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# Entertainment. It's vital.

**vivendi**

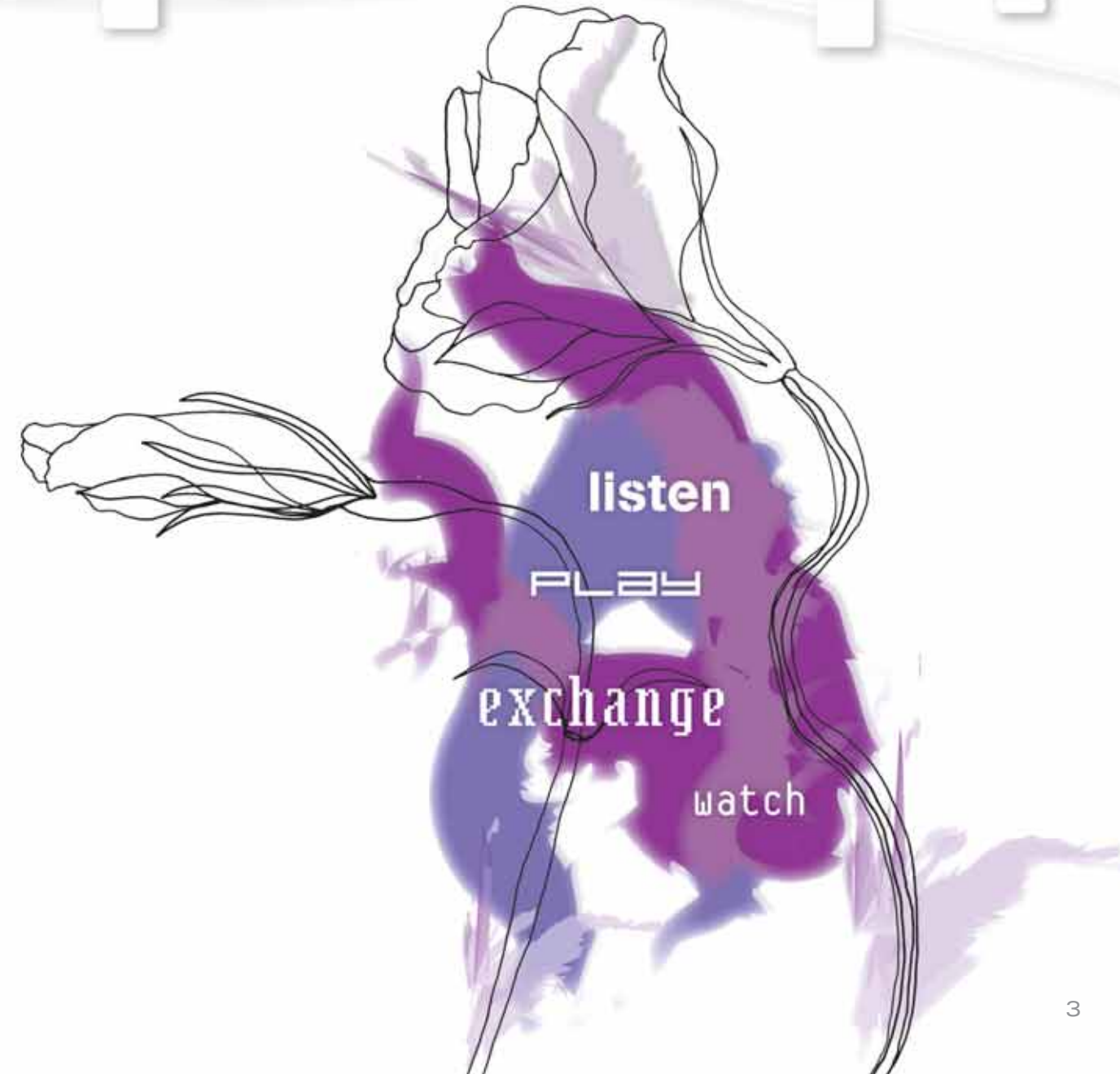
music, television, cinema, mobile, internet, games

Entertainment. It's as vital as eating, drinking and sleeping.

As children, we play as naturally as we breathe.

As adults, we thrive on music, images, shows and exchanging with others.

Vivendi is investing all of its energy and talent to bring you the wonders of entertainment. Our companies, Universal Music Group, Canal+ Group, SFR, Maroc Telecom, Vivendi Games – all leaders in their respective fields – are part of this adventure.





## Message from the Chairman and CEO

2006 was a historic year for Vivendi: with adjusted net income of €2.6 billion – an increase of 18% – our group recorded its best performance ever. Thanks to the constant efforts of the group's employees, who make these excellent operating results possible throughout our businesses, Vivendi surpassed its objective for the year. Our shareholders will directly benefit from these results with a dividend of €1.20 per share (+20% over the prior year). In accordance with the group's distribution policy, Vivendi will distribute more than half of its adjusted net income.

Vivendi's strategy is to develop and consolidate the position of its businesses in the entertainment sector. In 2006, Vivendi invested more than €5 billion in the development and acquisition of content, capital expenditure and reasonable external growth transactions.

Many new products and services were launched or developed within the group during the year: Universal Music Group developed digital music services and now offers the largest catalog

of digital music in the world; Canal+ Group deployed television services for mobile phones and video on demand; SFR launched 3G+ services; Maroc Telecom launched television via ADSL and Vivendi Games expanded its activities in the mobile games market and continued to develop its *World of Warcraft* game.

Vivendi and its businesses also carried out several key acquisitions which further reinforce the group's positions across various sectors: combination of the pay-TV activities of Canal+ Group and TPS; acquisition, by Maroc Telecom, of the historic operators of Burkina Faso and Gabon; proposed acquisition of BMG Music Publishing by Universal Music Group and reinforcement of Vivendi Games through the acquisition of several games development studios.

