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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE VIVENDI UNIVERSAL, S.A.  
SECURITIES LITIGATION

Civil Action No.  
02 Civ. 5571 (RJH)

**ANSWER AND DEFENSES OF DEFENDANT VIVENDI UNIVERSAL, S.A.  
TO PLAINTIFFS' FIRST AMENDED CONSOLIDATED  
CLASS ACTION COMPLAINT**

Defendant Vivendi Universal, S.A. ("Vivendi"), by its attorneys, Cravath, Swaine & Moore LLP, as and for its Answer to the First Amended Consolidated Class Action Complaint, dated November 24, 2003 (the "Complaint"):

1. Denies the allegations of paragraph 1 to the extent that they are asserted against Vivendi, except admits that this action purports to be a class action on behalf of all persons who (a) purchased or otherwise acquired the common stock and American Depositary Shares ("ADSs") of Vivendi between October 30, 2000, and August 14, 2002, inclusive (the "putative class period"); (b) acquired Vivendi's common stock or ADSs pursuant to a registration statement and prospectus dated October 30, 2000, issued in connection with a series of transactions involving Vivendi, S.A., The Seagram Company Ltd. ("Seagram") and Canal Plus, S.A. ("Canal Plus"); and (c) were shareholders of Vivendi or Seagram as of November 25, 2000, and entitled to vote on the proposed series of transactions between Vivendi, S.A., Seagram and Canal Plus pursuant to a Joint Proxy Statement-Prospectus, dated November 2, 2000; that plaintiffs purport to seek remedies under the statutes cited therein; that defendant Jean-Marie Messier ("Messier") served as Chairman of the Board of Directors and

Chief Executive Officer ("CEO") of Vivendi from December 11, 2000, until he resigned from those positions on or about July 1, 2002; that defendant Guillaume Hannezo ("Hannezo") served as Chief Financial Officer of Vivendi from December 11, 2000, until he resigned from that position on or about July 17, 2002; and further states that plaintiffs' claims against Vivendi pursuant to Sections 11 and 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs (Counts I and II) were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003; and that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by Vivendi and thus no response is required with respect to those claims.

2. Denies the allegations of the first sentence of paragraph 2, except admits that Compagnie Générale des Eaux, which changed its name to Vivendi, S.A. in May 1998, was originally a French water utility company, and that during the putative class period Vivendi made certain acquisitions, asset purchases and investments. Denies the allegations of the second sentence of paragraph 2, except admits that as a result of the series of transactions between Vivendi, S.A., Seagram (the parent of Universal Music Group and Universal Pictures) and Canal Plus (a pay television company in Europe) in December 2000, Vivendi became a large media and communications company. Admits the allegations of the third sentence of paragraph 2 only with respect to the putative class period.

3. Denies the allegations of paragraph 3.

4. Denies the allegations of paragraph 4.

5. Denies the allegations of paragraph 5.

6. Denies the allegations of paragraph 6.

7. Denies the allegations of paragraph 7.

8. Denies the allegations of the first sentence of paragraph 8. Denies the allegations of the second sentence of paragraph 8, except admits that Vivendi issued a press release dated December 6, 2001, and that The Financial Times published an article entitled "Vivendi Universal Sells \$1.5bn of BSKyB Shares", dated December 14, 2001, and refers to that press release and that newspaper article for their contents. Denies the allegations of the third sentence of paragraph 8, except admits that Vivendi issued a press release dated December 17, 2001, and refers to that press release for its contents.

9. Denies the allegations of paragraph 9, except admits that The Wall Street Journal published an article entitled "How Messier Kept Cash Crisis At Vivendi Hidden for Months", dated October 31, 2002, and refers to that article for its contents.

10. Denies the allegations of paragraph 10.

11. Denies the allegations of paragraph 11, except admits that at certain times during the putative class period, Vivendi, with the approval of its shareholders, implemented a share repurchase program and, separately, sold certain put options on Vivendi common stock.

12. Denies the allegations of the first sentence of paragraph 12. Denies the allegations of the second sentence of paragraph 12, except admits that on July 2, 2002, Standard and Poor's downgraded Vivendi's long-term corporate credit rating, and that on July 2, 2002, Vivendi's common stock closed at €17.80 per share on the EuroNext Paris, S.A. ("Paris Bourse"), and further states that it is without knowledge or information sufficient to form a belief

as to the truth of the allegations concerning the unidentified "published report" referenced therein. Denies the allegations of the third sentence of paragraph 12, and further states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the unidentified "credit agency report" referenced therein. Denies the allegations of the fourth sentence of paragraph 12, except admits that Goldman Sachs submitted a report to certain members of Vivendi's Board of Directors on June 24, 2002, and refers to that report for its contents.

13. Denies the allegations of paragraph 13, except admits that defendant Messier resigned as Chairman of the Board of Directors and Chief Executive Officer of Vivendi on or about July 1, 2002, and that defendant Hannezo resigned as Chief Financial Officer of Vivendi on or about July 17, 2002.

14. Denies the allegations of paragraph 14, except admits that Vivendi issued a press release dated August 14, 2002, and refers to that press release for its contents; that on August 14, 2002, Standard and Poor's downgraded its credit rating of Vivendi's long-term debt to "BB"; and that on August 14, 2002, Vivendi's common stock closed at €11.89 per share on the Paris Bourse and Vivendi's ADSs closed at \$11.66 per ADS on the New York Stock Exchange.

15. Denies the allegations of paragraph 15, except admits that on January 30, 2001, Vivendi's ADSs closed at \$75.50 per ADS on the New York Stock Exchange and that on August 14, 2002, Vivendi's ADSs closed at \$11.66 per ADS on the New York Stock Exchange.

16. Denies the allegations of the first sentence of paragraph 16, except admits that the U.S. Securities and Exchange Commission ("SEC") previously conducted an investigation concerning Vivendi's accounting treatment of certain transactions as well as the accuracy of certain public statements issued by Vivendi, such investigation having now been concluded with respect to defendants; that Vivendi has been investigated in the United States by the Office of the United States Attorney for the Southern District of New York, and further states that it is without knowledge or information sufficient to form a belief as to the scope and limits of the United States Attorney's investigation; that Vivendi is being investigated in France by the *Autorité des marchés financiers* ("AMF") (previously known as the *Commission des opérations de bourse* ("COB")); and that Vivendi is currently a party to criminal proceedings in France being conducted by the Paris public prosecutor's office. Denies the allegations of the second sentence of paragraph 16, except admits that plaintiffs purport to bring this action on behalf of themselves and other members of the putative "Class" and "Subclass", as those terms are defined in paragraph 1 of the Complaint.

17. Denies the allegations of paragraph 17, except admits that plaintiffs purport to bring this action pursuant to the statutes and rules cited therein.

18. Denies the allegations of paragraph 18, except admits that plaintiffs purport to invoke the jurisdiction of this Court pursuant to the statutes cited therein.

19. States that the allegations of paragraph 19 constitute legal conclusions to which no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 19.

20. States that the allegations of paragraph 20 constitute legal conclusions to which no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 20.

21. Denies the allegations of paragraph 21.

22. Denies the allegations of paragraph 22.

23. Denies the allegations of paragraph 23, except admits that at certain times prior to and during the putative class period, Vivendi, S.A. or Vivendi (or one or more of their subsidiary or affiliate companies) either acquired all or part of, purchased assets from, or invested in, those companies listed in paragraph 23.

24. Denies the allegations of the first sentence of paragraph 24. Denies the allegations of the second sentence of paragraph 24, except admits that during the putative class period, Vivendi filed reports with the SEC on Form 20-F and Form 6-K, and refers to those reports for their contents.

