Financière de l'Odet

Half-year financial report
2019

BOLLORÉ

SUMMARY

ACTIVITY REPORT

1_SUMMARY OF THE HALF-YEAR RESULTS

First half 2019 results

- Revenue: 11,780 million euros, +4% at constant scope and exchange rates (+8% on a reported basis).

- Adjusted operating income (EBITA [1]) 918 million euros, +27%[2] at constant scope and exchange rates:

  - **Bolloré Transport & Logistics: 309 million euros, +15%[2]**, thanks to increased port volumes and sustained logistic activity.
  - **Communication: 718 million euros, (+28%[2])** thanks to Vivendi's strong performance driven by record results of Universal Music Group (UMG).
  - **Electricity storage and systems: slight improvement in results to a loss of 81 million euros**, versus a loss of 83 million euros in the first half of 2018.

- Net income, Group share: 77 million euros, versus 48 million euros in the first half of 2018, an increase of 58%. Total net income was 526 million euros, versus 601 million euros in the first half of 2018, which benefited from the strong revaluation of Spotify shares.

- Net debt: 7,242 million euros, an increase of 2,210 million euros related to Vivendi (increase of 2,309 million euros) | Gearing: 29%.

(1) See glossary page 65.
(2) Restated for the first-time application of IFRS 16, which had a positive impact of 36 million euros on EBITA, growth was 22% for the Group, +9% for Bolloré Transport & Logistics and 24% for Vivendi.

2_FIRST HALF 2019 RESULTS

Consolidated key figures

in millions of euros	1st Half 2019	1st Half 2018	Change %
Revenue	11,780	10,881	8%
EBITDA [(1)]	**1,410**	**1,194**	**18%**
Depreciation and provisions	(492)	(493)	-
Adjusted operating income (EBITA [(1)])	**918**	**701**	**31%**
Amortization resulting PPA [(1)]	(186)	(158)	18%
EBIT	**731**	**543**	**35%**
Of which equity-accounted operating companies	6	15	(62%)
Financial income	39	373	(89%)
Share of net income of equity-accounted non operating companies	(10)	19	(153%)
Taxes	(235)	(335)	(30%)
Net income	**526**	**601**	**(12%)**
Net income, Group share	77	48	58%
Minority interests	449	552	(19%)

in millions of euros	June 30, 2019	December 31, 2018	Change (€ million)
Shareholders' equity	**24,557**	**26,156**	**(1,599)**
Of which Group share	3,872	3,814	58
Net debt	**7,242**	**5,040**	**2,202**
Gearing[(2)]	29%	19%	

(1) See glossary page 66.

(2) Gearing: ratio of net debt to equity.

The Group's liquidity position [(3)]: as of June 30, 2019, including undrawn confirmed lines and liquid investments represented approximately 2,3 billion euros for Financière de l'Odet and 9.7 billion euros including Vivendi.

(3) Excluding Vivendi

Revenue by activity

in millions of euros	1st Half 2019	1st Half 2018[(1)]	1st Half 2018	Growth reported (%)	Growth Organic %
Transportation and logistics	2,974	2,969	2,947	1%	0.2%
Oil logistics	1,278	1,263	1,260	1%	1%
Communications	7,351	6,885	6,472	14%	7%
Electricity Storage and Systems	160	184	182	(12%)	(13%)
Others (Agricultural Assets, Holding Companies)	17	20	20	(17%)	(16%)
Total	**11,780**	**11,321**	**10,881**	**8%**	**4%**

(1) At constant scope and exchange rates.

All amounts are expressed in millions of euros and rounded to the nearest decimal. As a result, the sum of the rounded amounts may differ slightly from the reported total.

First half 2019 revenue amounted to 11,780 million euros, an increase of 4% at constant scope and exchange rates (+8% on a reported basis), reflecting:

- a slight growth in Transportation and Logistics activities
  - Bolloré Logistics: -0.1% due to lower air and sea freight volumes, partially offset by increased freight forwarding rates and sustained logistics activity (+10%);
  - Bolloré Africa Logistics: +1% driven by port terminals growth (Abidjan Terminal, Bénin Terminal, Freetown, Togo Terminal, Conakry Terminal and Congo Terminal);

- 1% growth in oil logistics revenue, thanks to higher oil product prices;
- growth in the communications business (+7%), attributable to Vivendi, which benefited from strong growth at UMG (+19%).

Adjusted operating income (EBITA) by activity

in million of euros	1st Half 2019	1st Half 2018	Change (%)
Bolloré Transport & Logistics	**309**	**266**	**16%**
Transportation and Logistics [(1)]	284	255	12%
Oil logistics	25	11	122%
Communications	**718**	**542**	32%
Electricity Storage and Systems	**(81)**	**(83)**	-
Other (Agricultural Assets, Holdings Companies) [(1)]	(28)	(24)	-
Total	**918**	**701**	**31%**
% of revenue	7.8%	6.4%	134 bps

(1) Before trademark fees

Adjusted operating income (EBITA) totalled 918 million euros, an increase of 27%[(3)] at constant scope and exchange rates compared with the first half of 2018 (+31% on a reported basis), reflecting:

- increase in transportation and logistics businesses: +10% at constant scope and exchange rates [(3)], primarily due to the smooth operation of port terminals;
- strong growth in income from oil logistics, which benefited from the improved results of all of its distribution and storage activities;
- sharp increase in EBITA for the communications sector (+28%) thanks to UMG's very good performance;
- controlled expenditure in the Electricity Storage and Systems business.

Financial income

in millions of euros	1st half 2019	1st Half 2018	Change (€M)
Net dividends and income from investments in marketable securities	17	16	6%
Net financing expenses	(65)	(67)	3%
Other financial expenses and income [(4)]	87	424	(79%)
Financial income	**39**	**373**	(89%)

Net financial income amounted to 39 million euros [(4)], compared with 373 million euros in the first half of 2018, mainly due to a lower revaluation of securities (Spotify, Tencent Music): +155 million euros in the first half of 2019, versus +456 million euros in the first half of 2018.

Income from associates companies

in millions of euros	1st Half 2019	1st half 2018	Change %
Share in net income of non-operating companies accounted for using the equity method	(10)	19	(153%)

Share of net income of equity-accounted non-operating companies was a negative 10 million euros, compared with 19 million euros in the first half of 2018, impacted by lower income from Socfin Group's agricultural assets against a backdrop of declining raw materials, and the lower contribution by Telecom Italia[(5)].

(3) Restated for the first-time application of IFRS 16, which had a positive impact of 36 million euros on EBITA, growth was +22% for the Group, +9% for Bolloré Transport & Logistics and +24% for Vivendi.
(4) The impact of the introduction of IFRS 16 (interest expense on lease liabilities) is a negative 45 million euros.
(5) Reclassified under equity-accounted non-operating companies since June 30, 2018.

Net income:

After taking into account a tax expense of 235 million euros, **the consolidated net income amounted to 526 million euros,** compared with 601 million euros in the first half of 2018. **Net income, Group share amounted to 77 million euros,** compared with 48 million euros in the first half of 2018.

Net debt amounted to 7,242 million euros, an increase of 2,202 million euros attributable to the 2,309 million euro increase in Vivendi's net debt (share buyback, acquisition of Editis, etc.). Slight decrease of 107 million euro in Financière de l'Odet's net debt excluding Vivendi to 5,109 million euros. **Shareholders' equity was 24,557 million euros** (26,156 million euros as of December 31, 2018), reflecting the decline in Vivendi's shareowner's equity due to Vivendi's repurchase of 5% of its own shares for 1.6 billion euros. **The ratio of net debt to equity (gearing) was 29%,** compared with 19% at the end of 2018.

Balance sheet, portfolio, liquidity

in millions of euros	1st Half 2019	December 31 st, 2018	Change (€M)
Shareholder's equity	**24,557**	**26,156**	**(1,599)**
of which Group share	3,872	3,814	58
Net debt	**7,242**	**5,040**	**2,202**
Gearing (%) (1)	29%	19%	

(1) Gearing: ratio of net debt to equity.

The Group's liquidity position (2): as of June 30, 2019, including undrawn confirmed lines and liquid investments represented approximately 2,3 billion euros for Financière de l'Odet and 9,7 billion euros including Vivendi.

(2) Excluding Vivendi.

Change in net debt

in millions of euros	1st Half 2019	1st Half 2018
Cash flow (1)	1,003	860
Change in WCR (+ = reduction)	(628)	(437)
Impacts of IFRS 16 - Disbursement of rental debts	(185)	
Net cash flow from operations	**190**	**423**
Net capital expenditures	(504)	(451)
Net financial investment	(365)	(205)
Dividends paid	(570)	(525)
Net financial charges paid	(79)	(61)
Increase in share capital, change in perimeter, in fair value and other items (2)	(874)	79
Change in net debt (- = increase in debt)	**(2,202)**	**(741)**

(1) Cash flow after elimination of gains and before financial charges.
(2) Purchase by Vivendi of its shares for 950,7 million euros.

3_GROUP STRUCTURE:

Vivendi

- As of September 1, 2019, the Group held 321 million Vivendi shares representing 26.3% of the share capital and 29.6% of the voting rights.
- Under its share buyback program, involving up to 10% of the share capital with a maximum price of 25 euros, from May to July 2019, Vivendi repurchased 66 million shares (5% of the share capital) at a price of 24.60 euros per share, for an aggregate amount of 1.6 billion euros, and cancelled 95 million shares representing 7.23% of the share capital. The share buyback program is ongoing.

Editis

- At the end of January 2019, Vivendi finalized the acquisition of 100% of the share capital of Editis, the second-largest French publishing group, for 833 million euros.

Ubisoft

- In March 2019, Vivendi received the remainder of the sale price of its stake in Ubisoft (5.87% of the share capital) for 429 million euros.

4_COMPARABILITY OF FINANCIAL STATEMENTS

New standards applied from January 1, 2019

IFRS 16 – "Leases"

- Application as of January 1, 2019, without restatement of comparative periods.
- Balance Sheet recognition of right-of-use and lease liabilities in the amount of 2 billion euros.
- The application of IFRS 16 had a positive impact of 36 million euros on the Group's EBITA at June 30, 2019 and a negative impact of 45 million euros on financial expenses.

Change in the scope of consolidation

- Editis has been consolidated by Vivendi since February 1, 2019.
- InGrooves has been consolidated by UMG since March 15, 2019.

Currencies

	H1 2019	H1 2018	Change
USD	1.13	1.21	7%
GPB	0.87	0.88	1%
JPY	124.30	131.60	6%
ZAR	16.04	14.89	(8%)
NGN	408.60	436.12	6%
CDF	1,880.00	1,954.00	4%

Balance sheet assets and liabilities after changes related to new accounting standards

Assets – In millions of euros	June 30,2019	1/1/2019(1)
Goodwill	15 440,6	14 409,6
Other intangible assets	10 278,3	10 286,6
Property, plant and equipment	4 442,5	4 252,3
Investments in equity affiliates	4 562,4	4 507,2
Other non-current financial assets	4 815,4	4 594,4
Deferred tax	847,4	829,9
Other non-current assets	789,2	662,3
Non-current assets	**41 175,8**	**39 542,3**
Inventories and work in progress	975,4	1 174,0
Trade and other receivables	7 803,7	7 555,6
Current tax	161,2	164,1
Other current financial assets	997,4	1 080,5
Other current assets	758,4	662,7
Cash and cash equivalents	4 174,3	4 784,9
Current assets	14 870,4	15 421,9
Total Assets	**56 046,2**	**54 964,2**

Liabilities – In millions of euros	June 30,2019	1/1/2019(1)
Share capital	105,4	105,4
Share issue premiums	87,7	87,7
Consolidated reserves	3 678,5	3 549,7
Shareholders' equity, Group share	3 871,5	3 742,8
Minority interests	20 685,6	22 124,1
Equity	**24 557,1**	**25 866,8**
Non-current financial debts	9 899,6	8 333,7
Provisions for employee benefits	932,4	866,6
Other non-current provisions	429,0	393,7
Deferred tax	2 605,8	2 808,4
Other non-current liabilities	2 219,1	2 095,0
Non-current liabilities	**16 085,8**	**14 497,4**
Current financial debts	2 457,0	2 081,8
Current provisions	391,3	423,2
Trade and other payables	11 410,9	11 096,1
Current tax	164,2	210,1
Other current liabilities	979,8	788,8
Current liabilities	**15 403,2**	**14 600,0**
Total liabilities	**56 046,2**	**54 964,2**

(1) After changes related to new accounting standards.

5_ACTIVITIES

TRANSPORTATION AND LOGISTICS

in millions of euros	1st Half 2019	1st Half 2018	Change (%)	Organic Growth (%)
Revenue Bolloré Logistics	1,735	1,714	1%	(0,1%)
Revenue Bolloré Africa Logistics	1,239	1,233	1%	1%
Total Revenue	**2,974**	**2,947**	**1%**	**0,2%**
EBITA (1)	284	255	**12%**	10%
Investments	125	110	14%	

(1) Before Bolloré's trademark fees.

EBITDA: 284 million euros + 10% at constant scope and exchange rates

- Good overall performance of port terminals and in Africa.
- Increase in income from freight forwarding and logistics in a more uncertain global trading environment.

BOLLORÉ LOGISTICS

The first half 2019 revenue stood at 1,735 million euros, -0.1% at constant scope and exchange rates impacted by the slowdown in sea and air freight volumes, which were largely offset by higher freight rates and good warehousing logistics activity (+10%).

First half 2019 results were impacted by:

- in Europe, improvement of results thanks to Metropolitan France, Overseas France and Switzerland;
- in Asia, increased earnings in China does not fully offset lower project income (Australia) and the commissioning costs for the Singapore Bluehub;
- results improved in the other regions: the Americas (United States, Mexico, Argentina) and the Middle East-South Asia region (India in particular).

Development of the network:

- March 2019: launch of exclusive negotiations between BTL and Groupe Maritime Kuhn for the sale of Bolloré Ports France.
- April 2019: signing of a strategic agreement with the WiseTech Global Group to roll out the CargoWise One Transport Management System software solution across the network.
- July 2019: introduction of the Blue Hub in Singapore, a new-generation fully automated warehouse with a surface area of 50,000 m^2, combining sustainable development and innovation. First BiodiverCity©-certified project in Asia.

BOLLORÉ AFRICA LOGISTICS

The first half 2019 revenue stood at 1,239 million, +1% at constant scope and exchange rates, thanks to port terminal growth and the rise in railway concession volumes.

First half 2019 results were impacted by:

- the good performance of the port terminals, in particular Congo Terminal, Abidjan Terminal, Benin Terminal, Togo Terminal and Conakry Terminal, which have benefited from the increase in volumes handled;
- an improvement in logistics and conventional handling activities, especially in Central and West Africa (Nigeria, DRC) and Cameroon and Senegal, which offsets the decrease in volumes handled in East Africa;
- continued improvement in results from railway activities, which benefited in particular from the increase in goods traffic from Camrail and the transportation of hydrocarbons to Chad.

Development of the network

- February 2019: strategic memorandum of understanding with Cosco Shipping Lines to explore opportunities for commercial and operational collaboration, especially in digitalization with the common ambition to intensify international flows, particularly on the African continent.
- March 2019: draft agreement to create a joint venture in Ethiopia. Investment planned for the construction of a logistics hub. BTL intends to support the modernization and development of dry ports, notably in Modjo.

BOLLORÉ ENERGY

In millions of euros	1st Half 2019	1st Half 2018	Change (%)
Revenue	1,278	1,260	1%
Operating income	25	11	122%
Investments	12	20	(40%)

The Revenue up +1% at constant scope and exchange rates due to increased oil product prices.

The improvement of 122% of EBITA was due to the growth in results of all activities in France, Switzerland and Germany and the positive contribution from the new DRPC site (Dépôts de Rouen Petit Couronne), operated in partnership with Total, which holds a 30% stake.

Development of the network

- Sale in the first half of 2019 of the 5.5% stake in Trapil to Pisto, its largest shareholder.

COMMUNICATION

VIVENDI

First half 2019 results published by Vivendi

in millions of euros	1st Half 2019	1st Half 2018	Change %
Revenue	7,353	6,476	14%
Adjusted operating income (EBITA)	718	542	32%
Operating income (EBIT)	645	492	31%
Group share of Net income	520	165	216%
Adjusted net income [6]	554	393	41%
in millions of euros	**June 30, 2019**	**December 31, 2018**	
Shareholders' equity	15,823	17,534	
Net debt/ (cash net)	2,133	(176)	
Market value of the listed share portfolio	3,731	3,911	
EBITA by activity	**1st Half 2019**	**1st Half 2018**	**Change**
Universal Music Group	481	326	47%
Groupe Canal +	233	221	5%
Havas	108	102	6%
Editis	4	-	
Other activities [1] and corporate costs	(108)	(107)	
Total EBITA	**718**	**542**	32%
PPA	(73)	(50)	
Total Operating income (EBIT)	**645**	**492**	31%
PPA Bolloré	(114)	(108)	
Total Operating income (EBIT) Bolloré	**531**	**384**	38%

(1) Gameloft, Vivendi Village & New Initiatives.

Key highlights of first half 2019 results

- **Organic growth of +7%** compared to the first half of 2018, driven by growth of UMG (+19%);

- **EBITA[6]: 718 million euros, up 32%** (+28% at constant scope and exchange rates), mainly due to the increase in UMG's results (+146 million euros) and the satisfactory performance of Canal+ and Havas.

- **Adjusted net income: 554 million euros +41%**
- Net income, Group share: 520 million euros (versus 165 million euros).

- **Equity offering in UMG**: in early August, Vivendi announced that it entered into preliminary negotiations with Tencent Holdings Limited for a strategic investment of 10% of UMG's share capital at an enterprise value of 30 billion euros for 100% of UMG on a fully-diluted basis. Tencent would also have a one-year call option to acquire an additional 10% stake at the same price and terms. This transaction is subject to due diligence on UMG and the finalization of the legal documentation.

- **Proposed acquisition of M7** by Canal+ Group (transaction was completed in mid-september).

(6) Non-GAAP measure. See definitions page 6 of the Vivendi 2018 financial report.

UNIVERSAL MUSIC GROUP

in millions of euros	1st Half 2019	1st Half 2018	Change %
Revenue	3,258	2,628	24%
EBITA	481	326	47%

Organic revenue growth: +19% with steady growth in recorded music +17% and music publishing +11%

- the growth in recorded music was driven by higher subscription and streaming revenues (+26%) and strong physical sales (+15%), which more than offset the continued decline in download sales (-20%).
- music publishing grew by 11% and was driven by growth in subscription and streaming revenue.

EBITA: 481 million euros, for organic growth of 44%, thanks to sustained revenue growth

CANAL+ GROUP

in millions of euros	1st Half 2019	1st Half 2018	Change %
Revenue	2,518	2,575	(2%)
EBITA	233	221	5%

Organic revenue growth: -2% due to:

- the increase in international revenue, particularly in Africa, did not offset the revenue erosion at Metropolitan France TV (decline in the overall subscriber portfolio) and Studiocanal.

EBITA: 233 million euros (+5%)

- the decrease in EBITA before restructuring charges (€236 million versus €249 million in the first half of 2018) was due to the contraction in revenue.
- In July 2019, the management of Canal+ Group presented the company's employee representatives with the details of a proposal to transform its French operations. This could result in the departure of up to 492 people, exclusively on a voluntary basis.

HAVAS

in millions of euros	1st Half 2019	1st Half 2018	Change
Net Revenue (1)	1,061	1,020	+4%
EBITA	108	102	+6%

(1) See glossary page 65.

Net Revenue: +4% (0.2% organically)

- positive organic growth in both the first quarter (+0.1%) and the second (+0.4%).
- in North America, organic growth was satisfactory thanks to the performance of health and wellness communications (Havas Health & You), media activities, the performance marketing business (Havas Edge) and financial and institutional communications (AMO).
- in Europe, business remained steady, with mixed performances depending on the country and activity.
- business in Asia-Pacific and Latin America recovered.

EBITA: 108 million euros (+2% organically)

Editis [7]

in millions of euros	1st Half 2019	1st Half 2018	Change %
Revenue	260	-	na
EBITA	4	-	na

The revenue was up 1% over 5 months. EBITA €4 million given editorial & marketing expenses dedicated to high school curriculum reform, which will be the focus for the second half of the year.

OTHER BUSINESS LINES (GAMELOFT, VIVENDI VILLAGE AND NEW INITIATIVES)

in millions of euros	1st Half 2019	1st Half 2018	Change %
Revenue	203	200	1.5%
EBITA	(108)	(107)	ns

Gameloft:

- revenue down -10% (organic) to 133 million euros and EBITA contraction of 3 million euros.

Vivendi Village:

- revenue of 66 million euros, organic growth of 55%, driven by live performance activities and theaters in France and Africa.

New Initiatives (Dailymotion, GVA): activity in the development phase generated revenue of 34 million euros (+9% organically).

(7) Editis has been consolidated in the Vivendi's financial statements since February 1, 2019.

ELECTRICITY STORAGE AND SYSTEMS

in millions of euros	1st Half 2019	1st Half 2018	Change (%)
Revenue	160	182	(12%)
EBITA	(81)	(83)	na
Investments	44	34	28%

Revenue: 160 million euros, -12%

- The decline in revenue from industrial activities [8] is mainly due to the discontinuation of the Autolib' service.

EBITA: -81 million euros, further reduction of losses

- Slight improvement in operating income in the Electricity Storage and Systems sector (+2 million euros), including the impact of the shutdown of Autolib', the growth in Bluebus margins and an improved Telecoms performance.

BRITTANY

BLUE SOLUTIONS

in millions of euros	1st Half 2019	1st Half 2018	Change (%)
Revenue	15	21	(26%)
EBITDA	**(10)**	**(9)**	na
EBITA	**(21)**	**(17)**	na
Financial income	(1)	(1)	na
Taxes	(0)	(0)	na
Net income	(21)	(18)	na
Net income Group share	(21)	(18)	na
in millions of euros	June 30, 2019	December 31, 2018	Change (€M)
Shareholders' equity group share	67	88	(21)
Net debt (1)	74	46	28
Gearing (%) (2)	111%	53%	

(1) Including 33 million of euros better fortunes clause in favor of Bolloré.

