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Chief Operating Officer

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VIVENDI
UNIVERSAL

May 13, 2004

Overview of NBC Universal Merger

- ▶ **VUE valued at \$14.2 billion ***

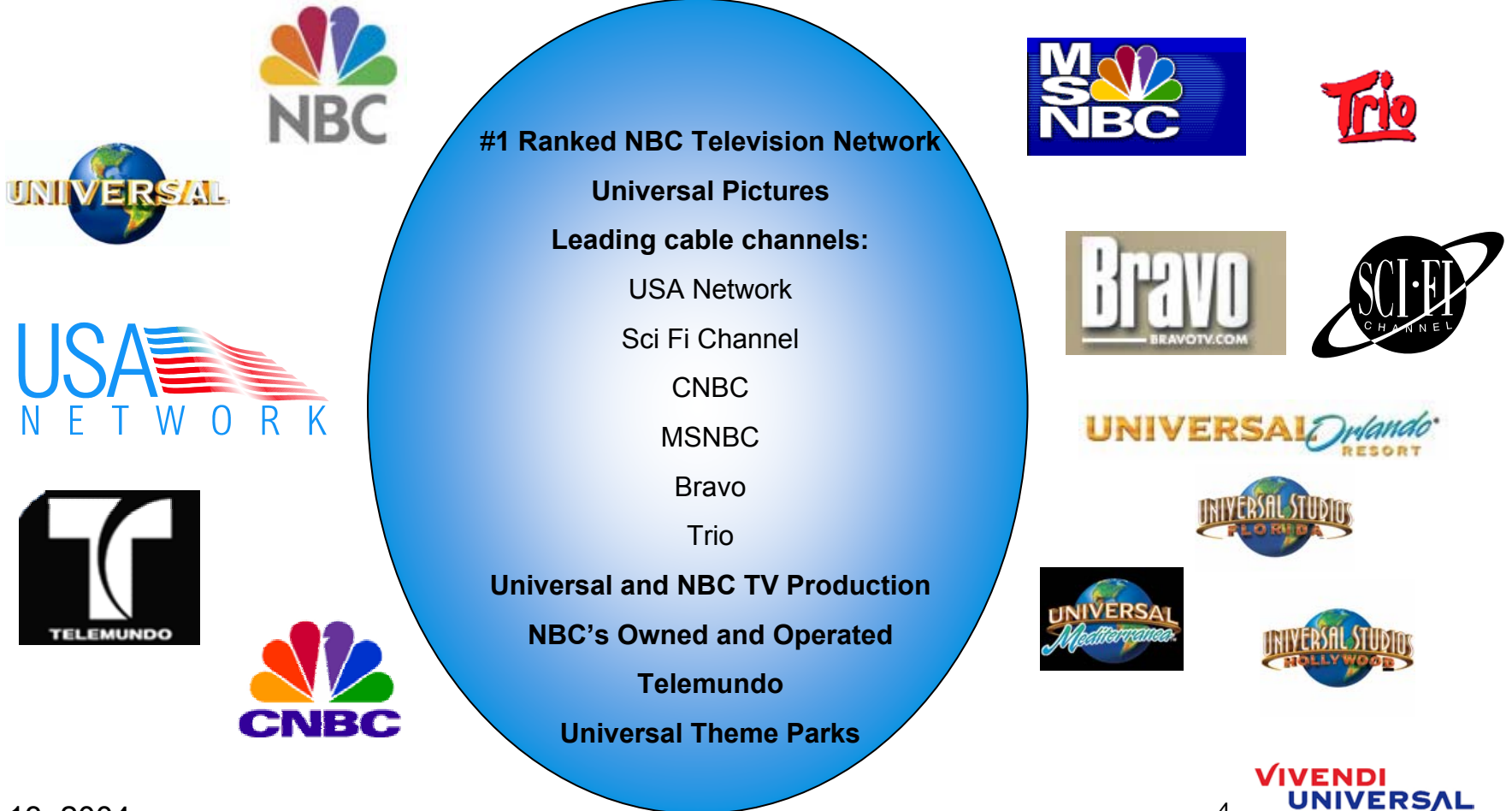
- ▶ **VU receives**
 - 18.5% of NBC Universal (GE 80%, MEI 1.5%)
 - \$5.9 billion reduction in net debt
 - \$3.4 billion net cash proceeds

- ▶ **NBC Universal estimated value of \$43 billion pre synergies**

* Includes assets contributed to NBC Universal that are held outside of VUE

A Compelling Strategic Combination

One of the world's most profitable and fastest-growing media companies, offering consumers and advertisers broad reach, compelling brands and superior operational expertise



Highest operating margins of any major media company in the United States in 2003