25. Denies the allegations of paragraph 25.

26. Denies the allegations of paragraph 26, except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to that Form 20-F report for its contents; that defendant Messier made certain remarks at a Town Hall Los Angeles luncheon on January 19, 2002, and refers to the transcript of those remarks for its contents; and that defendant Messier was interviewed by CNN on February 17, 2002, and refers to the transcript of that interview for its contents.

27. Denies the allegations of the first sentence of paragraph 27. Denies the allegations of the second sentence of paragraph 27, except admits that Vivendi is headquartered in Paris, France, and maintains offices in this District. Denies the allegations of the third sentence of paragraph 27, except admits that at certain times during the putative class period defendant Messier resided in an apartment in Manhattan, New York, purchased and owned by Vivendi. Denies the allegations of the fourth sentence of paragraph 27, except admits that defendant Messier was interviewed by CNN on February 17, 2002, and refers to the transcript of that interview for its contents. Denies the allegations of the fifth sentence of paragraph 27, except admits that defendant Messier was interviewed on the CNN television program "Market Call" on February 27, 2001, and refers to the transcript of that interview for its contents. Denies the allegations of the sixth sentence of paragraph 27.

28. Denies the allegations of paragraph 28.

29. Admits the allegations of the first sentence of paragraph 29. Denies the allegations of the second sentence of paragraph 29.

30. Denies the allegations of the first and second sentences of paragraph 30, except admits plaintiffs' description of Vivendi's businesses as set forth therein only with respect to the putative class period. Denies the allegations of the third sentence of paragraph 30.

31. Denies the allegations of paragraph 31, except admits that during the putative class period Vivendi Environnement was a partially owned subsidiary of Vivendi and was responsible for the operation of Vivendi's environmental services businesses.

32. Denies the allegations of paragraph 32, except admits that defendant Messier resigned as Chairman of the Board of Directors and Chief Executive Officer of Vivendi on or about July 1, 2002; that Messier received net remuneration after taxes of €2,377,971 (including benefits in kind) during fiscal year 2001; and that at certain times during the putative class period defendant Messier resided in an apartment in Manhattan, New York, purchased and owned by Vivendi.

33. Denies the allegations of paragraph 33, except admits that defendant Hannezo resigned as Chief Financial Officer of Vivendi on or about July 17, 2002.

34. Paragraph 34 does not require a response.

35. Denies the allegations of paragraph 35 to the extent they are asserted against Vivendi, except admits that from time-to-time, while employees of Vivendi, defendants Messier and Hannezo participated in the management of Vivendi, were involved in the operations of Vivendi, and were privy to certain confidential proprietary information concerning Vivendi.

36. Denies the allegations of paragraph 36 to the extent they are asserted against Vivendi, except admits that, while employees of Vivendi, defendants Messier and Hannezo had access to various information about Vivendi, some of which was not publicly available.

37. Denies the allegations of paragraph 37 to the extent they are asserted against Vivendi.

38. Denies the allegations of paragraph 38 to the extent they are asserted against Vivendi, except admits that from time-to-time during part of the putative class period, while employees of Vivendi, defendants Messier and Hannezo participated in the preparation and/or approval of various SEC filings, press releases and other public statements pertaining to Vivendi.

39. Denies the allegations of paragraph 39 to the extent they are asserted against Vivendi.

40. Denies the allegations of paragraph 40, except admits that plaintiffs purport to bring this action as a class action pursuant to the rules cited therein and purport to exclude from the alleged class and subclasses the persons described therein, and further states that plaintiffs' claims against Vivendi pursuant to Sections 11 and 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs (Counts I and II) were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003, and that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by Vivendi and thus no response is required with respect to those claims..

41. Denies the allegations of paragraph 41, except admits that as from December 11, 2000, Vivendi's common stock was traded on the Paris Bourse and Vivendi's ADSs were traded on the New York Stock Exchange, and further admits that there are numerous shareholders of Vivendi common stock.

42. Denies the allegations of paragraph 42.

43. States that it is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 43.

44. Denies the allegations of paragraph 44.

45. Denies the allegations of paragraph 45.

46. Denies the allegations of paragraph 46.

47. Denies the allegations of paragraph 47.

48. Denies the allegations of paragraph 48, except admits that defendant Messier was appointed Chairman of Compagnie Générale des Eaux, a French water utility company, in June 1996, and that Compagnie Générale des Eaux changed its name to Vivendi, S.A. in May 1998.

49. Denies the allegations of the first sentence of paragraph 49. Denies the allegations of the second sentence of paragraph 49, except admits that Compagnie Générale des Eaux acquired, either directly or indirectly, the following interests in the following companies on or about the following dates:

<b>COMPANY ACQUIRED</b>	<b>CLOSING DATE</b>	<b>% ACQUIRED</b>
Quotidien Sante	4/15/98	100%
AB Linjebuss	4/15/98	66.7% (33% pre-existing ownership interest)

Further admits that Vivendi, S.A. acquired, either directly or indirectly, the following interests in the following companies on or about the following dates:

COMPANY ACQUIRED	CLOSING DATE	% ACQUIRED
Havas SA/Old	5/15/98	70% (30% pre-existing ownership interest)
Ediciones Doyma SA	6/24/98	50%
l'Etudiant	11/10/98	100%
ScVK	11/18/98	43.17%
OVP-Vidal	11/23/98	100%
ALPINA GmbH	1/05/99	100%
Cendant Software	1/12/99	100%
Pathe	1/28/99	19.6% (5% pre-existing ownership interest)
Aique	4/16/99	100%
U.S. Filter Corp.	4/30/99	100%
SL Tunnelbanan AB	7/01/99	60%
MediMedia	5/12/99	100%
Sani Gestion Inc.	4/01/99	100%
MUSIDISC	6/30/99	99.02%
Canal Plus	9/10/99	15% (34% pre-existing ownership interest)
British Sky Broadcasting Plc	10/01/99	4% (20.5% pre-existing ownership interest)
Pathe	9/10/99	80.2% (19.8% pre-existing ownership interest)
Superior Services Inc.	11/11/99	100%
The StayWell Company	2/22/00	100%
Three V Health Inc.	2/28/00	100%
Haniel Rohr; Kanal Service & Haneil Industrie Reinigung	01/01/00	100%
Prize Central Network	4/20/00	100%
KD Offshore	5/30/00	100%
Quod Bonum BV	8/16/00	80%
Prelude et Fugue	9/20/00	100%
Poland.Com SA	9/21/00	55.01%

50. Denies the allegations of paragraph 50, except admits that Vivendi, S.A. financed its acquisition of United States Filter Corporation ("U.S. Filter") in April 1999 in part

by raising €2.85 billion through a convertible bond offering, and that in December 1999, Vivendi increased its equity investment in Elektrim Telekomunikacija to forty-nine percent of that company's outstanding equity.

51. Denies the allegations of the first sentence of paragraph 51, except admits that Vivendi, S.A. issued a press release dated June 20, 2000, and refers to that press release for its contents. Denies the allegation of the second sentence of paragraph 51, except admits that Edgar Bronfman, Jr. and certain other members of the Bronfman family were shareholders in Seagram prior to the series of transactions involving Vivendi, S.A., Seagram and Canal Plus that closed on December 8, 2000.