Through these investments, Vivendi develops its businesses in content and digital technologies production and distribution services, providing them with means and opportunities they would not have had as separate entities.

Vivendi's businesses share many common points: they directly target the final consumer via strong brands (Universal Music, Canal+, SFR, Maroc Telecom, Vivendi Games, etc), and propose creative content based on subscription models and digital technology. These common features also provide Vivendi with a competitive advantage as they enable the group, through the exchange of know-how, to develop strong competencies in creation, brands, copyright, subscription management, distribution platforms and in digital technologies.

We intend to make best use of these assets to reinforce our positions and to even better meet consumer expectations. In 2007, we are already benefiting from our strategy and from concrete actions taken to develop the group: the year is off to a good start, and we already anticipate an improvement on our 2006 record year.

**Jean-Bernard Lévy**  
Chairman of the Management Board  
and Chief Executive Officer

## 2006 key figures

### Revenues of more than €20 billion

Vivendi's 2006 revenues reached €20,044 million (+3%).

Despite the downturn in the world music market, Universal Music Group (UMG) posted a 1.5% increase (at constant currency) largely due to growth in digital music sales.

Canal+ Group progressed by more than 5% primarily thanks to good results from the pay-TV business. At the end of 2006, Canal+ Group had more than 8.6 million subscriptions (a net increase of 350,000 in one year).

Despite the continuous growth in traffic (+18%) SFR's revenues remained stable (-0.1%) as a result of significant price decreases imposed by the regulator which weighed heavily on the sector. At the end of 2006, SFR registered 17.9 million customers (+4%) and confirmed the success of new mobile phone uses such as music, TV/video and games. >>>

**Revenues**

**€20,044** million  
against €19,484 million in 2005, +3%

**EBITA**

**€4,370** million  
against €3,985 million in 2005, +10%

**Adjusted net income**

**€2,614** million  
against €2,218 million in 2005, +18%

**Earnings**, attributable to equity holders of the parent

**€4,033** million  
against €3,154 million in 2005, +28%

**Dividend** for fiscal year 2006

**€1.20** per share  
against €1.00 per share in 2005, +20%

**Number** of employees

**34,694** in **77** countries  
at December 31, 2006

Vivendi is listed in Paris (Compartment 'A' of Eurolist by Euronext Paris S.A. (code ISIN FR 0000127771)) and is included in the CAC 40 index.

## 2006 key figures

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Maroc Telecom registered growth of over 10.4%. In 2006, the mobile telephone client base reached 10.7 million (+30%). Fixed-line and internet activities increased by almost 6%.

Vivendi Games progressed by more than 25%, thanks to the on-going success of the No. 1 Massively Multi-Player Online Role-Playing Game (MMORPG), *World of Warcraft*. *Scarface: The World is Yours*, *F.E.A.R.* and *Eragon* also performed well.

### **EBITA increase of almost 10%**

Vivendi's EBITA in 2006 reached €4,370 million, an increase of almost 10%. UMG posted an EBITA rise of 9.3% (+10.2% at constant currency) primarily thanks to strong sales. Canal+ Group's EBITA reached €251 million (excluding costs related to the TPS merger), a 21.8% increase on a comparable basis\*, as a result of the increase in subscriptions and

income per subscriber. After taking into account the costs related to the TPS merger, Canal+ Group's EBITA reached €75 million (€74 million on a comparable basis\*).

SFR's EBITA increased by 6.6% (+7.3% excluding ADSL development costs). This rise is due to the growth in network revenue, a decrease in customer retention and acquisition costs and strict control over other costs.

Maroc Telecom's EBITA increased by 16% due to an increase in revenue, controlled acquisition costs and the tighter control of operating costs.

Vivendi Games recorded strong growth with an EBITA increase of 109% which reflected the increase in revenues and the formidable success of *World of Warcraft*.

### **Adjusted net income registers an increase of 18%**

Adjusted net income, which illustrates the performance of the group's activities by excluding the majority of non-operational and non-recurring items, reached €2,614 million (+18%). This growth is the result of excellent operational performances by each of the group's businesses. Adjusted net income per share reached €2.27 (€1.93 in 2005).

Earnings attributable to equity holders of the parent, up by 28%, reached €4,033 million (€3.50 per share) against €3,154 million in 2005 (€2.74 per share). This excellent performance makes it possible for Vivendi to propose the distribution of a dividend of €1.20 per share (+20%) – representing a total payment of €1.4 billion.

\* The comparable basis illustrates primarily the impact of Canal+ Group's divestitures (mainly NC Numéricable in 2005 and PSG in 2006), as if these operations had occurred on January 1, 2005

# Corporate governance

Vivendi is governed by a Supervisory Board and a Management Board. The Supervisory Board, chaired by Jean-René Fourtou, determines Vivendi's strategic orientations and monitors the management of the group by the Management Board. The Supervisory Board, which met 11 times in 2006, has four committees – the Strategy Committee, the Audit Committee, the Human Resources Committee and the Corporate Governance Committee – which examine and prepare for the Supervisory Board's deliberations.

Vivendi's Management Board is chaired by Jean-Bernard Lévy and comprises the businesses' operational leaders and Vivendi's Chief Financial Officer. The Management Board's mission is to manage the group and implement its strategy. The Management Board met 20 times in 2006.