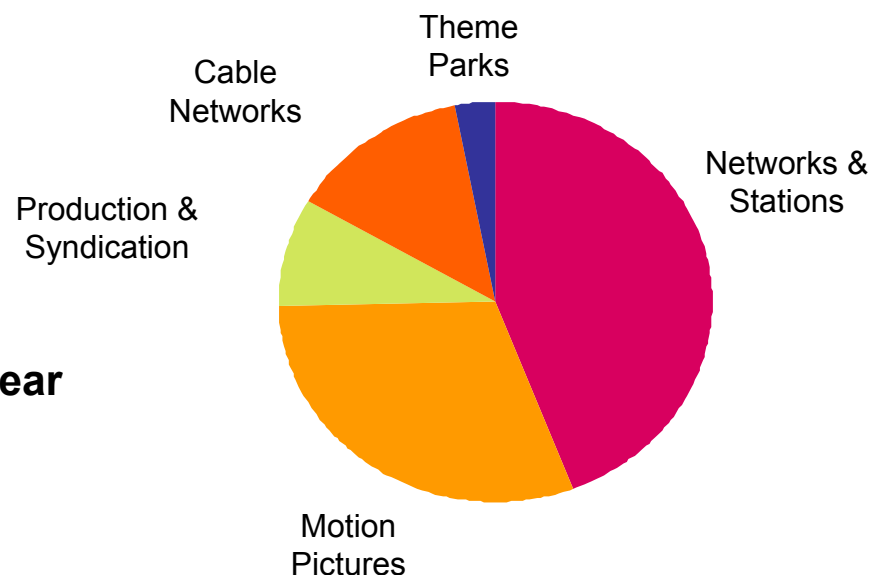
2003 Pro forma Financials

- ▶ Revenues \$13 billion
- ▶ EBITDA \$3.3 billion
- ▶ **Operating Margins > 20%**
- ▶ Debt \$1.7 billion

Targeted synergies of \$400-\$500 million per year

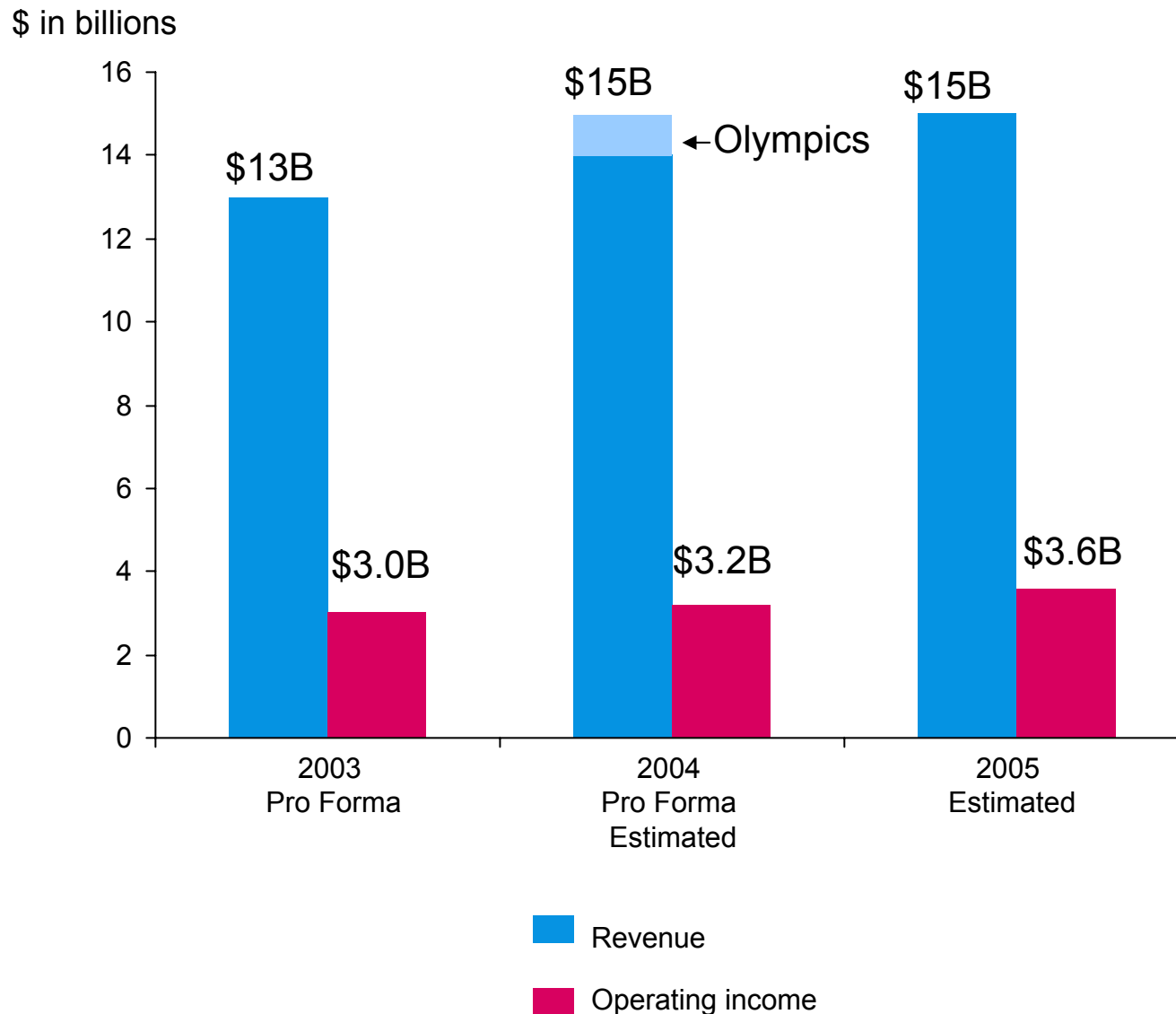
Broad balance of revenue sources including:

- ▶ Advertising ~ 50%
- ▶ Subscriber Fees/Other Recurring Revenues ~ 50%



2003 Pro Forma Revenues \$13 billion

NBC Universal Pro Forma Projections



Source: Vivendi Universal and General Electric

May 13, 2004

Benefits Of The Merger

Creates value through \$400-\$500 million per year in synergies

▶ **Revenue Synergies of ~ \$100 million**

- Pre-eminent promotion engine
- Content drives new platforms
- Ad sales opportunity
- Combined TV production

▶ **Cost savings of ~ \$350 million**

- Advertising and promotion
- Sourcing
- Program development
- Overlapping Structures
- Corporate Support
- Information Technology

Synergies on Track

- ▶ \$100 million in 2004 ~90% identified
- ▶ \$300 million in 2005 ~80% identified
- ▶ \$400 million total synergies in 18 months
- ▶ \$400 to \$500 million annually by 2006

Source: General Electric

- ▶ **Relationship between Vivendi Universal, a European based media company and NBC Universal, a US media company, provides opportunities to strengthen commercial agreements**
 - Canal + Group
 - Universal Music Group
 - Vivendi Universal Games

- ▶ **Vivendi Universal has three seats out of fifteen on NBC Universal's Board of Directors**

Flexible, Guaranteed Exit at Fair Market Value

▶ Exit windows selected by Vivendi Universal

- Vivendi Universal can choose to sell during selected windows each year from 2006 to 2010
- Detailed mechanism to provide Vivendi Universal with liquidity
- Once Vivendi Universal decides to exit, GE must either agree to acquire the shares directly or allow a secondary IPO

▶ GE chooses direct acquisition at fair market value

- Up to \$3 billion by the end of 2006
- Up to \$4 billion each year starting in 2007

▶ GE chooses IPO

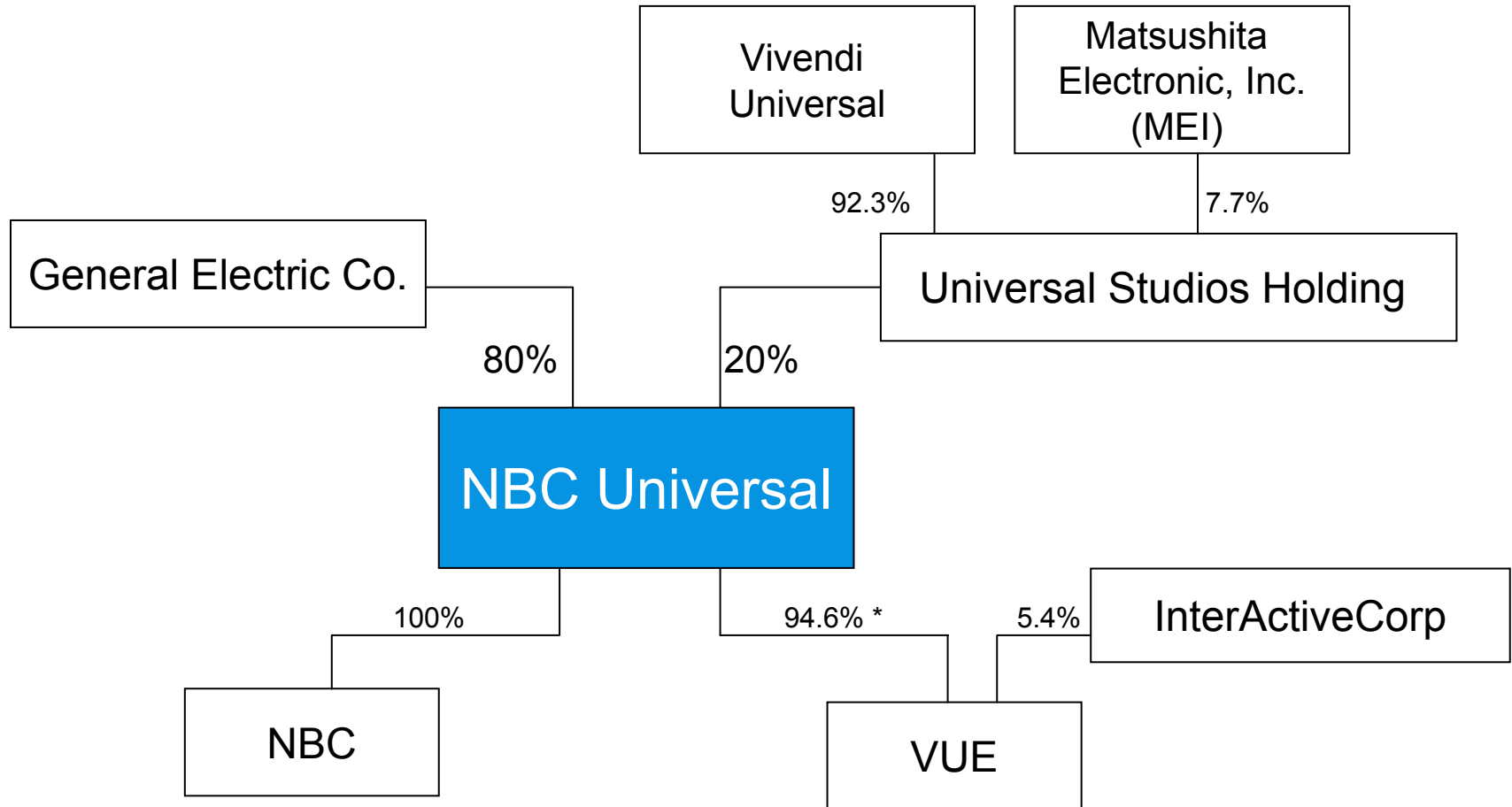
- Up to \$3 billion by the end of 2006
- Post-IPO liquidity through market