52. Denies the allegations of the first sentence of paragraph 52, and further states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the expectations of certain unidentified "analysts" referenced therein. Denies the allegations of the second sentence of paragraph 52. Denies the allegations of the third sentence of paragraph 52, except admits that Vivendi acquired, either directly or indirectly, the following interests in the following companies on or about the following dates:

COMPANY	CLOSING DATE	% ACQUIRED
Maroc Telecom	12/21/00	35%
MUSIDISC	1/31/01	0.98% (99.02% pre-existing ownership interest)
Medicine Publishing	12/08/01	100%
HC COM	2/02/01	100%
Uproar Inc.	3/22/01	100%
GetMusic LLC	3/31/01	50% (50% pre-existing ownership interest)
Editions Juris Service	4/19/01	100%
Emusic.Com Inc	6/14/01	100%

<b>COMPANY</b>	<b>CLOSING DATE</b>	<b>% ACQUIRED</b>
RMM Records & Video	8/16/01	100%
Scoot Europe NV	7/27/01	50% (50% pre-existing ownership interest)
Houghton Mifflin Co.	8/02/01	100%
MP3.com	8/28/01	100%
Studio Canal	10/12/01	14.8% (85.20% pre-existing ownership interest)
Multithématiques	3/15/02	27%
EchoStar Communications	1/22/02	10%
Koch Group Recorded Music	5/7/02	100%
USA Network Entertainment	5/7/02	93%

53. Denies the allegations of paragraph 53.

54. Denies the allegations of paragraph 54, except admits that the putative class period purports to begin on October 30, 2000; that on October 30, 2000, Sofiée, S.A. (subsequently renamed Vivendi) filed with the SEC a registration statement under the Securities Act of 1933 on Form F-4 that was signed by defendants Messier and Hannezo, and refers to that Form F-4 for its contents; that the October 30, 2000, Form F-4 included a Joint Proxy Statement-Prospectus that was mailed to securityholders of Seagram and U.S. securityholders of Vivendi, S.A. and Canal Plus on or about November 3, 2000, and refers to that Joint Proxy Statement-Prospectus for its contents; and that the October 30, 2000, Form F-4 and the Joint Proxy Statement-Prospectus contained certain historical financial information for Vivendi, S.A., Seagram and Canal Plus.

55. Denies the allegations of paragraph 55.

56. Denies the allegations of paragraph 56, except admits that Vivendi issued a press release dated December 21, 2000, and refers to that press release for its contents.

57. Denies the allegations of paragraph 57, except admits that Vivendi issued a press release dated February 14, 2001, and refers to that press release for its contents.

58. Denies the allegations of paragraph 58, except admits that Vivendi issued a press release dated March 9, 2001, and refers to that press release for its contents.

59. Denies the allegations of paragraph 59, except admits that La Tribune published an article dated March 12, 2001, entitled "Vivendi Universal Cherche à Rassurer Les Investisseurs Sur Ses Objectifs 2001", and refers to that article for its contents.

60. Denies the allegations of paragraph 60.

61. Denies the allegations of paragraph 61, except admits that Vivendi issued a press release dated April 24, 2001, and refers to that press release for its contents.

62. Denies the allegations of paragraph 62, except admits that Vivendi held its annual shareholders' meeting on April 24, 2001, and that defendant Messier made an address at that meeting, and refers to the transcript of that address for its contents.

63. Denies the allegations of paragraph 63, except admits that on May 18, 2001, Vivendi filed a report with the SEC on Form 6-K, and refers to that Form 6-K report for its contents.

64. Denies the allegations of paragraph 64.

65. Denies the allegations of paragraph 65, except admits that Vivendi issued a press release dated June 1, 2001, and refers to that press release for its contents.

66. Denies the allegations of paragraph 66, except admits that on July 2, 2001, Vivendi filed a report with the SEC on Form 20-F for the fiscal year ended December 31, 2000, that was signed by defendant Hannezo, and refers to that Form 20-F for its contents.

67. Denies the allegations of paragraph 67, except admits that Vivendi issued a press release dated July 23, 2001, and refers to that press release for its contents.

68. Denies the allegations of paragraph 68, except admits that Vivendi issued a press release dated July 23, 2001, and refers to that press release for its contents.

69. Denies the allegations of paragraph 69, except admits that defendant Messier and certain other Vivendi employees participated in a conference call on July 23, 2001, and refers to the transcript of that conference call for its contents.

70. Denies the allegations of paragraph 70, except admits that that on July 23, 2001, Vivendi's common stock closed at €63.10 per share on the Paris Bourse and Vivendi's ADSs closed at \$55.00 per ADS on the New York Stock Exchange.

71. Denies the allegations of paragraph 71, except admits that Robertson Stephens published a report entitled "Solid Q2:01 Results Suggest Vivendi MediaCom On Track for Strong 2001", dated July 23, 2001, and refers to that report for its contents, and that Merrill Lynch published a report entitled "Vivendi Universal: Why No Disappointment? Another Upgrade", dated July 26, 2001, and refers to that report for its contents.

72. Denies the allegations of paragraph 72.

73. Denies the allegations of paragraph 73, except admits that Reuters published an article dated September 5, 2001, entitled "Vivendi Comfortable with 2001/02 Goals", and refers to that article for its contents.

74. Denies the allegations of paragraph 74, except admits that Vivendi issued a press release dated September 25, 2001, and refers to that press release for its contents.

75. Denies the allegations of paragraph 75, except admits that Vivendi issued a press release dated October 30, 2001, and refers to that press release for its contents.

76. Denies the allegations of paragraph 76, except admits that defendant Messier and certain other Vivendi employees participated in a conference call on October 30, 2001, and refers to the transcript of that conference call for its contents.

77. Denies the allegations of paragraph 77, except admits that Morgan Stanley Dean Witter published a report entitled "Defensive Blitz – 3Q Results Meet Company Targets" dated October 31, 2001, and refers to that report for its contents.

78. Denies the allegations of paragraph 78.

79. Denies the allegations of paragraph 79, except admits that Vivendi issued a press release dated December 6, 2001, and that The Financial Times published an article dated December 14, 2001, entitled "Vivendi Universal Sells \$1.5bn of BSkyB Shares", and refers to that press release and that newspaper article for their contents.

80. Denies the allegations of paragraph 80, except admits that Vivendi issued a press release dated December 17, 2001, and refers to that press release for its contents.

81. Denies the allegations of paragraph 81, except admits that defendant Messier participated in a press conference on December 17, 2001, that was held at the St. Regis Hotel in New York, and that was also attended by Barry Diller of USA Network, and refers to the transcript of that press conference for its contents.

82. Denies the allegations of paragraph 82.

83. Denies the allegations of paragraph 83, except admits that AFX News published an article entitled "Vivendi's Messier says no profit warning for 2001", dated February 6, 2002, and refers to that article for its contents.

84. Denies the allegations of paragraph 84, except admits that Vivendi issued a press release dated February 11, 2002, and refers to that press release for its contents.

85. Denies the allegations of paragraph 85, except admits that Vivendi issued a press release dated February 11, 2002, and refers to that press release for its contents.

86. Denies the allegations of paragraph 86, except admits that The New York Times published an article entitled "Vivendi Provides Critics Some Revenue Numbers to Chew On", dated February 12, 2002, and refers to that article for its contents.

87. Denies the allegations of paragraph 87, except admits that The Financial Times published an article entitled "Messier Ready to Bite Back", dated March 3, 2002, and refers to that article for its contents.

88. Denies the allegations of paragraph 88, except admits that Vivendi issued a press release dated March 5, 2002, and refers to that press release for its contents.

89. Denies the allegations of paragraph 89, except admits that Vivendi issued a press release dated March 5, 2002, and refers to that press release for its contents.

90. Denies the allegations of paragraph 90, except admits that defendant Messier participated in a conference call on March 5, 2002, and refers to the transcript of that conference call for its contents.

91. Denies the allegations of paragraph 91, except admits that Lehman Brothers published a report entitled "Vivendi", dated March 6, 2002, and refers to that report for its contents.

92. Denies the allegations of paragraph 92, except admits that Bear Stearns published a report entitled "Vivendi Universal", dated March 6, 2002, and refers to that report for its contents.

93. Denies the allegations of paragraph 93.

94. Denies the allegations of paragraph 94, except admits that Vivendi issued a press release dated April 24, 2002, and refers to that press release for its contents.

