vivendi press release

Paris, April 2, 2015

Vivendi: press release

The Vivendi company would like to point out that under Article 40 of French Law No. 86-1067 of September 30, 1986 concerning Freedom of Communication, no more than 20% of the share capital of a company in possession of a license to provide French-language television services may be held, directly or indirectly, by Foreign nationals outside the European Union.

The French Council of State issued an administrative opinion on this article on June 27, 2002.

It is specified that, to date, no court has issued a ruling concerning the indirect holding of 20% of the share capital or voting rights in a French television company.

This legislation tends to limit the power of non-EU Foreign nationals within companies that have been granted a license covering French-language terrestrial television services.

As interpreted by the French Council of State in its administrative opinion issued on June 27, 2002, on the qualification of non-EU investors, available on the French Audiovisual Council's website, it is considered that the above-mentioned Foreign nationals cannot exercise power over a company in possession of such a license, even indirectly, such as through a company over which they may have upstream control; it being noted that this control must be understood to mean the ownership of shares representing a majority of the voting rights (50% plus one share) at ordinary general shareholders' meetings.

Thus, a company that is majority-owned by non-EU Foreign nationals is prohibited from owning more than 20%, directly or indirectly, of the share capital of a French television company.

However, according to another interpretation, it is clear from the text of the law itself as well as evidence of preparatory work for this law that the legislative intent is to preclude non-EU Foreign nationals from exerting influence over companies possessing a French-language television service license.

Thus, if non-EU Foreign nationals, by aggregating their interests, were to exceed the ownership threshold of 20% of the share capital or voting rights of the company indirectly holding such a license, this could constitute a violation of the above-cited Article 40.

This is the analysis of the company and its advisers.

Moreover, even under a literal reading of the text, Vivendi considers that at its Shareholders' Meeting where typically 50 to 60% of the shareholders are in attendance, a group of non-EU shareholders comprising 25 or 30% of those shareholders would likely be considered a violation of the law.

The issue of the consequences for exceeding the thresholds of 20 or 50% of the capital or voting rights of a company holding, directly or indirectly, a license to provide a French language television service has not, to date, been addressed by any jurisdiction.

About Vivendi

Vivendi groups together leaders in content and media. Canal+ Group is the French leader in pay-TV, also operating in French-speaking Africa, Poland and Vietnam; its subsidiary Studiocanal is a leading European player in production, acquisition, distribution and international film and TV series sales. Universal Music Group is the world leader in music. Vivendi Village brings together Vivendi Ticketing, Wengo (expert counseling), Watchever (subscription video-on-demand) and the Paris-based concert hall L'Olympia. In addition, Vivendi currently owns GVT a fixed very high-speed broadband, fixed-line telephony and pay-TV services operator in Brazil. www.vivendi.com