▶ GE can call Vivendi Universal's stake five years after closing (May 2009)

- NBC Universal valued at higher of original transaction value or fair market value

Impact of the Transaction on Vivendi Universal

Ownership Structure of NBC Universal



* VU has exercised its call right to acquire Barry Diller's 1.5% stake for \$275 million and will transfer this stake to NBC Universal as part of the transaction

Estimated Transaction Impact on VU's Net Debt as of May 11, 2004

<i>French GAAP in billions</i>	\$	Euro
<i>Euro/\$ Exchange rate</i>		1.185
CASH		
Gross Proceeds	3.7	3.1
Minorities Share and Other *	(0.3)	(0.2)
ESTIMATED NET CASH PROCEEDS	3.4	2.9
DEBT TRANSFERRED TO NBCU		
Term Loan	0.9	0.8
Film Securitization	0.8	0.6
Preferred A (including accrued interest of 5% p.a. PIK)	0.8	0.7
Preferred B (including accrued interest of 1.4% p.a. PIK)	1.8	1.5
	<u>4.3</u>	<u>3.6</u>
NEW DEBT OBLIGATIONS		
Promissory Note to NBCU (related to Pref. A Defeasance)	(0.8)	(0.6)
NPV of Cash Coupon of Preferred B, net of taxes	(0.3)	(0.3)
	<u>(1.1)</u>	<u>(0.9)</u>
ESTIMATED DEBT REDUCTION	3.2	2.7
TOTAL NET DEBT REDUCTION (before Net Cash Adjustment)	6.6	5.6
VUE Closing Cash Adjustment (from Oct. 1, 2003, to May 11, 2004)	(0.7)	(0.6)
ESTIMATED TOTAL NET DEBT REDUCTION as of May 11, 2004	5.9	5.0

* Does not include the \$275 million payment for Barry Diller's 1.5% stake in VUE.

Estimated impact on VU's P&L and Shareholders' Equity

▶ Estimated Impact on VU's P&L

French GAAP
1Euro = \$1.185

(Based on Net Book Value as of December 31, 2003, post impairment)

In US\$ billions

Pre tax profit	0.9
Tax (substantially all non cash)	<u>(0.3)</u>
After tax profit	0.6

In Euro billions

After tax profit	0.5
Foreign currency loss	<u>(2.3)*</u>
Net loss	(1.8)

▶ Estimated Impact on VU's Shareholders' Equity

In Euro billions

Foreign currency translation adjustment	2.3*
Net loss	<u>(1.8)</u>
Net change in Shareholders' Equity	0.5

* Foreign currency loss is an estimated loss based on an exchange rate of 1 euro = \$1.185

▶ **Accounting treatment:**

- VUE is consolidated until May 11, 2004
- The 20%* stake in NBC Universal is accounted for under the equity method of accounting from May 12, 2004

▶ **New contingent liability:**

- If NBC Universal sells all or a significant portion of Universal Parks and Recreation in the next four years, Vivendi Universal will share the economic risk.

* Includes MEI's stake of 1.5%

Defeasance of Class A Preferred Shares' Covenants

- ▶ Class A Preferred Shares remain in VUE, now part of NBC Universal, after the defeasance of the covenants through letters of credit issued by Royal Bank of Scotland and Citigroup to InterActiveCorp.
- ▶ These letters of credit are counter-guaranteed by a bankruptcy-remote SPV (100% owned by VUE) which has bought US Treasury Strips. The accrued amount of these US Treasury Strips will at least equal the \$1,990m Class A Preferred Shares accrued amount at maturity in 2022.
- ▶ In order to finance the acquisition of US treasury Strips, VU has issued a promissory note to NBC Universal for \$.8 billion to reimburse 94.56% of the purchase price of these Treasury Strips. The note has a maximum 3-year maturity and is collateralized by a pledge on VU's NBC Universal shares in an amount equal to 125% of the value of the promissory note.
- ▶ After the defeasance of covenants, InterActiveCorp (IACI) no longer has veto rights regarding VUE asset sales.