95. Denies the allegations of paragraph 95, except admits that Vivendi issued a press release dated April 29, 2002, and refers to that press release for its contents.

96. Denies the allegations of paragraph 96, except admits that Vivendi issued a press release dated April 29, 2002, and refers to that press release for its contents.

97. Denies the allegations of paragraph 97, except admits that Merrill Lynch published a report entitled "Vivendi Universal: 1Q02 Results Ahead of Expectations", dated April 30, 2002, and refers to that report for its contents.

98. Denies the allegations of paragraph 98.

99. Denies the allegations of paragraph 99, except admits that on May 3, 2002, Moody's downgraded its rating on Vivendi's senior debt from "Baa2 with negative outlook" to "Baa3 with stable outlook".

100. Denies the allegations of paragraph 100, except admits that Vivendi issued a press release dated May 3, 2002, and refers to that press release for its contents; that on May 2, 2002, Vivendi's ADSs closed at \$30.67 per ADS on the New York Stock Exchange; and that on May 3, 2002, Vivendi's ADSs closed at \$29.07 per ADS on the New York Stock Exchange.

101. Denies the allegations of paragraph 101, except admits that The International Herald Tribune published an article entitled "Off-Sheet Risk Rises with Vivendi Downgrade", dated May 6, 2002, and refers to that article for its contents, and that on May 6, 2002, Vivendi's ADSs closed at \$28.26 per ADS on the New York Stock Exchange.

102. Denies the allegations of paragraph 102, except admits that on May 28, 2002, Vivendi filed a report with the SEC on Form 20-F for the fiscal year ended December 31, 2001, that was signed by defendant Hannezo, and refers to that Form 20-F report for its contents.

103. Denies the allegations of paragraph 103, except admits that Vivendi issued a press release dated May 30, 2002, and refers to that press release for its contents, and that on May 31, 2002, Vivendi's ADSs closed at \$31.05 per ADS on the New York Stock Exchange.

104. Denies the allegations of paragraph 104, except admits that Vivendi issued press releases dated June 25, 2002, and June 26, 2002, and refers to those press releases for their contents.

105. Denies the allegations of paragraph 105, except admits that defendant Messier participated in a conference call on June 26, 2002, and refers to the transcript of that conference call for its contents.

106. Denies the allegations of paragraph 106, except admits that Dow Jones International News published an article entitled "Vivendi CEO: No Hidden Liabilities Off Balance Sheet", dated June 26, 2002, and refers to that article for its contents.

107. Denies the allegations of paragraph 107, except admits that Merrill Lynch published a report entitled "Vivendi Universal: Reassuring Conference Call on Debt and Liquidity", dated June 27, 2002, and refers to that report for its contents.

108. Denies the allegations of paragraph 108.

109. Denies the allegations of the first sentence of paragraph 109, except admits that on July 2, 2002, Standard and Poor's downgraded Vivendi's long-term corporate credit rating. Denies the allegations of the second sentence of paragraph 109, except admits that Bloomberg News published an article entitled "Vivendi Universal's Messier Tells Employees He's Leaving", dated July 2, 2002, and refers to that article for its contents. Denies the

allegations of the third sentence of paragraph 109, except admits that defendant Messier resigned as Chairman of the Board of Directors and Chief Executive Officer of Vivendi on or about July 1, 2002. Denies the allegations of the fourth sentence of paragraph 109, except admits that on July 3, 2002, Vivendi's common stock fell to an intraday low of €13.90 per share on the Paris Bourse and closed at €13.90 per share on the Paris Bourse, and Vivendi's ADSs fell to an intraday low of \$13.40 per ADS on the New York Stock Exchange and closed at \$15.66 per ADS on the New York Stock Exchange.

110. Denies the allegations of paragraph 110, except admits that Vivendi issued a press release dated July 3, 2002, and refers to that press release for its contents.

111. Denies the allegations of paragraph 111, except admits that The Columbian published an article entitled "Vision for Vivendi Empire Shaken", dated July 3, 2002, and refers to that article for its contents.

112. Denies the allegations of paragraph 112, except admits that The Globe and Mail published an article entitled "Vivendi Could Face Crunch", dated July 5, 2002, and refers to that article for its contents.

113. Denies the allegations of paragraph 113.

114. Denies the allegations of the first sentence of paragraph 114, except admits that Vivendi issued a press release dated August 14, 2002, and refers to that press release for its contents. Denies the allegations of the second sentence of paragraph 114, except admits that on August 14, 2002, Standard and Poor's downgraded its credit rating of Vivendi's long-term debt to "BB". Denies the allegations of the third sentence of paragraph 114, except admits

that The Associated Press published an article entitled "Vivendi Reports Big First-Half Loss, Will Sell Assets", dated August 14, 2002, and refers to that article for its contents.

115. Denies the allegations of paragraph 115, except admits that on August 14, 2002, Vivendi's common stock closed at €11.89 per share on the Paris Bourse and Vivendi's ADSs closed at \$11.66 per ADS on the New York Stock Exchange.

116. Denies the allegations of paragraph 116, except admits that the SEC previously conducted an investigation concerning Vivendi, such investigation having now been concluded with respect to defendants; that Vivendi has been investigated in the United States by the Office of the United States Attorney for the Southern District of New York, and further states that it is without knowledge or information sufficient to form a belief as to the scope and limits of the United States Attorney's investigation; that Vivendi is being investigated in France by the AMF; that Vivendi is currently a party to criminal proceedings in France being conducted by the Paris public prosecutor's office; that, upon information and belief, certain persons in the employ of, or at the direction of, the COB/AMF and the Paris public prosecutor's office have obtained documents from Vivendi and other companies and from certain of Vivendi's current and former officers, directors and employees; that Bloomberg News published an article entitled "Vivendi's Financial Data Since January 2001 is Subject of Probe by France", dated July 9, 2002, and refers to that article for its contents; that The Wall Street Journal published an article entitled "Regulators Raid Vivendi's Offices in Probe of Financial Disclosures", dated July 10, 2002, and refers to that article for its contents; that Bloomberg News published an article entitled "Vivendi's Accounts to be Probed by Paris Prosecutor", dated October 29, 2002, and refers to that article for its contents; and that Bloomberg News published an article entitled "Vivendi's

Paris Headquarters Were Raided by Police”, dated December 12, 2002, and refers to that article for its contents.

117. Denies the allegations of the first sentence of paragraph 117, except admits that the SEC previously conducted an investigation concerning Vivendi’s accounting treatment of certain transactions as well as the accuracy of certain public statements issued by Vivendi, such investigation having now been concluded with respect to defendants, and that Vivendi has been investigated in the United States by the Office of the United States Attorney for the Southern District of New York, and further states that it is without knowledge or information sufficient to form a belief as to the scope and limits of the United States Attorney’s investigation. Denies the allegations of the second sentence of paragraph 117, except admits that The Wall Street Journal published an article entitled “U.S. Attorney Opens Vivendi Probe”, dated November 5, 2002, and refers to that article for its contents. Denies the allegations of the third sentence of paragraph 117, except admits that Bloomberg News published an article entitled “Vivendi Universal is Target of ‘Formal’ SEC Probe”, dated November 19, 2002, and refers to that letter and that article for its contents.

118. Denies the allegations of paragraph 118.

119. Denies the allegations of paragraph 119, except admits that from time-to-time during the putative class period Vivendi filed financial statements with the SEC that were represented to have been prepared in conformity with French GAAP, and further refers to the SEC’s rules and instructions concerning the preparation and required contents of a report by a foreign private issuer (such as Vivendi), on Form 20-F for their contents.