(2) Gearing = ratio of net debt / equity

Transition ongoing

- Blue Solutions revenue down 26% compared to the first half of 2018. Increased sales of batteries to Bluebus and of prototypes of the new generation of batteries to Daimler partially offset the impact of the end of the R&D cooperation agreement with Blue Applications. As announced, Blue Solutions is now working to meet the needs of stationary and bus batteries while lowering manufacturing costs and improving the quality and performance of its dry batteries. A mass-produced significantly improved version of its battery will be available in the second half of 2019. The production facilities will be transformed in Canada, then in France, by the fall of 2019.
- EBITA fell by €4million mainly due to lower revenue and the discontinuation of the Supercapacitors business.
- The Bolloré Group reminds that it has made a commitment to launch a tender offer on Blue Solutions shares at a price of 17 euros in the first half of 2020 [9].

(8) Blue Solutions revenue from other Group entities totaled 12.6 million euros versus 20.8 million euros at June 30, 2018. It was eliminated at the Bolloré Group level.
(9) The terms of this commitment can be found in section 1.3.1 of the Bolloré SA Securities Note approved by the AMF on July 4, 2017 (approval no.17-326).

BLUEBUS, STATIONARY AND PLASTIC FILMS

Bluebus

- Sale of two 12-meter buses and twelve 6-meter buses in the first half of 2019. Most of the sales of 12-meter buses to the RATP (41 buses) will be made in the second half of the year.
- In June 2019, Bluebus was selected by RATP for its third market in Île-de-France region. Two-year contract, with a first firm order of fifty 12-meter Bluebuses in 2020.

Stationary

- Many projects being studied to pair storage with production of solar power (Africa and French overseas departments & territories, etc.).

Plastic films

- Stable business, growth in the Bolphane and Bolfresh film market (barrier films for food products) offset a slight decline in standard films and Dielectric film business.

Car-sharing

- Revenue down due to the discontinuation of the Autolib' service but strong growth internationally particularly Singapore; development of innovative solutions for the supervision of urban mobility operators.

IER – Automatic Systems

- Activity slightly down, dynamism of the pedestrian and vehicular access control systems markets in North America and France offset the decline in revenue generated from public transport in France.

Polyconseil

- Steady level of activity driven by consulting assignments.

Bolloré Telecom

- 22 regional licenses that offer national coverage, redevelopment of Bolloré Télécom frequencies as part of the launch of 5G.

Wifirst

- Fleet of nearly 600,000 rooms/locations in service at the end of June 2019; activity growing strongly with revenue up nearly 30%.
- Agreement on the sale of Wifirst to Amundi Private Equity Funds, Bpifrance and Socadif Capital Investissement, of which Bolloré held a 55% stake. The sale of the stake in Wifirst will generate around 115 million euros in cash and a consolidated capital gain of around 85 million euros.

OTHER ASSETS

Portfolio of Bolloré and Vivendi listed securities at June 30, 2019

The securities portfolio was valued at 4.6 billion euros at the end of June. It includes stakes held by Bolloré (Mediobanca, Socfin) totaling 0.9 billion euro and by Vivendi (Telecom Italia, Mediaset) totaling 3.7 billion euros.

Agricultural assets

Socfin Group [10]

- The Bolloré Group holds minority interests in the Socfin Group, which manages nearly 200,000 hectares of plantations in Asia and Africa. The results for the first half of 2019 include unfavorable changes in palm oil prices (-20%), which were not offset by the increased rubber prices (+1.5%).

Agricultural assets

- The Group owns three farms in Georgia and Florida representing a total area of 3,300 hectares. Ongoing investment (USD 35 million) to convert 1,800 hectares into olive groves. As of June 30, 2019, the vast majority of the original olive grove project has been planted. The first productions of olive oil are expected in 2020. The Group also holds 116 hectares of viticultural rights in the

(10) Company data before restatement under IFRS – Socfin group plantations are accounted for under the equity method in the Bolloré financial statements.

6_EVENTS AFTER THE REPORTING PERIOD

The key events occurring between the closing date and September 12, 2019, the date of the Financière de l'Odet Board of Directors' meeting that approved the half-yearly financial statements, are as follows:

- on July 9, 2019, Canal+ Group management presented the details of a transformation project for its French activities to the employee representatives. The proposal could result in the departure of up to 492 people, exclusively on a voluntary basis. The quantified impacts of this decision will be estimated and disclosed in the second half of 2019;

- on July 17, 2019, the Vivendi Group completed a 113 million euros capital increase (including share premium) subscribed as part of the group savings plan and the leveraged plan;

- on September 11, 2019, the Bolloré Group has signed an agreement with Amundi Private Equity and Bpifrance to sell its 55% stake in Wifirst. The sale of the stake in Wifirst will generate about 115 million euros in cash, and a consolidated capital gain of about 85 million euros.

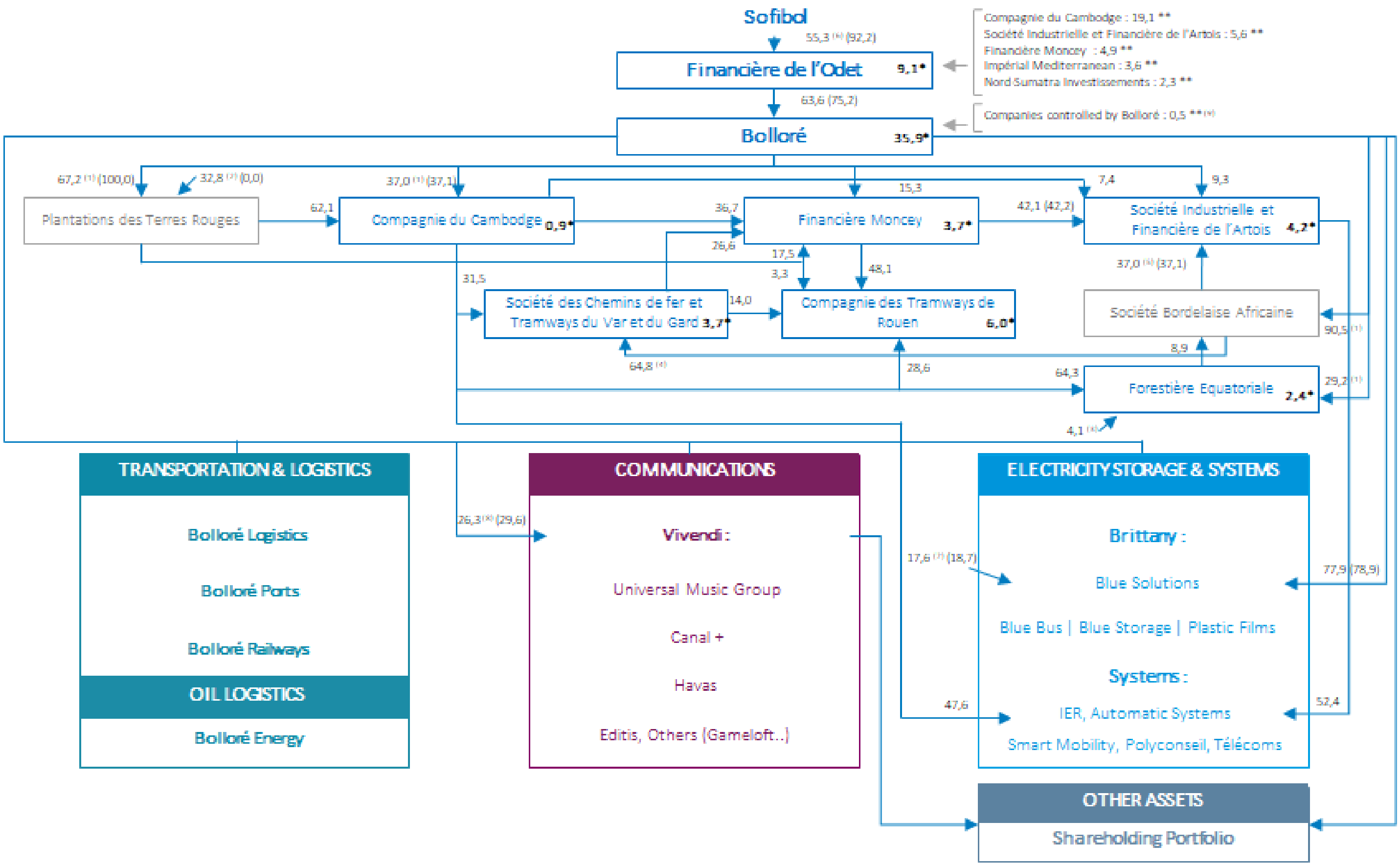
7_MAIN RISKS AND UNCERTAINTIES

The main financial risks with which the Group could be confronted are explained in the Note 8 in appendix to the condensed half-yearly consolidated financial statements, see Note 10.2. on litigation in progress.

8_ MAIN RELATED-PARTY TRANSACTIONS

The main related-party transactions are detailed in the Note 13 in appendix to the condensed half-yearly consolidated financial statements.

9. ECONOMIC ORGANIZATIONAL CHART, AS JUNE 30, 2019



By convention, shareholdings under 1% are not mentioned:

(1) Directly an d indirectly owned by 100% owned subsidiaries.
(2) of which < 10.0% by Compagnie du Cambodge and 22.8% SIF Artois.
(3) 4,1 % by SFA 98.4% owned subsidiary of Plantations des Terres Rouges.
(4) 64,8 % by its 53.4% owned direct subsidiary Socfrance.
(5) 30,2 % by Société Bordelaise Africaine and 6,8 % by its 53.4%-owned direct subsidiary Socfrance.
(6) of which 5,4 % by its 99,5 % - owned direct subsidiary Compagnie de Guénolé.
(7) 17,6 % by Bolloré Participations.
(8) via Compagnie de Cornouaille and Financière de Larmor, wholly owned subsidiaries of Bolloré.
(9) Imperial Mediterranean, Société Bordelaise Africaine and Nord-Sumatra Investissements.

10_ CHANGE IN THE SHARE PRICE

Price in euros, monthly average.
Stock market price at August 30, 2019.

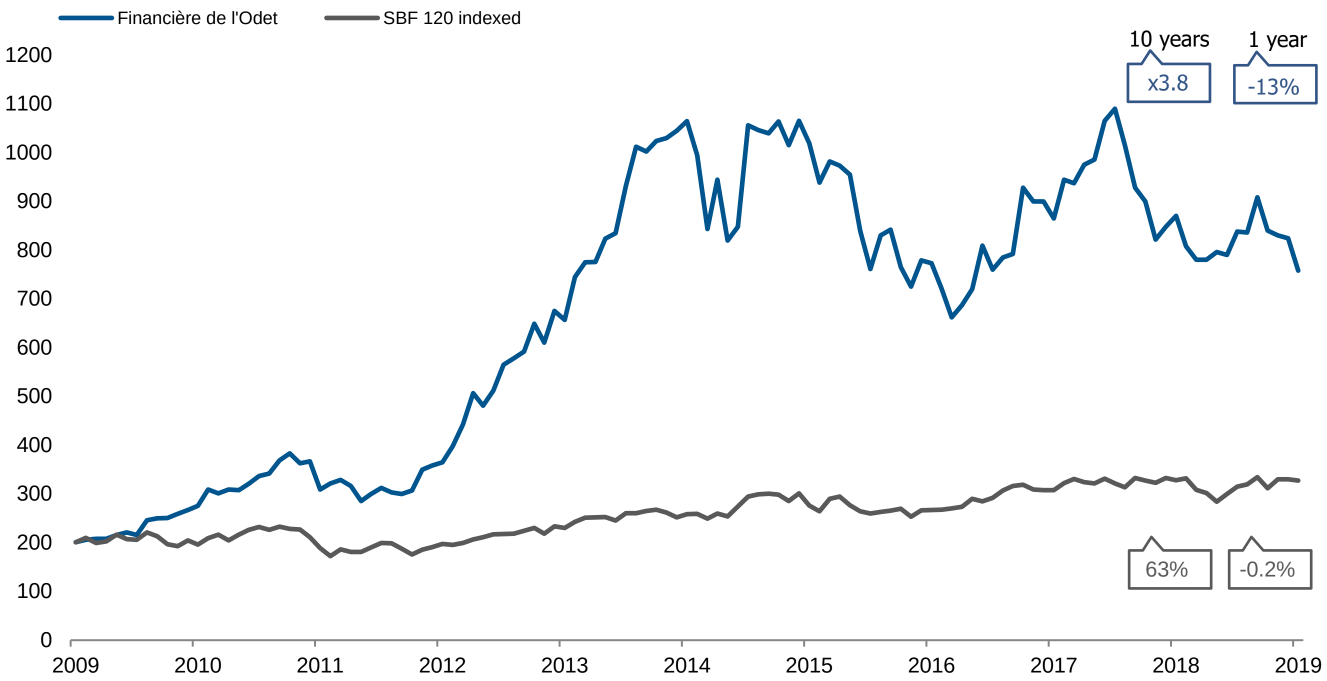


TABLE OF CONTENTS OF THE CONDENSED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise indicated, all amounts are expressed in millions of euros and rounded to the nearest decimal. In general, the values presented in the consolidated financial statements and the notes to the consolidated financial statements are rounded to the nearest decimal. As a result, the sum of the rounded amounts may differ slightly from the reported total. Furthermore, ratios and differences are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	NOTES	June 2019	June 2018	December 2018
Revenue	5.1 - 5.2	**11,779.7**	**10,881.3**	**23,024.4**
Goods and services bought in	5.3	(8,034.7)	(7,613.5)	(16,042.5)
Personnel costs	5.3	(2,353.6)	(2,209.3)	(4,554.4)
Depreciation, amortization and provisions	5.3	(678.3)	(650.9)	(1,426.5)
Other operating income	5.3	67.5	281.8	488.0
Other operating expenses	5.3	(55.1)	(161.5)	(211.6)
Share in net income of operating companies accounted for using the equity method	5.3 - 7.2	5.7	15.1	22.5
Operating income	5.1 - 5.2 - 5.3	**731.2**	**543.0**	**1,299.9**
Net financing expenses	7.1	(65.2)	(66.5)	(132.6)
Other financial income	7.1	326.4	2,119.2	2,779.2
Other financial expenses	7.1	(221.8)	(1,679.2)	(2,511.0)
Financial income	7.1	**39.4**	**373.5**	**135.5**
Share in net income of non-operating companies accounted for using the equity method	7.2	(9.9)	18.9	172.1
Corporate income tax	12	(235.0)	(334.8)	(506.0)
Consolidated net income		**525.7**	**600.6**	**1,101.5**
Consolidated net income, Group share		76.6	48.5	122.1
Minority interests		449.1	552.1	979.4

Earnings per share (1) (in euros): 9.2

	June 2019	June 2018	December 2018
Net income, Group share:			
- basic	18.06	11.42	28.77
- diluted	18.06	11.42	28.77

(1) Excluding treasury shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	**June 2019**	June 2018	December 2018
Consolidated net income for the period	**525.7**	**600.6**	**1,101.5**
Translation adjustment of controlled entities	127.3	286.6	526.0
Change in fair value of financial instruments of controlled entities(1)	(5.9)	2.3	(2.0)
Other changes in items that are recyclable subsequently through profit or loss(2)	80.0	(87.7)	(176.4)
Total changes in items that will be recycled subsequently through profit or loss	**201.4**	**201.2**	**347.7**
Change in fair value of financial instruments of controlled entities(1)	197.1	(704.5)	(783.6)
Change in fair value of financial instruments of entities accounted for using the equity method(2)	(1.0)		(0.9)
Actuarial gains and losses from controlled entities recognized in equity	(50.3)	(6.0)	26.2
Actuarial gains and losses from entities accounted for using the equity method recognized in equity	1.6	(2.8)	(2.1)
Total changes in items that will not be recycled subsequently through profit or loss	**147.4**	**(713.3)**	**(760.4)**
Comprehensive income	**874.5**	88.5	**688.8**
Of which:			
- Group share	192.1	(194.0)	(159.5)
- minority interests	682.4	282.5	848.3
Of which tax in other comprehensive income:			
- on items that can be recycled in profit or loss	0.9	0.4	0.0
- on items that cannot be recycled in profit or loss	(19.9)	(0.2)	(11.2)

(1) See Note 7.3 – Other financial assets

(2) Change in comprehensive income from investments in companies accounted for under the equity method: essentially the impact of the conversion and recognition at fair value of items that are recyclable through profit or loss – See Consolidated statement of changes in shareholders' equity

CONSOLIDATED BALANCE SHEET

(in millions of euros)	NOTES	006/30/2019	01/01/2019(1)	12/31/2018 Restated(2)
Assets				
Goodwill	6.1	15,440.6	14,409.6	14,409.6
Other intangible assets	6.2 - 5.1 - 5.4	10,278.3	10,286.6	10,060.5
Property, plant and equipment	6.3 - 5.1 - 5.4	4,442.5	4,252.3	2,870.6
Investments in companies accounted for under the equity method	7.2	4,562.4	4,507.2	4,507.1
Other non-current financial assets	7.3	4,815.4	4,594.4	4,594.4
Deferred tax	-	847.4	829.9	737.8
Other non-current assets	-	789.2	662.3	662.3
Non-current assets		**41,175.8**	**39,542.3**	**37,842.4**
Inventories and work in progress	-	975.4	1,174.0	1,174.0
Trade and other receivables	-	7,803.7	7,555.6	7,560.4
Current tax	-	161.2	164.1	164.1
Other current financial assets	7.3	997.4	1,080.5	1,080.5
Other current assets	-	758.4	662.7	662.7
Cash and cash equivalents	7.4	4,174.3	4,784.9	4,784.9
Current assets		**14,870.4**	**15,421.9**	**15,426.7**
Total Assets		**56,046.2**	**54,964.2**	**53,269.1**
Equity and liabilities				
Share capital		105.4	105.4	105.4
Share issue premiums		87.7	87.7	87.7
Consolidated reserves		3,678.5	3,549.7	3,621.2
Shareholders' equity, Group share		**3,871.5**	**3,742.8**	**3,814.2**
Minority interests		20,685.6	22,124.1	22,341.4
Equity	9.1	**24,557.1**	**25,866.8**	**26,155.7**
Non-current financial debts	7.5	9,899.6	8,333.7	8,340.5
Provisions for employee benefits	10	932.4	866.6	866.6
Other non-current provisions	10	429.0	393.7	377.9
Deferred tax	-	2,605.8	2,808.4	2,807.8
Other non-current liabilities	5.4	2,219.1	2,095.0	372.8
Non-current liabilities		**16,085.8**	**14,497.4**	**12,765.6**
Current financial debts	7.5	2,457.0	2,081.8	2,082.8
Current provisions	10	391.3	423.2	426.6
Trade and other payables	-	11,410.9	11,096.1	11,122.2
Current tax	-	164.2	210.1	210.1
Other current liabilities	5.4	979.8	788.8	506.1
Current liabilities		**15,403.2**	**14,600.0**	**14,347.8**
Total liabilities		**56,046.2**	**54,964.2**	**53,269.1**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

(2) Note 2 – General accounting policies.

CHANGES IN CONSOLIDATED CASH FLOWS

(in millions of euros)	NOTES	**June 2019**	June 2018	December 2018 restated[1]
Cash flow from operations				
Net income, Group share		76.6	48.5	122.1
Net income, minority interests' share		449.1	552.2	979.4
Consolidated net income		**525.7**	600.6	1,101.5
Non-cash income and expenses:				
- elimination of depreciation, amortization and provisions		705.0	636.0	1,293.2
- elimination of change in deferred taxes		31.0	107.9	59.0
- other income and expenses not affecting cash flow or not related to operating activities		(121.6)	(595.9)	(421.0)
- elimination of capital gains or losses upon disposals		1.1	9.8	2.7
Other adjustments:				
- net financing expenses		65.2	66.5	132.6
- income from dividends received		(16.9)	(15.6)	(21.4)
- tax charge on companies		208.8	234.2	463.8
- financial cost of IFRS 16		44.6	0.0	0.0
Dividends received:				
- dividends received from companies accounted for using the equity method		7.9	7.7	55.0
- dividends received from unconsolidated companies		8.1	17.7	22.1
Income tax on companies paid up		(456.0)	(209.2)	(438.9)
Impact of the change in working capital requirement:		(627.8)	(436.8)	(254.0)
- of which inventories and work in progress		*(44.5)*	*(9.2)*	*17.6*
- of which payables		*(319.5)*	*(468.3)*	*180.8*
- of which receivables		*(263.7)*	*40.7*	*(452.5)*
Net cash from operating activities		**375.1**	422.9	1,994.8
Cash flow from investment activities				
Disbursements related to acquisitions:				
- property, plant and equipment		(297.5)	(257.3)	(561.1)
- intangible assets		(218.0)	(196.5)	(438.6)
- assets arising from concessions		(2.1)	(9.8)	(22.5)
- securities and other non-current financial assets		(508.5)	(268.9)	(584.6)
Income from disposal of assets:				
- property, plant and equipment		10.7	4.7	12.2
- intangible assets		0.7	4.9	4.5
- securities		63.2	1,499.7	2,241.0
- other non-current financial assets		674.0	164.8	63.5
Effect of changes in consolidation scope on cash flow		(886.1)	(44.8)	(108.6)
Net cash from investing activities		**(1,163.6)**	896.8	605.7
Cash flows from financing activities				
Disbursements:				
- dividends paid to parent company shareholders		(4.2)	(4.2)	(4.2)
- dividends paid to minority shareholders net of distribution tax		(565.9)	(521.2)	(616.6)
- financial debts repaid	7.5	(829.2)	(291.4)	(375.8)
- repayments of lease liabilities		(142.3)	0.0	0.0
- acquisition of minority interests and treasury shares		(970.2)	(1,759.5)	(2,538.6)
Receipts:				
- capital increases		49.5	76.7	192.7
- investment subsidies		2.3	3.4	6.9
- increase in financial debts	7.5	2,718.7	1,862.4	2,532.2
- disposal to minority interests and disposals of treasury shares		5.1	15.9	1.0
- change in liabilities on IFRS 16 leases		0.3	0.0	0.0
Net interest paid on loans		(79.2)	(61.5)	(130.5)
Net interest paid on IFRS 16 leases		(42.9)	0.0	0.0
Net cash from financing activities		**142.0**	(679.4)	(932.9)
Effect of exchange rate fluctuations		6.3	(22.0)	(6.5)
Others		(0.1)	(0.2)	(5.4)
Net increase (decrease) in cash and cash equivalents		**(640.3)**	618.1	1,655.7
Cash and cash equivalents at the beginning of the period[2]		4,428.2	2,772.5	2,772.5
Cash and cash equivalents at the end of the period[2]		3,787.9	3,390.6	4,428.2

(1) Note 2 – General accounting policies
(2) See note 7.4 – Cash and cash equivalents and net cash

Net cash flows from operating activities

Other income and expenses not affecting cash flow or not related to operating activities mainly include the revaluation of securities held by Vivendi (Spotify, Tencent) in the negative amount of 154.9 million euros and reversals of stock options and free shares in the amount of 19.6 million euros.