Transfer of Class B Preferred Shares

- ▶ **\$ 1.8 billion, accreted value, of Class B Preferred Shares remain in VUE, now part of NBC Universal**

- ▶ **Vivendi Universal retains the economic responsibility for 94.56% of the after-tax cost of the cash coupons**
 - 3.6% cash interest p.a.
 - \$.3 billion NPV, net of taxes

- ▶ **56.6m IACI shares transferred to NBC Universal**
 - Used to settle the principal and 1.4% PIK interest payable at maturity in May 2022
 - NBC Universal will pay to Vivendi Universal the upside value, if any, above \$40.82 / IACI share in May 2022. Vivendi Universal will reimburse NBCU for taxes related to the capital gain up to \$40.82 / IACI share .

Net Cash Adjustment

- ▶ **At closing, VUE's available net cash of \$.6 billion as of September 30, 2003, has been retained by VUE's former shareholders**

- ▶ **VUE's net cash generated between October 1, 2003, and May 11, 2004, (approximately \$.7 billion) is to be retained by VUE**
 - Net cash generated between October 1, 2003, and December 31, 2003, amounted to \$.4 billion

- ▶ **This amount, added to NBC's cash generation during the same period, is expected to be distributed to NBC Universal shareholders pro rata their shareholdings less any amount required for working capital upon NBC Universal's Board issuing a dividend to its shareholders**

2.7 B euro revolving 5-year unsecured new credit facility

- ▶ **Net proceeds of approximately \$5.9 billion from the NBC Universal transaction has been used to repay or cancel the three existing secured bank facilities: 3 billion euro and 2.5 billion euro facilities and the £136 million UMO facility**
- ▶ **New 2.7 billion euro unsecured credit facility is available to be used for the general corporate purposes of the group**
 - Maximum margin of 110 basis points which can be reduced to 45 basis points depending on VU's credit rating

Creates an exceptional media company

- ▶ NBC Universal transaction estimated value of \$43 billion
- ▶ Unique opportunity to merge complementary assets
 - Upside from synergies
 - Strengthen VUE's assets to achieve a critical size
 - Risk reduced through revenue diversification
- ▶ Experienced management team with varied media expertise

Achieves Vivendi Universal's objectives

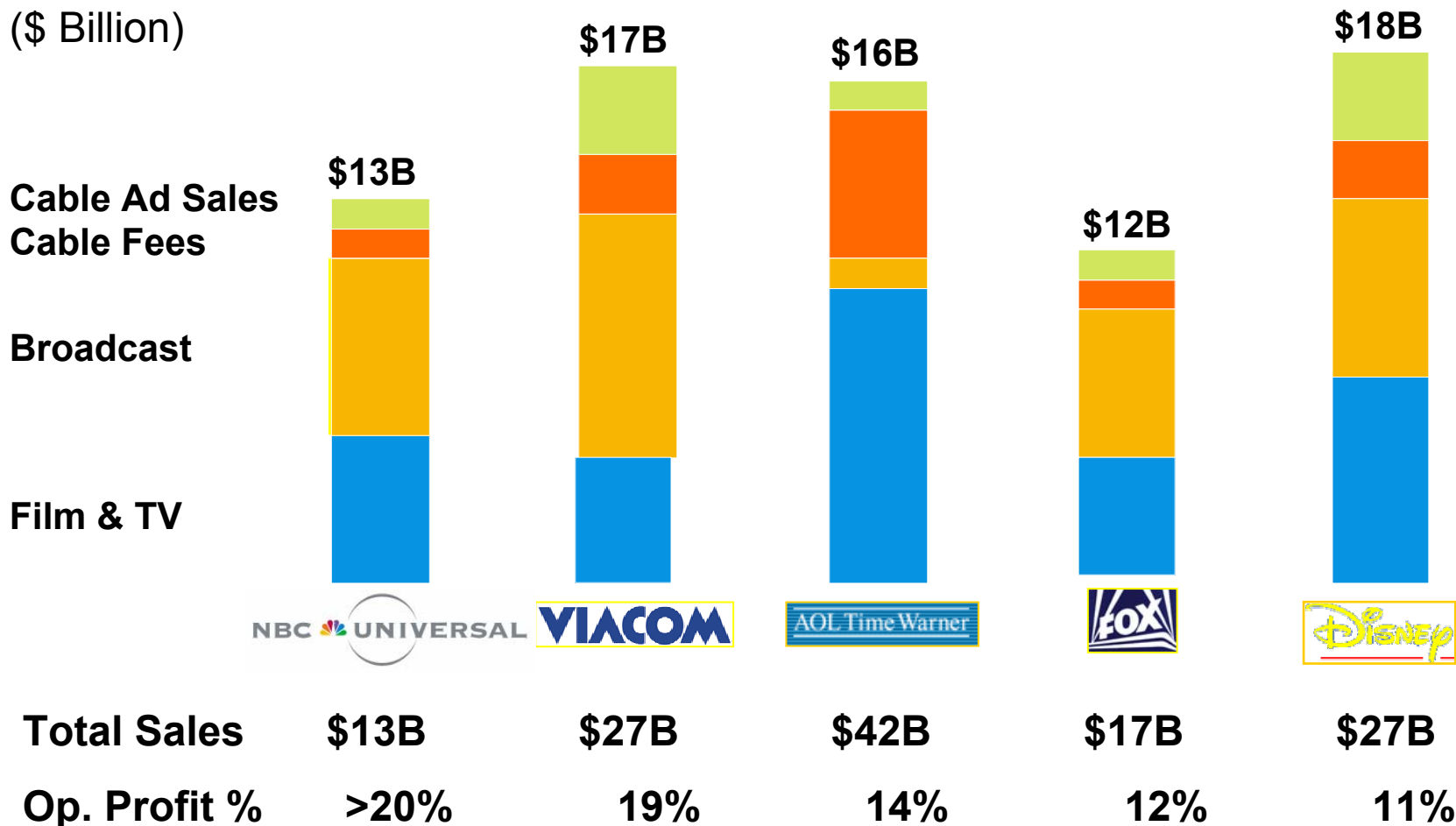
- ▶ Value of \$14.2 billion for VUE*
- ▶ Significant contribution to earnings growth and debt reduction
- ▶ €16 billion divestiture program on schedule