120. Admits the allegations of the first sentence of paragraph 120. Denies the allegations of the second sentence of paragraph 120, except admits that Vivendi's annual financial statements contained in its reports filed with the SEC on Form 20-F for the years ended December 31, 2000, and December 31, 2001, were all prepared in conformity with French GAAP and reconciled to U.S. GAAP as required by the SEC, and refers to those Form 20-F reports for their contents. Denies the allegations of the third sentence of paragraph 120, except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, that was signed by defendant Hannezo, and refers to that Form 20-F report for its contents.

121. Denies the allegations of paragraph 121, except admits that the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Concepts No. 1, entitled "Objectives of Financial Reporting by Business Enterprises", in November 1978, and refers to that Statement for its contents.

122. Denies the allegations of paragraph 122, except admits that the SEC has promulgated Article 4 of Regulation S-X, 17 C.F.R. § 210.4-01, entitled "Form, Order and Terminology" (issued on September 25, 1980, 45 FR 63669, as amended on December 6, 1982, 47 FR 54767), and refers to that Regulation for its contents.

123. Denies the allegations of paragraph 123.

124. Denies the allegations of paragraph 124.

125. Denies the allegations of the first sentence of paragraph 125, except admits that at certain times prior to and during the putative class period, Vivendi either acquired

all or part of, purchased assets from, or invested in, certain other companies. Denies the allegations of the second sentence of paragraph 125, except admits that during the putative class period all business combinations consummated by Vivendi were accounted for as purchases. Denies the allegations of the third sentence of paragraph 125, except admits that the FASB issued Accounting Principles Board Opinion No. 16, entitled "Business Combinations", in August 1970, and that APB Opinion No. 16 was superceded by Statement of Financial Accounting Standards No. 141, entitled "Business Combinations", issued by the FASB in June 2001, and refers to that Opinion and Statement for their contents.

126. Denies the allegations of paragraph 126, except admits that the FASB issued Accounting Principles Board Opinion No. 16, entitled "Business Combinations", in August 1970, and refers to that Opinion for its contents.

127. Denies the allegations of paragraph 127, except admits that the FASB issued Accounting Principles Board Opinion No. 16, entitled "Business Combinations", in August 1970, and refers to that Opinion for its contents.

128. Denies the allegations of paragraph 128, except admits that Vivendi reported in its report on Form 20-F for the year ended December 31, 2001, filed with the SEC on May 28, 2002, that it recorded goodwill of €4,577 million in connection with the acquisition of U.S. Filter, and that it recorded goodwill of €25,859 million in connection with the transactions consummated on December 8, 2000, involving Seagram, and that it recorded goodwill of €12,544 million in connection with the transactions consummated on December 8, 2000, involving Canal Plus, and refers to that Form 20-F for its contents.

129. Denies the allegations of the first sentence of paragraph 129, except admits that Vivendi reported in its report on Form 20-F for the year ended December 31, 2001, filed with the SEC on May 28, 2002, that Canal Plus was acquired for an aggregate cost of €12,537 million, and refers to that Form 20-F for its contents. Denies the allegations of the second sentence of paragraph 129, except admits that Vivendi reported in its report on Form 20-F for the year ended December 31, 2001, filed with the SEC on May 28, 2002, that it recorded goodwill of €12,544 million in connection with the transactions consummated on December 8, 2000, involving Canal Plus, and refers to that Form 20-F for its contents. Denies the allegations of the third sentence of paragraph 129.

130. Denies the allegations of the first sentence of paragraph 130, except admits that Vivendi reported in its report on Form 20-F for the year ended December 31, 2001, filed with the SEC on May 28, 2002, that in 2001 it recorded a non-cash, non-recurring goodwill impairment charge of €6.0 billion for Canal Plus Group, and refers to that Form 20-F for its contents. Denies the allegations of the second sentence of paragraph 130, except admits that Vivendi reported in its Half-Year Report for the period January 1 to June 30, 2002, filed with the SEC on Form 6-K on September 25, 2002, that it recorded an exceptional goodwill impairment of €3.8 billion for Canal Plus as at June 30, 2002, and refers to that Form 6-K for its contents. Denies the allegations of the third sentence of paragraph 130.

131. Denies the allegations of paragraph 131, except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to that Form 20-F report for its contents.

132. Denies the allegations of paragraph 132.

133. Denies the allegations of paragraph 133.

134. Denies the allegations of paragraph 134, except admits that a Complaint dated March 11, 2002, was filed by Groupe Canal+, S.A., Canal+ Technologies, S.A. and Canal+ Technologies, Inc., as plaintiffs, against NDS Group plc and NDS Americas, Inc., as defendants, in Groupe Canal+ S.A., et al. v. NDS Group plc, et al., (No. C02-1178 (VRW) (N.D. Cal.)), and refers to that Complaint for its contents.

135. Denies the allegations of paragraph 135, except admits that a Complaint dated March 11, 2002, was filed by Groupe Canal+, S.A., Canal+ Technologies, S.A. and Canal+ Technologies, Inc., as plaintiffs, against NDS Group plc and NDS Americas, Inc., as defendants, in Groupe Canal+ S.A., et al. v. NDS Group plc, et al. (No. C02-1178 (VRW) (N.D. Cal.)), and refers to that Complaint for its contents.

136. Denies the allegations of paragraph 136, except admits that the Declaration of Jean-Marc Racine in Support of Canal+'s Opposition to Motion to Transfer Venue, dated May 13, 2002, was filed in Groupe Canal+ S.A., et al. v. NDS Group plc, et al. (No. C02-1178 (VRW) (N.D. Cal.)), and refers to that Declaration for its contents.

137. Denies the allegations of paragraph 137, except admits that New Media Markets published an article entitled "Piracy of Pay-TV becoming Big Business", dated March 2, 2001, and refers to that article for its contents.

138. Denies the allegations of paragraph 138, except admits that Vivendi issued a press release dated April 24, 2002, and refers to that press release for its contents.

139. Denies the allegations of paragraph 139, except admits that the FASB issued Statement of Financial Accounting Standards No. 142, entitled "Goodwill and Other Intangible Assets", in June 2001, and refers to that Statement for its contents; that Vivendi adopted SFAS No. 142 under U.S. GAAP on January 1, 2002, being the earliest date that Vivendi was permitted to do so under U.S. GAAP; and that as a result of the adoption of SFAS No. 142 Vivendi recorded the appropriate one-time non-cash charge against Vivendi's first quarter 2002 income statement.

140. States that it is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in the first sentence of paragraph 140. Denies the allegations of the second sentence of paragraph 140, except admits that Vivendi issued a press release dated March 5, 2002, and refers to that press release for its contents, and that on May 3, 2002, Moody's downgraded its rating on Vivendi's senior debt from "Baa2 with negative outlook" to "Baa3 with stable outlook".

141. Denies the allegations of the first sentence of paragraph 141, except admits that Vivendi reported in its Half-Year Report for the period January 1 to June 30, 2002, filed with the SEC on Form 6-K on September 25, 2002, that it recorded an exceptional goodwill impairment of €3.8 billion for Canal Plus as at June 30, 2002, and refers to that Form 6-K for its contents, and that Vivendi reported in its press release dated August 14, 2002, that Canal+ Group reported 8% revenue growth in the first half of 2002, and refers to that press release for its contents. Denies the allegations of the second sentence of paragraph 141.

142. Denies the allegations of paragraph 142, except admits that from time-to-time certain companies within the Canal Plus group entered into contracts with certain soccer league clubs, and refers to those contracts for their contents.

143. Denies the allegations of paragraph 143, except admits the existence of a memorandum dated January 29, 2001, that discusses, inter alia, a contract involving certain soccer league clubs, and further states that it is without knowledge or information sufficient to form a belief as to the truth of the allegation concerning defendant Hannezo's review of the aforementioned memorandum.

144. Denies the allegations of paragraph 144, except admits that the FASB issued Statement of Financial Accounting Concepts No. 6, entitled "Elements of Financial Statements", in December 1985, and refers to that Statement for its contents.