The working capital requirement (WCR) increased by 627.8 million euros compared with December 2018. The main changes are described below:

- the WCR of the Communication segment (Vivendi) deteriorated by 567.0 million euros;
- the WCR of the Transportation and Logistics segment deteriorated by 45.0 million euros;
- the WCR of the Oil Logistics segment increased by 17.0 million euros, driven by a rise in the average prices of petroleum products. Average customer terms were up by 0.8 days compared with the first half of 2018;
- the WCR of the Electricity Storage and Solutions segment increased by 27.0 million euros, breaking down as 23.0 million euros for the Brittany group and 4.0 million euros for the Systems group.

Net cash flows from investing activities

Purchases of investments mainly represent the acquisition of Vivendi's cash management financial assets.

Proceeds from the sale of securities are attributable mainly to the balance of 428.7 million euros of the receivable on the sale of Ubisoft securities.

The impact of changes in the scope of consolidation on cash relates mainly to the acquisition of Editis in the negative amount of 832.7 million euros (see note 1 – Significant events).

Net cash flows from financing activities

Debt issue and repayment flows relate mainly to the day-to-day management of the Group's financing at Vivendi (bond issue over the period: 2,100 million euros) and Bolloré SA (issues: 517.0 million euros/redemptions: 719.0 million euros).

Disbursements related to acquisitions of non-controlling interests are attributable mainly to the purchase of treasury shares by Vivendi for 947.3 million euros (see note 1 – Significant events).

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in millions of euros)	Number of shares excluding treasury shares[1]	Share capital	Share issue premiums	Own shares	Fair value of financial assets: recyclable	Fair value of financial assets: not recyclable	Translation adjustment	Actuarial (losses) and gains	Reserves	Shareholders' equity, Group share	Minority interests	TOTAL
Equity as of January 1, 2018	**4,244,911**	**105.4**	**87.7**	**(169.0)**	**36.3**	**1,362.3**	**(175.5)**	**(47.3)**	**2,949.6**	**4,149.5**	**24,366.7**	**28,516.2**
Transactions with shareholders	**0**	**0.0**	**0.0**	**0.4**	**1.3**	**(11.4)**	**(44.8)**	**(9.1)**	**(50.2)**	**(113.8)**	**(2,095.7)**	**(2,209.5)**
Dividends distributed									(4.2)	(4.2)	(568.7)	(572.9)
Share-based payments									2.7	2.7	10.7	13.4
Change in consolidation scope[2]				0.4	1.3	(11.4)	(44.0)	(9.1)	(46.9)	(109.7)	(1,539.7)	(1,649.4)
Other changes							(0.8)		(1.8)	(2.6)	2.0	(0.6)
Comprehensive income items					**(7.2)**	**(265.2)**	**30.9**	**(1.0)**	**48.5**	**(194.0)**	**282.5**	**88.5**
Net income for the period									48.5	48.5	552.1	600.6
Change in items recyclable through profit and loss												
Translation adjustment of controlled entities							34.4			34.4	252.2	286.6
Change in fair value of financial instruments of controlled entities[3]					(0.4)					(0.4)	2.7	2.3
Other changes in comprehensive income[4]					(6.8)		(3.5)			(10.3)	(77.4)	(87.7)
Change in items that will not be recycled												
Translation adjustment of controlled entities						(265.2)				(265.2)	(439.3)	(704.5)
Actuarial (losses) and gains from controlled entities								(0.7)		(0.7)	(5.3)	(6.0)
Actuarial (losses) and gains from entities accounted for using the equity method								(0.3)		(0.3)	(2.5)	(2.8)
Shareholders' equity as of June 30, 2018	**4,244,911**	**105.4**	**87.7**	**(168.6)**	**30.4**	**1,085.7**	**(189.4)**	**(57.4)**	**2,947.9**	**3,841.7**	**22,553.5**	**26,395.2**
Equity as of January 1, 2018	**4,244,911**	**105.4**	**87.7**	**(168.9)**	**36.2**	**1,362.3**	**(175.5)**	**(47.3)**	**2,949.6**	**4,149.5**	**24,366.7**	**28,516.2**
Transactions with shareholders	**0**	**0.0**	**0.0**	**(0.5)**	**5.2**	**0.8**	**(68.0)**	**(13.7)**	**(99.5)**	**(175.8)**	**(2,873.6)**	**(3,049.4)**
Capital increases										0.0		0.0
Dividends distributed									(4.2)	(4.2)	(625.7)	(629.9)
Share-based payments									6.2	6.2	26.4	32.6
Change in consolidation scope[2]				(0.5)	2.7	(8.0)	(64.6)	(13.7)	(90.3)	(174.5)	(2,269.4)	(2,443.9)
Other changes					2.5	8.8	(3.4)	0.0	(11.1)	(3.3)	(4.8)	(8.1)
Comprehensive income items					**(23.1)**	**(321.0)**	**60.8**	**1.7**	**122.1**	**(159.5)**	**848.3**	**688.8**
Net income for the period									122.1	122.1	979.4	1,101.5
Change in items recyclable through profit and loss												
Translation adjustment of controlled entities							72.4			72.4	453.6	526.0
Change in fair value of financial instruments of controlled entities[3]					(1.9)					(1.9)	(0.1)	(2.0)
Other changes in comprehensive income[4]					(21.2)		(11.6)			(32.8)	(143.6)	(176.4)
Change in items that will not be recycled												
Change in fair value of financial instruments of controlled entities[3]						(320.5)				(320.5)	(463.1)	(783.6)
Change in fair value of financial instruments of entities accounted for using the equity method[3]						(0.5)				(0.5)	(0.4)	(0.9)
Actuarial (losses) and gains from controlled entities								2.0		2.0	24.3	26.2
Actuarial (losses) and gains from entities accounted for using the equity method								(0.3)		(0.3)	(1.8)	(2.1)
Equity as of December 31, 2018	**4,244,911**	**105.4**	**87.7**	**(169.4)**	**18.3**	**1,042.1**	**(182.8)**	**(59.3)**	**2,972.3**	**3,814.2**	**22,341.4**	**26,155.7**
Impact of IFRS 16[5]									(71.5)	(71.5)	(217.4)	(288.8)
Equity as of January 1, 2019[5]	**4,244,911**	**105.4**	**87.7**	**(169.4)**	**18.3**	**1,042.1**	**(182.8)**	**(59.3)**	**2,900.7**	**3,742.8**	**22,124.1**	**25,866.8**
Transactions with shareholders	**0**	**0.0**	**0.0**	**0.6**	**(0.2)**	**(31.4)**	**(3.4)**	**(0.9)**	**(28.0)**	**(63.3)**	**(2,120.8)**	**(2,184.1)**
Capital increases										0.0		0.0
Dividends distributed									(4.2)	(4.2)	(635.9)	(640.2)
Share-based payments									4.3	4.3	15.4	19.6
Change in consolidation scope[2]				0.6	0.0	(5.5)	(3.4)	(0.9)	(57.8)	(67.0)	(1,511.6)	(1,578.6)
Other changes					(0.2)	(25.9)			29.7	3.7	11.3	15.0
Comprehensive income items					**10.0**	**87.9**	**24.3**	**(6.7)**	**76.6**	**192.1**	**682.4**	**874.4**
Net income for the period									76.6	76.6	449.1	525.7
Change in items recyclable through profit and loss												
Translation adjustment of controlled entities							18.8			18.8	108.6	127.3
Change in fair value of financial instruments of controlled entities[3]					(2.3)					(2.3)	(3.6)	(5.9)
Other changes in comprehensive income[4]					12.3		5.6			17.9	62.1	80.0
Change in items that will not be recycled												
Change in fair value of financial instruments of controlled entities[3]						88.4				88.4	108.7	197.1
Change in fair value of financial instruments of entities accounted for using the equity method[3]						(0.5)				(0.5)	(0.5)	(1.0)
Actuarial (losses) and gains from controlled entities								(6.9)		(6.9)	(43.4)	(50.3)
Actuarial (losses) and gains from entities accounted for using the equity method								0.2		0.2	1.4	1.6
Shareholders' equity as of June 30, 2019[5]	**4,244,911**	**105.4**	**87.7**	**(168.9)**	**28.2**	**1,098.5**	**(161.8)**	**(66.9)**	**2,949.4**	**3,871.5**	**20,685.6**	**24,557.1**

(1) See note 9.1 – Shareholders' equity

(2) In 2018, mainly the impact of the purchase of Vivendi shares for (1,738.8) million euros in the first half of 2018 and (2,585.7) million euros over the full year in 2018.

In the first half of 2019, mainly repurchases of own shares by Vivendi in the amount of (1,045.0) million euros and its commitment to buy back own shares in the amount of (565.0) million euros.

(3) See note 7.3 – Other financial assets

(4) Mainly change in comprehensive income from investments in companies accounted for under the equity method: impact of the conversion and the fair value adjustment.

(5) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED TABLE OF CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financière de l'Odet is a corporation (*société anonyme*) incorporated under French law and subject to all legislative and other provisions applying to trading companies in France, and in particular those of the French Commercial Code (*Code de commerce*). Its registered office is at Odet, 29500 Ergué-Gabéric. The administrative headquarters is at 31-32, Quai de Dion-Bouton, 92811 Puteaux. The company is listed on the Paris stock exchange.

Financière de l'Odet is fully consolidated in the financial statements of Bolloré Participations.

The interim financial statements have been prepared under the responsibility of the Board of Directors at its meeting of September 12, 2019.

Note 1 - Significant Events

Vivendi Group share repurchase program

On April 15, 2019, the Vivendi Group's General Shareholders' Meeting adopted the following two resolutions concerning share buybacks:

- renewal of the authorization granted to the Management Board by the General Shareholders' Meeting of April 19, 2018 to buy back shares at a maximum price of 25 euros per share, within the limit of 10% of the share capital, and to cancel the shares purchased within the limit of 10% of the capital;

- authorization granted to the Management Board to go ahead with a Public Share Buyback Offer (OPRA) at a maximum price of 25 euros per share, within a limit of 25% of the share capital. The shares purchased will be canceled. Following the Management Board's decision of May 24, 2019, and in accordance with the authorization of the General Shareholders' Meeting of April 15, 2019, the Vivendi Group launched on May 28, 2019 a share repurchase program expiring on July 25, 2019, within the limit of 5% of the share capital and at a maximum unit price of 25 euros, with a view to canceling the shares purchased. Between May 28 and the closing date of June 30, 2019, the Vivendi Group repurchased 42,730 thousand treasury shares at an average price of 24.45 euros per share, i.e. a total amount of 1,045 million euros, with a disbursement of 947 million euros in the first half of 2019. The Vivendi Group also recognized a financial liability of 566 million euros covering firm commitments related to the share repurchase program in progress as of June 30, 2019.

Between the closing date of June 30, 2019 and July 23, 2019, the date of the Vivendi Group's Management Board meeting approving the financial statements for the six months to June 30, 2019, the Vivendi Group repurchased 22,735 thousand treasury shares at an average price of 24.87 euros per share, i.e. a total amount of 566 million euros recognized in the balance sheet as of June 30, 2019. As of July 23, 2019, the Vivendi Group held 52,516 thousand treasury shares, representing 4.15% of the share capital as of that date.

Change in the percentage ownership interest in Vivendi

The Group held 13.3 million call options, representing 1% of the capital, expiring on June 25, 2019. Between June 5 and 13, 2019, the Group sold 11.5 million options on the market, and then exercised the remaining 1.8 million options. The settlement-delivery of the relevant securities took place on June 18, 2019. Based on the opening market price of 24.74 euros on June 19, 2019, the securities were valued at 45 million euros.

Following the exercise of call options and the purchase of treasury shares by Vivendi, the Group's percentage interest in Vivendi amounted to 26.1% as of June 30, 2019. In view of its interest and other facts and circumstances, the Group considers that its control over Vivendi, which began on April 25, 2017, continues.

Change in the capital of Universal Music Group

The Vivendi Group selected its advisory banks for the Universal Music Group (UMG) equity offering.

The process of transferring a non-controlling interest in the equity of UMG to one or more partners is continuing as previously announced, in consultation with the UMG management teams.

On August 6, 2019, Vivendi announced the start of exclusive negotiations with Tencent Holding Limited with a view to a strategic investment representing 10% of UMG's capital based on an enterprise value of 30 billion euros for 100% of UMG on a fully diluted basis. Tencent would also receive a one-year call option representing an additional 10% interest at the same price and under the same conditions. At the same time, Vivendi and Tencent are studying various areas of strategic commercial cooperation.

The prospective transaction is subject to due diligence on UMG and the finalization of the legal documentation. Vivendi is also continuing the process of transferring an additional non-controlling interest in UMG to other potential partners.

Acquisition of Editis

On January 31, 2019, the Vivendi Group completed the acquisition of 100% of the share capital of Antinea 6, the holding company of Editis, France's second-largest publishing group, representing a cash outflow of 833 million euros, including the repayment of the Editis group's debt. The French Competition Authority had authorized the transaction without conditions on January 2, 2019.

Editis has been fully consolidated by the Vivendi Group since February 1, 2019. The purchase price and its allocation will be finalized within 12 months of the date of acquisition, as required by accounting standards. The final goodwill could differ significantly from the amount of 831 million euros recognized in the financial statements for the six months to June 30, 2019.

Sale of the residual interest in Ubisoft

On March 7, 2019, the Vivendi Group received 429 million euros in respect of the forward sale of its residual interest in Ubisoft. The Vivendi Group is no longer a Ubisoft shareholder, and is still bound by an undertaking not to acquire Ubisoft shares for five years. In total, the sale of the Vivendi Group's stake in Ubisoft represented 2 billion euros, representing a capital gain of 1.2 billion euros.

Prospective acquisition of M7

On May 27, 2019, Canal+ Group announced the acquisition of M7, one of Europe's largest independent pay-TV operators, operating in Benelux and Central Europe. M7 is owned by Astorg, a leading private equity fund in Europe. The transaction is subject to the approval of the European Commission. The closing of the agreement is scheduled for September 2019.

Bolloré SA dividends

Balance of the 2018 Bolloré SA dividend

The Bolloré SA General Shareholders' Meeting of May 29, 2019 decided to pay the balance of 0.04 euro per share of the dividend for the 2018 financial year with the option of receiving it in shares. 7,976,527 Bolloré SA shares were issued on the date of payment of this balance, resulting in an increase of 29.3 million euros in the share capital of Bolloré SA.

The total dividend paid for 2018 was 0.06 euro per share including the interim dividend paid in 2018.

Note 2 - General accounting policies

The accounting principles and methods used to prepare the condensed half-yearly consolidated financial statements are identical to those used by the Group for the consolidated financial statements for the year ended December 31, 2018, prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and described in note 2 – General accounting policies in the notes to the consolidated financial statements for the year ended December 31, 2018, subject to the following:

- application by the Group of the accounting standards or interpretations, set out in 2.1.1 below – IFRS and IFRIC standards and interpretations or amendments applied by the Group from January 1, 2019;

- application of the specifics of IAS 34 "Interim Financial Reporting".

In accordance with IAS 34, these financial statements do not include all the notes required in the annual financial statements, but a selection of explanatory notes. They should be read in conjunction with the Group's financial statements for the year ended December 31, 2018.

In addition, a number of reclassifications were made in the consolidated financial statements for the year ended December 31, 2018 and in the consolidated balance sheet as of January 1, 2019, in order to align them with the presentation of the financial statements for the six months to June 30, 2019.

2.1 - Changes in standards

2.1.1 - IFRS, IFRIC interpretations or amendments applied by the Group from January 1, 2019

Standards, Amendments or Interpretations	Dates of adoption by the European Union	Application date set by the European Union: fiscal years beginning on or after:
Amendment to IAS 28 "Long-term interests in associated enterprises and joint ventures"	02/08/2019	01/01/2019
Improvements to IFRS – 2015-2017 cycle	03/14/2019	01/01/2019
Amendment to IAS 19 "Plan amendment, curtailment or settlement"	03/13/2019	01/01/2019
Amendment to IFRS 9 "Prepayment features with negative compensation"	03/22/2018	01/01/2019
IFRIC 23 "Uncertainty over income tax treatments"	10/23/2018	01/01/2019
IFRS 16 "Leases"	10/31/2017	01/01/2019

With the exception of IFRS 16 and IFRIC 23, the impact of other standards and interpretations applicable as of January 1, 2019 on the Group's financial statements is not material.

- IFRS 16 – Leases

The Group elected to apply IFRS 16 retrospectively as of January 1, 2019, without adjusting the comparative periods in the financial statements.

As the purchase and sale of access rights and rights to use intellectual property licenses are excluded from the scope of IFRS 16, the main point of attention for the Financière de l'Odet Group is the accounting of property leases and concession agreements for which the Group is a lessee. This results in the recording on the balance sheet of lease liabilities corresponding to discounted future lease payments and future royalty payments, as well as right-of-use assets relating to leases.

The amount of lease liabilities as of January 1, 2019 was determined using:

- an analysis of operating leases, the contractual obligations of which were presented as off-balance sheet commitments until December 31, 2018 (see note 5.10 – Lease commitments in the notes to the consolidated financial statements for the year ended December 31, 2018);
- a review of the Group's concession contracts, the contractual obligations of which were presented as off-balance sheet commitments until December 31, 2018 (see note 6.4.2 Commitments given under concessions in the notes to the consolidated financial statements for the year ended December 31, 2018);
- the assessment of the lease term corresponding to the time for which the lease is non-cancelable, taking into account any extension option that the Financière de l'Odet Group is reasonably certain to exercise and any termination option that the Financière de l'Odet Group is reasonably certain not to exercise. The Financière de l'Odet Group also referred to the indicative position of the ANC (French Accounting Standards Authority) in determining that the term of property leases in France is generally nine years;
- the estimated incremental borrowing rate of each lease as of January 1, 2019, taking into account the remaining lease terms at that date.

The first-time application of IFRS 16 resulted in the recognition as of January 1, 2019 of a lease liability of 2,021.8 million euros and a right-of-use asset of 1,627.6 million euros, the difference being a negative impact of 288.8 million euros on equity net of deferred tax assets and liabilities. The difference between the lease liability and the lease-related right-of-use asset is attributable mainly to the choice made for certain material leases to measure the right-of-use asset by determining its carrying amount, as if IFRS 16 had been applied since the start date of the lease and then discounted using the incremental borrowing rate as of January 1, 2019.

The main impacts as of January 1, 2019 are described in note 5.4, it being specified that:

- this measurement does not include the impact of the consolidation of Editis as of February 1, 2019;
- for certain leases, the Group used the option offered by IFRS 16 to use knowledge acquired retrospectively at the date of transition;
- the Group has used the exemptions provided by the standard for leases with a residual term of 12 months or less and/or where the replacement value of the leased asset is low.

Lease liabilities are current or non-current operating liabilities excluded from the calculation of the Group's net financial debt. Amortization expense on leases is included in operating income. The accretion effect of lease liabilities (interest expense on rental liabilities) is included in other financial expense. The cash outflows relating to the principal of the lease liabilities, together with the interest expense on rental liabilities, are presented as net cash from financing activities in the cash flow statement.

In addition, IFRIC 23 – Uncertainty over Income Tax Treatments, adopted by the EU on October 23, 2018, is mandatory from January 1, 2019. That interpretation clarifies the determination of taxable income (taxable profit or loss), tax bases, unused tax losses, unused tax credits and tax rates, in the event of uncertainty about a particular tax treatment for income tax and the acceptability of such a treatment by the tax authorities.

2.1.2 - Accounting standards or interpretations that the Group will apply in the future

As of the date that the financial statements were approved, there have been no new standards adopted by the European Union for which first-time application is after January 1, 2019.

The IASB has published standards and interpretations that have not yet been adopted by the European Union as of June 30, 2019; to date, they have not been applied by the Group.

Standards, Amendments or Interpretations	Dates of publication by the IASB	Application dates pursuant to IASB: fiscal years beginning on or after
IFRS 17 "Insurance contracts"	05/18/2017	01/01/2021
Updated references to the conceptual framework in IFRS	03/29/2018	01/01/2020
Amendments to IFRS 3 "Definition of a business"	10/22/2018	01/01/2020
Amendments to IAS 1 and IAS 8 "Definition of significant term"	10/31/2018	01/01/2020

2.2 - Use of estimates

When preparing the consolidated financial statements in compliance with IAS 34, Management had to use assumptions and estimates to implement accounting principles to measure these assets and liabilities as well as the income and expenses for the period presented.

Note 3 - Comparability of financial statements

In the absence of significant changes in scope and, aside from the impacts related to the application of new standards (see note 2.1.1 IFRS, IFRIC interpretations or amendments applied by the Group from January 1, 2019), the financial statements for the first half of 2019 are comparable with those of the first half of 2018.