* Includes assets contributed to NBC Universal that are held outside of VUE

Appendix

Competitive Position

2003E
(\$ Billion)

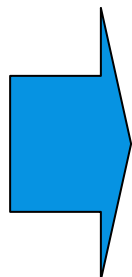





Profitable ... Diversified ... Growing

Pro-forma Revenue

(2003, \$ Billion)

~ \$13



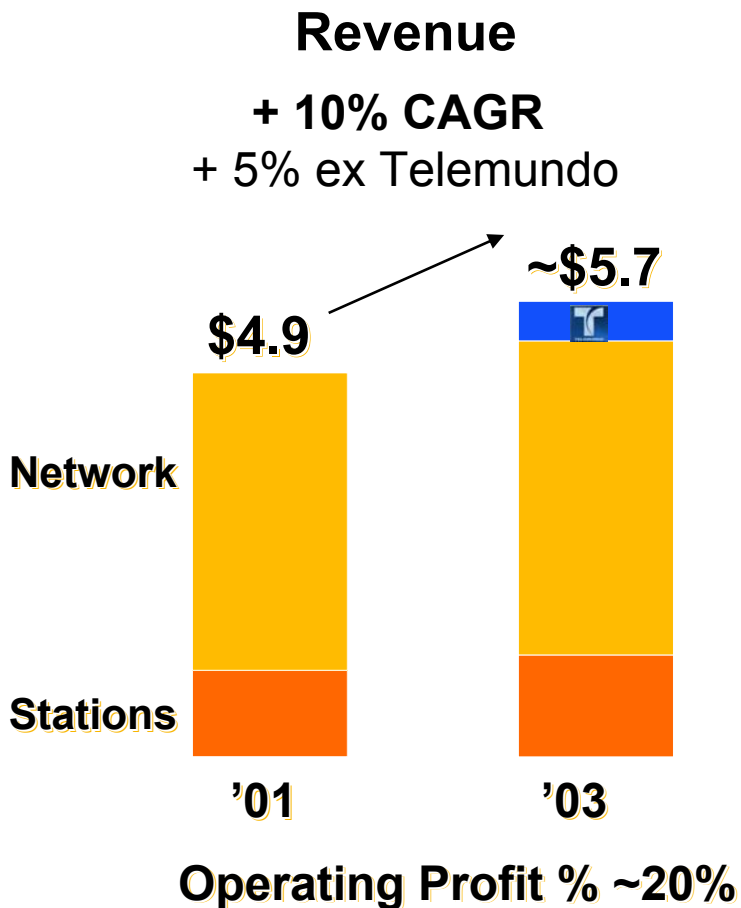
			
Network & Stations	\$5.7	\$0	\$5.7
Motion Picture	\$0	\$4.1	\$4.1
TV Production & Synd.	\$0.3	\$1.0	\$1.3
Cable Networks	\$0.7	\$1.2	\$1.9
Parks & Resorts	\$0	\$0.3	\$0.3
TOTAL REVENUE	<u><u>\$6.7</u></u>	<u><u>\$6.6</u></u>	<u><u>~\$13.3</u></u>

Complimentary and Diverse ... Great Combination

Networks and Stations

(\$ Billion)

NBC UNIVERSAL



#1 Broadcast Network with Highest Quality Audience

#2 US Hispanic Network

29 Owned & Operated Stations and 200+ Affiliates

#1 News Organization

Key Sports Brands

Synergy Opportunities:

- Cross-Platform Promotion
- Optimize TV Production and Distribution
- Multi-cast Programming
- Promote Parks With Strong Southern California Presence