## Supervisory Board



**Jean-René Fourtou**  
Chairman of the Supervisory Board



**Henri Lachmann** □  
Vice Chairman of the Supervisory Board  
Chairman of Schneider Electric



**Claude Bébéar**  
Chairman of the Supervisory Board of Axa Group



**Gérard Brémond** □  
Chairman and CEO of Pierre et Vacances Group

**Mehdi Dazi** □ ■  
Chief Executive Officer of Emirates International Investment Company (EIIC)



**Fernando Falcó y Fernández de Córdoba** □ ■  
Director of various companies



**Sarah Frank** □ ■  
Member of the Board of the Foundation of the New York Chapter of the National Academy of Television Arts and Sciences



**Gabriel Hawawini** □  
Professor of Investment Banking (INSEAD) and of Finance (Wharton School)



**Andrzej Olechowski** □ ■  
Senior Adviser of Central Europe Trust Polska



**Pierre Rodocanachi** □  
Chairman of the Advisory Board of Booz Allen Hamilton



**Karel Van Miert** □ ■  
Former Vice President of the European Commission

□ Independent member ■ Non-French citizen  
■ Appointment subject to the ratification of the Shareholders' Meeting on April 19, 2007

## Management Board



**Jean-Bernard Lévy**  
Chairman of the Management Board and CEO



**Abdeslam Ahizoune**  
Chairman of the Management Board of Maroc Telecom



**Jacques Espinasse**  
Chief Financial Officer of Vivendi



**Frank Esser**  
Chairman and CEO of SFR



**Bertrand Meheut**  
Chairman of the Executive Board of Canal+ Group



**Doug Morris**  
Chairman and CEO of Universal Music Group



**René Pénisson**  
Chairman of Vivendi Games  
Senior Executive Vice President, Human Resources of Vivendi

## Senior Executives

Along with Jean-Bernard Lévy, Jacques Espinasse and René Pénisson, Vivendi's Senior Executives are:



**Robert de Metz**  
Senior Executive Vice President, Strategy and Development



**Michel Bourgeois**  
Executive Vice President, Communications and Public Affairs



**Philippe Capron**  
Executive Vice President



**Jean-François Dubos**  
Executive Vice President and General Counsel  
Secretary of the Supervisory and Management Boards

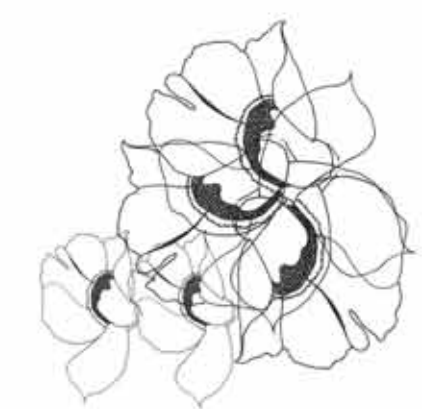


**Régis Turrini**  
Executive Vice President, Mergers and Acquisitions

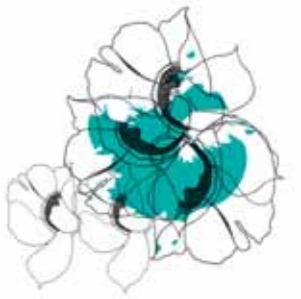
# listen



listen







# Universal Music Group

2006 REVENUES  
€4,955 million

2006 EBITA  
€744 million

EMPLOYEES  
7,869

Universal Music Group (UMG) is the world's No. 1 music content company with global businesses in recorded music and music publishing. UMG is also the world leader in the thriving digital distribution market offering customers a wide range of music download options and the world's largest digital music catalog.

Present in 77 countries, UMG has an estimated 26%\* share of the global physical music market.

### World's No. 1 in recorded music

UMG's recorded music business is the largest in the world with particularly strong positions in the important North American and European markets which together account for nearly three quarters of global sales.

UMG acquires, markets and distributes some of the world's most popular artists through major recording labels including music industry icons: Island Def Jam

Music Group, Interscope Geffen A&M Records, Lost Highway Records, MCA Nashville, Mercury Nashville, Mercury Records, Polydor, Universal Motown Records Group, Decca, Deutsche Grammophon, Philips, Verve and Impulse! Records.

Catalog releases account for a significant and stable part of UMG's recorded music revenues each year. UMG's recorded music catalog, the largest in the world, features some of the most popular and influential recording artists of our time.

### A leader in music publishing

Through Universal Music Publishing Group (UMPG), UMG is also active in the music publishing market. UMPG owns and acquires rights to musical compositions (as opposed to recordings) in order to license them for use in recordings, films, advertisements and live performances. UMPG is the world's No. 3 music publishing company with over one million

owned or administered titles. In September 2006, UMG announced the signing of an agreement with Bertelsmann to acquire BMG Music Publishing, its music publishing subsidiary. This acquisition is subject to regulatory approval.

UMPG represents some of the most important contemporary songwriters and artists and boasts a publishing catalog which includes popular songs such as "American Pie", "Strangers in the Night" and "Girl from Ipanema".

### Supporting the digital distribution of music

UMG strongly supports the digital distribution of music and encourages its growth and development by making a significant amount of its content available in digitized form.

UMG is also active in developing innovative online music offers and new sales channels to further diversify what has become a significant revenue stream.

In the US, downloads of UMG digital tracks (single tracks plus album tracks) increased by nearly two thirds in 2006. This growth was driven by an increase in downloads via Apple's iTunes and later in the year by Over-the-Air (OTA) downloads purchased via mobile telephones. Outside the US, notable growth occurred in the UK, France, Germany and Japan.

New ways to exploit digitized content continue to develop worldwide. In 2005 UMG began to generate revenue from the online exploitation of its music videos within portals such as Yahoo!, AOL and MSN and through permanent download sales at iTunes. New products such as OTA video downloads, video ringtones and mobile video streams are also entering the marketplace to fulfill the growing demand for mobile music entertainment products.