145. Denies the allegations of paragraph 145.

146. Denies the allegations of the first sentence of paragraph 146. Denies the allegations of the second sentence of paragraph 146. Denies the allegations of the third sentence of paragraph 146, except admits that Vivendi reported in its report on Form 20-F for the year ended December 31, 2001, filed with the SEC on May 28, 2002, that it recorded goodwill of €4,577 million in connection with the acquisition of U.S. Filter. Denies the allegations of the fourth sentence of paragraph 146. Denies the allegations of the fifth sentence of paragraph 146, and further states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning RWE and American Water. Denies the allegations of the sixth sentence of paragraph 146. Denies the allegations of the seventh sentence of paragraph 146.

147. Denies the allegations of the first sentence of paragraph 147. Denies the allegations of the second sentence of paragraph 147, except admits that Vivendi reported in its press release dated August 14, 2002, that it recorded a preliminary impairment charge of approximately €11.0 billion as of June 30, 2002, and refers to that press release for its contents. Denies the allegations of the third sentence of paragraph 147.

148. Denies the allegations of paragraph 148.

149. Denies the allegations of paragraph 149, except admits that Vivendi consolidated Cegetel for the year ended December 31, 2000; that Vivendi consolidated Cegetel Group, S.A. for the year ended December 31, 2001, and Maroc Telecom, S.A. for a portion of the year ended December 31, 2001; that on July 2, 2001, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2000; and that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to those Form 20-F reports for their contents.

150. Denies the allegations of paragraph 150, except admits that on July 2, 2001, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2000; and that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to those Form 20-F reports for their contents.

151. Denies the allegations of paragraph 151, except admits that the FASB issued Accounting Research Bulletin No. 51, entitled "Consolidated Financial Statements", in August 1959, and refers to that Bulletin for its contents.

152. Denies the allegations of paragraph 152, except admits that FASB issued Accounting Research Bulletin No. 51, entitled "Consolidated Financial Statements", in August 1959, and that FASB issued Statement of Financial Accounting Standards No. 94, entitled "Consolidation of All Majority-Owned Subsidiaries", in October 1987, and refers to that Bulletin and that Statement for their contents.

153. Denies the allegations of paragraph 153, except admits that the Emerging Issues Task Force of the FASB issued Abstract No. 96-16, entitled "Investor's Accounting for an Investee When the Investor Has a Majority of the Voting Interests but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights", effective after July 24, 1997, and refers to that Abstract for its contents.

154. Denies the allegations of paragraph 154, except admits that the French *Conseil National de la Comptabilité* ("CNC") has promulgated paragraphs 1002 and 101 of the Appendix to Regulation 99-02, issued on April 29, 1999, and refers to those paragraphs, that Appendix and that Regulation for their contents.

155. Denies the allegations of paragraph 155.

156. Denies the allegations of paragraph 156.

157. Denies the allegations of paragraph 157, except admits that on July 2, 2001, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2000, and refers to that Form 20-F report for its contents.

158. Denies the allegations of the first sentence of paragraph 158. Denies the allegations of the second sentence of paragraph 158, except admits that *Compagnie Générale des*

Eaux entered into certain Shareholders Agreements with, and concerning, Cegetel, dated May 14, 1997, and March 31, 1998, and that on July 2, 2001, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2000, and refers to those Agreements and that Form 20-F report for their contents.

159. Denies the allegations of paragraph 159, except admits that Compagnie Générale des Eaux entered into certain Shareholders Agreements with, and concerning, Cegetel, dated May 14, 1997, and March 31, 1998, and that on July 2, 2001, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2000, and refers to those Agreements and that Form 20-F report for their contents.

160. Denies the allegations of paragraph 160, except admits that defendant Messier participated in a conference call on June 26, 2002, and that Jean-René Fourtou participated in a conference call on August 14, 2002, and refers to the transcripts of those conference calls for their contents.

161. Denies the allegations of paragraph 161, except admits that Vivendi issued a press release dated December 3, 2002, and refers to that press release for its contents.

162. Denies the allegations of paragraph 162.

163. Denies the allegations of paragraph 163, except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to that Form 20-F report for its contents.

164. Denies the allegations of paragraph 164, except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to that Form 20-F report for its contents.

165. Denies the allegations of paragraph 165, except admits that during 2001 Vivendi owned 35% of Maroc Telecom, S.A. and, upon information and belief, the Kingdom of Morocco retained the remaining 65% of Maroc Telecom, S.A.

166. Denies the allegations of paragraph 166, except admits that the French *Conseil National de la Comptabilité* has promulgated paragraph 1002 of the Appendix to Regulation 99-02, issued on April 29, 1999, and refers to that paragraph, Appendix and Regulation for their contents, and that during 2001 Vivendi owned 35% of Maroc Telecom, S.A.

167. Denies the allegations of paragraph 167, except admits that defendant Messier participated in a conference call on June 26, 2002, and that Jean-René Fourtou participated in a conference call on August 14, 2002, and refers to the transcripts of those conference calls for their contents.

168. Denies the allegations of paragraph 168.

169. Denies the allegations of paragraph 169.

170. Denies the allegations of paragraph 170, except admits that the FASB issued Statement of Financial Accounting Concepts No. 2, entitled "Qualitative Characteristics of Accounting Information", in May 1980; that the FASB issued Statement of Financial Accounting Concepts No. 5, entitled "Recognition and Measurement in Financial Statements of Business Enterprises", in December 1984; that the FASB issued Statement of Financial

Accounting Standards No. 48, entitled "Revenue Recognition When Right of Return Exists", in June 1981; that the FASB issued Accounting Research Bulletin No. 43, entitled "Restatement and Revision of Accounting Research Bulletins", in June 1953; that the FASB issued Accounting Principles Board Opinion No. 10, entitled "Omnibus Opinion - 1966", in December 1966; that the American Institute of Certified Public Accountants issued Statement of Position 97-2, entitled "Software Revenue Recognition", in 1997; and that the SEC issued Staff Accounting Bulletin No. 101 in December 1999; and refers to those Statements, Bulletins and that Opinion for their contents.

171. Denies the allegations of paragraph 171, except admits that the SEC issued Staff Accounting Bulletin No. 101 in December 1999, and refers to that Bulletin for its contents.

172. Denies the allegations of paragraph 172, except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and refers to that Form 20-F report for its contents.

173. Denies the allegations of paragraph 173.

174. Denies the allegations of paragraph 174, except admits that Vivendi's Environmental Services business accounted for approximately 51% of Vivendi's reported revenues and approximately 52% of Vivendi's operating income, for the year ended December 31, 2001, as reported in Vivendi's report on Form 20-F for the year ended December 31, 2001, as filed with the SEC on May 28, 2002, and refers to that Form 20-F report for its contents.

175. Denies the allegations of paragraph 175, except admits that the FASB issued Accounting Principles Board Opinion No. 22, entitled "Disclosure of Accounting Policies", in April 1972, and refers to that Opinion for its contents.

176. Denies the allegations of paragraph 176.

177. Denies the allegations of paragraph 177.

178. Denies the allegations of paragraph 178, except admits that the FASB adopted Statement of Financial Accounting Concepts No. 1, entitled "Objectives of Financial Reporting by Business Enterprises", issued in November 1978, and that the FASB adopted Statement of Financial Accounting Concepts No. 2, entitled "Qualitative Characteristics of Accounting Information", issued in May 1980; and refers to those Statements for their contents.

179. Denies the allegations of paragraph 179.

180. Denies the allegations of paragraph 180.

181. Denies the allegations of paragraph 181, and further repeats, realleges and incorporates herein by reference its responses to the allegations of paragraphs 119 to 180.

182. Denies the allegations of paragraph 182.

183. Denies the allegations of paragraph 183.

(a) Denies the allegations of paragraph 183(a).

