aim to engage more of our suppliers, customers and license holders in undertaking that kind of action. By engaging our partners we aim to achieve more through innovation and understanding the challenges together."

** Bravado is a UMG subsidiary.*



© Iain Mc Kell

↑ Nolwenn Leroy

A leader in music publishing

Universal Music Publishing Group is the world's leading music publishing company*. Music publishing involves the acquisition of the rights to and the licensing of musical compositions (as opposed to recordings). UMG enters into agreements with composers and authors of musical compositions for the purpose of acquiring an interest in the underlying copyright so that the compositions may be licensed for use in sound recordings, films, videos, commercials and live and other public performances (e.g., broadcasting and film performances).

UMG's music publishing company is also a global leader in the Production Music business. This business owns a vast catalog of original music and arrangements and provides this music for use in films, television, advertising and new media industries.

UMG's combined publishing catalog contains more than 2 million owned and administered titles, including some of the world's most popular songs, such as *R.E.S.P.E.C.T.*, *American Pie*, *Strangers in the Night*, *Copacabana*, *Born to be Wild*, *Good Vibrations*, *I Want to Hold Your Hand*, *Sweet Dreams (Are Made of This)*, *I Will Survive*, *Smoke Gets in your Eyes* and *(Sitting on) the Dock of the Bay*. Some of the major artists/songwriters whose works are represented include ABBA, Adele, Jon Bon Jovi, Justin Bieber, Beastie Boys, Mary J. Blige, Chris Brown, Mariah Carey, The Clash, Coldplay, The Cure, Eminem, Florence + the Machine, Juan Gabriel, Jenifer, Keith Urban, Linkin Park, Andrew Lloyd Webber, Maroon 5, Mumford & Sons, Ne-Yo, Otis Redding, André Rieu, The Beach Boys, The Mamas & the Papas, The Sex Pistols,

Justin Timberlake, T-Pain and U2. Legendary composers whose works are represented include Leonard Bernstein, Jimi Hendrix, Elton John, Henry Mancini, Paul Simon and Bernie Taupin.

During 2011, UMG entered into a number of new publishing deals and significant renewals, including agreements with Diane Warren, Metallica, Joy Division, Gloria & Emilio Estefan, Desmond Child, Ari Levine, Phillip Lawrence, DJ White Shadow, the catalogue of Irving Berlin (outside of North America), and major film/TV administration deals with HBO and DreamWorks.

Bravado, a global merchandising company

Bravado, UMG's global merchandising company, is the only global, 360 degree full service merchandise company in the industry. It develops and markets high-quality licensed merchandise to a world-wide audience and creates innovative products carefully tailored to each artist or brand. Products are sold on live tours, via selected retail outlets and through web-based stores. Bravado also licenses rights to an extensive network of third party licensees around the world. It maintains offices in London, Los Angeles, New York, Berlin, Paris, Tokyo and Sydney. Bravado artists include The Rolling Stones, Lady Gaga, Michael Jackson, Justin Bieber, Paul McCartney, Eminem, Kanye West, Metallica, Katy Perry, Guns 'N' Roses, Red Hot Chili Peppers, Green Day and The Killers, among many others.

€4,197

MILLION IN TOTAL REVENUES IN 2011

€507

MILLION EBITA IN 2011

* Source: Music & Copyright.

2011 HIGHLIGHTS

UNIVERSAL MUSIC GROUP

BRAVADO AND MUSIC ENTERTAINMENT SPORTS HOLDINGS (MESH) FUSE MUSIC AND FASHION TO CREATE NEW GLOBAL LIFESTYLE BRANDS

Bravado partners with Tommy Hilfiger and Music Entertainment Sports Holdings (MESH) to launch a new venture to create multi-department contemporary lifestyle brands inspired by the powerful connection between music and fashion. The venture will develop, market and distribute diversified collections based on the brands of today's top musical artists. It is an innovative approach to creating, distributing and monetizing branded artist merchandise.

EMI

VIVENDI AND UMG ACQUIRE EMI MUSIC

Vivendi and UMG have entered into an agreement to purchase the recorded music division of EMI for a total amount of £1.2 billion. Finalization of the agreement is subject to approval by the competent authorities. EMI is one of the most prestigious music companies in the world. It produces and distributes artists who represent all musical tendencies and genres through renowned labels such as Angel, Capitol, EMI Records, Virgin Classics, and more. Among the celebrated artists represented by EMI are Air, Lily Allen, The Beatles, Camille, Coldplay, Depeche Mode, Natalie Dessay, David Guetta, Norah Jones, Katy Perry, Pink Floyd, and Snoop Dog.

UMG AND TALPA PRODUCTIONS SIGN GLOBAL RECORDING AND ARTIST SERVICES AGREEMENT FOR NEW TELEVISION MUSIC PROGRAM *THE WINNER IS...*

UMG and Talpa Productions sign a global recording and artist services agreement for a new television program entitled "*The Winner Is...*". The weekly, 90-minute television program features exceptionally talented singers who are given the unique opportunity to earn money each week. First, they must beat their opponents in a series of die-hard vocal duels. At the end of the contest, a grand prize of \$1 million will be awarded. UMG already has a global agreement with the enormously successfully talent competition show, *The Voice Of...*, as well as the popular franchise, *American Idol*.

VEVO NOW ACCESSIBLE TO USERS IN THE UK

Vevo, UMG's music video site, was launched in the UK in April 2011. British users now have access to music videos, rebroadcasts of concerts, and more via the www.vevo.co.uk site or from their mobile devices (Android, iPhone, iPad). They can also create their own playlists of their favorite videos and share them via Facebook and Twitter. The British version of the site will offer specific content aimed at UK users.

UMG JOINS WITH PROLIFIC HITMAKER DIANE WARREN FOR INTERNATIONAL PUBLISHING AGREEMENT

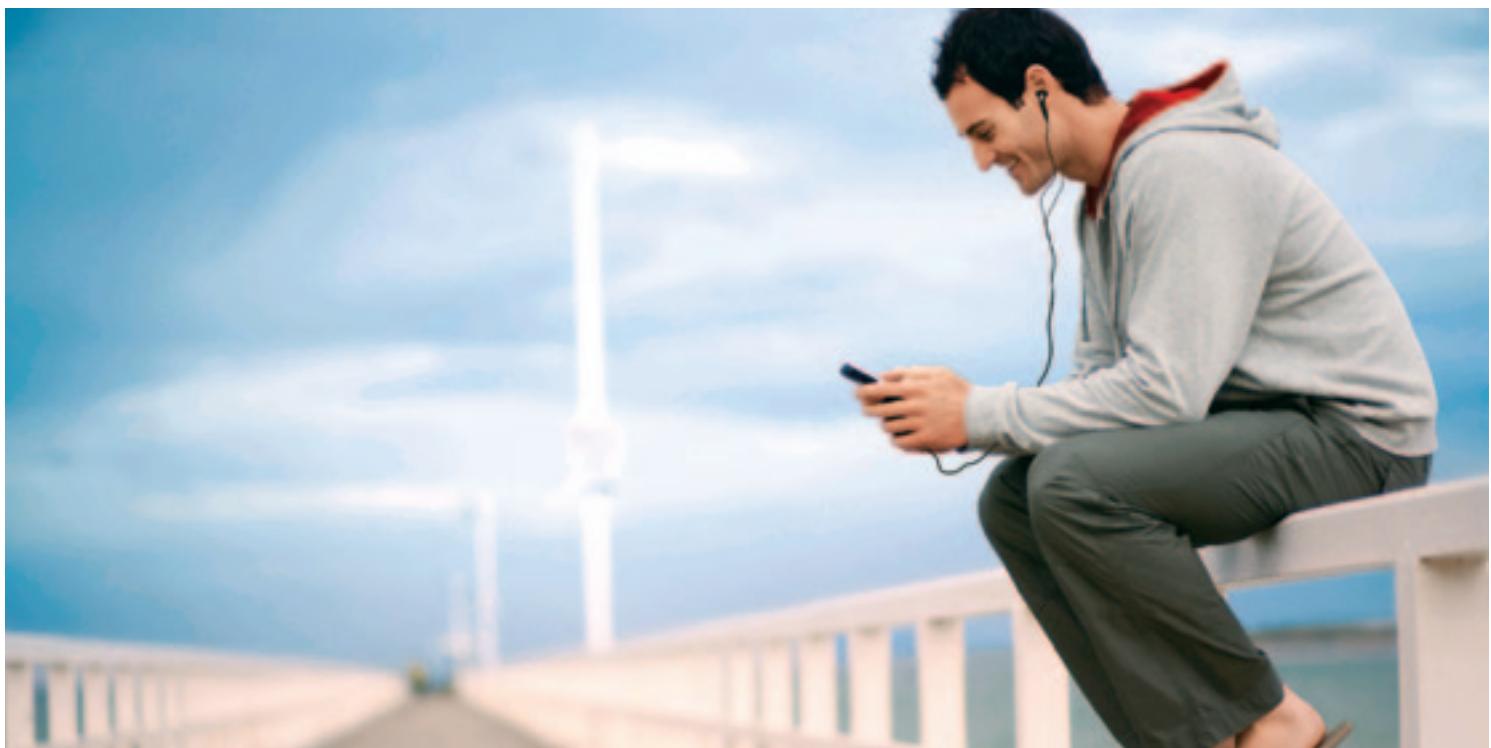
UMG signs a multi-faceted agreement with renowned songwriter and prolific hitmaker Diane Warren. Ms. Warren's award-winning Realsongs catalog will now be administered by UMPG outside of North America (she continues to self-administer her copyrights in the U.S.), and she will serve as a global A&R consultant for UMG's recorded music artists around the world.



TELECOMS IN FRANCE

SFR

SFR is France's leading alternative telecommunications operator. It is also a global operator, able to accompany each individual and each company to bring them the best of the digital world.



Number one alternative operator in France

SFR had 21.5 million mobile customers and 5 million broadband Internet households as of December 31, 2011, which represents 31.3% of the mobile telephony market and approximately 22% of the French high and very-high speed Internet market*.

SFR Business Team, the entity dedicated to the corporate market, scored some decisive successes in 2011. Among them are the launch of the Pack Business Entreprises (a hosted multi-site unified

communications service) and the awarding of two major tenders, with the BPCE Group and with the government. Lastly, SFR hosts more than 2.4 million customers of MVNOs on its network. This 94% increase over 2010 is the result of new strategic agreements signed in 2011 with La Poste Mobile (a joint-venture launched by La Poste and SFR in May 2011), CIC mobile, NRJ mobile, and Virgin mobile.

*Source: Arcep (regulatory body for electronic communications and terminals) and SFR data.

10,039
EMPLOYEES IN 2011



←
Advertising campaign:
SFR's fiber

A new rate strategy

Anticipating market trends and new modes of consumption, SFR implemented a new rate strategy in 2011 with mobile offers that emphasize loyalty and are more flexible for customers (the Formules Carrées, with or without commitment, with or without mobile device). The operator also created the Séries Red – low-cost offers without commitment and a mobile device, sold exclusively via the Web.

Sharp growth of mobile Internet

Mobile Internet use continues its strong development, backed by booming smartphone sales. At the end of 2011, 41% of SFR customers had the devices (compared to 28% at end 2010). To enable the greatest possible number of people to experience mobile Internet, SFR has developed France's most complete mobile Internet network. That has required an effort of densification of its 3G+ network, which now covers more than 98% of the French population.