Seasonal Nature of the Activity

Revenue and operating income are seasonal, and are presented in comparison with the comparable six-month period and the previous full year.

In accordance with the IFRS accounting principles, revenues are recognized in the same conditions as at the annual closing.

Note 4 - Consolidation scope

4.1 - Main changes in consolidation scope

4.1.1 - Change in consolidation scope in the first half of 2019

Initial consolidation by the Vivendi Group

Acquisitions made by the Vivendi Group include Editis, a French group combining nearly 50 publishing houses acquired by Vivendi on January 31, 2019, and Ingrooves Music Group, an innovative distribution and musical marketing company that complements its relationships with independent music players globally, on March 15, 2019. In addition, Havas has pursued its

policy of targeted acquisitions and continues to strengthen its operations in certain areas of expertise and certain geographies. For instance, Havas acquired Havas Baltics, a communication group based in the Baltic countries, in the first half of 2019.

Overall effect of acquisitions over the period

Provisional goodwill, including commitments to buy out minority interests relating to acquisitions made over the period, amounted to 944.2 million euros; it relates mainly to the Vivendi Group, and essentially Editis. Work on measuring the fair value of assets and liabilities will be finalized within the one-year period permitted under the standard.

4.1.2 - Change in consolidation scope in 2018

Initial consolidation by the Vivendi Group

The acquisitions made by the Vivendi Group in 2018 include Paylogic, a ticketing and related technology company acquired by Vivendi Village on April 16, 2018. In addition, Havas is pursuing its policy of targeted acquisitions and is continuing to strengthen its operations in certain areas of expertise or certain geographies. In 2018, Havas made two acquisitions: DAA (Deekeling Arndt Advisors), a public relations agency based in Germany, and M&C Consultancy, a London-based agency specializing in health.

Over the year, Havas also acquired 51% of Republica, the leading independent multicultural marketing agency in the United States, and 88% of Étoile Rouge, a communications agency dedicated to luxury and lifestyle players in France.

Overall effect of acquisitions over the period

Goodwill, including commitments to buy out minority interests relating to acquisitions made in 2018, amounted to 107.3 million euros, and relates mainly to the Vivendi Group.

Note 5 - Operating data

5.1 - Information on operating segments

5.1.1 - Information by operating segment

(in millions of euros)	Transportation and logistics	Oil logistics	Communications	Electricity storage and systems	Other activities	Inter-segment eliminations	**Total consolidated**
In June 2019							
Sale of goods	*10.0*	*1,234.6*	*3,552.2*	*112.3*	*8.5*	*0.0*	*4,917.5*
Provision of services	*2,931.3*	*21.1*	*3,795.5*	*43.4*	*7.7*	*0.0*	*6,799.0*
Income from associated activities	*33.2*	*22.2*	*3.2*	*4.0*	*0.5*	*0.0*	*63.2*
External revenue	2,974.4	1,277.9	7,350.9	159.7	16.8	0.0	11,779.7
Inter-segment revenue	14.7	0.9	2.4	4.6	30.0	(52.7)	0.0
Revenue	**2,989.1**	**1,278.8**	**7,353.3**	**164.3**	**46.8**	**(52.7)**	**11,779.7**
Net depreciation, amortization and provision expense	(137.4)	(8.4)	(487.9)	(37.5)	(7.2)	0.0	(678.3)
Operating income by segment(1)	**284.3**	**24.7**	**531.2**	**(81.1)**	**(28.0)**	**0.0**	**731.2**
Tangible and intangible capital expenditure	**143.5**	**8.8**	**521.4**	**45.9**	**2.3**	**0.0**	**721.9**
Of which IFRS 16 impact	*13.3*	*0.0*	*207.1*	*2.5*	*0.0*	*0.0*	*222.9*
In June 2018 restated							
Sale of goods	*4.6*	*1,223.6*	*2,649.8*	*116.5*	*11.6*	*0.0*	*4,006.2*
Provision of services	*2,910.4*	*19.1*	*3,819.0*	*60.5*	*7.7*	*0.0*	*6,816.7*
Income from associated activities	*31.7*	*17.1*	*3.5*	*5.2*	*0.9*	*0.0*	*58.4*
External revenue	2,946.7	1,259.8	6,472.3	182.3	20.2	0.0	10,881.3
Inter-segment revenue	12.4	0.9	3.3	3.4	30.2	(50.2)	0.0
Revenue	2,959.1	1,260.7	6,475.6	185.7	50.4	(50.2)	10,881.3
Net depreciation, amortization and provision expense	(106.1)	(12.2)	(395.8)	(130.4)	(6.5)	0.0	(650.9)
Operating income by segment(1)	**254.9**	**11.2**	**383.8**	**(83.1)**	**(23.8)**	**0.0**	**543.0**
Tangible and intangible capital expenditure	**111.6**	**18.5**	**284.4**	**37.5**	**3.9**	**0.0**	**455.8**
In December 2018 restated							
Sale of goods	*18.6*	*2,618.5*	*6,081.3*	*243.9*	*18.9*	*0.0*	*8,981.2*
Provision of services	*5,920.0*	*44.6*	*7,835.6*	*102.7*	*15.6*	*0.0*	*13,918.5*
Income from associated activities	*68.5*	*36.1*	*7.0*	*11.6*	*1.5*	*0.0*	*124.7*
External revenue	6,007.0	2,699.1	13,923.9	358.2	36.1	0.0	23,024.4
Inter-segment revenue	29.8	1.9	7.6	7.5	62.4	(109.2)	0.0
Revenue	6,036.8	2,701.1	13,931.5	365.7	98.6	(109.2)	23,024.4
Net depreciation, amortization and provision expense	(208.0)	(22.7)	(893.7)	(289.3)	(12.7)	0.0	(1,426.5)
Operating income by segment(1)	**510.8**	**34.3**	**958.9**	**(159.5)**	**(44.5)**	**0.0**	**1,299.9**
Tangible and intangible capital expenditure	**285.4**	**32.2**	**617.8**	**88.7**	**7.9**	**0.0**	**1,032.0**

(1) Before Bolloré trademark fees.

5.1.2 - Information by geographical area

(in millions of euros)	France and overseas departments and territories	Europe outside France	Africa	Americas	Asia-Pacific	**Total**
In June 2019						
Revenue	4,360.3	2,354.7	1,513.8	2,367.2	1,183.7	**11,779.7**
Other intangible assets	3,543.3	522.0	1,111.7	5,067.8	33.6	**10,278.3**
Property, plant and equipment	1,744.9	765.1	838.1	711.4	383.0	**4,442.5**
Tangible and intangible capital expenditure	385.1	75.3	50.3	78.0	133.2	**721.9**
In June 2018 restated						
Revenue	4,215.2	2,024.6	1,469.9	2,089.3	1,082.3	10,881.3
Other intangible assets	3,527.2	578.0	762.7	5,110.5	33.3	10,011.7
Property, plant and equipment	1,294.2	370.8	875.7	280.1	104.0	2,924.8
Tangible and intangible capital expenditure	173.1	114.4	81.9	65.1	21.3	455.8
In December 2018						
Revenue	8,397.0	4,466.7	2,968.4	4,844.2	2,348.1	23,024.4
Other intangible assets	3,541.7	457.6	917.6	5,110.6	33.1	10,060.5
Property, plant and equipment	1,250.1	385.0	776.0	311.7	147.9	2,870.6
Tangible and intangible capital expenditure	405.3	203.2	212.1	128.7	82.6	1,032.0

Revenue by geographical area shows the distribution of products according to the country in which they are sold.

5.2 - Main changes at constant scope and exchange rates

The table below shows the impact of changes in consolidation scope and exchange rates on the key figures, with the 2018 data being applied to the 2019 consolidation scope and exchange rates.

Where reference has been made to data at constant scope and exchange rates, this means that the impact of changes in the exchange rate and changes in scope (acquisitions or disposals of shareholding in a company, change in percentage of integration, change in consolidation method) have been restated.

(in millions of euros)	**June 2019**	June 2018 Restated	Change in consolidation scope(1)	Foreign exchange variations(2)	June 2018 at constant scope and exchange rates
Revenue	11,779.7	10,881.3	293.3	146.7	11,321.3
Operating income	731.2	543.0	9.6	12.1	564.7

(1) Changes in scope mainly concern the impact of the acquisition of Editis in the first half of 2019.

(2) Foreign exchange variations on revenue and operating income relate mainly to change in the value of the euro against the US dollar.

5.3 - Operating income

(in millions of euros)	**June 2019**	June 2018 Restated	December 2018
Revenue	11,779.7	10,881.3	23,024.4
Goods and services bought in:	(8,034.7)	(7,613.5)	(16,042.5)
- Purchases and external charges	*(7,941.7)*	*(7,377.8)*	*(15,575.8)*
- Leases and rental expenses(1)	*(92.9)*	*(235.7)*	*(466.7)*
Personnel costs	(2,353.6)	(2,209.3)	(4,554.4)
Depreciation, amortization and provisions	(678.3)	(650.9)	(1,426.5)
Other operating income(*)	67.5	281.8	488.0
Other operating expenses(*)	(55.1)	(161.5)	(211.6)
Share in net income of operating companies accounted for using the equity method(2)	5.7	15.1	22.5
Operating income	**731.2**	543.0	1,299.9

(1) In 2019, these are leases excluded from the scope of IFRS 16 as of June 30, 2019.

(2) See note 7.2 – Investments in companies accounted for under the equity method.

* Details of other operating income and expenses:

(in millions of euros)	**June 2019**			June 2018		
	Total	Operating income	Operating expenses	Total	Operating income	Operating expenses
Capital gains (losses) on the disposal of non-current assets	(1.0)	11.0	(12.0)	(3.5)	4.6	(8.1)
Currency translation gains and losses net of hedging	1.1	14.0	(12.9)	0.6	55.3	(54.7)
Research and competitiveness and jobs tax credits	17.2	17.2	0.0	27.4	27.4	0.0
Others	(4.9)	25.3	(30.2)	95.8	194.5	(98.7)
Other operating income and expenses	**12.4**	**67.5**	**(55.1)**	120.3	281.8	(161.5)

(in millions of euros)	December 2018		
	Total	Operating income	Operating expenses
Capital gains (losses) on asset disposals	(9.9)	32.1	(42.0)
Currency translation gains and losses net of hedging	7.0	96.7	(89.7)
Research and competitiveness and jobs tax credits	47.3	47.3	0.0
Others	232.0	311.9	(79.9)
Other operating income and expenses	276.4	488.0	(211.6)

5.4 - Leases

The Group has applied IFRS 16 – Leases since January 1, 2019. In accordance with the provisions of the standard, the impact of the change has been recognized in the opening balance sheet as of January 1, 2019. The Group has also applied the change in the balance sheet, the income statement and the cash flow statement for the first half of 2019. For detailed information, see note 2.1 Accounting policies.

5.4.1 - Lease-related right-of-use assets

As of June 30, 2019, the amount of lease-related right-of-use assets was 1,761.0 million euros (1,637.3 million euros as of January 1, 2019) after deduction of accumulated amortization and impairment in the amount of 843.3 million euros as of June 30, 2019 (686.7 million euros as of January 1, 2019). These right-of-use assets concern real estate leases and concessions.

(in millions of euros)	06/30/2019 Gross value	Depreciation, amortization and impairment	Net book value	01/01/2019[1] Gross value	Depreciation, amortization and impairment	Net book value
Right-of-use assets on concessions	395.8	(178.4)	217.4	396.8	(170.7)	226.1
Right-of-use assets on PP&E	2,208.5	(664.9)	1,543.6	1,927.2	(516.0)	1,411.2
Total	**2,604.3**	**(843.3)**	**1,761.0**	**2,324.0**	**(686.7)**	**1,637.3**

(1) Impact of the first-time application of IFRS 16 (see note 2.1 – Changes in standards).

Change in right-of-use assets

Net values *(in millions of euros)*	As of 01/01/2019 [1]	Gross acquisitions	Disposals NAV	Net allowances	Change in scope	Currency fluctuations	Other movements	As of 06/30/2019
Right-of-use assets on concessions	226.1	0.0	0.0	(7.8)	0.0	(0.9)	0.0	217.4
Right-of-use assets on PP&E[2]	1,411.2	222.9	0.0	(138.0)	27.3	9.3	10.9	1,543.6
Net values	1,637.3	222.9	0.0	(145.8)	27.3	8.4	10.9	**1,761.0**

(1) Impact of the first-time application of IFRS 16 (see note 2.1 – Changes in standards).

(2) Including leases formerly classified as finance leases.

5.4.2 - Rental liabilities

Reconciliation between off-balance sheet leases as of December 31, 2018 and rental liabilities as of January 1, 2019

(in millions of euros)	
Off-balance sheet leases as of December 31, 2018[1]	**2,706.6**
Leases with a remaining term of less than 12 months (short-term leases)	(23.0)
Low-value leases	(11.1)
Variable rents (excluding indexed rents)	(42.3)
Reasonably certain extension or termination options	52.0
Others	(23.9)
Rents not discounted as of January 1, 2019	**2,658.3**
Discount effect	(636.5)
Residual value guarantee	0.0
Non-lease components	0.0
Operating lease liabilities as of January 1, 2019	**2,021.8**
Finance lease liabilities	7.7
Total lease liabilities as of January 1, 2019	**2,029.5**

(1) See notes 5.10 – Lease commitments and 6.4.3 – Commitments given under concessions in the notes to the consolidated financial statements for the year ended December 31, 2018.

Maturity of rental liabilities

The maturity of rental liabilities is based on assumptions made in conjunction with the first-time application of IFRS 16.

As of January 1, 2019, the weighted average incremental borrowing rate applied to lease liabilities was 4.57%.

At June 30, 2019 *(in millions of euros)*	Total	Less than 1 year	1 to 5 years	More than 5 years
Debt related to concession agreements	390.1	16.2	96.0	277.9
Liability related to leases of PP&E	1,760.0	266.1	798.4	695.5
Total rental liabilities	**2,150.1**	**282.3**	**894.4**	**973.4**

At January 1, 2019[1] *(in millions of euros)*	Total	Less than 1 year	1 to 5 years	More than 5 years
Debt related to concession agreements	399.0	20.6	85.1	293.2
Liability related to leases of PP&E	1,630.5	262.1	778.6	589.8
Total rental liabilities	**2,029.5**	**282.7**	**863.7**	**883.0**

(1) Impact of the first-time application of IFRS 16 (see note 2.1 – Changes in standards).

5.4.3 - Expense in respect of rental liabilities

The expense in respect of rental liabilities recognized in the income statement was 190.3 million euros in the first half of 2019.

Note 6 - Property, plant and equipment and intangible assets and concession contracts

6.1 - Goodwill

6.1.1 - Change in goodwill

(in millions of euros)	
As of December 31, 2018	**14,409.6**
Acquisitions of controlling interests(1)	944.2
Disposals	0.0
Impairment loss	0.0
Foreign exchange variations(2)	84.9
Others	1.9
At June 30, 2019	**15,440.6**

(1) Related to acquisitions of controlling interests within the Vivendi Group (Editis) – See note 4 – Scope of consolidation.

(2) Mainly includes translation differences for the US dollar vs. the euro for the Vivendi Group (Universal Music Group).

6.1.2 - Information by operating segment

(in millions of euros)	**06/30/2019**	12/31/2018
Communications	14,409.8	13,379.3
Transportation and logistics	886.9	886.6
Oil logistics	86.2	86.0
Electricity storage and solutions	51.5	51.4
Other activities	6.2	6.2
Total	**15,440.6**	14,409.6

In accordance with IAS 36 "Impairment of Assets", goodwill is tested for impairment every year and whenever there is an objective indication of impairment. Impairment testing will be performed during the second half.

No indication of material impairment was identified in the first half of 2019.

6.2 - Other intangible assets

6.2.1 - Composition

	06/30/2019			01/01/2019(1)		
(in millions of euros)	Gross value	Depreciation, amortization and impairment	Net book value	Gross value	Depreciation, amortization and impairment	Net book value
Content assets(2)	19,988.0	(14,507.5)	5,480.5	18,946.1	(13,485.0)	5,461.1
Trademarks, brand names(3)	2,303.4	(71.0)	2,232.4	2,243.6	(47.3)	2,196.3
Client relationships	1,495.0	(480.7)	1,014.3	1,494.1	(426.9)	1,067.2
Intangible assets arising from concessions(4)	915.8	(166.4)	749.4	917.7	(152.5)	765.2
Operating rights, patents, development costs	724.3	(452.3)	272.0	699.4	(422.5)	276.9
Right-of-use assets on intangible assets subject to IFRS 16(5)	395.8	(178.4)	217.5	396.8	(170.7)	226.1
Others	1,093.0	(780.7)	312.2	938.8	(645.0)	293.8
Total	**26,915.3**	**(16,637.0)**	**10,278.3**	**25,636.5**	**(15,349.9)**	**10,286.6**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

(2) Correspond primarily to Vivendi content assets.

(3) Correspond notably to the brands identified on Canal+ Group.

(4) Classification, in accordance with IFRIC 12, of infrastructure reverting to the grantor at the end of the contract as intangible assets from concessions, for concessions recognized in accordance with this interpretation.

(5) See note 5.4 – Leases

6.2.2 - Change in net position in the first half of 2019

Net values *(in millions of euros)*	As of 01/01/2019 (1)	Gross acquisitions	Disposals NAV	Net allowances	Change in consolidation scope(2)	Currency fluctuations	Other movements	**As of 06/30/2019**
Content assets	5,461.1	138.6	0.0	(214.8)	48.0	35.3	12.3	5,480.5
Trademarks, brand names	2,196.3	0.1	0.0	0.0	50.0	1.5	(15.5)	2,232.4
Client relationships	1,067.2	0.0	0.0	(53.6)	0.0	0.7	(0.0)	1,014.3
Intangible assets arising from concessions	765.2	1.1	0.0	(11.9)	0.0	(2.9)	(2.1)	749.4
Operating rights, patents, development costs	276.9	5.1	0.0	(29.7)	0.0	0.0	19.7	272.0
Right-of-use assets on intangible assets subject to IFRS 16(3)	226.1	0.0	0.0	(7.8)	0.0	(0.9)	0.0	217.5
Others	293.8	60.8	0.0	(56.0)	10.2	(0.0)	3.5	312.2
Net values	10,286.6	205.7	0.0	(373.8)	108.2	33.7	17.9	**10,278.3**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

(2) Essentially related to the takeover of the Editis group.

6.3 - Property, plant and equipment

6.3.1- Composition

	06/30/2019			01/01/2019(1)		
(in millions of euros)	Gross value	Depreciation, amortization and impairment	Net book value	Gross value	Depreciation, amortization and impairment	Net book value
Land and fixtures and fittings	227.3	(12.3)	215.0	220.7	(11.4)	209.3
Buildings and fitting-out	1,826.0	(873.7)	952.3	1,733.7	(805.9)	927.8
Plant and equipment	3,487.8	(2,514.9)	972.9	3,379.1	(2,418.0)	961.1
Right-of-use assets on PP&E(2)	2,208.5	(664.9)	1,543.6	1,927.2	(516.0)	1,411.2
Other(3)	2,073.2	(1,314.5)	758.7	1,996.5	(1,253.6)	742.9
Total	**9,822.8**	**(5,380.3)**	**4,442.5**	**9,257.2**	**(5,004.9)**	**4,252.3**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).
(2) See note 5.4 – Leases
(3) Including assets in progress.

6.3.2 - Change in net position in the first half of 2019

Net values *(in millions of euros)*	As of 01/01/2019 (1)	Gross acquisitions	Disposals NAV	Net allowances	Change in scope	Currency fluctuations	Other movements	**As of 06/30/2019**
Land and fixtures and fittings	209.3	0.1	(0.1)	(2.8)	4.2	0.1	4.2	215.0
Buildings and fitting-out	927.8	57.5	(2.5)	(35.6)	1.3	1.4	2.4	952.3
Plant and equipment	961.1	83.9	(6.9)	(117.0)	5.1	(1.0)	47.7	972.9
Right-of-use assets on PP&E(2)	1,411.2	222.9	0.0	(138.0)	27.3	9.3	10.9	1,543.6
Other(3)	742.9	151.8	(2.5)	(77.3)	17.1	4.0	(77.3)	758.7
Net values	4,252.3	516.2	(12.0)	(370.7)	55.0	13.8	(12.1)	**4,442.5**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

(2) See note 5.4 – Leases

(3) Including assets in progress.

Capital expenditure is listed by operating segment in note 5.1 – Information on operating segments.

6.4 - Concession contracts

6.4.1 - Information on concessions

This note supplements the information relating to concession agreements as of December 31, 2018, as provided in note 6.4. "Concessions" in the notes to the consolidated financial statements for the year ended December 31, 2018.

6.4.2 - Commitments given under concessions

This note supplements the information on commitments given and received as of December 31, 2018, as described in note 6.4.3 "Commitments given under concessions" in the notes to the consolidated financial statements for the year ended December 31, 2018.

The Group did not sign any significant new commitments during the first half.

Note 7 - Financial structure and financial expense

7.1 - Financial income

(in millions of euros)	**June 2019**	June 2018	December 2018
Net financing expenses	(65.2)	(66.5)	(132.6)
- Interest expenses	*(92.2)*	*(78.8)*	*(186.9)*
- Income from financial receivables	*25.7*	*10.6*	*51.0*
- Other earnings	*1.3*	*1.7*	*3.3*
Other financial income(*)	326.4	2,119.2	2,779.2
Other financial expense(*)	(221.8)	(1,679.2)	(2,511.0)
Financial income	**39.4**	373.5	135.5

* Details of other financial income and expense:

(in millions of euros)	**June 2019**			June 2018		
	Total	Financial income	Financial expenses	Total	Financial income	Financial expenses
Income from securities and marketable securities	17.0	17.0	0.0	15.7	15.7	0.0
Capital gains (losses) on disposals of equity investments and marketable securities(1)	(0.3)	89.0	(89.3)	(6.1)	1,511.7	(1,517.8)
Effect of changes in consolidation scope	(4.9)	0.0	(4.9)	0.1	0.4	(0.3)
Changes in financial provisions	(15.7)	8.8	(24.5)	(8.6)	6.7	(15.3)
Fair value adjustment of financial assets(2)	175.5	175.5	0.0	472.7	518.2	(45.5)
Interest expense in respect of lease liabilities	(44.6)	0.0	(44.6)	0.0	0.0	0.0
Other(3)	(22.4)	36.1	(58.5)	(33.8)	66.5	(100.3)
Other financial income and expenses	**104.6**	**326.4**	**(221.8)**	440.0	2,119.2	(1,679.2)

(1) Including, in the six months to June 30, 2019, the disposal of securities classified at fair value through equity, with no impact on profit or loss.