\* According to management estimates at December 31, 2006

# Universal Music Group

## UMG's best-selling albums in 2006

**U2** hit the top of UMG's 2006 best-selling albums list with the singles compilation *U218*



*Eyes Open*, the fourth album from **Snow Patrol**: one of the most significant pop/rock discoveries of the decade



*Amore*, **Andrea Bocelli's** first ever album of popular songs, spans musical eras from the 1920s to the 1980s, in Italian, Spanish, French and English



With her third album *Loose*, Canadian singer/songwriter **Nelly Furtado** makes an impressive transition from her earlier pop and folk inspired albums to the high-energy hip hop/R&B genre



*Sam's Town*, the second chart-topping album from the Las Vegas pop/rock group **The Killers**



## Best-selling artists in regional areas

In 2006 **Rosenstolz**, Germany's pop music favorites, released their 10<sup>th</sup> album *Das grosse Leben*



**Wolfmother**, Australia's hard rock sensation and 2007 Grammy Award winner

**Olivia Ruiz**, UMG's top-selling artist in France in 2006 with her debut album *La Femme Chocolat*



**The SamSons**: currently Indonesia's biggest band with 650,000 albums and 2 million\* ringback tones sold to date

In the UK, the three top-selling albums in 2006 were by UMG artists **Snow Patrol**, **Take That** and **Scissor Sisters** (pictured)



\* According to management estimates at December 31, 2006

# Universal Music Group

## 49<sup>th</sup> Annual Grammy award winners

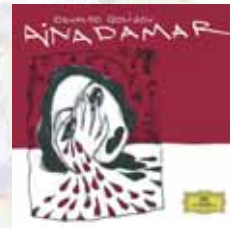
The queen of R&B, UMG's **Mary J. Blige**, was one of the biggest winners at the 49<sup>th</sup> Annual Grammy Awards bringing home three trophies in the R&B category including Best R&B album



Best Pop Instrumental Album:  
**Peter Frampton's**  
*Fingerprints*



Best Classical Contemporary Composition and Best Opera Recording: **Osvaldo Golijov** for *Ainadamar* (Fountain of Tears)



Best Rap Album:  
*Release Therapy*  
by **Ludacris**  
Best Rap Song:  
"Money Maker"  
from **Ludacris'** album  
*Release Therapy*



Best Hard Rock Performance:  
"Woman" from **Wolfmother's**  
self-titled album

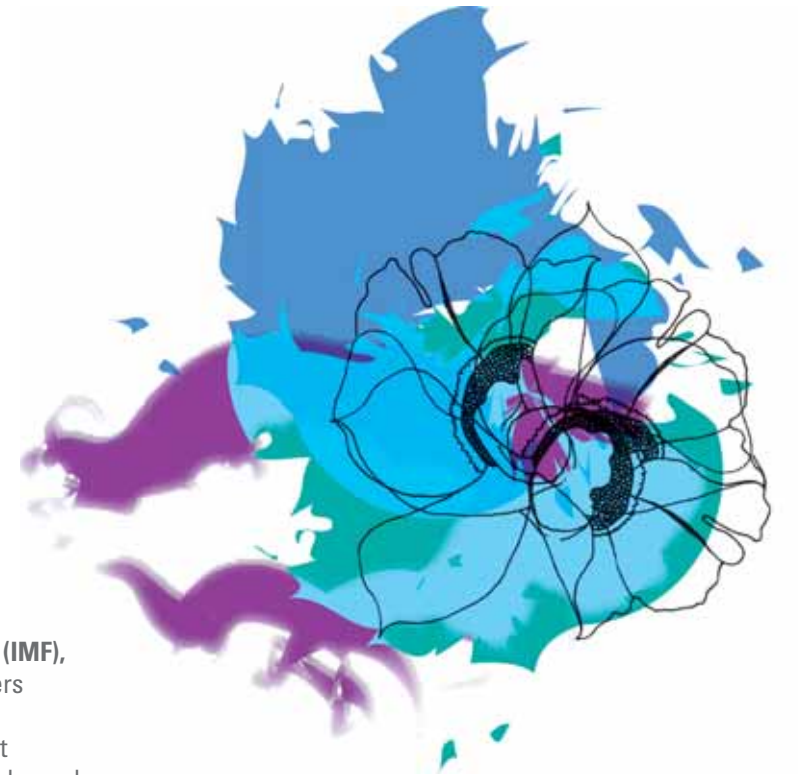


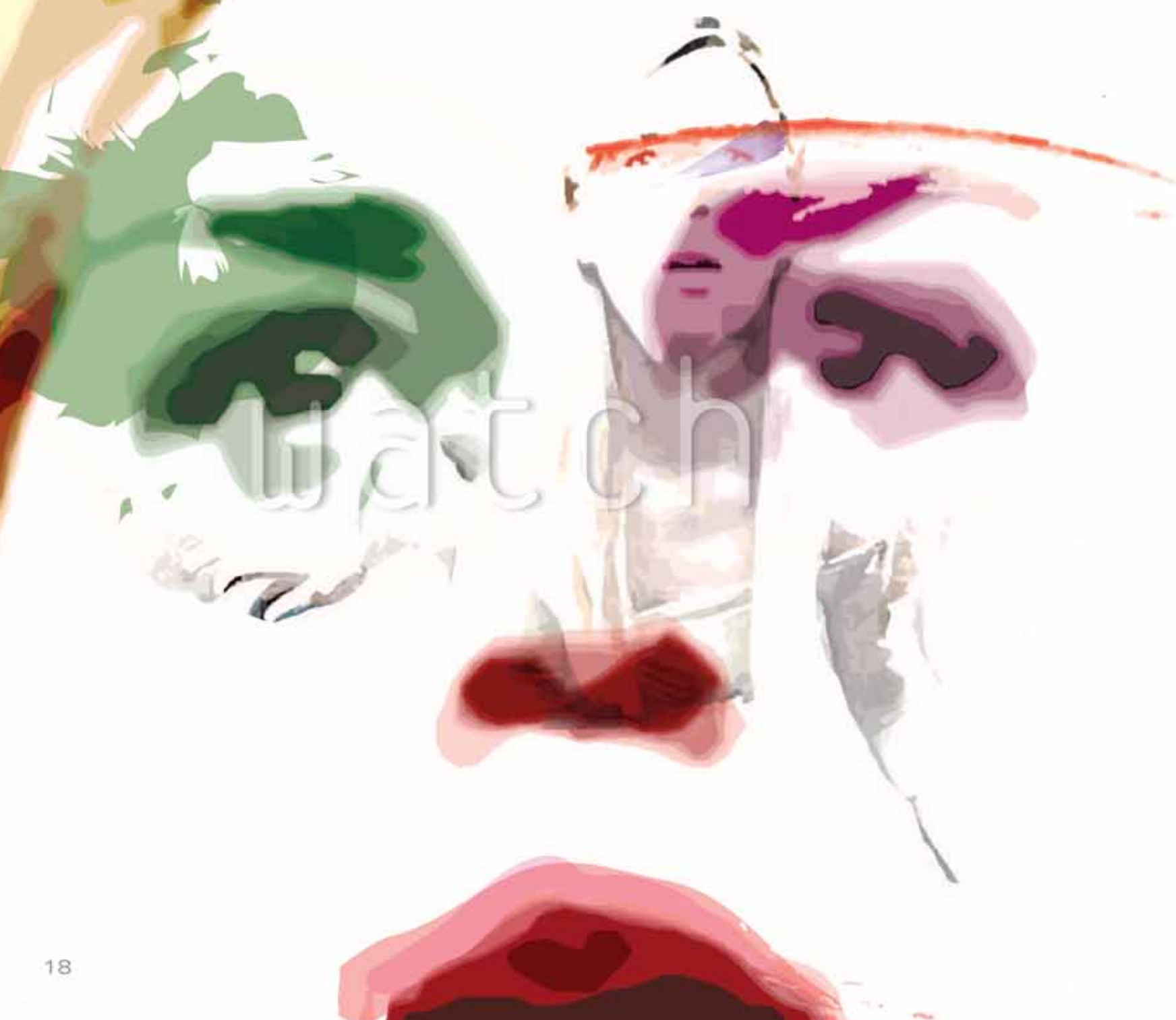
## The world's largest recorded music catalog