In addition, its Wi-Fi network has nearly 4 million access points in France. It provides coverage of public places like the main rail stations, hotels, cafés, and restaurants. In order to improve its customers' experience, SFR launched a large-scale pilot of the Auto-Connect Wi-Fi service, which enables fluid, automatic passage between the 3G and Wi-Fi networks. Lastly, SFR has launched the second generation of SFR Femto. This device provides optimum coverage of a home or office. SFR is the only

operator to offer it free of charge to all its mobile subscribers.

An effective mobile network

In late 2011, SFR's GSM/GPRS network (used for mobile telephony) covered nearly 99% of the French population, and the UMTS network (used for third-generation, or 3G/3G+, mobile telephony) more than 98%. On the 3G network, SFR has attained the coverage objectives set for 2000-2011. It has increased its capacity to support new mobile Internet practices (data flow doubled in one year). The company increased its upload rates (HSUPA) to 2 Mbit/s and offers download (HSDPA) rates of 7.2 Mbit/s over its entire 3G/3G+ network. SFR is now deploying the 3G latest evolutions so as to be able to offer upload rates of 5.8 Mbit/s and download rates of from 21 Mbit/s – for more than 40% of the population – to 42 Mbit/s in the large urban areas.

France's leading alternative fixed-line network

At the end of 2011, SFR had the largest alternative fixed-line network in France. It has nearly 57,000 km of broadband fiber optics for its long-distance network. This network connects more than 4,800 subscriber connection units (SCUs). It enables broadband data services (ADSL 2+, fiber optic, etc.) to be offered at optimum cost. In 2011, development of home fiber (FTTx) continued, enabling connection of more than 600,000 eligible households. In November 2011, SFR signed a framework agreement with Orange-France Télécom to deploy fiber



Stéphanie Hajjar /
Open Innovation Director, SFR

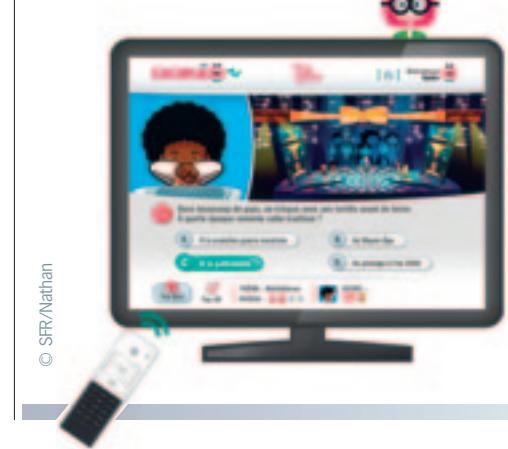


Dokéo TV from SFR and Nathan: the first 100% interactive play-learning channel

“SFR, in collaboration with Nathan, launched Dokéo TV, the first 100% interactive play-learning channel for children ages 4 to 10 and their parents. After working in close collaboration with Nathan for more than four years, we decided to associate on an ambitious and innovative project for television. We provide our expertise in non-linear television, distribution, channel, technical aspects of the interactive application, and platforms. Nathan brings its experience and its legitimacy in education and youth, and offers content, licenses, and scholastic and parascholastic skills. On the co-creation of Dokéo TV, we worked with some one hundred parents, which helped us enrich the offer, validate our choices and anticipate the channel's future evolution. When we began our discussions, Dokéo TV was intended to be just a test. But the combination and the complementarity of our knowledge were clearly unique advantages on the market for such a partnership. The initial results (more than 15,000 registered users and over a million stories read only two months after the launch) show just that, and have prompted us to consider extending this wonderful success to other media.”*

* Nathan is a renowned French education publisher.

© SFR/Nathan





in less densely populated areas. A total of nearly 60% of French households will have fiber coverage by 2020.

A multiscreen strategy

SFR offers TV-on-demand content and services. They are accessible from smartphones, tablets, TV sets, and computers. Thanks to the neufbox TV application, all users of SFR's neufbox can also access 120 live TV channels, TV-on-demand programs, a VoD (video-on-demand) catalogue, and their program guide.

Enriched TV-via-DSL offers

In 2011, SFR enriched its television-via-DSL offers. The operator offers CanalPlay Infinity, Canal+ Group's unlimited VoD service. It also makes available a catch-up TV service with nearly 20 channels available, including My TF1, Pluzz TV from the France Télévisions Group, and M6 Replay. It has launched new applications like SFR Météo (weather) and Dokéo TV, an edutainment service designed in collaboration with the publisher Nathan. SFR has continued to develop its games-on-demand services using Cloud Gaming (a new way to play games remotely via streaming with no downloading necessary). The catalogue offers 80 games in console quality accessible via TV, PC, and Mac. It will eventually be accessible on smartphones and tablets.

Pay tv consumption increased strongly in 2011, with 15 million VoD consumptions (in pay, free, and subscription mode). The number of TV-via-DSL subscribers has reached 3.1 million, up from 2.7 million at the end of 2010.

Broader commercial coverage

SFR strengthened its sales network in 2011 in order to be closer to its customers. The operator entered into a strategic agreement with Fnac to deploy 80 SFR sales outlets in its stores. A further 840 espaces SFR sales outlets, 5,000 salespersons, 12,000 phone counselors, and 1,100 technicians are on hand to respond to customer demands. Also, a new website has gone on line. Users can order their mobile device online on the site and pick it up in the sales outlet of their choice.

Development of new activities

In 2011, SFR developed new business activities linked to its business area. They include Buyster, in partnership with France Télécom, Bouygues Telecom, and Atos Origin. This joint-venture offers the first secure solution for payment on the Internet by cell phone. SFR also launched Synapse Cloud, in partnership with Fujifilm. This service provides its customers (public and private healthcare providers) with hosting of IT solutions and storage of internal data in the field of medical imaging.

€12,183
MILLION IN TOTAL REVENUES IN 2011

€2,278
MILLION EBITA IN 2011

2011 HIGHLIGHTS

SFR

SFR MAKES ITS RATE PLANS MORE FLEXIBLE WITH THE FORMULES CARRÉES AND SÉRIES RED

Continuing its strategy of simplifying its offers, SFR launched the Formules Carrées. The principle: a new rate policy that rewards loyalty by lowering the monthly rate at the end of the commitment period if the customer keeps his or her mobile. In October 2011, the operator also created the Séries Red – low-cost offers without commitment and a mobile device, sold exclusively via the Web.



OFF TV: ALL THE MUSIC NEWS ABOUT UNIVERSAL MUSIC ARTISTS

SFR and Universal Music have launched OFF TV, an interactive application providing musical programming in HD. The new application, especially for music, offers HD video content (video clips, broadcasts, interviews) from the Universal Music catalogue. Available since January 2011 on the site www.off.tv and on various partner platforms (Dailymotion, YouTube, WAT), it has been accessible free of charge since December 2011 to neufbox (Channel 969) and neufbox Evolution ("Applications" section) customers.

BUYSTER, MOBILE PAYMENT

SFR, in association with France Télécom, Bouygues Telecom, and Atos Origin, has launched Buyster. This new online means of payment is simple and secure. It is intended to pay for purchases made from a mobile device. Buyster lets users associate their bank card with their mobile number. Once that's done, it becomes possible to pay for purchases on fixed and mobile Internet without ever sending your banking information. Buyster is available free of charge, to anyone with a mobile device, regardless of operator.

GAMES-ON-DEMAND IN CLOUD GAMING MODE ARRIVE ON SFR'S NEUFBOX EVOLUTION

Launched in October 2010 on the standard neufbox, SFR's games-on-demand service is now available as part of the neufbox Evolution (DSL and fiber) offer. The service offers a wide choice, with a catalogue of 80 video games. With Cloud Gaming, SFR frees its customers from technical and material constraints so that they can take full advantage of video games on their television set. Accessible directly via the "Games-on-demand" icon on the home page or from channel 70 of the neufbox TV service, the games launch instantaneously, with no downloading or waiting.

SFR PREPARES FOR THE ARRIVAL OF VERY-HIGH-SPEED MOBILE

With consumers massively converting to 3G, a new generation of mobile telephony is in the works – 4G or LTE (Long Term Evolution). In September and December 2011, SFR was awarded two groups of 4G frequencies by the regulatory body Arcep. In September, a connection test was run and an initial demonstration of 4G services was made in Marseille. It highlighted the advances LTE will bring in terms of speed and low latency for tomorrow's very-high-speed mobile services. Subscribers will enjoy greater comfort for "surfing the Web," watching TV, and communicating in video or via uploading/downloading.



CANALPLAY INFINITY NOW AVAILABLE IN SFR'S NEUFBOX TV OFFERS

CanalPlay Infinity, Canal+ Group's unlimited video-on-demand offer, is available as part of SFR's neufbox and neufbox Evolution offers. The offer, which costs €9.99 per month, makes thousands of films and hundreds of series and children's programs available. It's accessible on TV sets, smartphones, and tablets. It is a response to the strong increase in Pay tv-on-demand consumption in 2011.

TELECOMS IN MOROCCO

MAROC TELECOM

Maroc Telecom is the leading global operator on the Moroccan telecommunications market, with a presence in mobile and fixed-line telephony, and Internet access. Listed on the Casablanca and Paris stock exchanges, the group has resolutely adopted the path of international development and is currently established in five countries.

Number one for mobile telephony in Morocco

Maroc Telecom is Morocco's leading mobile telephony operator, with 17.1 million customers in 2011 (an increase of 1.4% over 2010), in spite of an increasingly competitive business context. This growth is due to strong expansion of the postpaid mobile customer base (+25%). To grow and gain the loyalty of its customer base and stimulate growth on the mobile market, Maroc Telecom continues to enhance its offerings and introduce new innovative services. In 2011, it launched a per-second prepaid offer, Jawal Thaniya.

For postpaid subscribers, Maroc Telecom continued to promote unlimited offers, while reducing rates, increasing the duration of its plans, and enriching its offers with new services. The operator added 30 minutes to its individual,

limited and Optimis mobile plans. The Liberté no-commitment plans have been revised to include free minutes and 3G Internet access.

After generalizing 3G+ Internet access to all its postpaid and prepaid customers, the group continued a strong customer acquisition and loyalty policy, lowering rates, increasing bandwidth, and multiplying promotional offers. The operator is also making the most recent innovations available to its customers. In 2011, it launched the MT-Talk application, the Arriyadi sports plan, and prepaid mobile TV. Maroc Telecom was the only telecommunications operator in the world to be ranked among the 100 most innovative companies by Forbes in 2011. It was also awarded the 2011 Innovation prize in the Mobile Payment category by the IAMTN (International Association of Money Transfer Networks).

13,806

EMPLOYEES IN 2011



VOUS ÊTES 17 MILLIONS À FAIRE CONFIANCE À MAROC TELECOM

MERCI !

GAGNEZ UNE VOITURE DE LUXE CHAQUE SEMAINE*

Envoyez 17 par SMS au 1717 (0.96 dh TTC / SMS)

*Tous les samedis jusqu'au 21 Décembre 2011, pour les clients résidants pour poste et deuxièmement. Règlement de la récompense aux clients de Maroc Telecom Maroc. Tous les droits réservés.