(b) Denies the allegations of paragraph 183(b), except admits that at certain times during the putative class period, Vivendi, with the

approval of its shareholders, implemented a share repurchase program, and that The Wall Street Journal published an article entitled "How Messier Kept Cash Crisis At Vivendi Hidden for Months", dated October 31, 2002, and refers to that article for its contents.

(c) Denies the allegations of paragraph 183(c), except admits that from time-to-time during the putative class period Vivendi sold certain put options on Vivendi common stock.

(i) Denies the allegations of paragraph 183(c)(i), except admits that defendant Hannezo and certain other Vivendi employees participated in an accounting workshop on March 6, 2002, and refers to the transcript of, and the slide presentation presented at, that workshop for their contents; that The Wall Street Journal published an article entitled "Vivendi Stock Falls to 4-Year Low On Off-Balance-Sheet Liability", dated May 1, 2002, and refers to that article for its contents; and that on May 2, 2002, Vivendi filed with the SEC a report on Form 6-K, together with exhibits, and refers to that Form 6-K report and its exhibits for their contents.

(ii) Denies the allegations of paragraph 183(c)(ii), except admits that on April 15, 2002, Vivendi filed with the SEC a report on Form 6-K, and refers to that Form 6-K report for its contents.

(iii) Denies the allegations of paragraph 183(c)(iii), except admits that The Wall Street Journal published an article entitled "Vivendi Stock Falls to 4-Year Low On Off-Balance-Sheet Liability", dated May 1, 2002, and refers to that article for its contents.

(iv) Denies the allegations of paragraph 183(c)(iv), except admits that on May 28, 2002, Vivendi filed with the SEC its report on Form 20-F for the year ended December 31, 2001, and that The Economist published an article entitled "Messier's Mess", dated June 8, 2002, and refers to that Form 20-F report and that article for their contents.

(v) Denies the allegations of paragraph 183(c)(v), except admits that on September 25, 2002, Vivendi filed its Half-Year Report for the period January 1 to June 30, 2002, with the SEC on Form 6-K, and refers to that Form 6-K report for its contents.

184. Denies the allegations of paragraph 184, except admits that The Wall Street Journal published an article entitled "How Messier Kept Cash Crisis At Vivendi Hidden for Months", dated October 31, 2002, and refers to that article for its contents.

185. Denies the allegations of paragraph 185, except admits that Bloomberg News published an article entitled "Vivendi Was Close to Insolvency at End of 2001, Le Monde Says", dated May 14, 2002, and refers to that article for its contents.

186. Denies the allegations of paragraph 186, except admits that The Wall Street Journal published an article entitled "How Messier Kept Cash Crisis At Vivendi Hidden for Months", dated October 31, 2002, and refers to that article for its contents.

187. Denies the allegations of paragraph 187, except admits that AFX News published an article entitled "Vivendi Universal's Fourtou says Co was 10 days from Bankruptcy", dated September 27, 2002, and refers to that article for the contents thereof.

188. Denies the allegations of paragraph 188, except admits that The Associated Press published an article entitled "E-mails, Other Documents Portray Climate of Tension at Vivendi Before Messier's Fall", dated December 13, 2002, and refers to that article for its contents.

189. Denies the allegations of paragraph 189, except admits that The Times (London) published an article entitled "Stage Set for the Rise of a New Empire", dated December 6, 2000, and refers to that article for its contents.

190. Denies the allegations of paragraph 190, except admits that the National Post published an article entitled "Vivendi Puts Messier on a Short Leash: Edgar Bronfman Jr. to Co-lead Committee that will Oversee CEO's Leadership: Embarrassing Comedown", dated May 31, 2002, and refers to that article for its contents.

191. Denies the allegations of paragraph 191.

192. Denies the allegations of paragraph 192, except admits that from time-to-time during the putative class period Vivendi sold certain put options on Vivendi common stock, and that The Wall Street Journal published an article entitled "How Messier Kept

Cash Crisis At Vivendi Hidden for Months”, dated October 31, 2002, and refers to that article for its contents.

193. Denies the allegations of paragraph 193, except admits that defendant Messier received a bonus for the fiscal year ended December 31, 2001, and that The New York Post published an article entitled “Messier Takes a \$3M Bonus as Vivendi Sinks”, dated June 6, 2002, and refers to that article for its contents.

194. Denies the allegations of paragraph 194.

195. Denies the allegations of paragraph 195.

(a) Denies the allegations of paragraph 195(a), except admits that as from December 11, 2000, Vivendi’s ADSs met the requirements for listing on, and have been listed and traded on, the New York Stock Exchange, and that as from December 11, 2000, Vivendi’s common stock has been traded on the Paris Bourse.

(b) Admits the allegations of paragraph 195(b).

(c) Denies the allegations of paragraph 195(c), except admits that during the putative class period Vivendi regularly communicated with investors through a variety of media, including, from time-to-time, through the issuance of press releases and through other communications with the financial press.

(d) Denies the allegations of paragraph 195(d), except admits that during the putative class period several securities analysts wrote reports concerning Vivendi, certain of which, upon information and belief, were publicly available, and further states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the conduct of the unidentified securities analysts or the distribution of those reports, as referenced therein.

196. States that it is without knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of paragraph 196. Denies the allegations of the second sentence of paragraph 196.

197. Denies the allegations of paragraph 197.

198. Denies the allegations of paragraph 198, and further repeats, realleges and incorporates herein by reference its responses to each such allegation as if fully set forth herein.

199. Denies the allegations of paragraph 199, except admits that the plaintiffs named therein purport to bring a claim against all defendants pursuant to the statute cited therein on behalf of themselves and other members of the putative "Merger Class", as that term is defined in paragraph 1 of the Complaint, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

200. Denies the allegations of paragraph 200, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

201. Denies the allegations of paragraph 201, except admits that on October 30, 2000, Sofiée, S.A. (subsequently renamed Vivendi) filed with the SEC a registration statement under the Securities Act of 1933 on Form F-4 that was signed by defendants Messier and Hannezo, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

202. Denies the allegations of paragraph 202, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

203. Denies the allegations of paragraph 203, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

204. Denies the allegations of paragraph 204, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

205. Denies the allegations of paragraph 205, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

206. Denies the allegations of paragraph 206, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

207. Denies the allegations of paragraph 207, and further states that plaintiffs' claims against Vivendi pursuant to Section 11 of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

208. Denies the allegations of paragraph 208, and further repeats, realleges and incorporates herein by reference its responses to each such allegation as if fully set forth herein.

209. Denies the allegations of paragraph 209, except admits that the plaintiffs named therein purport to bring a claim against all defendants pursuant to the statute cited therein on behalf of themselves and other members of the putative "Merger Subclass", as that term is defined in paragraph 1 of the Complaint, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

210. Denies the allegations of paragraph 210, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

211. Denies the allegations of paragraph 211, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

212. States that the allegations of the first sentence of paragraph 212 constitute legal conclusions to which no response is required. To the extent a response is required, Vivendi denies the allegations of the first sentence of paragraph 212. Denies the allegations of the second sentence of paragraph 212, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

213. Denies the allegations of paragraph 213, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

214. Denies the allegations of paragraph 214, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on

behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

215. Denies the allegations of paragraph 215, and further states that plaintiffs' claims against Vivendi pursuant to Section 12(a)(2) of the Securities Act of 1933 brought on behalf of persons who purchased Vivendi ADSs were dismissed by the Court in its Opinion and Order entered on the docket on November 6, 2003.

216. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 216.

217. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 217.

218. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 218.

219. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 219.

220. States that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by

Vivendi and thus no response is required with respect to those claims. To the extent a response is required, Vivendi denies the allegations of paragraph 220.