UMG is home to the world's largest recorded music catalog featuring a host of legendary artists including Louis Armstrong, Jimi Hendrix, Elton John, Bob Marley, Luciano Pavarotti, Edith Piaf, Michel Sardou, Andrew Lloyd Webber and Barry White

## Music videos on demand

The **International Music Feed (IMF)**, launched by UMG in 2005, offers video-on-demand, broadband and mobile content throughout the world as well as 30 audio channels of music. IMF programming is also now available on multiple national mobile carriers in the US, the UK and France





watch





## Canal+ Group

2006 REVENUES  
€3,630 million

2006 EBITA  
€75 million

EMPLOYEES  
3,699

Canal+ Group is the leader in pay-TV in France with more than 10 million subscriptions to a wide range of offers including Canal+, CanalSat and the former TPS (regrouped under a new entity, Canal+ France). Canal+ Group is also a major producer of French pay-TV channels and, through StudioCanal, a significant contributor to the financing, acquisition and distribution of films.

### **Canal+: TV channels for all tastes**

A pioneer in the field of pay-TV since 1984, Canal+ is the leading premium general-interest channel in France which offers a unique programming format, with an exclusive line-up of the most recent films, the best in sport, documentaries, news, fiction and entertainment. Canal+ is available via analog and

digital terrestrial television, satellite, cable and ADSL networks.

“Canal+ Le Bouquet”, the first multi-channel premium offer in France, features four premium content channels built around Canal+. Canal+ Group also produces a range of channels dedicated to subscribers’ favorite themes – now further enriched by TPS’s channels – which include: films (CinéCinéma), sport (Sport+, InfoSport), news (i>Télé), series (Jimmy), documentaries (Planète) and programs for young people (Piwi, Télétoon).

### **CanalSat, Canal+’s digital television offer**

CanalSat – the only satellite TV offer in France following the agreement with TPS at the beginning of 2007 – is also available via ADSL. This multi-channel

offer has also been adapted to create CanalSat Mobile – a television channel package for third generation (3G) mobile telephones. CanalSat Mobile is available to SFR and Bouygues Telecom subscribers.

### **At the cutting edge of new television services**

Canal+ Group is present in digital terrestrial television with two pay-TV packages: a mini-offer comprised of Canal+, Canal+Cinéma and Canal+Sport as well as CanalSat’s “Minipack”, a supplementary offer which includes Canal J, Eurosport, Paris Première and Planète. Canal+ Group also broadcasts i>Télé, a free 24 hour information channel.

Canal+ Group’s offers can also be easily accessed by 3G mobile phones. In addition to CanalSat Mobile, Canal+ Group offers Canal+ Mobile which features

video content from the premium channel’s most popular programs (available via SFR, Orange and Bouygues Telecom).

CanalPlay, Canal+ Group’s legal video downloading service, offers a large variety of videos. CanalPlay is accessible via PCs ([www.canalplay.com](http://www.canalplay.com)) and television (via ADSL).

### **StudioCanal, a leader in film**

StudioCanal, a 100% subsidiary of Canal+ Group, is a major player in Europe in the production, acquisition and distribution of films. Along with Canal+, StudioCanal is one of the principal partners of French cinema through its contributions to co-productions and guaranteed minimums for film distribution.