Hassan Tazouti / Regional Director, Tanger, Maroc Telecom

Environmental reporting: an effective management tool



“Thanks to involvement by our teams and careful preparation, the verification work one of Vivendi’s Statutory Auditors did on the environmental reporting at the regional offices in Tangier went very well. In line with our company’s policy of social responsibility, which takes the Vivendi Group’s sustainable development issues into account, since 2009 we have been providing information on our consumption of water, energy and raw materials. Everyone here has signed on to the goals of the reporting process and believes in the need for being rigorous and the importance of external verification to ensure that the data are reliable. I would add that we pay attention to the impact our business activity has on the environment. For example, we regularly check that electrical-power supplies are in line with actual needs, and we make sure we recycle our waste – in particular used toners and lubricants, which are handled by specialized companies. We also participate in the ‘Clean Beaches’ operation in partnership with the Mohammed VI Foundation for environmental protection. Out of the 7 beaches we beautify and maintain, three have earned the European ‘Blue Flag’ label.”

A complete fixed-line telephony offering

Maroc Telecom offers the general public and businesses all fixed-line telecommunication services – voice, data transmission, Internet access, and DSL television. On the fixed-line phone market, open to competition since 2007, it remains leader with more than 1.2 million fixed lines at the end of 2011.

Maroc Telecom's base has stabilized thanks to marketing and sales efforts such as reducing termination prices on calls to fixed lines from abroad, generalizing unlimited voice offers, and making DSL more widely available.

The Internet market continued its development in 2011 with the growth of the DSL base and strong growth in 3G+ mobile Internet. The DSL Internet base added 94,000 new customer in 2011 (+19%). This growth was stimulated by the doubling of bandwidth, enriching the offer (MT Duo, which combines fixed telephony and broadband Internet via DSL), and the rate reduction begun in late 2009.

Thanks to a comprehensive offering (voice, data, and Internet) and the introduction of new services,

Maroc Telecom posts regular growth of its professional and business subscriber base, with a market share of nearly 92.4% of lines at the end of December 2011.

Public telephony comprises a network of public booths and a broad network of phone centers. As of late 2011, the number of lines was down due to strong competition from mobile services – 129,000 (all operators and technologies taken together) compared to 182,000 at end 2010. Maroc Telecom's market share remains at nearly 74% of lines*.

A richer, affordable DSL TV offering

Maroc Telecom gives its customers access to three different DSL TV bundles and more than 80 national and international generalist and thematic channels. Thanks to this offer, enhanced by the Canal+ option (Canal+, Canal+Cinéma, Canal+Family and Canal+Décalé), subscribers can enjoy more films, TV series, news, documentaries, and entertainment. In 2011, Maroc Telecom added to its DSL TV bundle with the sports channels Al Jazeera Sport (JSC+1 to +8),



€2,739

MILLION IN TOTAL REVENUES IN 2011

€1,089

MILLION EBITA IN 2011

covering the major international sports events.

The country's largest distribution network

Maroc Telecom has the largest distribution network in the country, with a direct and indirect network of more than 71,000 sales outlets. The rapidly developing direct network operates via 364 agencies. New agencies are opening every year and old ones are being renovated. The company also makes use of an indirect network of national distributors and independent merchants bound by exclusivity agreements and managed by the nearest Maroc Telecom sales agency.

National coverage

Maroc Telecom has developed a network at the leading edge of technology, enabling it to offer customers a broad range of services. Its mobile network reaches nearly the entire population (98.71% at the end of 2011). Coverage will be extended even more with the PACTE universal access program, under which the operator has committed to covering 7,338 additional rural localities by June 2012.

The GSM 2G network is complemented by a 3G/HSDPA network made up of more than 3,500 base stations offering all third-generation services (videoconferencing, streaming, downloading, online games, etc.) at a theoretical bandwidth of up to 7.2 Mbit/s, including broadband Internet access via USB key for mobile devices.

With approximately 230 international links, Maroc Telecom provides voice and data connectivity from Morocco to all the world's countries through two international transit centers (Casablanca and Rabat) and underwater fiber-optic cables. The cables give the operator a redundant Internet bandwidth of 110 Gbit/s at the end of 2011.

A key player in Internet's development in Morocco

Maroc Telecom is Morocco's leading Internet provider. Its market share, for all access modes (DSL and 3G) is more than 53%. It offers individual and business customers a broad range of innovative offerings and services to facilitate Internet access for the greatest number. Maroc Telecom also has a very strong position on the DSL market, which represents more than 18% of all Internet access, with a market share of more than 99%*. It owns 100% of the shares in Casanet, one of the leading suppliers of Internet solutions in Morocco and operator of the Moroccan Internet portal menara.ma.

Maroc Telecom internationally

Foreign expansion is a growth vector for the Maroc Telecom group. Leveraging its leading position in the country, it has built long-term strategic partnerships with a view toward developing the telecommunications sector in Africa. It controls the historical operators in Mauritania (Mauritel, via the holding company CMC), Burkina Faso (Onatel), Gabon (Gabon Télécom), and Mali (Sotelma). The goal is to be a benchmark operator in those countries and develop the new information and communication technologies to reduce the digital gap.

Thanks to the modernization of infrastructures (in 2011, 32% of the subsidiaries' revenues were devoted to investments) and the quality of the services offered at competitive prices, Maroc Telecom's subsidiaries in Africa are posting highly satisfactory performance. At the end of 2011, their mobile customer base stood at more than 9.6 million customers, an increase of 41%.

* Source: National Telecommunications Regulatory Agency (Agence nationale de réglementation des télécommunications).

2011 HIGHLIGHTS

MAROC TELECOM

MT-TALK: ACCESS TO SOCIAL NETWORKS FROM MOBILE DEVICES

MT-Talk is a new shared social-networks solution. The application provides access to social networks (Facebook, Facebook Chat, Windows Live Messenger, Google Talk, Twitter) and mailboxes (Gmail, Hotmail, Yahoo! Mail, Menara, etc.) from mobile devices – including from traditional terminals – under the same conditions as from a PC. To use the service, customers download a free application to their mobile device, or access it via the wap.mobilezone.ma site. Three plans are offered: Day (5 dirhams), Week (15 dirhams), and Month (30 dirhams). A subscription is also available for postpaid customers at 30 dirhams/month.

MAROC TELECOM: AWARD WINNER

Maroc Telecom was the only telecommunications operator in the world to be ranked among the 100 most innovative companies by Forbes in 2011. It was also awarded the 2011 innovation prize in the Mobile Payment category by the IAMTN (International Association of Money Transfer Networks). Lastly, the Vigeo Top Performer CSR 2011 trophy was awarded to the company for its efforts against corruption and its societal responsibility.

JAWAL THANIYA, A PREPAID MOBILE OFFER BILLED BY THE SECOND

Maroc Telecom has launched Jawal Thaniya, a mobile offer billed by the second, priced at 3c/s. With the system, customers pay only for seconds consumed. The offer can help optimize customers' calling budgets, especially for short calls. It applies to all national calls, regardless of operator.

MT DUO

Maroc Telecom has launched MT Duo, a new subscription offer that combines Internet and fixed telephony. MT Duo includes DSL Internet access at 2 Mbits/s and a fixed-line telephone (without monthly credit) and can be topped up at will with the El Manzil card, with a 12 months commitment.

ARRIYADI, AN OFFER MADE TO ORDER FOR SPORTS FANS

This new plan offers 60 minutes of calling and 300 SMS/MMS messages, valid for all national and international destinations, and includes free 3G Internet and unlimited access to three TV sports channels (Arriyada, InfoSport, and Ma Chaîne Sport) on the mobile device. It also provides reception of MMS alerts on the latest sports news for keeping informed through text and images and access to a diversified sports news program from the wap.mobilezone.ma portal.

TELECOMS IN BRAZIL

GVT

GVT is the leading alternative telecommunications operator in Brazil. Boasting strong growth, it offers fixed-telephony, broadband Internet and Pay tv products and services.



The leader in New Generation Services

GVT has undergone rapid and continuous development since its founding in 2000. It is deemed a leader in New Generation Services such as high- and very-high-speed broadband, Internet services, VoIP (Voice over Internet Protocol), and, since second semester of 2011, Pay tv via satellite for broadcasting and IP for interactive an Over The Top services. It is the fastest-growing telecommunications service provider in Brazil. GVT offers innovative rate plans at highly competitive prices. Fixed-telephony and broadband services are offered in the form of monthly subscriptions.

They account for 69% of GVT's total revenues. The company attends residential, professional, small and medium companies with the best quality.

Present on Brazil's largest markets

Headquartered in Curitiba, in the State of Paraná in Brazil, GVT began its business activities as a competitor to the local Incumbent, in the regions of the Federal District and the States of the Midwest and Southern of Brazil and part of the Northern regions (corresponding to Region II as determined by the general concession plan that divided the country for the provision of fixed-telephony

14,549
EMPLOYEES IN 2011



Rodrigo L. Padilha / Purchasing Manager,
Supply Chain, GVT

Contribution to our suppliers' responsible development, a win-win strategy



services]. It operates in 119 cities in Brazil, all regions taken together, including Region I (Rio de Janeiro and the Northeast) and Region III (São Paulo).

The company is pursuing its growth strategy by extending its network's coverage to new key markets outside Region II in order to be present in all the country's major population areas. In 2011, GVT launched business activities in 22 new cities. Its results from operations in cities outside Region II represent an increasingly significant portion of GVT's overall results.

GVT is considered the alternative solution to the historical fixed-telephony operators, with the widest notoriety in the country. This enables the operator to gain market share from its main competitors in its current areas of operation, as well as new areas in which it launches services. In 2011, GVT captured an average market share of 23.1% of the voice and broadband market in the 119 cities where it operates.

Innovative products and advanced solutions

GVT offers comprehensive and advanced telecommunications services to markets: conventional telephony, VoIP, managed services, corporate data, broadband, Internet

services, and Pay tv using satellite and IPTV technology. They are aimed at all market segments – private individuals, professionals, and small, medium-sized, and large companies. This approach also allows GVT to offer all-in-one formulas for all of these services.

GVT's presence across different markets with diversified products and customer segments represents a competitive advantage for the company.

In 2011, GVT launched its Pay tv offer in all cities of coverage. GVT is the first company in Brazil and one of the pioneers worldwide to adopt a hybrid model (transmission of TV channels via satellite and interactive services via the IP network).