Including, in the six months to June 30, 2018, the disposal of Ubisoft securities at the fair value of the sale, with no impact on profit or loss.

(2) Including, in financial income, the revaluation of the interest in Spotify between January 1 and June 30, 2019 and the impact of the change in the fair value of the Vivendi call options in the amount of 20.3 million euros.

In the first half of 2018, the revaluation of investments in Spotify and Ubisoft was accounted for through profit or loss in accordance with IFRS 9, effective January 1, 2018. In addition, in the first half of 2018, the impact on financial expense of the change in the fair value of Vivendi call options subscribed in October 2016 was (45.5) million euros.

(3) Other financial income and expense includes foreign exchange gains and losses net of hedges on financial items and interest expense on rental liabilities subject to IFRS 16 in the amount of (44.6) million euros as of June 30, 2019.

	December 2018		
(in millions of euros)	**Total**	Financial income	Financial expenses
Income from securities and marketable securities(1)	21.8	21.8	0.0
Capital gains on disposals of equity investments and marketable securities (2)	(39.8)	2,226.4	(2,266.2)
Effect of changes in consolidation scope	5.5	19.6	(14.1)
Changes in financial provisions	(21.1)	31.2	(52.3)
Fair value adjustment of financial assets(3)	336.1	383.1	(47.0)
Other (4)	(34.4)	97.0	(131.4)
Other financial income and expenses	268.2	2,779.2	(2,511.0)

(1) Mainly Telefonica dividends in the amount of 11.4 million euros as of December 31, 2018.

(2) Including, as of December 31, 2018, the disposal of Ubisoft securities at the fair value of the sale, with no impact.

(3) Including, in financial income, the revaluation between January 1 and December 31, 2018 of investments in Spotify in the amount of 243.8 million euros and Ubisoft in the amount of 53.1 million euros, accounted for through profit or loss in accordance with the new standard IFRS 9, applied from January 1, 2018, including the impact in financial expense of the change in the fair value of Vivendi call options subscribed in October 2016 in the amount of (47.0) million euros.

(4) Other financial income and expense include foreign exchange gains and losses on financial items.

7.2 - Investments in companies accounted for under the equity method

(in millions of euros)	
At January 1, 2019(1)	**4,507.2**
Change in the consolidation scope	(15.2)
Share in net income from operating companies accounted for using the equity method	5.7
Share in net income from non-operating companies accounted for using the equity method	(9.9)
Other movements(2)	74.6
At June 30, 2019	**4,562.4**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

(2) Including (9.9) million euros in dividends, 38.2 million euros in translation differences and 44.7 million euros in changes in fair value reserves.

Consolidated value of the main companies accounted for using the equity method

Information has been categorized by operating segment.

At June 30, 2019 *(in millions of euros)*	Share in net income from operating companies accounted for using the equity method	Share in net income from non-operating companies accounted for using the equity method	Equity value
Entities under significant influence			
Entities accounted for using the equity method at Vivendi(*)	2.7	(15.6)	3,513.0
Telecom Italia		*(7.8)*	*3,076.9*
Others	*2.7*	*(7.8)*	*436.1*
Mediobanca(**)		5.2	649.4
Socfin Group		0.4	174.9
Others	1.5	0.0	32.5
Sub-total entities under significant influence	**4.2**	**(9.9)**	**4,369.8**
Joint ventures	**1.4**	**0.0**	**192.6**
TOTAL	**5.7**	**(9.9)**	**4,562.4**

As of December 31, 2018 *(in millions of euros)*	**Share in net income from operating companies accounted for using the equity method**	**Share in net income from non-operating companies accounted for using the equity method**	**Equity value[(1)]**
Entities under significant influence			
Entities accounted for using the equity method at Vivendi[(*)]	6.4	122.2	3,478.0
Telecom Italia		*122.2*	*3,020.8*
Others	*6.4*		*457.2*
Mediobanca[(**)]		37.8	627.1
Socfin Group		11.6	178.9
Others	2.8	0.5	29.7
Sub-total entities under significant influence	**9.2**	**172.1**	**4,313.7**
Joint ventures	**13.3**	**0.0**	**193.5**
TOTAL	22.5	172.1	4,507.2

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

(*) Entities accounted for using the equity method at Vivendi

Telecom Italia

As of June 30, 2019, unchanged from December 31, 2018, the Group held, through Vivendi, 3,640 million ordinary shares of Telecom Italia, representing 23.94% of the voting rights and 17.15% of the total capital of Telecom Italia, taking into account non-voting preferred shares.

As of June 30, 2019, the Group believes it still has the power to participate in Telecom Italia's financial and operating policy decisions, particularly in view of the 23.94% voting rights it holds, and therefore considers that it exercises significant influence on Telecom Italia.

Value of shareholding in Telecom Italia as of June 30, 2019

As of June 30, 2019, the value of Telecom Italia shares accounted for using the equity method was 3,076.9 million euros after taking into account the share of net income for the period and changes in other comprehensive income. At that date, the market value of the investment was 1,747 million euros, based on a share price of 0.480 euro per ordinary share.

For the record, the value of Telecom Italia securities in the Group's financial statements was measured at fair value on Vivendi's acquisition of control on April 26, 2017, in accordance with the standards in force. It is lower than the average purchase price of securities by Vivendi.

In its financial statements for the six months to June 30, 2019, the Vivendi Group ensured that there were no indicators suggesting that its interest in Telecom Italia was impaired during the first half of 2019. The Vivendi Group concluded that there is no evidence of a loss of value of its interest compared with December 31, 2018.

As the carrying amount of Telecom Italia in the Group's financial statements is lower, no impairment was recorded as of June 30, 2019.

The Group will review the value of its interest in Telecom Italia during the fourth quarter of 2019.

Financial information of Telecom Italia at 100% ownership used to prepare the Group's annual financial statements

The main aggregates of the consolidated financial statements as published by Telecom Italia are as follows:

(in millions of euros)	*Quarterly financial statements as of March 31, 2019*	*Annual financial statements as of December 31, 2018*
	3 months	*12 months*
Non-current assets	60,304	56,890
Current assets	9,280	8,729
Total assets	69,584	65,619
Equity	21,819	21,747
Non-current liabilities	35,276	30,991
Current liabilities	12,489	12,881
Total liabilities	69,584	65,619
Of which net financial debt[(1)]	*29,293*	*25,995*
Revenue	4,471	18,940
EBITDA[(1)]	1,946	7,403
Net income, Group share	165	(1,411)
Comprehensive income, Group share	246	(1,784)

(1) Not strictly accounting measures, as published by Telecom Italia (Alternative Performance Measures).

Share in net income

Vivendi relies on the public financial information of Telecom Italia to account for its shareholding in Telecom Italia by the equity method. Given the respective dates of publication of the financial statements of Vivendi and Telecom Italia, Vivendi always recognizes its share in the net income of Telecom Italia with a lag of one quarter. Accordingly, in the first half of 2019, Vivendi's contribution includes its share in the net income of Telecom Italia for the fourth quarter of 2018 and the first quarter of 2019, in a total amount of (7.8) million euros. These amounts are carried in the financial statements of the Group.

(**) Mediobanca

Mediobanca is a listed company which publishes financial statements in compliance with the IFRS system.

As of June 30, 2019, the Financière de l'Odet Group was Mediobanca's second-largest shareholder. La Financière du Perguet, a Group subsidiary, held 7.85% of the total share capital of Mediobanca as of June 30, 2019, representing 7.99% excluding treasury shares (7.86% and 8.01% respectively as of December 31, 2018).

Since January 1, 2019, the Group has withdrawn from the shareholders' agreement representing more than 28% of Mediobanca's capital. A new agreement bringing together shareholders owning approximately 20% of Mediobanca's capital came into force on January 1, 2019. The Group is not a participant. The new agreement is only advisory, and the participants are individually free to manage their shares and their votes. The Group still has two representatives on the Mediobanca Board of Directors, who also take part in the bank's various supervisory committees. In view of the nature of the new agreement, the weight of the Group's shareholding in Mediobanca (second-largest shareholder), and its representation in Mediobanca's governance bodies, the Group considers that it continued to have significant influence as of June 30, 2019.

The value in use of the shareholding in Mediobanca was recalculated as of June 30, 2019. It is determined on the basis of an analysis of various criteria including the market value for listed securities, discounted future cash flows and comparable listed companies. It is higher than the valuation based on the market price at that date. The recoverable amount used as of June 30, 2019 is therefore based on the value in use. The review of the recoverable amount nevertheless led to the recognition of additional impairment of 24.7 million euros as of June 30, 2019.

As of June 30, 2019, the value of the equity-method investment was 649.4 million euros and the Group share of net income was 5.2 million euros, after the impairment of the shareholding in the amount of 24.7 million euros. The market value of the shareholding at that date was 631.7 million euros.

Summary of key financial information – Mediobanca

(in millions of euros)	**As of 06/30/2019** *(1)*	At 12/31/2018 *(2)*
Net banking income	2,040	1,032
Net income, Group share	823	451
Total balance sheet	78,245	76,531
Shareholders' equity, Mediobanca Group share	9,809	9,205

(1) Corresponding to the annual accounts as approved by the Board of Directors and available online at (https://www.mediobanca.com/static/upload/new/new-division-database_30-06-2019.xlsx), as the Mediobanca group closes its annual accounts in June. The Group only recognizes the last six months of activity in its half-yearly financial statements.

(2) Corresponding to the half-yearly publication, i.e. six months of activity, as the Mediobanca Group closes its annual accounts in June. The Group nevertheless presents 12 months in the full-year financial statements.

7.3 - Other financial assets

At June 30, 2019 *(in millions of euros)*	Gross value	Provisions	Net value[1]	including non-current	including current
Financial assets at fair value through other comprehensive income			3,522.2	3,522.2	0.0
Financial assets at fair value through profit or loss			1,987.3	1,023.9	963.4
Financial assets at amortized cost	490.5	(187.2)	303.3	269.3	34.0
Total			**5,812.8**	**4,815.4**	**997.4**

(1) Other financial assets by net value include investments in listed and unlisted companies in the amount of 4,526.9 million euros, derivative assets in the amount of 17.9 million euros, cash management assets in the amount of 940.4 million euros and loans and receivables in the amount of 303.3 million euros.

As of December 31, 2018 *(in millions of euros)*	**Gross value**	**Provisions**	**Net value**	**including non-current**	**including current**
Financial assets at fair value through other comprehensive income			3,410.8	3,410.8	0.0
Assets at fair value through profit and loss			1,477.3	847.2	630.1
Financial assets at amortized cost	975.3	(188.4)	786.9	336.4	450.5
Total			**5,675.0**	**4,594.4**	**1,080.5**

Breakdown of changes over the period

(in millions of euros)	At 12/31/2018 Net book value	Change in consolidation scope	Acquisitions(1)	Disposals (2) (3)	Change in fair value(4)	Other movements	As of 06/30/2019 Net value
Financial assets at fair value through other comprehensive income	3,410.8	4.6	6.0	(90.2)	197.4	(6.4)	3,522.2
Financial assets at fair value through profit or loss	1,477.3	0.1	476.7	(203.0)	174.3	61.9	1,987.3
Financial assets at amortized cost	786.9	6.1	41.7	(522.4)	0.0	(9.0)	303.3
Total	5,675.0	10.8	524.4	(815.6)	371.7	46.5	**5,812.8**

(1) Of which 474.3 million euros relating to cash management financial assets (see note 7.5 – Financial debt).

(2) The disposal of financial assets at fair value through profit or loss mainly corresponds to the sale of cash management financial assets for (133.6) million euros and the transfer of Vivendi call options for (45.0) million euros.

(3) The change in financial assets at amortized cost mainly corresponds to the receivable on the sale of securities, in the amount of the forward sale of the Ubisoft securities in 2018, i.e. (428.7) million euros.

(4) The change in the fair value of financial assets through equity mainly includes 98.6 million euros relating to the Group's shareholdings, and 44.6 million euros relating to Mediaset. The change in the fair value of financial assets accounted for through profit or loss mainly relates to investments in Spotify and Tencent Music, as well as derivatives, including Vivendi call options.

Portfolio of listed and unlisted securities

Breakdown of main shares:

(in millions of euros)	**As of 06/30/2019**		At 12/31/2018	
Companies	Percentage ownership	Net value -	Percentage ownership	Net value -
Mediaset(1)	28.80	978.2	28.80	933.6
Other listed securities		1,070.7		867.0
Subtotal, listed securities		**2,048.9**		**1,800.6**
Sofibol	48.95	1,328.8	48.95	1,273.5
Financière V	49.69	690.8	49.69	662.0
Omnium Bolloré	49.84	348.8	49.84	334.3
Other unlisted securities		109.7		129.3
Subtotal, unlisted securities		**2,478.0**		**2,399.1**
Total		**4,526.9**		4,199.7

(1) The partnership agreement concluded between Vivendi and Mediaset on April 8, 2016 is the subject of litigation. As of December 31, 2017, Vivendi held 29.94% of the voting rights of Mediaset. On April 9, 2018, in accordance with the undertakings made to AGCOM, Vivendi transferred the fraction of its Mediaset shares in excess of 10% of the voting rights to an independently fiduciary company. See note 10.2 – Litigation in progress.

Listed securities are valued at market price (see note 8.1 – Information on risk). Unlisted securities include mainly of the Group's stakes in Omnium Bolloré, Sofibol and Financière V, all intermediate holding companies con- trolled by the Group.

- Sofibol, Financière V, Omnium Bolloré

The Bolloré Group directly and indirectly owns shares in Sofibol, Financière V and Omnium Bolloré, all intermediate holding companies controlled by the Group.

* Sofibol, controlled by Vincent Bolloré, is 51.05% owned by Financière V, 35.93% owned by Bolloré and 13.01% owned by Compagnie Saint-Gabriel, itself a 99.99% subsidiary of Bolloré.

* Financière V, controlled by Vincent Bolloré, is 50.31% owned by Omnium Bolloré, 22.81% owned by Compagnie du Cambodge, 10.50% owned by Financière Moncey, 10.25% owned by Bolloré, 4% owned by Société Industrielle et Financière de l'Artois, 1.68% owned by Compagnie des Tramways de Rouen and 0.45% owned by Société des Chemins de Fer et Tramways du Var et du Gard.

* Omnium Bolloré, controlled by Vincent Bolloré, is 50.04% owned by Bolloré Participations, 27.92% owned by African Investment Company (controlled by Bolloré), 17.10% owned by Financière Moncey, 4.82% owned by Bolloré and 0.11% owned by Vincent Bolloré.

- Despite its shareholdings in Sofibol (48.95%), Financière V (49.69%) and Omnium Bolloré (49.84%), the Financière de l'Odet Group does not exert significant influence over them, since the shares have no voting rights attached, due to the direct and indirect control these companies have over the Financière de l'Odet Group.

The valuation of these securities is based on the market price of the Financière de l'Odet securities and includes a discount reflecting the lesser liquidity of these securities, using a valuation model called the "protective put" (Chaffe model). This valuation resulted in the recognition of a discount of 10.7% as of June 30, 2019.

All listed securities are classified in level 1 of the IFRS 13 fair value hierarchy. Unlisted securities valued at fair value are classified in level 2 or 3.

7.4 - Cash and cash equivalents and net cash

	As of 06/30/2019			At 12/31/2018		
(in millions of euros)	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Cash	1,504.5	0.0	1,504.5	1,614.7	0.0	1,614.7
Cash equivalents	2,669.8	0.0	2,669.8	3,170.2	0.0	3,170.2
Cash management agreements – assets(1)	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	**4,174.3**	**0.0**	**4,174.3**	**4,784.9**	**0.0**	**4,784.9**
Cash management agreements – liabilities(1)	(15.1)	0.0	(15.1)	(12.3)	0.0	(12.3)
Current bank facilities	(371.3)	0.0	(371.3)	(344.4)	0.0	(344.4)
Net cash	**3,787.9**	**0.0**	**3,787.9**	4,428.2	0.0	4,428.2

(1) The cash management agreements affecting the consolidated balance sheet are those between companies which have shared ownership links but where one of them is not included within the Group's consolidation scope but within a wider scope.

The shared financial interests of these companies have led them to examine ways of enabling them to improve the terms under which they meet their cash requirements or use their surpluses so as to optimize cash flow.

These current transactions are cash transactions conducted under market conditions and are by nature backup credits.

Cash and cash equivalents are classified at level 1 in the IFRS 13 fair value hierarchy except for term deposits maturing in less than three months, which are classified at level 2 (no change compared with December 31, 2018).

7.5 - Financial debt

7.5.1 - Net financial debt

(in millions of euros)	**As of 06/30/2019**	including current	including non-current	As of 01/01/2019(1)	including current	including non-current
Bonds	7,298.1	927.5	6,370.6	5,214.9	932.5	4,282.4
Loans from credit institutions	4,636.6	1,138.2	3,498.4	4,745.8	748.4	3,997.4
Other borrowings and similar debts	412.6	391.3	21.3	450.0	400.9	49.1
Liability derivatives(2)	9.3	0.0	9.3	4.8	0.0	4.8
Gross financial indebtedness	**12,356.6**	**2,457.0**	**9,899.6**	10,415.5	2,081.8	8,333.7
Cash and cash equivalents(3)	(4,174.3)	(4,174.3)	0.0	(4,784.9)	(4,784.9)	0.0
Cash management financial assets(4)	(940.4)	(940.4)	0.0	(598.8)	(598.8)	0.0
Asset derivatives(2)	0.0	0.0	0.0	0.0	0.0	0.0
Net financial debt	**7,241.9**	**(2,657.7)**	**9,899.6**	5,031.8	(3,301.9)	8,333.7

(1) After the impact of the first-time application of IFRS 16 (see Notes 2.1 – Changes in standards and 5.4 – Leases), concerning the reclassification of finance leases already recognized in the balance sheet in accordance with IAS 17 in the amount of 8.0 million euros.

(2) See section "Net debt asset and liability derivatives" below.

(3) See 7.4 – Cash and cash equivalents and net cash.

(4) Cash management financial assets are short-term investments that do not satisfy the criteria of IAS 7, as well as money market funds that do not satisfy the specifications of AMF position no. 2011-13. As of June 30, 2019, they represented Vivendi's financial assets in a total amount of 940.4 million euros, mainly as term deposits.

Main characteristics of the items in financial debt

Liabilities at amortized cost

Bonds

(in millions of euros)	06/30/2019	12/31/2018
Bonds issued by Bolloré[1]	1,138.0	1,162.4
Bonds issued by Havas[2]	403.7	398.2
Bonds issued by Vivendi[3]	5,756.4	3,654.3
Bonds	**7,298.1**	5,214.9

(1) Issued by Bolloré:

On January 25, 2017, Bolloré issued a bond in a total par value of 500 million euros, due in 2022, with an annual coupon of 2.00%.

On July 29, 2015, Bolloré issued a bond in a total par value of 450 million euros, due in 2021, with an annual coupon of 2.875%.

On October 23, 2012, Bolloré issued a bond in a total par value of 170 million euros, due in 2019, with an annual coupon of 4.32%.

On January 31, 2019, Bolloré redeemed a bond with a total par value of 30 million euros, subscribed on January 30, 2014, at a variable rate (Euribor +1.75%), as part of the European Efficiency Fund financing used to fund the Group's investments in car-sharing.

The accrued interest on these bonds totaled 25.2 million euros as of June 30, 2019.

(2) Issued by Havas:

On December 8, 2015, Havas SA issued a bond with a total par value of 400 million euros, due in 2020, with an annual coupon of 1.875%. The amortized cost of this debt on the balance sheet was 399.2 million euros as of June 30, 2019.

The accrued interest on these bonds totaled 4.5 million euros as of June 30, 2019.

(3) Issued by Vivendi:

In June 2019, Vivendi issued a bond with a total par value of 2,100 million euros, consisting of three tranches of 700 million euros each, maturing in 2022, 2025 and 2028 respectively, with annual coupons of 0.000%, 0.625% and 1.125% respectively.

In September 2017, Vivendi issued a bond in a total par value of 850 million euros, due in 2024, with an annual coupon of 0.875%.

In November 2016, Vivendi issued a bond in a total par value of 600 million euros, due in 2023, with an annual coupon of 1.125%.

In May 2016, Vivendi issued a bond in a total par value of 500 million euros, due in 2026, with an annual coupon of 1.875%.

In May 2016, Vivendi issued a bond in a total par value of 1,000 million euros, due in 2021, with an annual coupon of 0.75%.

In December 2009, Vivendi issued a bond in a total par value of 700 million euros, due in 2019, with an annual coupon of 4.875%.

The accrued interest on these bonds totaled 32.0 million euros as of June 30, 2019.

Loans from credit institutions

(in millions of euros)	06/30/2019	12/31/2018
Loans from credit institutions*	4,636.6	4,745.8

* Of which 400.0 million euros as of June 30, 2019 and December 31, 2018 under a variable rate credit agreement maturing in 2023. Interest rate hedges that swapped the original interest rate for a fixed rate that can be classified as hedges were set up for this loan.

* Of which 170.2 million euros as of June 30, 2019 and 176.1 million euros as of December 31, 2018 under a factoring program.

* Of which 574.0 million euros in drawdowns of short-term negotiable securities at Bolloré as of June 30, 2019 (291.7 million euros as of December 31, 2018) under a program capped at 900.0 million euros; 101.9 million euros in drawdowns of short-term negotiable securities at Financière de l'Odet as of June 30, 2019 (86.7 million euros as of December 31, 2018) under a program capped at 400.0 million euros.