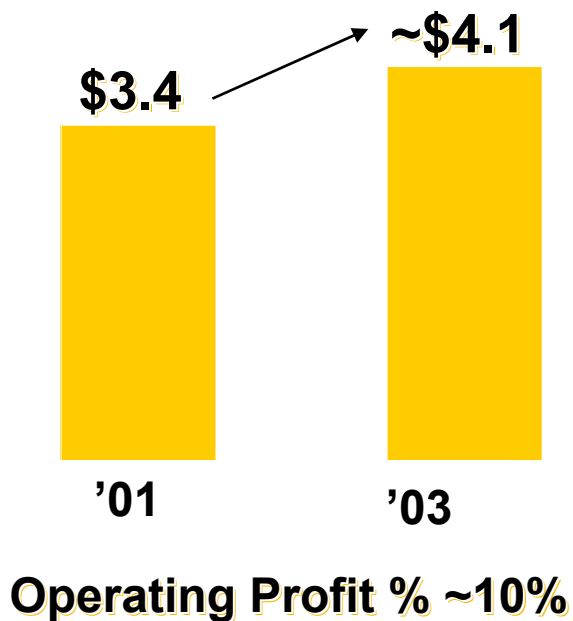
Most Profitable Network and Station Group

Source – General Electric

Motion Pictures

(\$ Billion)

Revenue
+ 10% CAGR



NBC UNIVERSAL

Successful Box Office Record

- Five \$100million+ Titles in '03
- Robust Talent Pipeline

Valuable Library of ~5,000 Titles

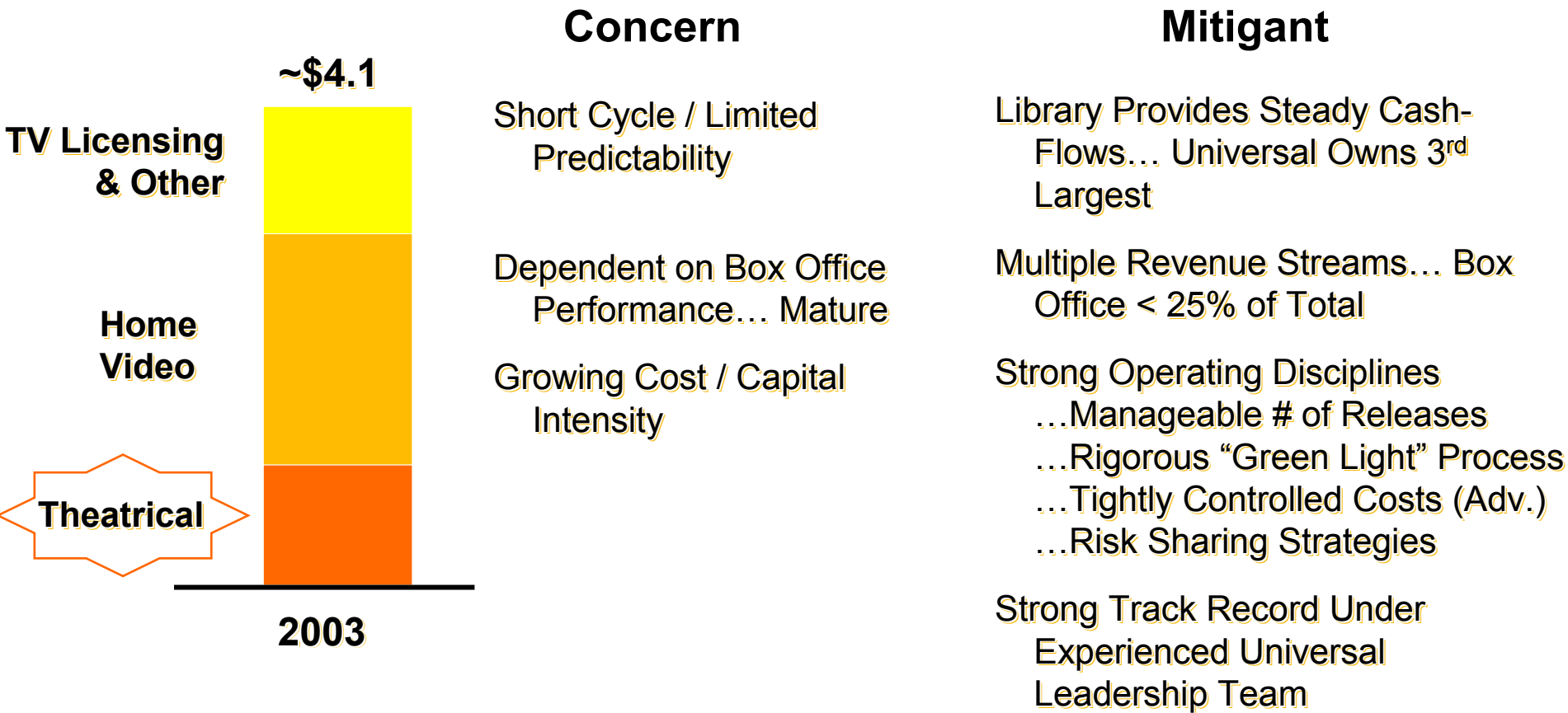
Excellent Management Team with Strong Track Record and Operating Discipline