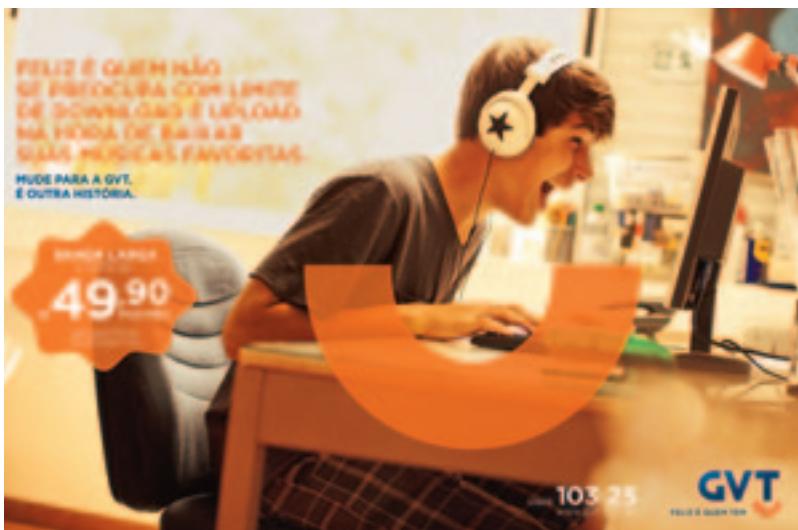
GVT's new broadband generation, unlike the one of the incumbents, delivers ultrahigh speeds of up to 100 Mbits/s to the retail market with differentiated value added services. As the market shifts dramatically towards broadband, the company's competitive advantages will continue to grow. In 2011, GVT reduced the price of the 35 Mbits/s speed offer from a 50% decrease in order to stimulate Pay tv sales. This is part of a strategy to lead the broadband multiservice in Brazil, delivering contents, interactivity, and managed services over broadband.

“Growing competition within the global economy has for many years been forcing enterprises to reduce their costs.

Traditional approaches have often been limited to eliminating wastage within an enterprise. Yet, cooperation with subcontractors can make them more efficient and thus enable goods to be purchased at lower prices, but considering the commitment with the environment and good conditions of work.

GVT has accordingly initiated the Suppliers Development area in May of 2011 to achieve a high level of the suppliers' base, with a partnership idea to be fully accepted both by the subcontractors and by the procuring enterprises. Thus, it is necessary for companies to operate in a climate of equity and mutual trust, with knowledge and respect for each other's rights and obligations.

As an example of action to achieve this high level, GVT has revised its Code of Conduct in January of 2012, creating a specific chapter to intensify the aspects of mutual relationship and give more focus to the bilateral development, covering also the principles of ethic, respect to the labor and environment legislations, as well as sustainability mindset.”



↑ GVT advertising campaign

Residential customers and SMEs

GVT provides its residential and SME customers with local and long-distance fixed telephony and broadband services, and Internet services to customers holding lines supplied by other operators in cities in which it does not have local access presence under the POP brand, its Internet service provider, with network connections via the switched telephone network and via the broadband lines. GVT also extends its offering with content services, e-mail and other multimedia services such as blogs, photoblogs, and hosting services, whether or not customers are subscribers to its Internet access services. The company also offers Voice over IP services under the VONO brand to residential and SMEs customers, in Brazil and abroad, regardless of the operator providing their broadband connection.

Corporate customers

GVT provides high-end, innovative products and services to middle-to-large companies. The company offers managed services and integrated and personalized solutions from conventional telephony to VoIP services, including Internet services, private data networks, and hosting.

Brazil's most modern network

Designed with the aid of the most advanced technologies, the GVT

network is Brazil's most modern. It has one of the country's most extensive local access networks and long-distance fiber backbone. Its network's NGN architecture, unique in Brazil, is based on FTTN (Fiber To The Node) technology. This allows GVT to provide its customers with integrated, flexible, unique services, with very rapid deployment times, including telephony, data, VoIP and video. Thanks to the modernity and flexibility of its network, it is the only Brazilian operator that can offer broadband speeds up to 100 Mbits/s to the general public. This means that it is in a position to meet the growing customer demand for a wide range of telecommunications, high-speed broadband and multimedia services.

New innovative content and entertainment offers

Since 2010, GVT has a successful partnership with Universal Music Group to offer an exclusive portal of news, music and video in streaming for broadband customers – Power Music Club. The service can also be accessed by smartphones and tablets since December 2011. In February 2012, the company announced a strategic partnership with Blizzard Entertainment to offer exclusive benefits to broadband customers that subscribe the Portuguese version of the on-line game *World of Warcraft*®. The goal for the next year is to enhance these and other new partnerships in order to offer unprecedented differentials and innovative services to the customers.

€1,446

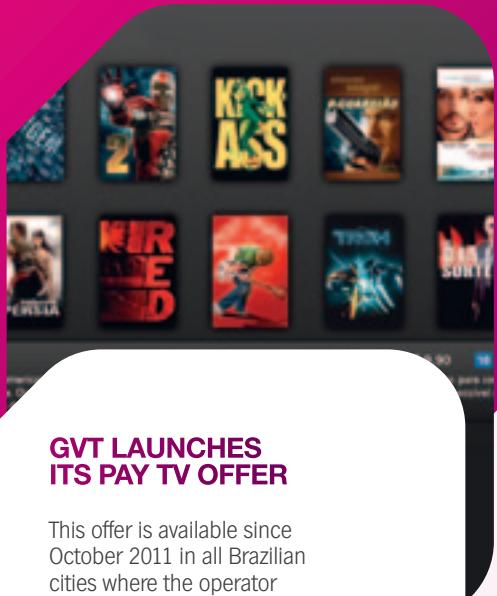
MILLION IN TOTAL REVENUES IN 2011

€396

MILLION EBITA IN 2011

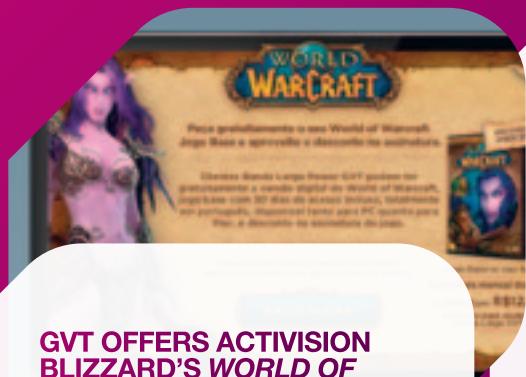
2011 HIGHLIGHTS

GVT



GVT LAUNCHES ITS PAY TV OFFER

This offer is available since October 2011 in all Brazilian cities where the operator is present. This very innovative service combines transmission of TV channels via satellite and the IPTV network for interactive services. All the packages offer high-definition channels at very competitive prices, on-demand content and a catch-up service.



GVT OFFERS ACTIVISION BLIZZARD'S WORLD OF WARCRAFT® TO ITS POWER GVT CUSTOMERS

GVT has entered into a partnership with Activision Blizzard to provide its Power GVT broadband customers with a free download of the Brazilian Portuguese-language version of *World of Warcraft*®, including the game's first expansion, *The Burning Crusade*®. Customers can download the Brazilian Portuguese-language version of the game through GVT's website or directly at www.gvt.com.br-wow. *World of Warcraft*® has been published in Brazilian Portuguese-language in December 2011.

MAX GVT

This solution is targeted at the self-employed and small companies. Max GVT offers four different franchises, from 1,000 to 15,000 minutes, which can be chosen according to customer's profile consumption. The franchise can be shared by up to 20 lines of up to 10 addresses in different cities in the same state. In addition, the customer can have up to 500 minutes of long distance calls paying local call prices and 100 free minutes of fixed to mobile phone calls. The solution also offers free caller ID, call waiting and voice mail, with delivery of incoming messages to the costumer's e-mail box. Besides, any of the options can be acquired with broadband Internet from 5 Mbits/s to 100 Mbits/s.



POWER EXPERIENCE

GVT held the Power Experience first edition, a demo of its high speed broadband Internet up to 100 Mbits/s main applications, with three scenarios: on Power Gaming, the visitants played video games online, on Power Music Club, they created and shared playlists, and on Power Cyber, they surfed in the Internet, especially in social media communities such as Facebook and YouTube sharing photos, videos and scraps. The event showed the different applications of broadband Power GVT, considered the best in Brazil for three consecutive years according to market research with users.

LONG DISTANCE CALLS AT LOCAL RATES WITH VONO

VONO, national provider of IP telephony solutions in GVT, increased from 250 to 468 the number of Brazilian cities with the price of long distance calls at local rates. In addition to saving up to 80% on calls, customers can hire local numbers from any of the VONO cities which make and receive calls. This solution is aimed at home users and small and medium enterprises.



Television and cinema



TELEVISION AND CINEMA CANAL+ GROUP

Canal+ Group is the leading Pay tv Group in France. It is the leader in premium and thematic channels publishing and bundling and distributing Pay tv offerings. A pioneer in the new uses of television, it is also a major player in film production and distribution.



© 2010 Ken Osterfels AMC Lionsgate

↑ The series Mad Men

4,752
EMPLOYEES

Channels for every taste with *Les Chaînes Canal+*

At the core of Canal+ Group's offering, *Les Chaînes Canal+* offers five premium-content channels, each with its own editorial line and identity: Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Family and Canal+ Décalé. Their programs are based on exclusivity, innovation, and originality.

Canal+ is a premium generalist channel offering a unique programming format with recent films, sports, news, fiction, documentaries and entertainment. TPS Star features primarily cinema, sports, new series, and magazine programs.

Canal+ Group also publishes 21 channels covering the most popular themes – cinema (7 Ciné+ channels), sports (Sport+, InfoSport+), news (i>Télé), documentaries (4 Planète+ channels), lifestyle (Cuisine TV, Seasons), series (Jimmy, Comédie+), and youth (Piwi, télétoon and télétoon+1).

In December 2011, Canal+ Group announced the signing of a final agreement on the acquisition of the free channels of the Bollore Group, Direct 8 and Direct Star. This agreement is subject to approval by the competition authority and the French broadcast authority (Conseil supérieur de l'audiovisuel).



Canal+, the cinema channel

Canal+ offers its subscribers all cinema genres and all the major film-industry events (the Cannes film Festival, the César and Oscar awards ceremonies) on an exclusive basis. In 2011, it broadcast some 360 films.

The benchmark for television sports

Canal+ Group has developed widely-recognized expertise in sports coverage. *Les Chaînes Canal+* cover some sixty of France's top sports events: League 1 soccer, the main foreign championships (including the English Premier League, Spain's *Liga* and Italy's *Serie A*), the Champions League, the Europa League, and also the Top 14, Super 14 rugby in the southern hemisphere, tennis (including Wimbledon and the US Open), golf (the Vivendi Seve Trophy), boxing, track and field events, etc. *Les Chaînes Canal+* offer an average of over 5,500 hours of sports per year, mostly live.

Topical programming

Canal+ continues to set the pace for entertainment programming and news with its topical programs *Le Grand Journal*, *Les Guignols de l'Info*, *Le SAV des émissions*, *La Musicale*, *La Matinale*, *Dimanche+*, and *Spécial Investigation*.

CanalSat, the leading multichannel offering

CanalSat is France's leading multichannel offering, with nearly 200 channels, some twenty of them exclusive. CanalSat is available via satellite, DSL, DTT, cable, and the Internet on PC and on mobile devices thanks to the mobile TV application CanalTouch.

HD precursor

A precursor in High Definition (HD) via satellite in France, Canal+ Group broadcasts the five *Les Chaînes Canal+* channels in HD on all equipped platforms – satellite, cable and DSL. CanalSat offers 24 theme channels in HD via satellite and DSL.

Canal+ and CanalSat on demand: watch when you want

Canal+/CanalSat on demand lets subscribers watch or replay their programs when they want. This catch-up TV service, included in the subscription, is available directly on TV, computer, and mobile devices (smartphones and tablets). It has been highly successful, with more than 5 million programs viewed each month.