* Of which 300.0 million euros as of June 30, 2019 and 500.0 million euros as of December 31, 2018 under a revolving credit agreement expiring in 2024.

* Of which 2,434.3 million euros as of June 30, 2019 and 2,433.6 million euros as of December 31, 2018 in financing backed by Vivendi securities maturing in 2020, 2021, 2022 and 2024. As of June 30, 2019, 169,433,244 Vivendi shares were pledged, of which 158,208,244 for financing obtained.

Other borrowings and similar debts

(in millions of euros)	06/30/2019	01/01/2019[1]
Other borrowings and similar debts[2]	412.6	450.0

(1) After the impact of the first-time application of IFRS 16 (see Notes 2.1 – Changes in standards and 5.4 – Leases), concerning the reclassification of finance leases already recognized in the balance sheet in accordance with IAS 17 in the amount of 8.0 million euros.

(2) As of June 30, 2019, primarily including current bank facilities in the amount of 371.3 million euros (of which 84.4 million euros at Vivendi), compared with 344.4 million euros (of which 97.8 million euros at Vivendi) as of December 31, 2018.

Net debt asset and liability derivatives

(in millions of euros)	**06/30/2019**	12/31/2018
Non-current asset derivatives(1)	0.0	0.0
Current asset derivatives(1)	0.0	0.0
Total asset derivatives	**0.0**	0.0
Non-current liability derivatives	9.3	4.8
Total liability derivatives	**9.3**	4.8

(1) Included under "Other financial assets", see note 7.3.

Nature and fair value of financial derivatives in net debt

Nature of instrument	Risk hedged	Company	Maturity	Total notional amount (in thousands of currency)	**Fair value of instruments as of June 30, 2019 (in millions of euros)**	Fair value of instruments as of December 31, 2018 (in millions of euros)
Interest rate swaps(1)	Interest rate	Bolloré	2021/2023	€400,000	(6.7)	(3.5)
Interest rate swaps(2)	Interest rate	DRPC(3)	2028	€70,000	(2.6)	(1.3)

(1) Interest rate swap (variable rate/fixed rate) qualifying for hedge accounting, contracted in 2016.

(2) Interest rate swap (variable rate/fixed rate) qualifying for hedge accounting, contracted in 2018.

(3) Rouen Petit-Couronne Depot.

The income and expenditure posted in the income statement for the period for these financial liabilities are shown in note 7.1 – Financial income.

All derivatives are classified at level 2 in the IFRS 13 fair value hierarchy (as at December 31, 2018).

7.5.2 - Change in gross financial debt

(in millions of euros)	As of 01/01/2019(1)	New borrowings	Repayment of borrowings	Other cash changes(2)	"Non-cash" changes		**As of 06/30/2019**
					Change in consolidation scope	Other movements(3)	
Other bonds	5,214.9	2,100.3	(29.8)	0.0	0.0	12.6	7,298.1
Loans from credit institutions	4,745.8	612.0	(767.3)	0.0	0.2	45.9	4,636.6
Other borrowings and similar debts	450.0	6.4	(32.1)	30.8	4.1	(46.6)	412.6
Liability derivatives(4)	4.8	0.0	0.0	0.0	0.0	4.5	9.3
Gross financial indebtedness	**10,415.5**	**2,718.7**	**(829.2)**	**30.8**	**4.3**	**16.4**	**12,356.6**

(1) After the impact of the first-time application of IFRS 16 (see Notes 2.1 – Changes in standards and 5.4 – Leases), concerning the reclassification of finance leases already recognized in the balance sheet in accordance with IAS 17 in the amount of 8.0 million euros.

(2) Mainly involves the change in current bank facilities and cash agreement liabilities included in net cash (see note 7.4 – Cash and cash equivalents and net cash).

(3) Including change in exchange rates and change in accrued interest on borrowings.

(4) See "Net debt asset and liability derivatives".

Note 8 - Information relating to market risk

8.1 - Information on risk

This note is an update of the information provided in note 8.1 – Information on risk in the 2018 Registration Document.

Main risks concerning the Group

Risk associated with listed shares

The Financière de l'Odet Group, which held a securities portfolio valued at 4,256.9 million euros as of June 30, 2019, is exposed to market price fluctuations.

The Group's equity investments in non-consolidated companies are measured at fair value at the end of the accounting period in accordance with IFRS 9 "Financial instruments" and are classified as financial assets (see note 7.3 – Other financial assets).

As far as shares in listed companies are concerned, this fair value is the closing stock market value.

As of June 30, 2019, revaluations of equity investments in the consolidated balance sheet determined on the basis of stock market prices amounted to 2,011.1 million euros before tax.

As of June 30, 2019, a 1% variation in stock market prices would have an impact of 41.3 million euros on equity investments, of which 7.3 million euros impacting profit or loss and 34 million euros impacting pre-tax other comprehensive income, including 23.5 million euros for revaluations of the Group's investments in Omnium Bolloré, Financière V and Sofibol.

These unlisted securities, either directly or indirectly owned by Omnium Bolloré, Financière V and Sofibol, whose value is dependent on the valuation of Bolloré and Financière de l'Odet securities, are also impacted by fluctuations in market prices (see note 7.3 – Other financial assets). As of June 30, 2019, the revalued amount of these securities was 2,368.4 million euros, for a gross value of 183.9 million euros. The shares of these unlisted companies are not very liquid.

Liquidity risk

The Group's liquidity risk stems from obligations to repay its debt and from the need for future financing in connection with the development of its various lines of business. To deal with liquidity risk, the Group's strategy has been to maintain a level of unused credit lines that will allow it to deal at any point with cash requirements. As of June 30, 2019, the amount of confirmed and unused credit lines was 5,699.9 million euros (of which 3,400 million euros for Vivendi). Additionally, the Group strives to diversify its sources of financing by using the bond market, the banking market and such organizations as the European Investment Bank.

For the Financière de l'Odet Group's main syndicated bank financing facilities as of June 30, 2019:

- Bolloré SA has a revolving credit line of 1,300 million euros, drawn in the amount of 300 million euros as of June 30, 2019, maturing in 2023, and a drawn credit of 400 million euros maturing in 2022. They are subject to a gearing covenant that caps the net debt to equity ratio at 1.75;
- Vivendi SA has a credit line of 2,200 million euros, maturing on January 16, 2024, undrawn as of June 30, 2019. This credit line is no longer subject to compliance with financial ratios.

The bonds issued by Bolloré in 2012 (170 million euros due in 2019), in 2015 (450 million euros due in 2021) and in 2017 (500 million euros due in 2022) are subject to the usual clauses in the event of default, restrictions in terms of collateral and changes in control but not to any early redemption clause in the event of a failure to satisfy a financial ratio.

Bonds issued by Vivendi are subject the usual default, negative pledge and *pari passu* clauses. Moreover, the bonds issued by Vivendi contain an early redemption clause in the event of a change in control (this clause excludes the change in control in favor of the Bolloré Group for the bonds issued in May and November 2016) which would apply if, following any such event, Vivendi SA's long-term rating were to drop below investment grade (Baa3/BBB-).

As of July 23, 2019, when the Vivendi Management Board met to approve the financial statements for the six months to June 30, 2019, Vivendi's ratings were as follows:

Rating agency	Type of debt	Ratings	Outlook
Standard & Poor's	Senior unsecured debt	BBB	Stable
Moody's	Senior unsecured long-term debt	Baa2	Stable

Some other lines may have early repayment covenants connected with respect of financial ratios, generally involving gearing ratios (net debt to shareholders' equity) and/or debt service coverage. These bank covenants and financial ratios were all met as of June 30, 2019 and December 31, 2018.

The portion due in less than one year of loans used as of June 30, 2019 includes 675.9 million euros of short-term negotiable securities (of which 574.0 million euros at Bolloré SA) out of a program capped at 5,100 million euros (of which 3,800 million euros for Vivendi) and 170.2 million of receivables factoring.

All bank lines of credit, both drawn and undrawn, are repayable as follows:

- 2019	7%
- 2020	8%
- 2021	16%
- 2022	12%
- 2023	12%
- 2024	33%
- 2025	4%
- beyond 2025	8%

Interest rate risk

Because of its financial debt, the Group is exposed to changes over time in interest rates in the eurozone, primarily on the portion of debt which is at variable rates, as well as to changes in the lending margins of credit institutions. To deal with this risk, executive management may decide to set up interest rate hedges. Firm hedging (rate swap, FRA) may be used to manage the interest rate risk on the Group's debt.

Note 7.5 – Financial debt describes the various derivative instruments for hedging the Group's interest rate risk.

As of June 30, 2019, after hedging, fixed-rate gross financial debt amounted to 57% of total debt.

If interest rates were to rise uniformly by 1%, the cost of gross debt would increase by 53.6 million euros after hedging on interest-bearing gross debt.

The net borrowing position is at variable rates; if interest rates were to rise uniformly by 1%, the cost of net debt would increase by 2.5 million euros after hedging on interest-bearing net debt.

Investment and counterparty risk

Surplus cash is invested in a prudent manner in low-risk liquid products with counterparties with a high credit rating.

Currency risk

For the Financière de l'Odet Group, the breakdown of revenue by currency area (47% in euros, 17% in US dollars, 8% in CFA francs and less than 3% for all other currencies) and the fact a large proportion of operating expenses is in local currencies limit its exposure to operating currency risk.

The Group is reducing its exposure to currency risk further by hedging its main operations in currencies other than the euro and the CFA franc with large international banks. The management of exchange risk is largely centralized in Bolloré SA and Vivendi SA for the subsidiaries which are attached to them directly.

At the Bolloré SA level, at the end of each month, each subsidiary declares its currency positions to be hedged to the Cash Department, which may arrange a firm hedge (forward buy or sell). In addition to these operations carried out on a three-month rolling basis, other hedges may be arranged on an ad hoc basis (for example for a charter, a contract, or the purchase of port gantry cranes).

Bolloré Energy hedges its positions directly in the market each day.

As regards Vivendi, the management of currency risk is intended primarily to hedge the budgetary exposures (80%) and firm external commitments (100%) in order to limit the monetary risks resulting from operations conducted in currencies other than the euro; and all of the editorial content (sports rights, TV/radio, films, etc.) and certain capital expenditures in currencies other than the euro. The majority of hedging instruments are currency swaps or forward purchase and sale contracts maturing in less than one year. In view of the currency hedges in place, an unfavorable and uniform change of 1% in the euro against any of the currencies accounted for as of end June 2019 would have an immaterial aggregate impact on net income.

8.2 - Derivative financial instruments

Balance sheet value

(in millions of euros)	**06/30/2019**	12/31/2018
Other non-current financial assets(1)	0.0	14.2
Trade and other receivables(2)	18.2	22.3
Other current financial assets(1)(2)	17.9	26.3
Total asset derivatives, excluding financial debt	**36.1**	**62.8**
Other non-current liabilities	0.0	0.0
Trade and other payables(2)	5.3	5.0
Other current liabilities(2)	0.7	0.7
Total liability derivatives, excluding financial debt	**6.0**	**5.7**

(1) Including Vivendi call options subscribed in October 2016 in the amount of 24.7 million euros maturing in less than one year as of December 31, 2018.

(2) Derivative subscribed for the management of the foreign exchange risk.

Note 9 - Shareholders' equity and earnings per share

9.1 - Equity

9.1.1 - Change in capital

As of June 30, 2019, the share capital of Financière de l'Odet was 105,375,480 euros, divided into 6,585,990 fully paid-up ordinary shares with a par value of 16 euros each. During the first half of the year, the weighted average number of ordinary shares outstanding and the weighted average number of potential dilutive ordinary shares was 4,244,911.

No change was recorded in the capital of the parent company in the first half of 2019.

Transactions that affect or could affect the share capital of Financière de l'Odet are subject to agreement by the General Shareholders' Meeting.

The Group monitors, in particular, changes in the net debt/total shareholders' equity ratio.

The net debt used is presented in note 7.5 – Financial debt.

The shareholders' equity used is that shown in the schedule of changes in shareholders' equity in the financial statements.

9.1.2 - Dividends paid out by the parent company

The total amount of dividends granted by the parent company in the half year in respect of 2018 was 6.6 million euros, or 1 euro per share.

9.1.3 - Treasury shares

As of June 30, 2019, the number of treasury shares held by Financière de l'Odet and its subsidiaries was 15,322,838 shares.

9.2 - Earnings per share

The table below gives a breakdown of the details used to calculate the basic and diluted earnings per share shown at the bottom of the income statement.

(in millions of euros)	**June 2019**	June 2018	December 2018
Net income, Group share, used to calculate earnings per share – basic	76.6	48.5	122.1
Net income, Group share, used to calculate earnings per share – diluted	76.6	48.5	122.1
Number of shares issued	**6,585,990**	**6,585,990**	**6,585,990**
Number of treasury shares	(2,341,079)	(2,341,079)	(2,341,079)
Number of shares outstanding (excluding treasury shares)	**4,244,911**	**4,244,911**	**4,244,911**
Number of shares issued and potential shares (excluding treasury shares)	**4,244,911**	**4,244,911**	**4,244,911**
Weighted average number of shares outstanding (excluding treasury shares) – basic	**4,244,911**	**4,244,911**	**4,244,911**
Weighted average number of shares outstanding and potential shares (excluding treasury shares) – after dilution	**4,244,911**	**4,244,911**	**4,244,911**

Note 10 - Provisions and litigation

10.1 - Provisions

(in millions of euros)	**As of 06/30/2019**	**including current**	**including non-current**	As of 01/01/2019 (1)	including current	including non-current
Provisions for litigation	307.6	227.2	80.4	300.4	218.1	82.3
Provisions for subsidiary contingencies	4.2	0.0	4.2	4.6	0.0	4.6
Other provisions for contingencies	427.1	127.2	299.9	398.6	147.9	250.7
Provisions for taxes	7.1	0.0	7.1	11.9	0.0	11.9
Contractual obligations	6.9	0.0	6.9	6.5	0.0	6.5
Restructuring	39.2	22.6	16.6	64.2	43.3	20.9
Environmental provisions	5.2	0.9	4.3	7.0	0.9	6.1
Other provisions for charges	23.0	13.5	9.5	23.7	13.0	10.7
Employee benefits obligations	932.4	0.0	932.4	866.6	0.0	866.6
Provisions	**1,752.7**	**391.3**	**1,361.4**	1,683.5	423.2	1,260.3

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases).

Breakdown of changes over the period

(in millions of euros)	As of 01/01/2019 (1)	Increase	Decrease with use	Decrease without use	Change in scope	Other movements	Currency fluctuations	**As of 06/30/2019**
Provisions for litigation(2)	300.4	25.3	(12.8)	(9.1)	1.9	0.8	1.1	307.6
Provisions for subsidiary contingencies	4.6	0.0	(6.5)	(0.2)	0.0	6.3	0.0	4.2
Other provisions for contingencies	398.6	39.2	(24.1)	(25.3)	27.7	8.6	2.4	427.1
Provisions for taxes(3)	11.9	4.8	(9.6)	0.0	0.0	(0.0)	0.0	7.1
Contractual obligations	6.5	0.5	(0.1)	0.0	0.0	0.0	0.0	6.9
Restructuring(4)	64.2	7.2	(28.3)	(5.7)	0.7	0.9	0.2	39.2
Environmental provisions	7.0	0.1	(2.0)	0.0	0.0	0.1	0.0	5.2
Other provisions for charges	23.7	2.4	(0.3)	(2.5)	0.0	(0.3)	0.0	23.0
Employee benefits obligations(5)	866.6	32.0	(32.7)	0.0	0.0	63.5	3.0	932.4
Total	1,683.5	111.5	(116.4)	(42.8)	30.3	79.9	6.7	**1,752.7**

(1) After the impact of the first-time application of IFRS 16 (see notes 2.1 – Changes in standards and 5.4 – Leases). Certain reclassifications were made in the consolidated financial statements for the year ended December 31, 2018 so as to align them with the presentation of the financial statements for the six months to June 30, 2019, in particular as regards provisions for tax consolidation in 2012 and 2015 (239 million euros and 203 million euros respectively) and other provisions for litigation.

(2) Including 257.6 million euros as of June 30, 2019 for litigation involving Vivendi. See note 10.2 – Litigation in progress.

(3) Including provisions for tax withholding, mainly on dividend payments, and provisions for tax audits.

(4) Of which 31.2 million euros relating to Vivendi (including 11.1 million euros for UMG and 18.1 million euros for Canal+). The remainder mainly consists of various departures individually negotiated and notified to the people concerned.

(5) Employee benefit commitments were updated as of June 30, 2019 by extrapolating the calculations performed as of December 31, 2018. The demographic data as of December 31, 2018 were updated to reflect retirements expected in 2019. The exchange rates were updated, while the other assumptions were maintained.

10.2 - Litigation in progress

In the normal course of their activities, Financière de l'Odet and its subsidiaries are party to a number of legal, administrative, or arbitration proceedings.

The potential costs of these proceedings are the subject of provisions insofar as they are probable and quantifiable. The provisioned amounts are subject to a risk assessment on a case-by-case basis.

There are no other governmental, legal or arbitration proceedings, of which the company is aware, which are pending or being threatened and are likely to have, or have had in recent months, a significant effect on the financial situation or profitability of the company and/or the Group, other than those described below.

The litigation to which Vivendi or its affiliates are party (as plaintiff or defendant) is set out in the 2018 Registration Document: note 10.2 to the consolidated financial statements for the year ended December 31, 2018.

Togo Guinea inquiry

On December 12, 2018 criminal charges were brought in a purely mechanical manner against Bolloré SA for corruption of a foreign public agent, complicity in falsification and use and complicity in breach of trust, following the criminal charges brought on April 25, 2018 against two of its senior executives.

The allegations at the heart of the judicial inquiry go back to 2009-2010 and concern two operations in Togo and Guinea.

The inquiry seeks to determine whether the concessions obtained by local subsidiaries of the Group in Togo and Guinea were obtained because of communications services provided by Havas in those countries for, respectively, 300,000 euros and 170,000 euros.

Bolloré SA is vigorously contesting the facts alleged, which have been the subject of numerous appeals before courts and tribunals. In Guinea, the Group was named operator of the concession in 2010 because it had come in second during the international tender offer of 2008, after the default of the operator that had come in first. In Togo, the concession agreement was signed on August 29, 2001, whereas the facts alleged would have occurred in 2009 and 2010, which is to say ten years later. In these two countries the Group's investments in port infrastructure today total over 500 million euros.

In a judgment dated June 27, 2019, the Second Chamber of the Paris Court of Appeal, ruling on the appeal against an order rejecting requests for the application of the statute of limitations on public action, found that the alleged bribery of a foreign public official and complicity in this offense with respect to Guinea, as well as the alleged forgery and use of forgery, and complicity in these offenses concerning service invoices relating to Guinea and Togo, were indeed covered by the statute of limitations.

ICSID Arbitration – Republic of Togo

The dispute brought before the Arbitration Tribunal arose from the failure of the Republic of Togo to honor the right of first refusal accorded to Togo Terminal as part of the signing of Rider No. 2 to the concession agreement of May 24, 2010.

Following the signing of this Rider, Togo Terminal and its ultimate shareholder, the Financière de l'Odet Group, invested several hundred million euros in the development and modernization of the infrastructures of the Independent Port of Lomé, including the construction of a third quay in the Port.

Early in 2014, Togo Terminal learned that construction work on a dock that had been started near the area it had been conceded under the concession agreement was for the purpose of creating a new special-purpose terminal for container operations. From that date, Togo Terminal requested the Republic of Togo to apply the contractual provisions, but despite its repeated requests was unable to get the Republic of Togo honor the right of first refusal that it had been granted.

Accordingly, on April 20, 2018, Togo Terminal filed a request for arbitration with the International Center for the Settlement of Investment Disputes (ICSID), primarily so that the Republic of Togo would be ordered to apply Togo Terminal's preferential right and to restore in full the damages suffered by Togo Terminal (estimated – subject to adjustment – at more than 350 million euros).

Litigation - between Autolib' and the Syndicat Mixte Autolib' et Vélib' Métropole

On February 25, 2011, Syndicat Mixte Autolib' et Vélib' Métropole ("the SMAVM") and Autolib' SA entered into a public service delegation for the purpose of installing, managing and maintaining a self-service electric automobile service and an electric vehicle recharging infrastructure ("the Agreement" or "the Concession.")

In light of the updated 2016 Business Plan and the updated 2017 Business Plan that Autolib' forwarded to SMAVM, it was clear that the agreement was not economically attractive as defined in its article 63.2.1, and Autolib' notified SMAVM of this fact on May 25, 2018, in accordance with the agreement.

Since the SMAVM did not wish to pay Autolib' the compensation called for in article 63.2.2 of the Agreement in the event the Concession should prove economically unattractive, it terminated the Agreement per its article 63.3 in deliberation No. 2018-18 of June 21, 2018. Article 63.3 of the Agreement provides that, should the Agreement be terminated pursuant to that article, the indemnification schedule in article 61 of the Agreement shall apply.

Therefore, Autolib' sent the SMAVM a letter dated September 25, 2018 with its request for indemnification in a total amount of 235,243,366 euros, calculated in accordance with articles 63.3 and 61 of the Agreement.

The SMAVM, however, in a letter dated November 27, 2018 expressed its refusal to pay the indemnification referred to in item (vi) of Article 61 of the Agreement (indemnification and compensation due to Autolib' from the SMAVM since the threshold defined in article 63 of the Agreement had been exceeded) by challenging Autolib's right to be compensated due to the threshold having been exceeded and to the Agreement thus being recognized as economically unattractive.