221. States that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by Vivendi and thus no response is required with respect to those claims. To the extent a response is required, Vivendi denies the allegations of paragraph 221.

222. States that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by Vivendi and thus no response is required with respect to those claims. To the extent a response is required, Vivendi denies the allegations of paragraph 222.

223. States that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by Vivendi and thus no response is required with respect to those claims. To the extent a response is required, Vivendi denies the allegations of paragraph 223.

224. States that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by Vivendi and thus no response is required with respect to those claims. To the extent a response is required, Vivendi denies the allegations of paragraph 224.

225. States that plaintiffs' claims against Vivendi pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Count IV) are the subject of a pending motion to dismiss by

Vivendi and thus no response is required with respect to those claims. To the extent a response is required, Vivendi denies the allegations of paragraph 225.

226. Denies the allegations of paragraph 226, and further repeats, realleges and incorporates herein by reference its responses to each such allegation as if fully set forth herein.

227. Denies the allegations of paragraph 227, except admits that plaintiffs purport to bring a claim against all defendants pursuant to the statute and rule cited therein.

228. Denies the allegations of paragraph 228.

229. Denies the allegations of paragraph 229.

230. Denies the allegations of paragraph 230.

231. Denies the allegations of paragraph 231.

232. Denies the allegations of paragraph 232, except admits that defendant Messier served as Chairman of the Board of Directors and Chief Executive Officer of Vivendi from December 11, 2000, until he resigned from those positions on or about July 1, 2002; that defendant Hannezo served as Chief Financial Officer of Vivendi from December 11, 2000, until he resigned from that position on or about July 17, 2002; and that from time-to-time, while employees of Vivendi, defendants Messier and Hannezo participated in the management of Vivendi, were involved in the operations of Vivendi, and were privy to certain confidential information concerning Vivendi.

233. Denies the allegations of paragraph 233.

234. Denies the allegations of paragraph 234.

235. Denies the allegations of paragraph 235.

236. Denies the allegations of paragraph 236.

237. Denies the allegations of paragraph 237.

238. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 238.

239. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 239.

240. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 240.

241. States that this claim is not asserted against Vivendi and accordingly no response is required. To the extent a response is required, Vivendi denies the allegations of paragraph 241.

#### GENERAL DENIALS

242. Except as otherwise expressly admitted in paragraphs 1 through 241, above, Vivendi denies each and every allegation contained in paragraphs 1 through 241 of the Complaint, including, without limitations, the headings and subheadings contained in the Complaint, and specifically denies liability to plaintiffs, or that plaintiffs have suffered any

legally cognizable damages for which Vivendi is responsible. Pursuant to Rule 8(d) of the Federal Rules of Civil Procedure, allegations contained in the Complaint to which no responsive pleading is required shall be deemed denied. Vivendi expressly reserves the right to amend and/or supplement its answer.

243. With respect to all paragraphs in the Complaint in which plaintiffs pray for damages or other relief, Vivendi denies that plaintiffs are so entitled under the law.

#### AFFIRMATIVE AND OTHER DEFENSES

Vivendi asserts the following affirmative and other defenses. In asserting those defenses, Vivendi does not assume the burden of proof with respect to any issue as to which applicable law places the burden of proof upon plaintiffs.

##### First Defense

The Complaint, and each and every claim stated therein, fails to state a claim upon which relief can be granted.

##### Second Defense

The Complaint fails to plead fraud with the particularity required by Rule 9(b) of the Federal Rules of Civil Procedure and the Private Litigation Securities Reform Act of 1995, 15 U.S.C. § 78u-4(b)(1), and otherwise fails properly to identify the alleged false or misleading statements of which plaintiffs complain.

### Third Defense

The Complaint fails to state with particularity facts that give rise to a strong inference of scienter, as required by 15 U.S.C. § 78u-4(b)(2)-(3).

### Fourth Defense

The alleged misstatements and omissions about which plaintiffs complain concern nonactionable matters of opinion, or are puffery or soft information, rather than matters of material fact.

### Fifth Defense

Plaintiffs and any persons on whose behalf plaintiffs purport to act did not rely, or could not have reasonably or justifiably relied, upon the alleged misstatements or omissions alleged in the Complaint.

### Sixth Defense

Vivendi did not breach any duties owed to plaintiffs or to any persons on whose behalf plaintiffs purport to act.

### Seventh Defense

Vivendi is not liable because it did not make a false or misleading statement of material fact or omission of material fact on which plaintiffs relied and it is not responsible (in law or in fact) for any alleged false or misleading statements or omissions of material fact by others on which plaintiffs are alleged to have relied.

#### Eighth Defense

Vivendi is not liable under Section 10(b) of the Securities Exchange Act of 1934, or Rule 10b-5 promulgated thereunder, for any statements not made by Vivendi or any of its directors, officers or employees.

#### Ninth Defense

Plaintiffs, and any persons on whose behalf plaintiffs purport to act, knowingly and/or recklessly assumed the risk of purchasing the securities described in the Complaint and such was the cause of their alleged damages.

#### Tenth Defense

At all times, and with respect to all matters contained herein, Vivendi acted in good faith, exercised reasonable care and did not know, and in the exercise of reasonable care could not have known, of the purported untruths, misstatement and/or omissions alleged in the Complaint.

#### Eleventh Defense

Vivendi is not liable because certain alleged misstatements by it were forward-looking and contained sufficient cautionary language and risk disclosure to be non-actionable under the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-5(c)(1)(A)-(B), and the bespeaks caution doctrine.

Twelfth Defense

Vivendi is not liable because plaintiffs knew or had reason to know the truth of the alleged misrepresentations or omissions on which their claims are based.

Thirteenth Defense

Vivendi is not liable because the alleged misrepresentations or omissions by Vivendi were based on good faith, and in reasonable reliance upon the work, opinions, information, representations and advice of others upon whom Vivendi was entitled to rely.

Fourteenth Defense

Vivendi is not liable because the alleged misrepresentations and omissions alleged in the Complaint did not affect the market price of Vivendi's securities.

Fifteenth Defense

Plaintiffs' claims are barred by the applicable statute of limitations.

Sixteenth Defense

Plaintiffs' claims are barred, in whole or in part, by the truth on the market doctrine.

Seventeen Defense

Plaintiffs' claims are barred, in whole or in part, by reason of waiver.

Eighteenth Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrine of estoppel.

Nineteenth Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrine of laches.

Twentieth Defense

This action may not properly be maintained as a class action.

Twenty-First Defense

This Court does not have subject matter jurisdiction over the non-U.S. claimants who purchased Vivendi's securities outside the United States.

Twenty-Second Defense

Plaintiffs, or any persons on whose behalf plaintiffs purport to act, did not acquire shares that were issued under the prospectus and registration statement that is alleged to have contained misstatements and omissions.

Twenty-Third Defense

Vivendi hereby adopts and incorporates by reference any and all other defenses asserted or to be asserted by any other defendant to the extent Vivendi may share in such defense.

Twenty-Fourth Defense

Vivendi reserves the right to raise any additional defenses not asserted herein of which it becomes aware through discovery or other investigation.

Prayer for Relief

WHEREFORE, Vivendi prays for judgment as follows:

1. Dismissing with prejudice plaintiffs' Complaint against it in its entirety;  
and
2. For such other and further relief as this Court deems just and proper, including, but not limited to, costs, disbursements and reasonable attorneys' fees incurred by it in defending this action plus interest on any sums awarded thereunder.

Jury Demand

Vivendi hereby demands a trial by jury.

February 11, 2004.

CRAVATH, SWAINE & MOORE LLP

by Paul C. Saunders

Paul C. Saunders (PS-0587)

Daniel Slifkin (DS-0588)

Members of the Firm

825 Eighth Avenue  
New York, NY 10019  
(212) 474-1000

*Attorneys for Defendant Vivendi Universal, S.A.*