CanalPlay: video-on-demand

CanalPlay is Canal+ Group's video-on-demand (VoD) service. Available on computer and TV via cable, satellite, or DSL, it now offers one of the largest VoD catalogues in France, with nearly 8,500 titles available, including more than 4,000 films. CanalPlay is also accessible on game consoles (PSP and Xbox 360) and on some TV sets and Blu-ray players. In November 2011, Canal+ Group launched its unlimited subscription VoD (SVoD) service, CanalPlay Infinity.

+Le Cube for design and innovation

Launched in 2008, +Le Cube is a top-of-the-line HD set-top box with an innovative design, featuring Internet connectivity and a hard drive and enabling access to exclusive services. Since September 2010, the Group has distributed an upgraded version with Wi-Fi that will be in the homes of 80% of satellite subscribers by the end of 2012.



Olivier Courson / Chairman of the Management Board of StudioCanal

StudioCanal is committed to cultural diversity



*"StudioCanal, present in the three major European countries – France, the UK, and Germany –, today stands as the European leader studio in independent quality film. As the only company, outside the American studios, to operate directly on its major markets, StudioCanal has a unique growth model based on the diversity of the cinematic offering. Our editorial line stands on four major pillars: independent international films (*Tinker, Tailor, Soldier, Spy* by Tomas Alfredson; *Inside Llewyn Davis* by the Coen brothers), family and animated films (such as the *Sammy* franchise), genre films (*Unknown*; *The Last Exorcism*), and local productions. For local productions, diversity is expressed in our line-up, which mixes films by great filmmakers like Jean Becker and Alain Resnais, films with international potential like *Delicacy* by the Foenkinos brothers, and film events like *My Way* or Michel Gondry's *Mood Indigo*, to take France as an example. Operating our rich catalogue of more than 5,000 titles representative of the cinema of 60 countries also contributes to the profitability of our business. We are also committed to preserving this precious heritage of the Seventh Art by investing in the restoration of cult classics like Jean Renoir's *Grand Illusion*."*



←
The Grand Journal team

Canal+ Group internationally

Canal+ Overseas, a Canal+ Group subsidiary, is the leading French-speaking Pay tv operator in the French Overseas Territories and in Africa. Its offerings provide access to more than 200 channels, mainly in French, in the Caribbean (French Antilles and Guyana), the Indian Ocean (Reunion, Mayotte, and Mauritius), and the Pacific (New Caledonia and French Polynesia). It is also present in 30 French-speaking African countries and Madagascar.

Canal+ Group is a major player in Pay tv in Poland through its 75%-owned subsidiary Cyfra+, which publishes the bundle of Canal+ premium channels as well as a bundle of over 100 TV and radio channels, 63 of them in Polish. In December 2011, the Canal+ and TVN Groups announced the finalization of a strategic agreement to merge their pay-channel bundles in Poland. This operation is pending approval by the regulatory authorities.

Canal+ Group is also present in Vietnam through its subsidiary VSTV, which broadcasts K+, a satellite-channel bundle.

Studiocanal, a major player in European cinema

Studiocanal, Canal+ Group's subsidiary, is Europe's leader in film co-production,

purchase, and distribution. It operates directly in the three largest European markets – France, the UK, and Germany. It owns one of the world's most extensive film catalogues, with over 5,000 French, British, Italian, German and American titles. In parallel, Studiocanal conducts an ambitious international production policy. It is present in animation and 3D via an agreement with nWave, a Belgian production company, leader in Europe. And it has acquired a majority share in Tandem Communications, a leader in Europe in the production and sale of world-class television series.

Stronger presence in the sports world

Canal+ Group is in the business of organizing sports events through its subsidiary Canal+ Events. The company notably organizes the ATP 250 Open Sud de France in Montpellier, the Metz marathon, the Vivendi Seve Golf Trophy (France), and the European Winter X Games in Tignes. It markets the international rights to the LFP, the Top 14 in France, OM TV, the French national basketball team, and the French basketball and handball championships.

€4,857

MILLION IN TOTAL REVENUES IN 2011

€701

MILLION EBITA IN 2011

2011 HIGHLIGHTS CANAL+ GROUP



CANALPLAY INFINITY, UNLIMITED VOD VIA SUBSCRIPTION

CanalPlay Infinity is the new unlimited video-on-demand subscription service of Canal+ Group. The service offers a catalogue of several thousand films and series via streaming. It is available through all operators and on all connected displays.

CANAL+ GROUP ANNOUNCES STRATEGIC PARTNERSHIP IN THE BOLLORÉ GROUP FREE CHANNELS

Canal+ Group is present in free TV via its all-news channel i>Télé. In December 2011, Canal+ Group announced the signing of a final agreement on the acquisition of the free channels of the Bolloré Group, Direct 8 and Direct Star. This agreement is subject to approval by the competition authority and the French broadcast authority (Conseil supérieur de l'audiovisuel). This partnership is in line with Canal+ Group's core growth strategy in France.

A NEW DISTRIBUTION AGREEMENT FOR STUDIOCANAL

StudioCanal and Lionsgate Studios have entered into an agreement for distribution of the prestigious Miramax catalogue of films [which includes titles like *Pulp Fiction*, *The English Patient*, *Shakespeare In Love*, *Kill Bill 1* and *2*, and *No Country for Old Men*]. The agreement covers more than 550 films to be distributed in DVD and Blu-ray versions, but also via video-on-demand, cable, and the Internet. StudioCanal will distribute the titles in Europe and Lionsgate in the rest of the world.

CANALSAT: SMART, PERSONALIZED TV

CanalSat has developed a search engine called Eureka. Every evening, it proposes a program offer in line with the tastes of each subscribing household. The software analyzes consumption over the past 15 days and proposes channels that carry the type of programs most likely to please. CanalSat also lets subscribers build their own channels around four themes – education (with CanalSat le campus), youth (with Mon Nickelodeon Junior), music (with M6 Music Player), and cinema (with Ciné+ on demand).

THE BEST OF LEAGUE 1 ON CANAL+

Following the call to tender issued by League 1, Canal+ Group strengthens its long-term partnership with French soccer, and with it its soccer offering, through 2016. Canal+ will carry 2 matches each championship day – 1 more than under the present agreement: the top match on Sunday evening, for which the network will have first choice, and a major match on Saturday at 5 p.m. It will also continue to broadcast multiplexes on the opening and closing days of the championship, along with all its niche magazines (*Canal Football Club*, *Jour de Foot*, *Les Spécialistes*, etc.)

CANAL+ AND THE LNR CONTINUE THEIR PARTNERSHIP

The French national rugby league (LNR) and Canal+ are continuing and enriching their historic partnership by entering into a new agreement on distribution of the Orange Top 14 for the next five seasons (2011-2012 to 2015-2016). Canal+ will carry delayed broadcasts of at least 3 matches each day – 1 on Canal+ and 2 on Canal+ Sport. The other 4 matches will be broadcast on Rugby+. Summaries of all matches will be given in *Jour de Rugby* on Canal+ and *Les Spécialistes* program will recap each day in Images. Canal+ will carry all finals matches.



OUR TEN PRIORITY AREAS FOR ACTION IN SUSTAINABLE DEVELOPMENT

- 74 Ethics and business practices
- 75 Protecting and empowering youth
- 76 Promoting cultural diversity
- 77 Sharing knowledge
- 78 Protection of personal data
- 79 Leveraging content and innovation
- 80 Vigilance towards suppliers
- 81 Leveraging human resources
- 82 Territorial development
- 83 Respecting the environment

These 10 priority areas for action are developed in the Online Detailed Sustainable Development Report available on Vivendi's website.

AREA FOR ACTION

ETHICS AND BUSINESS PRACTICES

Being a worldwide Group means not only sharing financial resources, technologies, and know-how, but also cohesion within teams who, beyond being open to all cultures, share the ambition of contributing, as a Group, to sustainable development. The rules of conduct specified in the Compliance Program define ethics and business practices for Vivendi and its subsidiaries.

		Comments and actions 2011
Promoting our standards and guidelines	Ensure the implementation of the Compliance Program	<ul style="list-style-type: none"> • Vivendi's Compliance Program comprises 7 rules of general ethics, including Fundamental Social Rights, applicable to each Group employee. Adherence to these rules is a condition for being part of Vivendi. • Based on this program, each subsidiary has developed an ethics code suited to its core business activity. • No violations of the Group's rules of conduct have been reported. • Vivendi took part in the French Competition Authority's consultation of companies regarding compliance programs.
	Apply the Data and Content Protection Charter	<ul style="list-style-type: none"> • The Data and Content Protection Charter defines Vivendi's commitments regarding protection of personal data, ethics covering content and respect of intellectual property.
	Respect the United Nations Global Compact	<ul style="list-style-type: none"> • Vivendi transmitted its "Communication on Progress" report to the United Nations Global Compact, whose 10th principle deals with the struggle against corruption. • SFR is a new signatory of the United Nations Global Compact (April 2012).
Guaranteeing good corporate governance	Ensure the independence of the members of the Supervisory Board	<ul style="list-style-type: none"> • Vivendi fully complies with the AFEP/MEDEF consolidated code of governance: • More than 80% of the members are independent; • Within each of the 4 committees, the great majority of members are independent; • Each member of the Supervisory Board serves for a four-year term.
	Maintain transparency	<ul style="list-style-type: none"> • Each year, the subsidiaries report on their adherence to the Compliance Program and on the actions that have been taken. This report is presented to the Audit Committee by the General Counsel. The Committee met on February 23, 2012 to examine the balance sheet for the year 2011.
	Ensure that employees are aware and informed	<ul style="list-style-type: none"> • The struggle against corruption is an essential principle set down in the Group's codes of conduct. • An informational meeting on the prevention of conflicts of interest and the provisions of the UK Bribery Act took place at Vivendi's Headquarters, as there were specific training sessions in the subsidiaries.
Struggling against corruption	Deploy warning systems	<ul style="list-style-type: none"> • Employees of the subsidiaries on the American continent have specific hotlines available (or whistleblowing procedures). • The Group has recorded only one complaint of confirmed fraud.
	Involve suppliers and subcontractors	<ul style="list-style-type: none"> • All the subsidiaries have included a clause referenced to their code of conduct in their supplier contracts, thus covering the struggle against corruption. • In July 2011, GVT also included a clause related to the 10 principles of the United Nations Global Compact.
	Stock litigation	<ul style="list-style-type: none"> • In the securities class action suit in the United States, the judge, in application of the "Morrison" decision, limited the class to shareholders who had acquired their shares on the New York Stock Exchange (decision of February 17). • The appeal filed by the plaintiffs was rejected by the federal Court of Appeals on July 20. • On January 27, 2012, the judge also disallowed the complaints of the individual shareholders who had purchased titles on the Paris Stock Exchange.
Reporting on litigation and inquiries*	Competitive regulation litigation	<ul style="list-style-type: none"> • Following the decision handed down by the French Competition Authority on September 20, Vivendi and the Canal+ Group re-notified the transaction involving acquisition of CanalSatellite and TPS on October 24. • On November 4, Vivendi and the Canal+ Group filed a motion before the French Council of State (<i>Conseil d'Etat</i>) requesting the annulment of the decision of September 20.
	Tax litigation	<ul style="list-style-type: none"> • On August 5, the national council in charge of coordinating the tax policies of the Brazilian States published a draft proposal allowing the start of negotiations concerning the ICMS tax on Internet and broadband services. As of today GVT has reached agreements in this area with a dozen states in the country.