Given this refusal by the SMAVM to pay the compensation called for in item (vi) of article 61 of the Agreement, thereby demonstrating a profound disagreement between the SMAVM and Autolib' about the amount of compensation to be paid under article 61 of the Agreement, Autolib' notified the SMAVM, in accordance with article 61 of the Agreement and in a letter dated November 29, 2018, that it was bringing the matter before the Arbitration Panel mentioned in article 70 of the Agreement. Article 61 of the Agreement provides that, "The Arbitration Panel may be appealed to by either party in the event of disagreement about the amount of this compensation." Article 70.1 of the Agreement concerning the establishment of an Arbitration Panel provides inter alia that, "the Arbitration Panel shall consist of three (3) members whose personal and moral qualities and experience in public-private arrangements for comparable complex projects is well known. Within fifteen (15) calendar days after the appeal to the Arbitration Committee, each party will designate one (1) member, and the third member, who will be Chairman of the Arbitration Panel, will be chosen by common agreement between the two (2) members so designated. Failing an agreement within fifteen (15) calendar days, the Chairman of the Arbitration Panel will be designated by the Chief Judge of the Administrative Court of Paris, at the request of the first party to act". Therefore, and in compliance with said article 70.1 of the Agreement, Autolib' and the SMAVM each proceeded on their own, on December 11 and 12, 2018 respectively, to designate the two out of three members of the Arbitration Panel.

Despite numerous conversations held and proposals made by the members of the Arbitration Panel designated by the SMAVM and Autolib', the two of them could not reach an agreement as to the choice of a Chairman of the Arbitration Panel, even more than two months after the appeal to the Arbitration Panel on November 29, 2018. Therefore, and pursuant to article 70.1 of the Agreement, Autolib' appealed to the Chief Judge of the Administrative Court of Paris in a request dated February 12, 2019 so that she might appoint the Chairman of the Arbitration Panel. When the Chief Judge of the Administrative Court recused herself from making that appointment, Autolib' and the SMAVM granted the arbitrators a one-month extension to reach an agreement on the choice of a Chairman of the Arbitration Panel.

However, no agreement on the selection of the Chairman of the Arbitration Panel had been reached between the two members of the Panel already appointed as of March 20, 2019.

Despite the lack of agreement by the deadline agreed to between Autolib' and SMAVM, Autolib' remained keen to give the conciliation one last chance to take place.

As such, in a letter dated March 22, 2019, Autolib' referred the matter back to a new Arbitration Panel, replacing the Arbitration Panel to which the matter was referred on November 29, 2018.

However, unlike Autolib', SMAVM, in a letter dated March 27, 2019, initially refused to appoint a member to the new Arbitration Panel, other than the one originally designated.

In response to a letter from Autolib' dated March 29, 2019 calling on SMAVM to appoint a new member of the Arbitration Panel and a reminder letter dated April 8, 2019, SMAVM, in a letter dated on the same day, finally agreed to make every effort to appoint a new member to the Panel before 23 April 2019.

However, contrary to all expectations, SMAVM, in a letter dated April 23, 2019, subsequently informed Autolib' that it had been unable to appoint a new member to the Arbitration Panel within the agreed period, and that it intended to designate as a member of the new Panel the person appointed to the first.

As the arbitration procedure was manifestly impossible, in the light of all the foregoing, Autolib', in a letter dated May 20, 2019, asked SMAVM, prior to referring the matter to the Administrative Court of Paris in accordance with Article 71 of the Autolib' Public Service Delegation Agreement, to pay it the compensation due in accordance with Article 63 and Article 61 of the Autolib' Public Service Delegation agreement, i.e. the sum of 235,243,366 euros, subject to adjustments, to cover the termination of the agreement.

As this request was implicitly rejected by SMAVM on July 20, 2019, Autolib' has been forced to apply to the Administrative Court of Paris to force the SMAVM to pay it the sum of 235,243,366 euros, subject to adjustments.

LBBW et al. versus Vivendi

On March 4, 2011, 26 institutional investors from Germany, Canada, Luxembourg, Ireland, Italy, Sweden, Belgium and Austria sued Vivendi in the Paris Commercial Court for alleged damages resulting from four financial releases in October and December 2000, September 2001 and April 2002. On April 5 and April 23, 2012, two similar suits were filed against Vivendi: one by an American pension fund, the Public Employee Retirement System of Idaho, and the other by six German and British institutional investors. On August 8, 2012, British Columbia Investment Management Corporation also sued Vivendi on the same grounds. On January 7, 2015, the Paris Commercial Court appointed a third party responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. That third party filed its final reports during the first half of 2018. The first hearings on the substance of the case were held during the second half of 2018 and the first half of 2019.

California State Teachers Retirement System et al. versus Vivendi

On April 27, 2012, 67 foreign institutional investors sued Vivendi in the Paris Commercial Court seeking damages for losses they allegedly incurred as a result of the financial communication of Vivendi between 2000 and 2002. On June 7 and September 5 and 6, 2012, 26 further parties joined the action. In November 2012 and March 2014, twelve plaintiffs withdrew. On January 7, 2015, the Paris Commercial Court appointed a third party responsible for checking the standing of the claimants and reviewing the documentation provided by them to evidence their alleged holding of the securities. That third party filed its final reports during the first half of 2018. The first hearings on the substance of the case were held during the second half of 2018 and the first half of 2019.

Mediaset versus Vivendi

On April 8, 2016, Vivendi signed a strategic partnership agreement with Mediaset. The agreement entailed swapping 3.5% of Vivendi's capital for 3.5% of Mediaset and 100% of pay-TV subsidiary Mediaset Premium.

Vivendi's acquisition of Mediaset Premium was based on financial assumptions submitted by Mediaset to Vivendi in March 2016, which had raised a number of questions at Vivendi, which were notified to Mediaset. The April 8 agreement subsequently underwent due diligence (realized for Vivendi by Deloitte) as provided for in the contract. This audit and Vivendi's analyses showed that the figures provided by Mediaset prior to the agreement being signed were unrealistic and calculated on an artificially inflated base.

Vivendi and Mediaset began talks on how they might structure an alternative deal to the April 8 agreement, which were broken off by Mediaset on July 26, 2016, when it publicly rejected Vivendi's proposal. This had proposed that, in exchange for a 3.5% stake in Vivendi, Vivendi would take 20% of Mediaset Premium and 3.5% of Mediaset, with the balance made up by the issue to Vivendi of Mediaset bonds convertible to Mediaset shares.

Subsequently, Mediaset and its RTI subsidiary, on the one hand, and Fininvest, Mediaset's controlling shareholder, on the other, sued Vivendi in August 2016 before the Milan Civil Court in a bid to enforce the implementation of the April 8, 2016 agreement and the related shareholders' agreement, together with the payment of damages for the alleged loss suffered. The plaintiffs claimed in particular that Vivendi failed to file notice of the transaction with the European competition authorities, thus blocking the fulfillment of the final condition precedent that would allow the deal to go ahead. Vivendi states that it completed the pre-notification process to the European Commission on time but that the Commission would not formally take receipt of the documentation in the absence of agreement between the parties on their differences.

In the first hearing in the case, the judge invited the parties to try and reach an amicable settlement. On May 3, 2017, the parties therefore began a mediation procedure before the Milan National and International Arbitration Chamber.

Despite this mediation process, Mediaset, RTI and Fininvest filed another suit against Vivendi on June 9, 2017, seeking 2 billion euros in damages for Mediaset and RTI and 1 billion euros for Fininvest, accusing Vivendi of the acquisition of Mediaset shares in the last quarter of 2016. According to the plaintiffs (who unsuccessfully requested that this proceeding be joined to the earlier two), this transaction violates the April 8, 2016 agreement and breaches Italian media and competition regulations. In this new suit, they are also asking that Vivendi sells its Mediaset shares, whose purchase reportedly violates regulations and the April 8, 2016 agreement. Ultimately the plaintiffs are requesting that Vivendi be no longer entitled to the rights (including voting rights) conferred by said Mediaset shares.

On February 27, 2018, the Court ruled an end to the mediation. At the hearing of December 4, 2018, Fininvest, RTI and Mediaset withdrew, with respect to their first complaint, their demand for compulsory execution of the agreement of April 8, 2016, but maintained their request for compensation for the loss allegedly suffered, in the amount of (i) 720 million euros with regard to Mediaset and RTI for the failure to perform the agreement of April 8, 2016, and (ii) 1.3 billion euros with regard to Fininvest for the failure to perform the aforementioned shareholders agreement, for the loss suffered due to the change in Mediaset's stock price between July 26 and August 2, 2016, and various damages arising from allegedly illegal purchases of Mediaset shares by Vivendi at the close of 2016. Fininvest also claims compensation for damage to its decision-making procedures and to its image, in an amount to be determined by the court.

At the hearing of March 12, 2019, Vivendi asked the Court to suspend part of the proceedings pending the decision of the Court of Justice of the European Union on the analysis of the compatibility of Italy's law for the protection of media pluralism (TUSMAR law) with the Treaty on the Functioning of the European Union (see below). This request is being reviewed.

In addition, on July 2, 2019, Vivendi filed a complaint against Mediaset and Fininvest. Under the terms of this complaint, it asked the Milan Civil Court (i) to annul the April 18, 2019 resolution of Mediaset's Board of Directors preventing Vivendi from exercising the rights to the shares it holds, representing 9.61% of the capital and 9.9% of the voting rights at the Extraordinary General Meeting of Mediaset of the same day, and (ii) to cancel the resolution approved by this Meeting to establish a system of double voting rights following a period of two years for shareholders who so request. The first hearing on this case is scheduled for November 26, 2019.

On August 26, 2019, Vivendi announced that it had lodged an application for an injunction with the Milan Court of First Instance in order to guarantee both its right to take part in the Mediaset Extraordinary General Meeting of September 4, and its capacity to vote during the Meeting in its capacity as a Mediaset shareholder (with the equivalent of 9.99% of the voting rights). On August 31, 2019, the Milan Court recognized Vivendi's right to participate and to vote as a shareholder at the Extraordinary General Meeting of Mediaset of September 4, 2019.

Other procedures related to Vivendi's purchase of Mediaset share capital

During November and December 2016, Vivendi began to buy up Mediaset shares on the market, ultimately raising its stake to 28.80%. Fininvest states that it has filed a complaint for market manipulation against Vivendi with the Milan Prosecutor's Office and Consob, the Italian market regulator.

Meanwhile, on December 21, 2016, AGCOM (the Italian communication regulator) launched an inquiry into whether Vivendi's increased stake in Mediaset and its position as a shareholder in Telecom Italia were incompatible under Italian media sector regulations.

On April 18, 2017, AGCOM ruled that Vivendi had failed to comply with these regulations. Vivendi, which had 12 months to comply, appealed against this decision before the Administrative Court of Lazio. Pending this judgment in this appeal, AGCOM has noted the compliance plan proposed by Vivendi setting out the procedures by which it would bring itself into compliance with the ruling. On April 9, 2018, in accordance with the undertakings made to AGCOM, Vivendi transferred the fraction of its Mediaset shares in excess of 10% of the voting rights to an independently fiduciary company. On November 5, 2018 the Administrative Court of Lazio decided to suspend its ruling and to refer to the Court of Justice of the European Union the analysis of the compatibility of the Italian regime of article 43 of the TUSMAR Law as applied by AGCOM, with the principles of the free movement of goods found in the Treaty on the Functioning of the European Union.

Telecom Italia

On August 5, 2017, the Italian Government informed Vivendi that it was launching an inquiry into whether Telecom Italia and Vivendi had complied with certain provisions of the decree-law 21 of March 15, 2012 on "regulating special powers in the areas of defense and national security" (article 1) and "activities of strategic importance in the energy, transport and communications sectors" (article 2). It was Vivendi's view that the provisions of this law did not apply to Vivendi. In particular, (i) article 1 regulating special powers in the areas of defense and national security was never declared and communicated to the market in terms of the nature of the businesses conducted: by Telecom Italia and (ii) article 2 concerning activities of strategic importance in the energy, transport and communications sectors does not apply to Vivendi inasmuch as it deals with the acquisition of significant shareholdings by entities that do not belong to the European Union.

Moreover, in this same connection, Consob declared on September 13, 2017 that Vivendi exercises de facto control over Telecom Italia. Vivendi and Telecom Italia formally contest this position, and have appealed to the Regional Administrative Court of Lazio. On April 17, 2019, the Court dismissed the appeal brought by Telecom Italia and Vivendi, which subsequently appealed to the Italian Council of State on July 16 and 17, 2019 respectively.

On September 28, 2017, the President of the Council of Ministers found that the notification made by Vivendi under article 1 of the aforementioned legislative decree as a precautionary measure was made late and that Telecom Italia had failed to make the required notification under article 1 of the decree after the change in control over its assets of strategic importance in the energy, transport and communications sectors. The President of the Council of Ministers thus opened proceedings against Telecom Italia for failure to give notice per article 2 of the same decree-law. Vivendi and Telecom Italia appealed this decision.

In addition, in its decree of October 16, 2017, the Italian Government decided to use the special powers granted under article 1 of the 2012 decree-law, pertaining to national security and defense. This decree creates a certain number of obligations in terms of organization and governance for Vivendi, Telecom Italia and its subsidiaries Telecom Italia Sparkle Spa ("Sparkle") and Telsy Elettronica e Telecomunicazioni Spa ("Telsy"). Specifically, Telecom Italia and its subsidiaries Sparkle and Telsy must have an internal division responsible for overseeing all national security and defense matters, operating wholly independently and with the human and financial resources needed to ensure its independence, and appoint to their management bodies a member of Italian nationality who is approved by the government and holds security clearance. It also requires the establishment of a supervisory committee under the auspices of the Council of Ministers (Comitato di monitoraggio) to monitor compliance with these obligations. On February 13, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the President of the Council of Italian Ministers.

In addition, in a decree dated November 2, 2017, the Italian Government decided to apply the special powers granted under article 2 of the decree-law of 2012 on energy, transport and communications. This decree required Telecom Italia to implement development, investment and maintenance plans to ensure the operation and security of networks, the provision of the universal service and, more broadly, to satisfy the public interest over the medium and long-term, under the control of the Comitato di monitoraggio, which must be informed of any restructuring of the holdings of Telecom Italia group, as well as of any plans by the operator that impact network security, uptime and operation. On March 2, 2018, Vivendi and Telecom Italia filed an appeal against this decree with the President of the Council of Italian Ministers.

Lastly, in a decree dated May 8, 2018, the Italian government levied an administrative fine of 74 million euros against Telecom Italia for failure to inform, due to the absence of notification as per article 2 of the decree-law no. 21 of March 15, 2012 (see above). On July 5, 2018, the Regional Administrative Court of Lazio suspended the enforcement of this administrative sanction until November 30, 2019 at least.

Parabole Réunion

In July 2007, Parabole Réunion initiated proceedings before the *Tribunal de Grande Instance* of Paris following the discontinuation of the exclusive distribution of TPS channels in the territories of Réunion, Mayotte, Madagascar and the Republic of Mauritius and the deterioration of the channels made available to it. In a judgment issued on September 18, 2007, Canal+ Group was prohibited, under penalty, from allowing the broadcast of said channels or replacement channels by third parties and ordered to replace the TPS Foot channel if it should be terminated. Canal+ Group appealed the grounds for this judgment. On June 19, 2008 the Paris Appeals Court partly struck down the judgment, ruling that the replacement channels need not be granted exclusively if these channels had been available to third parties before the merger with TPS. Parabole Réunion's claims about the content of the channels were dismissed. On November 10, 2009, the *Cour de Cassation* dismissed this appeal.

On September 24, 2012, Parabole Réunion brought a fast-track claim (*assignation à jour fixe*) against the Canal+ Group, Canal+ France and Canal+ Distribution before the enforcement Judge (*Juge de l'exécution*) of the Nanterre Regional Court, seeking to enforce the order of the Paris Regional Court upheld by the Appeals Court. On November 6, 2012, Parabole Réunion extended its motions to the channels TPS Star, Cinecinema Classic, Culte and Star. On April 9, 2013 the enforcement Judge declared part of the Parabole Réunion demand inadmissible and dismissed its other demands. He was careful to note that Canal+ Group owed no obligation regarding content or maintenance of programming on the channels made available to Parabole Réunion and found, having established that TPS Foot had not ceased production, that there was no need to replace this channel. Parabole Réunion lodged its first appeal against this ruling on April 11, 2013. On May 22, 2014 the Versailles Appeals Court declared this appeal inadmissible because of the lack of legal capacity of the Parabole Réunion representative. Parabole Réunion lodged a second appeal to have the April 9, 2013 ruling set aside on February 14, 2014. On April 9, 2015, the *Cour de Cassation* quashed the order of the Versailles Appeals Court of May 22, 2014, which had declared Parabole Réunion's appeal of April 11, 2013 inadmissible. The case was referred to the Paris Appeals Court, which, on May 12, 2016, upheld the first-instance judgment and dismissed all of Parabole Réunion's claims. In a ruling handed down on September 28, 2017, the *Cour de Cassation* dismissed Parabole Réunion's appeal against the decision of the Paris Appeals Court.

At the same time, on August 11, 2009, Parabole Réunion lodged a fast-track demand against Canal+ Group with the Paris Regional Court, seeking that Canal+ Group be ordered to provide a channel of equivalent attractiveness to TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion also initiated an action against Canal+ France, Canal+ Group and Canal+ Distribution before the Tribunal de Grande Instance of Paris for the purpose of establishing the breach by the Canal+ Group companies of their contractual obligations towards Parabole Réunion and their commitments to the Minister of the Economy. These two claims were combined in a single procedure. On April 29, 2014, the Court ruled the Parabole Réunion claims partly admissible for the period after June 19, 2008 and accepted the contractual liability of Canal+ Group for the inferior quality of the channels made available to Parabole Réunion. The Court also ordered an appraisal of damages suffered by Parabole Réunion, rejecting the company's own appraisals. On June 3, 2016, the Appeals Court upheld the Regional Court's April 29, 2014, ruling. Canal+ Group appealed to have the ruling quashed but was denied on January 31, 2018.

In an order issued on October 25, 2016, the pre-trial Judge considered that the April 29, 2014, judgment, by ordering Canal+ Group to compensate Parabole Réunion, had established the principle that the latter was entitled to receive compensation even if its amount remained to be established. He ordered Canal+ Group to pay a provision of 4 million euros. On January 17, 2017, the Paris Regional Court ordered Canal+ Group to pay 37,720,000 euros with provisional enforcement. Parabole Réunion appealed this ruling to the Paris Appeals Court on February 23, 2017. Canal+ Group submitted its responses and cross-appeal on July 20, 2017. In the absence of the submission of the responses of Parabole Réunion by the required deadline, on December 8, 2017, Canal+ Group submitted responses noting the failure to respect this deadline and accordingly seeking the cancellation of the expert report ordered on October 12, 2017 (see below). On June 7, 2018, the pre-trial Advisor of the Appeals Court gave a ruling rejecting the request for cancellation of the expert's report in progress. Canal+ Group asked the Court to refer this ruling to trial, but withdrew that request in October 2018 given the progress made on the report by that point.

On May 29, 2017, Parabole Réunion also notified a cross-appeal seeking the commissioning of an additional appraisal of the impairment of its business assets. On October 12, 2017, the pre-trial advisor of the Appeals Court approved this request, and a judicial expert was appointed. On December 17, 2018, Parabole Réunion raised a new objection to the pre-trial Advisor for the purpose of having the expert's assignment defined. The expert suspended his work. In an order issued on April 4, 2019, the pre-trial magistrate of the Court of Appeal found that the expert should be asked to make an assumption of compensation for the loss of value of the business, taking into account the 40,000 subscribers put forward by Parabole Réunion, and that the expert should specify, if appropriate, whether the loss of value of the business results from the loss of subscribers and/or from missed subscribers numbering 40,000, attributable to Canal+ Group. It nevertheless rejected Parabole Réunion's request to include in the additional work of the expert the assumption that the above 40,000 subscribers would have generated a certain EBIT margin, and sentenced it to bear the costs of the incident. The judicial expert resumed work in mid-April 2019.

Canal+ Group versus TF1, M6 and France Télévision

On December 9, 2013, Canal+ Group submitted a complaint to the French Competition Authority regarding the practices of the TF1, M6 and France Télévision groups in the original French-language film market of the French catalog. It is alleged that they included pre-emption rights clauses into the co-production contracts, which had a restrictive effect on competition. On February 23, 2018, the Competition Authority notified France Television, TF1 and M6 of possible violations. The case was heard on February 13, 2019 before the Authority, which dismissed the allegations on May 25, 2019. Canal+ Group appealed against this decision on July 2, 2019.

Aston France and Strong versus Canal+ Group

On September 25, 2014, Aston complained to the French Competition Authority against the decision by Canal+ Group to stop selling its "card-only" satellite subscriptions (allowing the decoding of Canal+/Canalsat programs on satellite decoders, labelled Canal Ready, manufactured and distributed by third parties including Aston). In parallel, Aston sought an injunction against Canal+ Group on September 30, 2014 in the Paris Commercial Court seeking the suspension of the decision by Canal+ Group to terminate the Canal Ready partnership agreement and thereby stop selling "card-only" satellite subscriptions. On October 17, 2014, the Commercial Court handed down its ruling, rejecting Aston's claims. Aston appealed against this decision on November 4, 2014. Subsequently, on January 15, 2015, the Appeals Court, in summary proceedings, granted its application and suspended the decision by Canal+ Group to stop selling card-only subscriptions until such time as the French Competition Authority had made a determination on the merits. On March 21, 2018, Canal+ Group received the preliminary assessment of the Competition Authority, containing its concerns about competition, and filed proposal undertakings with the Authority. Since these undertakings, in effect until December 31, 2021, met the pressing need to prevent piracy and at the same time offer alternative set-top boxes to those leased by Canal+ Group, the Competition Authority decided on July 24, 2018 to make them obligatory and therefore closed the proceeding brought before it.

In addition, on January 18, 2019, another company, Strong, sought a summary proceeding in the Paris Commercial Court to order the Canal+ Group to suspend the Group's decision to stop marketing its products on set-top boxes certified Canal Ready, a decision made in consequence to the aforementioned ruling of the Competition Authority. Aston, which had not contested the undertakings offered by Canal+ Group to the Competition Authority, joined in this summary proceeding. On February 22, 2019, the Paris Commercial Court dismissed the claims made by Strong and Aston, and sentenced them jointly to pay Canal+ Group the sum of 20,000 euros.