# Canal+ Group

More than 10 million subscriptions to Canal+ Group's offers with 5.14 million subscriptions\* to the Canal+ premium channel alone



## Canal+ Le Bouquet

The No. 1 multi-channel premium offer in France (Canal+, Canal+ Cinéma, Canal+ Sport, Canal+ Décaté, Canal+ Hi-Tech)



## 430 films each year on Canal+

including 300 first runs on French TV. Canal+ holds the exclusive rights to show films for the first time on French TV from several major American film studios including 20th Century Fox, NBC Universal, Sony/Columbia and DreamWorks. Canal+ also spent more than €145 million on acquiring French-language films in 2006



## Unparalleled expertise in sports coverage

1,500 hours of sports programming each year, exclusive broadcasting rights, no ad breaks, incisive commentaries by prestigious commentators, exciting and innovative production techniques



## French Premier League soccer

The entire competition broadcast exclusively on Canal+ Group's channels for three seasons (2005-2006 to 2007-2008)



## The best in fiction

Canal+, home to the most sought-after series (*24*, *Desperate Housewives*) and creative and engaging French fiction such as *Djihad*, the made-for-TV two-part film, and the series *Reporters*



## Quality programs

Canal+ continues to offer a large selection of quality entertainment and information programming with a concentrated line-up which includes: the daily live talk show *Le Grand Journal* (pictured); politics each Sunday with *Dimanche+*; the much-celebrated news parody *Les Guignols de l'Information*, investigative reporting with *Lundi Investigation* and the best in local and international music with *La Musicale*



## TV channels for all tastes

Canal+ Group produces around 20 theme channels which are now complemented by the former TPS theme channels: CinéCinéma, TPS Star, Sport+, InfoSport, i>Télé (pictured), Jimmy, Planète and Piwi



**CanalSat: almost 300 channels and services**  
including 55 satellite and ADSL exclusives



## Two TV offers for mobile telephones

CanalSat Mobile, offering 30 live channels and Canal+ Mobile, a video-on-demand offer based on the premium channel, Canal+



## More than 2,000 videos on demand

CanalPlay offers more than 2,000 videos on demand, 1,000 of which are films made for cinema. More than 2.4 million videos were purchased via CanalPlay in 2006 and, since January 2007, customers can download permanently and burn films on DVDs



## A library of more than 5,000 films

StudioCanal's library comprises more than 5,000 French, English and American films including *Basic Instinct*, *Les Bronzés*, *Podium* and *The Pianist*. StudioCanal became the leading French distributor in France (and third overall) in 2006 thanks to the success of two French films *Prête-Moi ta Main* and *Days of Glory (Indigènes)*



## Five Awards at Cannes in 2006

In 2006, StudioCanal took home five trophies from the 2006 Cannes Film Festival including: Best Performance by an Actor for Rachid Bouchareb's film *Days of Glory* (pictured), co-produced and distributed by StudioCanal, and Best Director for *Babel* by Alejandro González Iñárritu (for which StudioCanal holds the rights in France and in several French-speaking countries)



## Four Césars for StudioCanal films in 2007

Three films co-produced and/or distributed by StudioCanal received awards at France's annual film industry event, the César Awards. The winning films were *Je Vais Bien*, *Ne T'en Fais Pas* (Most Promising Actress for Mélanie Laurent and Best Supporting Actor for Kad Merad), *Days of Glory* (Best Original Screenplay), and *Orchestra Seats* (Best Supporting Actress for Valérie Lemercier).

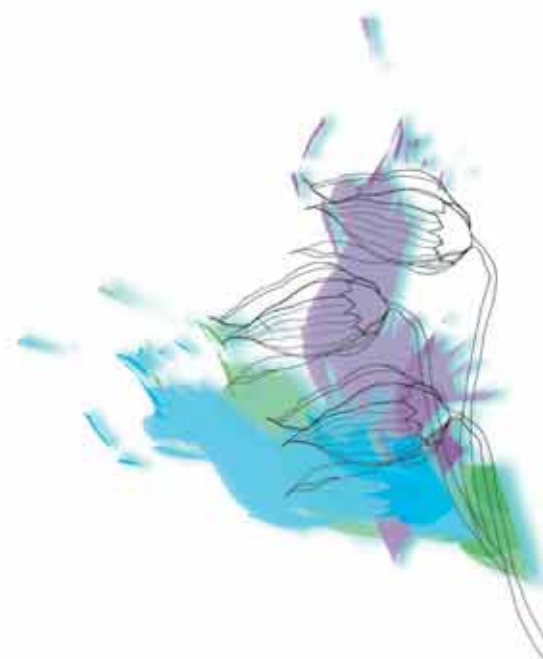
For the 14<sup>th</sup> consecutive year Canal+ broadcast the entire award ceremony live



# EXCHANGE



exchange





Vivendi is a leader in fixed and mobile telecommunications – in France with SFR and in Morocco with Maroc Telecom. Through its presence via these businesses in mobile and fixed-line telecommunications and internet access, Vivendi encourages communication and exchange – offering entertainment to all of its clients.

## SFR

2006 REVENUES  
€8,678 million

2006 EBITA  
€2,583 million

EMPLOYEES  
8,014

SFR, a 56% subsidiary of Vivendi, is the second largest mobile telecommunications operator in France. SFR is also present in the fixed-line telecommunications market with a 40.5% stake in the country's No. 2 fixed-line operator, Neuf Cegetel.

### Making life more mobile with 3G services

SFR, the first operator to launch third generation (3G) mobile services in France in 2004, continued to enrich its offers in 2006 accompanying the strong growth in demand for multimedia mobile services (music and music video downloads, games and consultation of mobile internet sites via the Vodafone Live! portal). SFR continued to develop its traditional telephone services especially voice communications, text messaging (SMS) and multimedia messaging (MMS). In 2006 SFR launched France's first 3G+ offer which increases, once again, data downloading speeds.

### Helping businesses to become more mobile

SFR performed extremely well in the corporate sector in 2006. With the aim of promoting a global approach which goes beyond voice communications, SFR developed a range of innovative mobile offers including mobile internet and email access as well as machine-to-machine communications.

### Non-stop innovation

In December 2006, SFR launched its WiMax (high speed wireless connection) services deployed in partnership with Neuf Cegetel through the consortium SHD. SHD obtained two WiMax licences for the French regions Ile-de-France and Provence-Alpes-Côte d'Azur.

In 2007, SFR continues to innovate by developing services including Happy Zone and an ADSL option. With Happy Zone, SFR customers can make unlimited telephone calls from their mobiles while at and nearby their homes to fixed lines in France (excluding French overseas territories).