* For complete information on litigation and inquiries, see Section 3 of Chapter 2 of the 2011 Annual Report.

AREA FOR ACTION

PROTECTING AND EMPOWERING YOUTH

In the new digital environment, Vivendi has a responsibility to protect and empower young audience in their cultural and media practices and to give parents tools enabling them to better control content and practices involving the Group's products and services.

		Comments and actions 2011
Promoting rules of professional ethics	Apply the Data and Content Protection Charter	<ul style="list-style-type: none">• Vivendi's commitments to content protection involve promoting techniques for choosing or controlling content, cooperating actively with competent authorities working against the spread of unlawful material, promoting standards and guidelines on which the Group builds its future, promoting awareness by parents and children of new technologies uses.
	Contribute to the CEO Coalition to make the Internet a better place for kids	<ul style="list-style-type: none">• Vivendi is a founding member of an initiative launched by the EU Commission aiming at making the Internet a framework of expression as safe as possible for children.
	Mobilize the Group's subsidiaries	<ul style="list-style-type: none">• Universal Music France's website is guided by the Group's Data and Content Protection Charter.• Activision Publishing and Blizzard Entertainment apply the age and content rating guidelines published by the PEGI (Pan European Game Information), PEGI Online, and the ESRB (Entertainment Software Rating Board) in the US.• Canal+ has defined commitments regarding program classifications in its Ethics Charter.• SFR applies the rules of its Code of ethics and commitments and those in several other charters (mobile multimedia Charter, online hosting providers' Charter, SMS+/MMS+ professional ethics Charter).• Maroc Telecom defined a deontology charter covering the content of SMS kiosk services and a moderation charter applicable to discussion forums.
Raising the awareness of young people and parents	Promote subsidiaries' initiatives for education	<ul style="list-style-type: none">• Universal Music Group places a "Parental Advisory – Explicit Content" notice on CDs to warn parents that lyrics contain words that are inappropriate for children.• Activision Publishing posts educational videos on its website to guide parents in monitoring their children's gaming experience.• SFR sets aside a space for parents on its website (SFR.fr/parents) and publishes a guide for parents providing tools for accompanying their children in their use of mobile devices and the Internet. It also offers training workshops for parents in the X-Store* SFR sales outlets.• GVT provides children, parents, and teachers with an educational website dedicated to a responsible use of the Internet and provides free access to its Guide to responsible use of the Internet on tablets and smartphones.• Menara, a subsidiary of Maroc Telecom, has posted articles on its <i>Menara junior</i> youth portal informing young Internet users about the precautions that need to be taken to ensure safe Web browsing.
	Adjust parental control to mobility	<ul style="list-style-type: none">• SFR has improved its mobile parental control to let young users browse the Web while inappropriate sites are filtered. A Junior portal especially designed for the youngest users was implemented to accompany them as they browse.
Adapting parental control to the multimedia environment	Deploy parental control on the new audiovisual distribution media	<ul style="list-style-type: none">• Canal+ extended parental control to include restricting access to television content on the new program reception media (television on computer, Xbox) and includes new functionalities in each new generation of set-top boxes that enable application of parental control beyond what is legally required.
	Contribute to the Safer Internet Forum	<ul style="list-style-type: none">• Vivendi is a partner in the Safer Internet program and took part in the "Policy shaping through Youth Participation" discussion at the third Pan-European Youth Panel for a Safer Internet.
Empowering young audiences in their media practices	Develop the platform for expression Pan-EU Youth	<ul style="list-style-type: none">• Vivendi supported the creation and development of the Pan-EU Youth platform, which gives young Web users in the European Union a space for expressing themselves on the impact of the new technologies on their daily lives via online consultations, blogs, polls, forums and interactive role-playing games.

* Experience Store: located in large urban areas, the X-Stores promote new innovations and digital experiences offered by SFR to the general public.

AREA FOR ACTION

PROMOTING CULTURAL DIVERSITY

Vivendi invests massively in creation (€2.3 billion in 2011) and recognizes culture as a pillar of sustainable development because it stimulates creativity, facilitates dialogue between peoples, and strengthens social cohesion. Encouraging diversity in music repertoires and cinematic expressions, promoting local talents, and sustaining heritage are all objectives shared by the Group's business units. Vivendi shares the vision of UNESCO, which holds cultural diversity to be "a mainspring for the sustainable development for communities, peoples, and nations."*

Comments and actions 2011	
Encouraging creation in all its diversity	Promote culture as a pillar of sustainable development <ul style="list-style-type: none"> Launch of the "Culture(s) with Vivendi" website. Partnerships: Aix-en-Provence Festival; Avignon Forum. Lobbying for the inclusion of culture in the worldwide sustainable development agenda (see p. 32-33).
	Encourage diversity of talents and music repertoires <ul style="list-style-type: none"> 60% of Universal Music Group's physical and digital sales account for by local artists in a 59-country scope. Five Gramophone Awards won in October 2011; signing with the Seoul Philharmonic Orchestra and its music director Myung-Whun Chung.
	Promote diversity in audiovisual and cinematic expressions <ul style="list-style-type: none"> Support for creation by Canal+: financing of 57% of the French films approved by the CNC (French National Centre of Cinematography). Canal+ invested €29 million in films with budgets under €4 million. The new Studiocanal, a studio of Europe-wide scope, worked with 80 French and foreign producers. Canal+ Overseas, a subsidiary of Canal+ Group, contributes to the diversity of audiovisual and cinematic expressions in Africa and Overseas. Canal+ Africa co-financed five film projects. Second edition of the Activision Independent Games Competition, through which Activision Publishing encourages independent creators and studios.
	Contribute to promotion of languages <ul style="list-style-type: none"> Blizzard Entertainment's <i>World of Warcraft</i>® is accessible in 10 languages. 44 languages sung by the artists in the UMG catalogue and 36 in the UMG France catalogue. At Maroc Telecom group level, products and services are available in a total of eight languages. In Morocco, the Amazigh-language mobile telephony offer, available since 2007, was enriched with the introduction of new terminals. Studiocanal dubbed 44 films into 9 different languages and subtitled 33 films in 14 different languages.
Promoting young and new talents	Spotting the talents of tomorrow <ul style="list-style-type: none"> The subsidiaries have continued their programs and partnerships for spotting young talent throughout the world. In France, Universal Music signed with 58 new artists; Canal+ accompanies new talent and young filmmakers thanks to its scouting program <i>Repérages</i> and specific programs such as <i>La Nouvelle Trilogie</i> and <i>Les Programmes Courts</i>.
	Accompany local talent <ul style="list-style-type: none"> Vivendi renewed its support for training of young sound engineers in Mall and film-school students in Morocco (see p. 82).
Promoting cultural heritage	Preserve and promote works that are part of the heritage <ul style="list-style-type: none"> Studiocanal devoted 5% of its investments to preserving and maintaining its catalogue. Several offers leverage this back catalogue: <i>Studiocanal Collection</i>, the Ciné+ Classic channel and a dedicated website. Creation of the Canal+ Corporate Foundation for cinema for the distribution and promotion of French cinema heritage. UMG Publishing entered into a partnership with the Ircam (French Acoustic/musical coordination and research institute) involving digitization of musical scores.
	Support local artistic expression <ul style="list-style-type: none"> Creation of five event channels by Canal+ Overseas, giving Overseas subscribers full access to regional sports and cultural events. As a partner in FESPACO and the <i>Festival Écrans noirs</i>, Canal+ Africa, a subsidiary of Canal+ Group, contributes to the dissemination and development of the African cinema and offers special programming for its African subscribers: news (+ d'Afrique), sports (<i>Talents d'Afrique</i>), African art and creativity (<i>Afrik'Art</i>). Support from UMG for the Recording Industry Association of Japan aimed at promoting the development and expansion of Japanese musical culture. Many Maroc Telecom cultural partnerships promote the Kingdom's cultural expressions and heritage.

* UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005).

AREA FOR ACTION

SHARING KNOWLEDGE

Demanding a high level of quality of content, encouraging intercultural dialogue, fostering public awareness of sustainable development issues, and facilitating access to information and communication technologies delineate the issue of sharing knowledge – a strategic one for Vivendi, whose business units are major players in the digital revolution.

		Comments and actions 2011
Promoting pluralism of information and quality of content	Put the Group's commitment into practice	<ul style="list-style-type: none"> Respect for freedom of expression is set down in the Group's Data and Content Protection Charter. In conformity with conventions signed with the CSA (French Broadcasting Authority), pluralism, quality, and rigorousness are at the core of the Canal+ Group's professional ethics.
	Guarantee quality and pluralism of content	<ul style="list-style-type: none"> The subsidiaries' excellent positioning on their respective markets is the result of the quality of their offerings and services (see p. 79). Studio canal, a Canal+ Group subsidiary, has a rich catalogue of more than 5,000 films representative of 60 countries. Canal+ Overseas, a Canal+ Group subsidiary, distributes more than 300 international, national and local channels to the four corners of the globe. Maroc Telecom's Menara portal, available in French and Arabic, uses news from the national and international press agencies.
	Build bridges between cultures	<ul style="list-style-type: none"> Vivendi is a founding partner of the <i>Rencontres internationales du cinéma sous la tente</i> in Ouarzazate, Morocco (see p. 82). Strategic local partnerships give customers access to new content (see p. 79). The Canal+ Group offers a bundle of channels in more than 30 African countries. Accessibility to content and services in several languages creates links between cultures (see p. 76).
Encouraging intercultural dialogue	Encourage a spirit of openness between peoples and generations	<ul style="list-style-type: none"> Vivendi was invited by the United Nations to take part in its 4th Alliance of Civilizations Forum (UNAOC) in December. Vivendi received young leaders of the MENA Fellowship Program (see p. 32-33). Canal+ offers its audiences a window on the world – for example through rich film programming that gives ample space to foreign films and genre cinema. Thanks to its event channels and co-productions (see p. 76), Canal+ Overseas is promoting the dissemination of Overseas and African cultures.
	Encourage awareness of sustainable development issues	<ul style="list-style-type: none"> With its concerned documentaries (such as <i>Makay, les aventuriers d'un monde perdu</i>; <i>Paris Clichy / Paris clichés</i>; <i>Familles no carbone</i>) the Canal+ channel makes its subscribers aware of sustainable development issues and nourishes their critical spirit. SFR encourages its customers to "consume green": more than 350,000 mobile devices were collected.
Raising awareness of sustainable development	Contribute to causes in the general interest	<ul style="list-style-type: none"> Universal Music Group and Blizzard Entertainment mobilized to support populations affected by disasters in Japan. Activision Publishing contributed \$3 million to the <i>Call of Duty Endowment</i>, which works to help US Army veterans re-entering the job market. Telecom partner of Sidaction ("AIDS action") since 2009, SFR mobilizes its know-how, infrastructures and employee volunteers each year.
	Invest in isolated regions	<ul style="list-style-type: none"> The Maroc Telecom group covered 1,707 additional rural localities in the African countries where it operates. It is continuing its fiber-optic cable programs. SFR signed a national agreement aimed at strengthening the deployment of fiber optic outside very dense areas in France.
Facilitating access to ICTs and content: struggling against digital divides	Accompany persons with low income	<ul style="list-style-type: none"> SFR and <i>Emmaüs Défi</i> continued their mobile telephony solidarity program. The Maroc Telecom group is increasing social accessibility to information and communication technologies (ICTs) through special student offers and by supporting local associations (see p. 82). GVT is the leading operator on the Brazilian market in terms of broadband and ultra-high-speed offers at affordable prices, and up to 75% of GVT customers use 10 Mbit/s or more.
	Contribute to the autonomy of disabled or elderly persons	<ul style="list-style-type: none"> Innovation is at the heart of accessibility: SFR launched training in iPhone use for its visually deficient customers; Maroc Telecom launched Vocalis, a mobile solution for visually impaired persons; billing in Braille or specific customer assistance for the hearing-impaired at GVT. Blizzard Entertainment's <i>World of Warcraft®</i>, which includes multiple adaptations for visual deficiencies, is one of the more accessible games on the market.