Touche Pas à Mon Poste

On June 7, 2017 the French media regulator, the *Conseil supérieur de l'audiovisuel* or CSA, penalized C8 for a sequence broadcast during the "TPMP" show on December 7, 2016. The sequence, which was not meant to be broadcast, showed the program's presenter Cyril Hanouna larking about with one of the contributors, Capucine Anav. The CSA found that it was degrading to the image of women. The penalty involved a two-week ban on running advertising slots during "Touche Pas à Mon Poste" and its rebroadcasts and in the fifteen minutes before and after the show, beginning the second Monday after the decision was announced.

On the same day, the CSA also penalized C8 for another sequence in the show "TPMP ! la Grande Rasshrah" of November 3, 2016. The CSA found that this new sequence, in which a contributor, Matthieu Delormeau, was filmed using a hidden camera, violated his dignity. It imposed a further one-week ban on running advertising during broadcasts of "Touche Pas à Mon Poste", its rebroadcasts and the fifteen minutes either side of the show.

On July 3, 2017, following these two CSA rulings, C8 filed two appeals with the Council of State. On July 4, 2017, C8 also filed two claims for compensation with the CSA, which were rejected by an implied decision. On November 2, 2017, C8 appealed these decisions to the French Council of State (*Conseil d'État*). On June 18, 2018, the Council of State rejected C8's first application for judicial review but did uphold its second application by overruling the decision of the CSA. The Council of State's decision to reverse has been appealed to the European Court of Human Rights, in December 2018. The actions for damages are being investigated by the Council of State.

On July 26, 2017, the CSA decided to penalize C8 for a sequence broadcast during "TPMP Baba hot line" on May 18, 2017, judging that the channel had ignored the principle of respect for private life and its obligation to fight against discrimination, levying a cash fine of 3 million euros.

Following this decision, on September 22, 2017, C8 filed for judicial review of an administrative action before the French Council of State (*Conseil d'État*), which was rejected on June 18, 2018. That decision has been appealed to the European Court of Human Rights, in December 2018. In addition, C8 filed an action for damages with the CSA, whose implicit rejection was contested before the Council of State on January 25, 2018. C8 withdrew this action for damages on September 7, 2018.

On the same issue, Canal+ Group sent a letter to the CSA on February 18, 2019, requesting the cancellation of the aforementioned financial penalty of 3 million euros following the declarations of an official of the association "Refuge" in November 2018 to the effect that none of the alleged victims of the hoax had made distress calls to the association, contrary to his initial claims. This request was denied on April 5, 2019. An appeal against this decision was filed with the Council of State on June 5, 2019.

In addition, on 28 November 2018, the Independent Rapporteur, on referral from the Director General of the CSA, initiated a sanction procedure against C8 and transmitted its notification of the grievances. The acts liable to result in a penalty are linked to a sequence of TPMP broadcast on September 12, 2018, during which Cyril Hanouna made remarks that could be characterized as insulting in respect of two managers of TF1. On April 24, 2019, the CSA decided not to sanction C8.

Lastly, on June 4, 2019, the Independent Rapporteur of the CSA initiated a sanction procedure against C8 and transmitted its notification of the grievances. The acts liable to result in a penalty are linked to a sequence of TPMP broadcast on October 31, 2018 during which old nude photos of a TF1 presenter were shown on air.

Rovi Guides Inc. versus Canal+ Group

Rovi Guides petitioned the International Chamber of Commerce to mediate a dispute with Canal+ Group for failure to honor a patent licensing agreement for an electronic program guide which was signed in 2008 and for non-payment of the associated fees between January 1, 2016 and June 30, 2017.

As the parties were unable to settle, the mediation was terminated and Rovi filed a motion for arbitration on June 1, 2018. A decision is expected by the end of 2019.

Studiocanal, Universal Music Group and Vivendi versus Harry Shearer and Century of Progress Productions

Studiocanal and Vivendi were sued in California by Harry Shearer through his company Century of Progress Productions, in his capacity as author/actor and composer for the 1984 film the Spinal Tap, a US film produced and financed by Embassy Pictures (Studiocanal being the successor to Embassy). Harry Shearer sought damages for failure to satisfy contractually-obligated reporting processes, fraud and failure to exploit the trademark and seeking the awarding of the trademark. On February 8, 2017, four new plaintiffs, co-creators of the film, joined the proceedings. On February 28, 2017, in response to the complaint, the defendants filed a motion to dismiss, in which they asked the judge to declare the claims of the plaintiffs to be inadmissible and to deny the claim for fraud. The judge handed down a decision on September 28, 2017. With respect to inadmissibility, the judge dismissed the claims of three of the four co-creators as well as the claim for fraud. Nevertheless, the judge gave permission to the plaintiffs to file amended complaints in their individual capacities as well as to supplement their claim for fraud. On October 19, 2017, a new complaint (the "Second Amended Complaint") was filed, which reintroduced the claims of the three plaintiffs found to be inadmissible. The same writ broadened the suit to include Universal Music Group. On December 21, 2017, UMG and Studiocanal each filed a motion to dismiss in reply. In a decision of August 28, 2018 (i) the motion by Studiocanal to reject the action of the plaintiffs for fraud was rejected. The judge did not acknowledge the fraud, but kept the possibility open for the plaintiffs to prove it in the course of the trial on the substance of the case following this preliminary stage; (ii) with regard to UMG's motion, although the judge did validate certain of the arguments, she authorized the plaintiffs to file a revised suit so as to allow them to amend or supplement their arguments on those points. The judge further rejected the request by UMG contesting the request by the opposing party to terminate and recover for itself UMG's rights in the United States on film music. This point will therefore be examined during the trial on the merits. On September 18, 2018 the plaintiffs filed their new complaint ("Third Amended Complaint"). At the same time, the parties decided to conduct a mediation on March 11, 2019. The process did not result in a transaction. However, the plaintiffs and Studiocanal have agreed to initiate an audit of the operating accounts sent to the plaintiffs in order to determine whether they involve any accounting irregularities. UMG and the plaintiffs are negotiating a potential deal for an exclusive and direct payment from UMG to the applicants for royalties of the film's music. The proceedings on the merits have accordingly been suspended until 8 August 2019 in the case of UMG and until 13 September 2019, in the case of Studiocanal.

Inquiry by the Hauts-de-Seine agency for population protection (*Direction Départementale de la Protection des Populations des Hauts-de-Seine*)

On April 20, 2018 the *Direction Départementale de la Protection des Populations des Hauts-de-Seine* (DDPP92) took out an injunction against Canal+ Group to cease placing its subscribers on contract into enhanced products, a practice which the DDPP92 deemed to be an "unordered sale." On June 19, 2018, Canal+ Group filed an appeal above the DDPP92 to the Minister of the Economy, who rejected it on August 9, 2018. On October 5, 2018, Canal+ Group filed an appeal with the Administrative Court of Cergy-Pontoise. At the same time, DDPP92 has informed Canal+ Group that it has sent the file to the office of the Nanterre public prosecutor along with a note stating that it considers Canal+ Group to have committed the offense of forced sale of services, prohibited by provisions of the French Consumer Code. The adversarial procedure is ongoing.

Canal+ Group action against the Professional Football League

Following the cancellation of a number of Ligue 1 championship matches between December 2018 and April 2019 due to the action of the "Yellow Vests" movement, and their unilateral postponement by decision of the League of Professional Football (LFP) without consultation or agreement with Canal+, Canal+ Group sued the LFP on July 4, 2019, with a view to obtaining damages to cover the financial loss suffered as a result of these postponements. Having acquired broadcast rights of matches and magazines for time slots identified during the tender process for the seasons from 2016/2017 to 2019/2020, Canal+ Group considers that the LFP has violated the outcome of the tender process. It has requested 46 million euros in damages.

A first hearing will be held before the Commercial Court of Paris on September 5, 2019.

Proceedings before the Bobigny employment tribunal

Several employees of the Canal+ call center in Saint-Denis have initiated a procedure against Canal+ Group with the Bobigny employment tribunal to seek the cancellation of their dismissal on the ground that the employment protection plan implemented in the call center is discriminatory.

Aspire versus Cash Money Records and UMG

On April 7, 2017, the label Aspire Music filed a complaint with the New York State Supreme Court against Cash Money Records for breach of contract and non-payment of royalties on the first six albums by the rapper Drake. After unsuccessful negotiations, UMG was added to the list of plaintiffs on April 12, 2018. UMG filed a motion to dismiss on the grounds that it had no contractual relationship with Aspire and no liability for the contractual obligations of Cash Money. The court denied UMG's motion and UMG has appealed. On February 7, 2019, the Appellate Division agreed to hear UMG's appeal. On July 17, 2019, the parties signed a settlement, bringing the litigation to an end.

Soundgarden, Hole, Steve Earle and the rights holders of Tom Petty and Tupac Shakur versus UMG

On June 21, 2019, Soundgarden and Hole, singer Steve Earle, Tom Petty's ex-wife, and Tupac Shakur's rights holders sued UMG before the California Central District Court as part of a class action suit following a fire that destroyed thousands of archived recordings in 2008.

The plaintiffs allege that UMG failed to comply with the terms of the contracts concluded with the artists by not protecting the recordings sufficiently. It is also argued that the Group should have shared the compensation received in the form of transactions negotiated with insurance company on the one hand and NBCU on the other hand. UMG filed a motion to dismiss on July 17, 2019.

John Waite and Joe Ely versus UMG Recordings, Inc.

On February 5, 2019, a class action suit was filed against UMG Recordings, Inc., on behalf of a potential class of artists who requested the termination of the contracts binding them to UMG in a procedure pursuant to Section 203 of the Copyright Act, allowing, under certain conditions, an author who has concluded a contract under which he/she transferred the rights to his/her work to a third party, to terminate the said contract after a period of 35 years. They have asked the judge to recognize the termination of their contracts, and further alleged infringement of their copyright, as UMG continued to exploit the recordings after the alleged end date of the contract. On May 3, 2019, UMG Recordings filed a motion to dismiss. On June 15, 2019, the plaintiffs filed a First Amended Complaint adding the artists Syd Straw, Kasim Sulton and The Dickies as additional plaintiffs. On June 26, 2019, UMG Recordings Inc. filed a new motion to dismiss.

Proceeding concerning the services provided by Havas Paris to Business France

Havas Paris, a subsidiary of Havas SA, was indicted on February 7, 2019 for concealment of favoritism valued at 379,319 euros. This indictment took place as part of a judicial investigation opened by the Paris Prosecutor's Office into illegal favoritism alleged to have been practiced by Business France when it arranged for communications services to be provided by Havas Paris. Havas Paris disputes the allegations and has filed an appeal against this decision.

Swiss Competition Commission versus Interforum

On March 13, 2008, the Secretariat of the Competition Commission (COMCO) opened an investigation in Switzerland against book distributors, including Interforum Switzerland, concerning the French book market, following a complaint by local booksellers.

On May 27, 2013, COMCO fined Interforum Switzerland an amount of 3,792,720 Swiss francs, considering that Interforum Switzerland had been party to unlawful market partitioning arrangements. The decision is subject to appeal, which would suspend it.

On July 12, 2013, Interforum Switzerland filed an appeal with the Federal Administrative Court (TAF) to challenge the decision. Interforum Switzerland is currently waiting for the decision of the TAF, scheduled for 2019.

Dailymotion versus Reti Televisive Italiane (RTI)

Since 2012, RTI has brought various proceedings against Dailymotion in the Rome Civil Court. Similar to claims it has made against other major online video platforms, RTI is seeking damages for infringement of its neighboring rights (audiovisual production and broadcasting rights) and unfair competition as well as the removal of the contested content from the Dailymotion platform. In one of these proceedings, following a complaint dated April 12, 2012, Dailymotion was sentenced on July 15, 2019 by the Civil Court of Rome to pay 5.5 million euros in damages to RTI and to withdraw the videos in question, or suffer a further penalty. Dailymotion has until September 11, 2019 to appeal against this decision.

Note 11 - Employee expenses and benefits

11.1 - Share-based payment transactions

IFRS 2 expenses recognized over the period amounted to 19.6 million euros, of which 15.5 million euros related to the Vivendi Group (of which 11.0 million for the Vivendi plans and 4.1 million for the Havas plans) and 4.1 million euros to Bolloré.

They reflect the application of an additional six-month vesting period.

The terms and conditions of allocation for plans already in effect as of December 31, 2018 are described in the notes to the Vivendi Group's 2018 financial statements for Vivendi and Havas, and those of the Financière de l'Odet Group for Bolloré.

The main new plans created in the first half of 2019 are as follows:

Bolloré SA:

On March 14, 2019, the Bolloré SA Board of Directors decided to create a free share plan under the authorization granted at the General Shareholders' Meeting of June 3, 2016, involving 3,017,500 Bolloré SA shares.

In the first half of 2019, the IFRS 2 expense recorded in respect of this free share plan amounted to 1.0 million euros, and 4.1 million euros for all plans authorized by the General Shareholders' Meeting of June 3, 2016.

Vivendi SA:

On February 14, 2019, Vivendi awarded its employees and executives 1,601 thousand performance shares. The terms and conditions of the grant are explained in the Vivendi Group interim financial report for 2019.

In the first half of 2019, the IFRS 2 expense recorded for all Vivendi performance share plans was 10 million euros.

For the leveraged plan, 4,694 thousand shares were subscribed in 2019 through an employee investment fund at a price of 21.106 euros per share. The leveraged plan allows current and retired employees of Vivendi and its French and foreign subsidiaries to subscribe for Vivendi shares through a reserved capital increase that gives them a discount on subscription and ultimately capital gains (determined as per the plan rules) on 10 shares for each share subscribed. This transaction was underwritten by a financial institution commissioned by Vivendi. In addition, 151 thousand shares were subscribed through an employee shareholder plan implemented for employees of the Japanese subsidiaries.

In the first half of 2019, the expense recognized in respect of the leveraged plan amounted to nearly 1 million euros.

The detailed features of the main new plans are as follows:

Allocation conditions for free share and performance plans granted during the first half of 2019		
Shares affected	**VIVENDI**	**BOLLORÉ**
Grant date	February 14, 2019	March 14, 2019
Number of shares awarded	1,601,000	3,017,500
Share price on award date (in euros)	22.60	3.912
Dividend rate (as a percentage)	2.21	1.53
Fair value of one share (in euros)	19.37	3.73
Vesting period	36 months	36 months
Lock-up period	Two years following the vesting period, i.e. February 14, 2024	None following the vesting period, i.e. March 14, 2022
Number of shares granted as of June 30, 2019	**1,601,000**	**3,017,500**

The half-year change in the number of shares and options outstanding relating to share-based payment transactions over the period was as follows:

Changes in the number of outstanding free and performance shares

Shares affected	VIVENDI	HAVAS[1]	BOLLORÉ
Number of shares as of December 31, 2018	**4,790,000**	**5,867,360**	**6,840,000**
From business combinations			
Grant	1,601,000		3,017,500
Expired		(1,988,000)	
Fiscal year	(753,000)		
Canceled	(305,000)	(47,000)	(20,800)
Number of shares as of June 30, 2019	**5,333,000**	**3,832,360**	**9,836,700**

Change in the number of share subscription

Options affected	VIVENDI
Number of options at December 31, 2018	**7,245,000**
From business combinations	
Grant	
Expired	(259,000)
Fiscal year	(3,126,000)
Canceled	(5,000)
Number of options as of June 30, 2019	**3,855,000**

(1) Under the plan granted on January 19, 2015 and expired on April 19, 2019, 825 thousand shares were settled in cash by Vivendi at the price of 11.51 euros per share and 973 thousand Havas shares were exchanged for 428 thousand Vivendi shares at an exchange rate of 0.44 Vivendi shares for one Havas share, in accordance with the rules of the plan.

Under the plan granted on May 10, 2016 and expired on May 10, 2019, 120 thousand Havas shares were settled in cash by Vivendi at a price of 11.24 euros per share.

Under the plan granted on March 19, 2015 and expired on June 19, 2019, 70 thousand Havas shares were exchanged for 31 thousand Vivendi shares at an exchange rate of 0.44 Vivendi shares for one Havas share, in accordance with the rules of the plan.

Note 12 - Taxes

12.1 - Income tax analysis

(in millions of euros)	**June 2019**	June 2018	December 2018
Current and deferred tax[1]	(202.9)	(304.3)	(399.0)
Provision (expense)/reversal for taxes	4.8	7.3	16.8
Other taxes (lump sum, adjustments, tax credits, carry back)	(3.0)	(3.0)	(5.4)
Withholding taxes	(14.8)	(15.3)	(79.6)
Corporate added value contribution	(19.2)	(19.5)	(38.8)
Total	**(235.0)**	(334.8)	(506.0)

(1) In accordance with the new IFRS 9, applied as of January 1, 2018, Vivendi's deferred tax expense in 2018 included the revaluation through profit or loss of the stake in Spotify and Tencent Music.

Note 13 - Transactions with related parties

The consolidated financial statements include transactions carried out by the Group in the normal course of business with non-consolidated companies that have a direct or indirect capital link to the Group.

The table below summarizes all the transactions entered into with related parties in 2018 and in the first half of 2019:

(in millions of euros)	**June 2019**	*Of which parties related to the Vivendi Group*	December 2018
Revenue			
- non-consolidated Group entities(1)	12.2	*4.8*	27.1
- entities accounted for using the equity method	121.3	*105.8*	250.6
Goods and services bought in			
- non-consolidated Group entities(1)	(10.0)	*(7.1)*	(20.4)
- entities accounted for using the equity method	(42.2)	*(41.2)*	(70.8)
Other financial income and expenses			
- non-consolidated Group entities(1)	1.8	*0.0*	4.1
- entities accounted for using the equity method	1.5	*0.0*	10.4
Non-current financial assets			
- non-consolidated Group entities(1)			
- entities accounted for using the equity method	76.8	*76.8*	85.2
Non-current financial liabilities			
- non-consolidated Group entities(1)			
- entities accounted for using the equity method			0.0
Receivables associated with business activity (excluding tax consolidation)			
- non-consolidated Group entities(1)	7.8	*1.6*	6.2
- entities accounted for using the equity method	71.2	*55.6*	69.6
- Non-current content assets			
- entities accounted for using the equity method	1.2	*1.2*	0.8
Provisions for bad debts	(0.4)		(0.4)
Payables associated with business activity (excluding tax consolidation)			
- non-consolidated Group entities(1)	4.2	*2.9*	2.5
- entities accounted for using the equity method	15.3	*10.2*	16.5
Current accounts and cash management agreements – assets			
- non-consolidated Group entities(1)	34.9		33.9
- entities accounted for using the equity method	7.7		6.3
Current accounts and cash management agreements – liabilities			
- non-consolidated Group entities(1)	30.1		30.7
- entities accounted for using the equity method			

(1) Non-consolidated subsidiaries and holding companies in the Group.

Note 14 - Events after the reporting period

The key events occurring between the closing date and September 12, 2019, the date of the Financière de l'Odet Board of Directors' meeting that approved the half-yearly financial statements, are as follows:

- on July 9, 2019, Canal+ Group management presented the details of a transformation project for its French activities to the employee representatives. The proposal could result in the departure of up to 492 people, exclusively on a voluntary basis. The quantified impacts of this decision will be estimated and disclosed in the second half of 2019;

- on July 17, 2019, the Vivendi Group completed a 113 million euro capital increase (including share premium) subscribed as part of the group savings plan and the leveraged plan;

- on July 31, 2019, the shareholders of Wifirst (55% owned by the Group) and its subsidiaries Noodo and Wifirst UK signed an agreement in the form of a put option in favor of Amundi Private Equity and Bpifrance Investissement. This sale will generate around 115 million euros in cash and a consolidated capital gain of around 85 million euros.

STATUTORY AUDITOR'S REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

For the period from January 1 to June 30, 2019

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of FINANCIERE DE L'ODET, for the period from January 1 to June 30, 2019,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Without qualifying the conclusion expressed above, we draw your attention to Note 2.1 "Changes in standards" of the condensed half-yearly consolidated financial statements, which describes the changes in accounting methods relating to the mandatory application as of January 1, 2019 of IFRS 16 "Leases".

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris - La Défense, September 26th, 2019

The Statutory Auditors

French original signed by

AEG Finances
French member of Grant Thornton International
Samuel Clochard

Constantin Associés
Member of Deloitte Touche Tohmatsu Limited
Thierry Queron

STATEMENT OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I hereby certify that to the best of my knowledge the condensed financial statements for the past half year have been prepared in accordance of the company and all its consolidated entities, and that the interim progress report on page 3 gives a true picture of the highlights in the first six months of the financial year, their effect of the accounts, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

September 27, 2019

Vincent Bolloré
Chairman and Chief Executive Officer

GLOSSARY

Organic growth: growth at constant scope and exchange rates.
Net revenue (Havas Group): revenue after deduction of re-billable costs
Adjusted operating income (EBITA): operating income before amortization of intangible assets related to business combinations – PPA (purchase price allocation), impairment of goodwill and other intangible assets related to business combinations.
EBITDA: operating income before depreciation and amortization.
Net financial debt/Net cash position: sum of borrowings at amortized cost, less cash and cash equivalents, cash management financial assets and net derivative financial instruments (assets or liabilities) with an underlying net financial indebtedness, as well as cash deposits backed by borrowings.

The non-GAAP measures defined below should be considered in addition to, and not as a substitute for other GAAP measures of operating and financial performance, and Financière de l'Odet considers these to be relevant indicators of the Group's operational and financial performance. Furthermore, it should be noted that other companies may define and calculate these indicators differently. It is therefore possible that the indicators used by Financière de l'Odet cannot be directly compared with those of other companies.

The percentages changes indicated in this document are calculated in relation to the same period of the preceding fiscal year, unless otherwise stated. Due to rounding in this presentation, the sum of some data may not correspond exactly to the calculated total and the percentage may not correspond to the calculated variation.

Financière de l'Odet

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