## Maroc Telecom

2006 REVENUES  
€2,053 million

2006 EBITA  
€912 million

EMPLOYEES  
11,259

Maroc Telecom, a 51% subsidiary of Vivendi, is the leader in Morocco's telecommunications market. Maroc Telecom is listed on the Casablanca and Paris stock exchanges and holds 51% of the historic operators in Mauritania (Mauritel), Burkina Faso (Onatel) and Gabon (Gabon Telecom).

### Morocco's No. 1 mobile operator

The No. 1 mobile telecommunications operator in Morocco, Maroc Telecom continued to drive the Moroccan market in 2006 through innovation and development of services including unlimited call options, non-physical recharge options and new services such as mobile internet messaging. Maroc Telecom also expanded its handset range and reduced the price of basic models. With the UMTS licence it obtained in 2006, Maroc Telecom aims to further develop the Moroccan mobile telecommunications market.

### Fixed-line, data and internet

Maroc Telecom offers residential, professional and corporate customers a wide range of fixed-line telecommunications services: voice, data transmission and internet access. Offers for residential customers (marketed under the El Manzil brand) include communications tariffs, packs, unlimited calling offers and rechargeable capped plans.

Maroc Telecom is particularly dynamic in developing internet offers under the Menara brand, and registered strong growth especially in ADSL thanks to a reduction in tariffs and frequent promotions. In 2006 Maroc Telecom also launched TV via ADSL, a first in Morocco and in Africa.



## SFR: the No. 2 in mobile telecommunications in France

with nearly 17.9 million customers at the end of 2006 (+4% against 2005) and a market share of 34.6%\*



**SFR Music** the leading mobile music platform in France with nearly 4 million titles downloaded in 2006 and a catalog of 600,000 tracks



**More than 600 games**  
SFR customers have more than 600 games at their fingertips. More than 4 million games were downloaded in 2006



**5 1/2 hours per month**  
SFR clients consumed on average 327 minutes of voice communication per month in 2006\*\* – close to 5 1/2 hours (against less than 5 hours in 2005)



## SFR "Jeunes Talents"

SFR Jeunes Talents ([www.sfrjeunestalents.fr](http://www.sfrjeunestalents.fr)), a mobile and internet portal aimed at discovering new artists, was launched in September 2006. In three months, nearly 6,000 artists subscribed to the site uploading 10,000 titles



## SFR's TV-Video offer

80 television channels for mobiles and more than 60 programs. In 2006, SFR clients watched more than 14 million "TV-Video" sessions – 2 million of which were downloaded during the soccer World Cup



**2.7 million 3G clients**  
SFR registered nearly 2.7 million 3G clients at the end of 2006 – surpassing its objectives for the year



**More than 6 billion text messages**  
SFR established new records in 2006 with 6.3 billion text messages and 168 million multimedia messages sent (against, respectively, 5.4 billion and 98 million messages in 2005)



\*Excluding clients on behalf of third parties (MVNO, 728,000 clients at the end of 2006). Source: The French telecommunications regulatory authority (ARCEP). \*\*Number of minutes from calls both sent and received

## SFR Happy Zone

Launched in France in March 2007, the SFR Happy Zone offer allows SFR customers, who subscribe to the offer, to make unlimited phone calls from their mobile phones while at and around their home to fixed lines in France (excluding French overseas territories). In April 2007, thanks to the SFR Happy Zone + ADSL option, SFR will also offer ADSL services via its SFR Box (20MB, voice over IP, television). With this offer, customers will benefit from continuity of service between their mobile phone and their PC (a single address book, a single answering service and SFR Mail) and from a high-quality customer relations service



## MVNO

At the end of 2006, six mobile virtual operators (MVNO) were under contract with SFR. SFR welcomes 728,000 clients on its own network via third-party clients



## Corporate lines up by 16%

2006 saw a very strong corporate sales performance by SFR Entreprises: the number of lines rose by 16% against 2005



## Strong growth in data services

SFR's mobile solutions have been well received by the business sector. In 2006, the number of PC Mobile Connect Cards increased by 69% and the BlackBerry mobile messaging service grew by 86%



## The widest 3G/3G+ coverage

SFR has the widest 3G/3G+ coverage in France with 65% of the population covered at the end of 2006



## No. 1 in network quality

In 2006, SFR was once again ranked No. 1 for the quality of its network. The French telecommunications authority, ARCEP, ranked SFR at No. 1 or equal No. 1, 28 times across 32 categories during its annual 2005/2006 audit on mobile telecommunications network quality in France



# Maroc Telecom

## No.1 in mobile telecommunications in Morocco

Maroc Telecom is the leader in the Moroccan mobile telecommunications market with 10.7 million clients at the end of 2006 (+30% against 2005) and a market share of 66.9%\*



## More than one billion text messages

In 2006, Maroc Telecom's clients sent more than 1.4 billion text messages – an increase of 23% against 2005



## Unlimited call options

In September 2006, Maroc Telecom launched a new range of fixed-line offers which enable customers to make unlimited calls to Maroc Telecom's fixed-line customers, locally and nationally



## Internet Access

Maroc Telecom holds 98% of the internet access market (all modes of access included\*) with 391,000 connections to its internet services at the end of 2006 – more than 98% of which are ADSL subscribers



**98% of the ADSL market**  
Maroc Telecom is the uncontested leader in ADSL in Morocco, with a market share of more than 98%\*



## Television via ADSL

In 2006, Maroc Telecom launched its television service via ADSL which provides clients with four channel packages and more than 60 national and international channels



## Public telephones

Maroc Telecom has an estimated 90%\*\* of Moroccan public telephone lines with 157,000 lines at the end of 2006



## National coverage

Maroc Telecom's fixed-line and data transmission network has a capacity of nearly 1.9 million lines and assures national coverage. Its GSM network covers more than 97% of the Moroccan population



\* Source: The Moroccan Telecommunications Regulatory Authority (ANRT). \*\* Source: Maroc Telecom

PLAY



PLAY



# Vivendi Games

2006 REVENUES  
€804 million

2006 EBITA  
€115 million

EMPLOYEES  
3,567

Vivendi Games is a global developer, publisher and distributor of multiplatform interactive entertainment. The company is the leader in the subscription-based massively multi-player online role-playing games (MMORPG) category and is building on its position in the PC, console and handheld games markets.