AREA FOR ACTION

PROTECTION OF PERSONAL DATA

Vivendi, whose business activities are based on the subscription economic model, collects data intended for managing commercial relations with its customers. The protection and security of personal information is a strategic issue for the Group, and it has put demanding rules governing data collection and processing in place.

		Comments and actions 2011
Promoting our standards and guidelines	Apply the Data and Content Protection Charter	<ul style="list-style-type: none">This charter, adopted in 2008, defines Vivendi's commitments regarding collection and management of personal information on customers and protection of content. This is a strategic issue for the Group, 75% of whose revenues rely on the subscription model.The General Counsel informed the working group in charge of this issue so that procedures can be adapted in preparation for the changes related to the proposed European regulation on protection of personal data.
	Ensure application of the Guide to good practices regarding sensitive data	<ul style="list-style-type: none">The guide was drawn up in 2010 for IT administrators and others in the Group's entities.It contains recommendations aimed at limiting the risk of alteration, loss and divulgence of personal information to unauthorized third parties and seeing that suppliers and providers participate in exercising vigilance.
	Report to the Risks Committee	<ul style="list-style-type: none">The subsidiaries report to the Risks Committee each year on actions taken in the context of the Group's commitments.
	Evaluate information systems	<ul style="list-style-type: none">Internal and external audits of the most sensitive information systems are conducted regularly to evaluate the effectiveness of protective measures.
	Apply the recommendations of the working group in charge of protection of personal data	<ul style="list-style-type: none">A working group created at the initiative of the General Counsel includes the correspondents in charge of protecting personal data at the head office and in the subsidiaries.They are responsible for disseminating and harmonizing rules on collection and processing of personal data in all the Group's entities.
Ensuring monitoring of procedures	Include personal data in reporting	<ul style="list-style-type: none">In 2011, in its extra-financial reporting protocol, Vivendi formalized three indicators related to personal data:<ul style="list-style-type: none">- Existence of a commitment by each subsidiary;- Monitoring mechanisms associated with application of these commitments;- Actions for raising awareness, in particular of young audiences, about posting personal data and information concerning private life online.
	Raising employees' awareness about customers' personal data	<ul style="list-style-type: none">Maroc Telecom conducted an internal communication campaign on the theme "Our customers' data are confidential. Keeping them secure is an obligation."
	Advise customers on how to manage their personal data	<ul style="list-style-type: none">The Group's subsidiaries make efforts to make users aware of the need for vigilance over their personal data and provide advice and tools for increasing security:<ul style="list-style-type: none">- SFR has a website section with advice for protecting personal data. It warns against data theft methods like social engineering¹ and phishing²;- Blizzard Entertainment informs players about behaviors which could result in thefts of accounts and offers additional optional account-security tools.This information is also adapted to young users (see p. 75).
Strengthening the security of customers' personal data	Demonstrate a demanding attitude toward suppliers and service providers	<ul style="list-style-type: none">Suppliers and service providers who have access to customers' data apply Vivendi's commitments regarding protection of personal data.To ensure this, specific clauses are included in contracts by the subsidiaries to ensure that the same level of security is applied.

¹ Techniques for fraudulent manipulation to obtain confidential information.

² E-mails sent to gamers to acquire their log-on information.

AREA FOR ACTION

LEVERAGING CONTENT AND INNOVATION

Vivendi invests massively in content and creation (€2.3 billion). Relying on excellence to satisfy its tens of millions of customers throughout the world and attract the best talent, developing synergies within the Group, and protecting intellectual property are all priorities for the Group.

Comments and actions 2011	
Invest in excellence	<ul style="list-style-type: none">In 2011, Activision Publishing's <i>Call of Duty®: Modern Warfare®3</i> became the first video game ever to surpass \$775 million in retail sales in its first five days of release and the only entertainment property to cross the \$1 billion mark in 16-days. Blizzard Entertainment's <i>World of Warcraft®: Cataclysm®</i>, the most recent expansion for its critically acclaimed massively multiplayer online role-playing game, set a new industry record for fastest-selling PC game.Universal Music Group artists won unmatched worldwide successes: best-selling albums for veteran artists like Lady Gaga and Rihanna, but also for new talents like Jessie J and LMFAO. <i>Victoires de la Musique 2011</i> awards for Gaëtan Roussel, Ben l'Oncle Soul, and Abd Al Malik.The Canal+ Group confirmed its innovative and pioneering positioning in the French audiovisual landscape, as shown by the critical success and record viewership garnered by the original Canal+ creation <i>Borgia</i>.
Investing in creation and content	Enter into strategic partnerships <ul style="list-style-type: none">UMG is a partner in Baidu, the leading search engine in Chinese, to distribute its digital catalogue and has created a joint venture with Live Nation, the world leader in concert organizing and online ticket sales.StudioCanal, a subsidiary of Canal+ Group, stands today as the leading European studio for quality independent cinema. A distribution agreement for Miramax films was signed with Lionsgate Studios; a first-time-ever agreement was made with an important European investment fund for co-financing some one hundred international films.Two major partnerships have been entered into by the Canal+ Group: in France, an agreement with the Bolloré Group to acquire its free channels Direct 8 and Direct Star; in Poland, an agreement with the TVN Group to merge the two companies' Pay tv businesses. The Group also announced a strategic editorial, commercial, and technological partnership with Orange.
Leveraging the Group's investments through synergies	Leverage technological and operational expertise <ul style="list-style-type: none">Synergies and support within the Group enable GVT to launch or accelerate the marketing of innovative products. The Brazilian operator has been able to offer access to Blizzard Entertainment's <i>World of Warcraft®</i> online game, launch a Pay tv offer thanks to support from the Canal+ Group and SFR, and offer its subscribers unlimited access to thousands of songs, videos, and live concerts in partnership with UMG. Encourage sharing of know-how <ul style="list-style-type: none">UMG launched OFF TV, the first web TV fully integrated into a record publishing house. Thanks to a partnership with SFR, OFF TV is accessible to neufbox customers via an interactive application.Among the new services offered to the younger generation by the Maroc Telecom group is the Universal Music fixed-price package, designed in partnership with UMG, which meets with great commercial success.Anticipating evolutions such as the arrival of connected TV sets, the Canal+ Group created CanalPlay Infinity, a subscription video-on-demand offer with unlimited access. The service was previewed with SFR in November.
Ensuring respect for intellectual property	At Group level <ul style="list-style-type: none">To leverage its investments, Vivendi sees to it that intellectual property rights are respected – a priority for the Group – while continuing to satisfy consumers seeking new uses. At the level of each subsidiary <ul style="list-style-type: none">The subsidiaries conduct awareness-raising actions, strengthen technical solutions for fighting piracy, involve themselves in the regulatory sphere, develop new economic models, and put together ambitious offerings for legal distribution of musical, audiovisual, and cinematic works.

AREA FOR ACTION

VIGILANCE TOWARDS SUPPLIERS

Vivendi is committed to increasing the accountability of its main suppliers and subcontractors regarding its sustainable development issues. The subsidiaries make efforts to associate their commercial partners in applying the commitments made by the Group. They implement monitoring instruments in the form of evaluations and audits in order to verify application of these commitments.

Comments and actions 2011	
Promoting our standards and guidelines	Ensure that the Compliance Program is implemented <ul style="list-style-type: none"> The Compliance Program includes a rule that recalls suppliers' commitment to supplying goods and services in conformity with standards of commercial and social ethics.
	Enforce the commitments of the United Nations Global Compact <ul style="list-style-type: none"> Vivendi informs suppliers and service providers and associates them in its commitments to respecting human rights and social and environmental responsibility as defined in the United Nations Global Compact.
	Include the sustainable development clause in supplier contracts <ul style="list-style-type: none"> As part a responsible-purchasing process, the Group's subsidiaries include a sustainable development clause founded on the principles of the United Nations Global Compact into their supplier contracts. SFR, which joined the United Nations Global Compact in 2012, already strengthened its purchasing policy to meet to its principles.
Implementing monitoring instruments	Feed back information relating to subcontractors and suppliers <ul style="list-style-type: none"> In 2011, Vivendi included four indicators relating to subcontracting and suppliers in its extra-financial reporting protocol: the existence of a commitment relating to the integration of sustainable development issues; mechanisms for monitoring that commitment; the percentage of the top 25 suppliers who are signatories of or comply with national or international guidelines; and the evaluation of adherence to the Group's commitments.
	Conduct audits of suppliers <ul style="list-style-type: none"> In 2010 Vivendi's Internal Audit Department began a review of suppliers on the occasion of the audit conducted at Bravado, the Universal Music Group subsidiary in charge of merchandising activities. The review continued in 2011 within the Bravado entity in Germany. SFR audited the corporate social responsibility approaches of two of its suppliers (of mobiles and SFR boxes) in China. Activision Blizzard conducted three audits in plants located in China covering several aspects including adherence to labor legislation, the conditions under which products are manufactured, and application of anti-corruption regulations.
	Conduct evaluations <ul style="list-style-type: none"> SFR evaluated 50 suppliers on several criteria in its sustainable development policy: environment, social, ethics, and purchasing. The evaluation was followed by the implementation of corrective action plans. Within its Purchasing Department, GVT has created a Suppliers Development Department dedicated to improving the performance of the supply chain and promoting GVT's commitments to responsible purchasing. The first stage of the process put in place calls for regular evaluation of suppliers on criteria regarding quality, logistics, environment, social matters, etc. When issuing tender calls, Canal+ evaluates equipment suppliers, among others, on the basis of quality certifications and elements of their sustainable development policy.
Contributing to raising subsidiaries' awareness of the suppliers issue	Implement training in supplier management <ul style="list-style-type: none"> Vivendi's Internal Audit Department, which participates in the Group's vigilance regarding suppliers, will continue its awareness raising and vigilance efforts in 2012 with training sessions for the Group's subsidiaries.
	Develop risk mapping <ul style="list-style-type: none"> The Sustainable Development Department finalized the map of sustainable development risks, which includes vigilance toward suppliers, at Group level.

AREA FOR ACTION

LEVERAGING HUMAN RESOURCES

Vivendi has chosen a decentralized form of Human Resources management, one whose strategic backbone is accompanying innovation, the growth of the Group, and the professional development of each and every employee.