Synergy Opportunities:

- Cross-platform Marketing & Promotion
- Content for Emerging Distribution Pipes (VOD, Digital)

Strong Franchise ... Enormous Content Resource

Motion Pictures Characteristics



Traditional and New Trends Including Exceptional Growth of DVD's Mitigate Inherent Volatility of Film Business

TV Production and Syndication

(\$ Billion)



NBC UNIVERSAL

~50% of NBC Prime-Time Schedule

Extensive Television Library of
32,000 Episodes

Investing in 1st Run Syndication

Synergy Opportunities

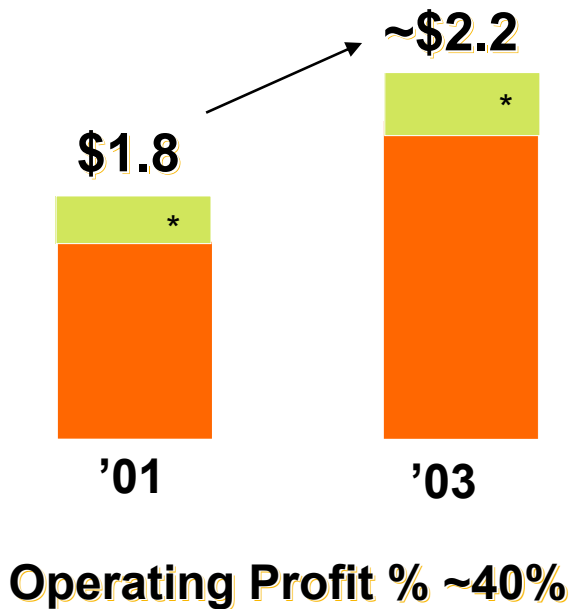
- Infrastructure
- Effective Development...
Pilots & Scripts Across
Multiple Platforms
- Vertical Integration

Ownership, Partnership, Vertical Integration
... Significant Revenue Opportunities for NBC Universal

Cable Networks

(\$ Billion)

Revenue
+ 10% CAGR



NBC UNIVERSAL

Broad Reach

Popular Brands & Content

Hi-Definition Content

Synergy Opportunities

- Infrastructure
- Cross-Channel Programming
- Cross-Platform Promotion Opportunity
- Attractive Package of Program Offerings...VOD, Olympics

Great content and Popular Brands Key to Growth

*Minority or JV Interest; Includes pro-rata Revenues of JV & Minority Investments

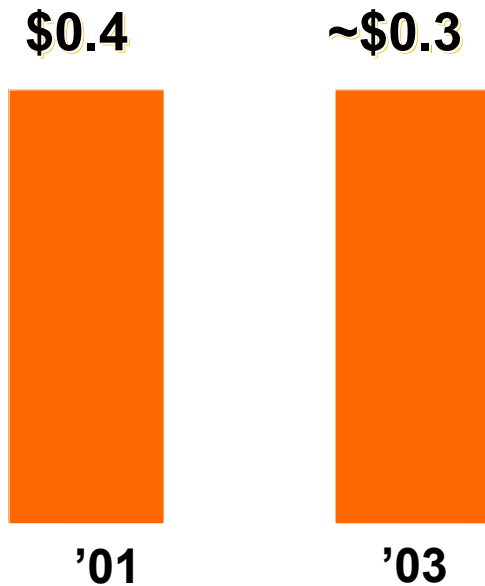
May 13, 2004

Source – General Electric

Parks and Resorts

(\$ Billion)

Revenue
+ 10% CAGR



Operating Profit % ~10-12%



NBC UNIVERSAL

Revenues Reflect Tourism Market Challenges

- 1 Owned Park, 1 JV, Minority Interests in 3 Parks
- Presence in Europe & Asia

Strong Relative Position

- 3 of Top 8 Parks in the US

Promotional Synergy:

- On-Site NBC "Events" Miss Teen USA, Reality Finals
- On-site Shows TONIGHT "Jay-walking"
- NBC / Telemundo Stations Local Marketing & Promotions, On-site Local Programming

Manage for Value ... Base for Promotion

InterActiveCorp Rights

- In 2002, in connection with Vivendi Universal's acquisition of the entertainment assets of InterActiveCorp (IACI), IACI and Mr. Barry Diller received 5.44% and 1.50%, respectively, of the common interests in Vivendi Universal Entertainment LLLP (VUE), the group formed by combining such assets and those of the Universal Studios Inc.
- VU has called the 1.50% stake held by Mr. Barry Diller for \$275 million.
- Beginning on May 7, 2007, Universal Studios, Inc. (a subsidiary of NBC Universal) may call the 5.44% held by IACI for their fair value and beginning on May 7, 2010, IACI may put its common interests to Universal Studios, Inc., for their fair market value.

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