Vivendi Games has a global presence, a history of franchise success, development teams around the world and a catalog of its own original and licensed material.

Vivendi Games is driven by four creative divisions: Blizzard Entertainment, Sierra Entertainment, Sierra Online and Vivendi Games Mobile.

## Blizzard Entertainment

Blizzard Entertainment is a world-renowned development studio best known for creating *World*

*of Warcraft, Diablo, StarCraft, and Warcraft. World of Warcraft*, the world's most popular game in the MMORPG category, has taken the gaming world by storm with 8.5 million subscribers\*. *World of Warcraft* is available in six languages with in-game support services in several regions. Blizzard Entertainment has built on the game's success with the release of its expansion set *World of Warcraft: The Burning Crusade* which sold close to 2.4 million copies within 24 hours after its release in January 2007, and went on to establish a new one-month record for PC-game sales with more than 3.4 million copies sold in its first month.

## Sierra Entertainment

Sierra Entertainment creates and publishes innovative, high-quality entertainment for consoles, handheld gaming devices and personal computers.

Sierra Entertainment is home to four integrated studios: High Moon Studios in the US; Massive Entertainment in Sweden; Radical Entertainment in Canada and Swordfish Studios in the UK.

Sierra Entertainment features a portfolio of titles based on original intellectual property and popular licenses from industry-leading content partners, including *F.E.A.R.*, *Crash Bandicoot*, *Spyro The Dragon*, *Scarface* and *Ice Age*. *Scarface: the World is Yours* was the No. 1 selling video game in the US in October 2006.

## Sierra Online

Sierra Online, a newly created division, focuses on developing and publishing high quality short and mid-session casual online games for PC, Xbox Live Arcade and a range of other platforms. Sierra Online's titles include *Assault Heroes*, an award-winning game for

Xbox Live Arcade, and the upcoming *FreeStyle Street Basketball*, an online PC game from leading Korean developer JC Entertainment, Inc. The division is also developing a variety of other Xbox Live Arcade and PC online games targeting the mass market.

## Vivendi Games Mobile

Vivendi Games Mobile, another newly formed division, creates and publishes games for the worldwide mobile market. The division publishes games based on original intellectual property, popular entertainment licenses and classic Sierra Entertainment intellectual property games which are distributed by more than 90 operators and dozens of Web portals in more than 60 countries. Vivendi Games Mobile has launched a number of award-winning titles, including: *SWAT Force* which was named *Best Wireless Game of the Year* by Spike TV in December 2006.



# Vivendi Games

## World of Warcraft

The world's most popular massively multi-player online role-playing game with 8.5 million subscribers\* throughout the world



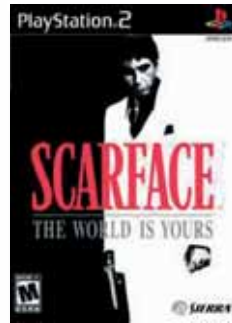
## World of Warcraft: The Burning Crusade

The first *World of Warcraft* expansion set – featuring hundreds of new quests, new creatures, monsters and several unexplored dungeons – sold nearly 2.4 million copies within the first 24 hours of its release, representing nearly 30 copies per second



## Scarface: The World is Yours

Tony Montana, one of the most ruthless gangsters ever depicted on film, is back in *Scarface: The World is Yours* - the No. 1 video game and the No. 1 Xbox game in the United States in October 2006



## F.E.A.R.

Already a critical and commercial hit, *F.E.A.R.*, the paranormal action thriller, brings a new level of gameplay to Xbox 360 with stunning visual effects and unpredictable encounters



## Ice Age 2 The Meltdown

Based on the worldwide blockbuster animated film, *Ice Age 2 The Meltdown* is available for all platforms including Nintendo's Wii



## Assault Heroes

Sierra Online's first title for Microsoft's Xbox Live Arcade service and winner of the *Xbox Live Arcade Game of the Year Award* (IGN.com, the internet's No. 1 video game information site)

## The Legend of Spyro: A New Beginning

The latest installment to the 17 million-unit-selling Spyro franchise features leading Hollywood voice-over cast members including Elijah Wood and Gary Oldman



## SWAT Force

Named *Best Wireless Game of the Year* by Spike TV in December 2006, *SWAT Force*, or Special Weapons and Tactics, equips gamers to deal with the most dangerous urban crisis situations



## Eragon

Gamers can escape to a world of dragons, destiny and adventure.

This unparalleled action-adventure fantasy is the official game based on the epic adventure film

\* At March 7, 2007



## Shareholder Information

Shareholder Relations can be contacted by telephone between 9.00 am and 6.00 pm, Monday to Friday (Paris time: UTC/GMT +1 hour or +2 hours daylight saving time).

For shareholders calling from France:  
**0 811 902 209** (price of a local call).

For shareholders calling from other countries:  
**+33 (0) 1 71 71 34 99.**

E-mail: [shareholders@vivendi.com](mailto:shareholders@vivendi.com)

The 2006 Annual Report is available on the group's web site ([www.vivendi.com](http://www.vivendi.com)). It can also be mailed to shareholders upon request by contacting Vivendi's offices.



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### Internet Sites

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SFR: [www.sfr.fr](http://www.sfr.fr)  
Maroc Telecom: [www.maroctelecom.ma](http://www.maroctelecom.ma)  
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ENTERTAINMENT. IT'S VITAL.

**vivendi**

music, television, cinema, mobile, internet, games