		Comments and actions 2011
Being a partner in the Group's talents	Manage talents and contribute to professional development	<ul style="list-style-type: none">The employee is the primary player in his or her own professional development, with the support of managers and Human Resources teams.To anticipate change, the subsidiaries participate actively in the skills-monitoring units provided for in their collective-bargaining agreements.Mobility is a major axis of the Group's policy for managing talent.
	Offer innovative, appropriate training	<ul style="list-style-type: none">Training offerings are updated each year in the interest of effectiveness. More than 70% of employees receive training in France.
	Maintain an attractive remuneration policy	<ul style="list-style-type: none">The Group endeavors to keep wages and benefits competitive in order to motivate and retain the best talent.All employees are associated in the Group's success through profit sharing and participation in France or bonuses keyed to profits in entities outside France.
Recognizing employees' contribution	Encourage employee shareholding	<ul style="list-style-type: none">Vivendi implements measures for employee shareholding that protect savings, such as Opus 11.2.59% of the Group's share capital is owned by employees as of 12.31.2011.
	Encourage social dialogue	<ul style="list-style-type: none">Social dialogue enables common social and societal goals, which are factors of cohesion, to be defined. Vivendi and its social partners plan to broaden social-dialogue bodies to the international level.The agreements signed by the Group's entities dealt largely with remunerations, gender equality and disabled workers.
	Promote gender equality	<ul style="list-style-type: none">The percentage of women (34%) remains stable. Measures such as equity in recruiting, wage equality and training after job absence combine with agreements relating to parenthood and the work week.A mentoring and networking program aimed at promoting and developing a "hothouse" of future executives and corporate leaders will be launched in 2012.
Encouraging equal opportunity and employee fulfillment	Act to promote integration of young people into the job market	<ul style="list-style-type: none">For Vivendi, a signatory of the Apprenticeship Charter, apprenticeship is both a key to employment of young people and a plus for the company.The subsidiaries are strongly committed to equal opportunity: SFR is a partner in <i>Talents des Cités</i>, GVT is continuing its support to the <i>Educar</i> program created in 2009, and Maroc Telecom encourages new business creation (MT2E).
	Accompany disabled workers	<ul style="list-style-type: none">The Group has 6% more disabled workers than in 2010.Among its yearly actions to raise awareness of disability, Canal+ organized a Disability Week. SFR entered into partnerships with sheltered workshops in 2011.
	Facilitate balance between private life and working life	<ul style="list-style-type: none">Thanks to trailblazing agreements on the work week, the subsidiaries are experimenting with measures in favor of telework.Vivendi also has a range of preventive measures for management of stress and psycho-social risks in each entity.
Encouraging innovation	Share expertise	<ul style="list-style-type: none">Collaborative innovation platforms have been set up by the subsidiaries to facilitate knowledge sharing both inside and outside the company (like the <i>Atelier</i> or the creative social network called <i>What</i>, both set up by SFR).Vivendi supports and promotes the social initiatives of the Group's business units. The first i3 Vivendi Stars 2011 awards went to five innovative projects.
	Encourage and spot innovative young talents	<ul style="list-style-type: none">To scout out young future talent, SFR has developed its own business game entitled <i>Wh@t a challenge!</i>, and Canal+ has organized the <i>Grand Match de l'Innovation</i>, whose purpose was to imagine the television of tomorrow.

AREA FOR ACTION

TERRITORIAL DEVELOPMENT

Vivendi makes a point of evaluating its contribution to development in the countries where it operates, and particularly in emerging and fast-growth countries. To this end, three geographical areas have been chosen to better assess this contribution to local development.

Comments and actions 2011	
Contributing to economic and social development	Evaluate direct jobs, social benefits, and indirect jobs
	<ul style="list-style-type: none"> The Group has 58,318 employees in the world, of whom 15,691 (27%) are in France, 14,650 (25%) in Brazil, and 14,069 (24%) in Africa¹ (as of 12.31.2011). In France, as of December 31, 2011, Vivendi had contributed to the creation of 4,361 jobs in the context of its first convention (2005-2009) entered into with the public authorities. Via their activities, the subsidiaries contribute to stimulating the local economy: an estimated 50,000 indirect jobs have been created by GVT, and more than 240,000 by businesses of the Maroc Telecom group (whose MT2E association encourages start-ups of new companies and employment promotion). The Group's African subsidiaries make efforts to guarantee benefits to their employees and their families. In Mali, for example, Maroc Telecom's subsidiary Sotelma has implemented health insurance to cover medical treatments and expenses.
	Use local suppliers and participate in the local tax base
	<ul style="list-style-type: none"> Universal Music Group and Maroc Telecom make a point of using local suppliers, who account, regarding UMG, for 95% of purchases made in South Africa, 85% in Brazil, and 65% in France and 28% regarding Maroc Telecom in Morocco. GVT has also made a priority of developing its Brazilian suppliers (see p. 63). With the extension of the network of its subsidiary Canal+ Africa, the Canal+ Group has worked outstandingly with the local economy. 34% of the total corporate tax paid by Vivendi is paid by Group subsidiaries present on the African continent (compared to 30% in France).
	Participate in ensuring digital coverage of territories
	<ul style="list-style-type: none"> The efforts made by the Group's subsidiaries to reduce the digital divide are encouraging burgeoning economic and social development in the zones impacted, to the benefit of local populations (see p. 77). SFR covered 7,552 rural localities. Maroc Telecom covered 1,384 new rural localities (under the national program PACTE) and its subsidiaries more than 300. The operator devoted 19.5% of its network investments to reducing the digital divide. As the Internet is an educational tool and a vector of human, economic and social development, Maroc Telecom took part in the <i>Injaz</i> program, which offers students special access to the Internet.
	Support artistic creation
Encouraging sharing skills	<ul style="list-style-type: none"> Through its activities, the Group contributes to developing and strengthening local cultural industries (see p. 76).
	Invest in employees training
	<ul style="list-style-type: none"> Vivendi's job-creating subsidiaries support the development of employees' skills. For example, Canal+ Africa continued its sales training efforts. 61% of Vivendi employees located in Africa and nearly 85% of employees in Brazil were given training¹. The average training duration per employee trained is, respectively, 38.6 hours and 64.4 hours, compared to 32.6 hours in France. The ratio of training expenditures to payroll is 4.3% and 3.7%, compared to 2.4% at Group level².
Supporting the local non-profit fabric	Continue programs for training and strengthening production capacities
	<ul style="list-style-type: none"> Vivendi contributes directly to strengthening local cultural production capacities on the African continent. <ul style="list-style-type: none"> - Vivendi continued its program of training sound engineers with Salif Keita in Mali for the 7th session. - Vivendi also renewed its support for training for students of the <i>Institut spécialisé dans les métiers du cinéma</i> in Ouarzazate, Morocco.
	Deploy Vivendi's solidarity program
Promote initiatives by the subsidiaries	<ul style="list-style-type: none"> The objective of Create Joy, founded in 2008, is to help disadvantaged young people to achieve their full potential via associations and NGOs through Vivendi's business activities. Vivendi financed 22 associations and 30 projects, in France and internationally.
	<ul style="list-style-type: none"> The subsidiaries devoted €14.5 million to their foundations, solidarity programs and sponsorship actions.

¹ The details of the scope studied can be found in the additional information available in the Online Detailed Sustainable Development Report.

² All social data can be found in the document *Sociographics – Environmental Policy – 2011*.

AREA FOR ACTION

RESPECTING THE ENVIRONMENT

Vivendi operates in business areas where exposure to environmental risks is relatively low. The Group has adopted a responsible approach characterized by a will to control the impact of its business activities on the environment and maintains vigilance in the area of radiofrequencies and their impact on health. It has revised its reporting protocol to strengthen measurement of its performance, in particular in the area of energy, where electricity consumption accounts for nearly 80% of the Group's CO₂ emissions.

		Comments and actions 2011
Implementing our standards and guidelines	Apply the Compliance Program	<ul style="list-style-type: none"> The Compliance Program includes a rule of conduct by which all Group employees must contribute to environmental protection within the scope of their functions.
	Enforce the commitments of the United Nations Global Compact	<ul style="list-style-type: none"> Vivendi is committed to adopting a precautionary approach to problems involving the environment, giving preference to initiatives for protecting the environment, and encouraging the development and distribution of environmentally friendly technologies.
Improving the evaluation of our environmental impact	Improve environmental reporting	<ul style="list-style-type: none"> The network of coordinators in charge of environmental reporting in the business units has been reconstituted, the indicators have been revised to retain the ones most pertinent to Group's activities, and new functionalities have been integrated into the reporting tool.
	Promote Environmental Management Systems	<ul style="list-style-type: none"> For the sixth consecutive year, SFR obtained ISO 14001 certification of its Environmental Management System. The scope of the certification was extended to the eco-design of the neufbox Evolution set-top box and to 14 new sites in the fixed network and one mixed site (tertiary and point of sale) on Réunion. Vivendi's head office, registered with EMAS since 2009, confirmed the certification of its Environmental Management System following the audit conducted in 2011.
Making the issue of energy a priority	Continue to use renewable energy sources	<ul style="list-style-type: none"> Maroc Telecom deploys workshops in solar energy for equipping masts located in rural areas. The sub-Saharan subsidiaries are also associated in this program. The Universal Music Group site in Antony (France) is now part of EDF's "green certificates" program, which gives priority to electricity produced from renewable energy sources.
	Control energy consumption	<ul style="list-style-type: none"> SFR building projects like the data center inaugurated at Trappes and the future head office – work on which began in late 2011 – aim for environmental certification and are at the leading edge of innovation. SFR is engaged in experimentation with the environmental stickering of cell phones launched by the French Ministry for the Environment. UMG's Head Office in Santa Monica (USA) was granted Energy Star certification, which approves the energy economy measures put in place at the site, for the fifth consecutive year. GVT has implemented a process of control of energy consumption and deployed an action plan for reducing it.
Maintaining vigilance regarding health impacts of radio-frequencies	Develop eco-designed products	<ul style="list-style-type: none"> SFR's eco-designed neufbox Evolution was ISO 14001 certified. SFR launched the first French pilot with paper SIM half-cards. Canal+ continued the replacement of its customers' set-top boxes with new ones that perform better energy-wise (more than 2 million set-top boxes collected in 2011).
	Provide attentive watch and inform the public	<ul style="list-style-type: none"> Vivendi is attentive to the most recent positions taken by national and international authorities (the World Health Organization, the French Health Ministry) on the health impacts of radiofrequencies and relays them in its communications. Electromagnetic measurements of fields taken each year near masts (507 for SFR and 424 for Maroc Telecom) enable local information to be given to populations living near them.
	Continue a process of dialogue	<ul style="list-style-type: none"> SFR took part in 372 informational meetings with stakeholders to accompany its installation of masts. Representatives of the regional Directories and sales delegations of Maroc Telecom held several meetings with residents to present new projects for installing masts.

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create joy 
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Vivendi supports projects dedicated to disadvantaged young people through its Create Joy Fund. Its mission is to bring joy and help these young people achieve their full potential through Vivendi's activities. In 2011, The Vivendi Create Joy Fund supported over 30 projects implemented by associations and NGOs in the United States, France, in the UK, Morocco, Burkina Faso, Mali and Brazil.