

Know Existence Limited
(Registered Number: 2038004)

Directors' Report and Financial Statements
for the Eighteen Month Period Ended 31 December
2000



Know Existence Limited

Director's report for the eighteen month period ended 31 December 2000.

The director presents the annual report and the audited financial statements of the company for the eighteen month period ended 31 December 2000.

Principal activity and future developments

The company has not traded during the eighteen month period ended 31 December 2000. The company expects this situation to continue in the coming year.

On 20 June 2000, the company's ultimate parent undertaking, Seagram, Vivendi S.A. and Canal Plus S.A. announced that they had entered into a Merger Agreement, dated as of 19 June 2000 which sets for the terms and conditions of the proposed business combination among Seagram, Vivendi and Canal. The merger closed on 8th December 2000. The ultimate parent undertaking is now Vivendi Universal S.A., a company incorporated in France.

Business Review

The results for the eighteen month period ended 31 December 2000 are given in the profit and loss account in page 4. Results were in line with the expectations of the director.

Change of accounting reference date

On 19 February 2001 the company changed its accounting reference date from 30 June to 29 December.

Results and dividends

The company's result for the eighteen month period ended 31 December 2000 was £nil (eighteen month period ended 30 June 1999: £161 profit).

The director does not recommend payment of a dividend (eighteen month period ended 30 June 1999: £nil).

Directors and their interests

The director who held office during the eighteen month period ended 31 December 2000 was as follows:

TC Fisher

At no time during the eighteen month period ended 31 December 2000 did the director have any interest which is required to be notified to the company under section 324 of the Companies Act 1985.

Know Existence Limited

Director's report for the eighteen month period ended 31 December 2000

(continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Elective resolutions

On 14 April 1998, an elective resolution under S379A of the Companies Act 1985 was passed in respect of dispensing with the following provisions:

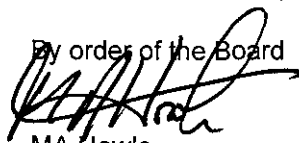
- the laying of the annual report and financial statements before the company in general meeting;
- the holding of an annual general meeting; and
- the requirement to reappoint annually the registered auditors of the company in general meeting.

The provisions of this elective resolution will apply for subsequent years until the election is revoked.

Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office.

By order of the Board


MA Howle
Secretary

1 Sussex Place
London
W6 9XS

29 January 2002

Auditors' Report to the members of Know Existence Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

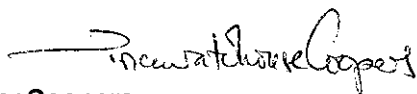
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its result for the eighteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London

29 January 2002

Know Existence Limited

Profit and loss account for the eighteen month period ended 31 December 2000

	<i>Note</i>	18 month period ended 31 December 2000 £	18 month period ended 30 June 1999 £
Interest receivable and similar income	5	-	263
Interest payable and similar charges	6	-	(102)
Result/ profit on ordinary activities before taxation		-	161
Tax on result/ profit on ordinary activities		-	-
Retained result/ profit for the financial period	10	-	161

The above results were derived from discontinued activities.

There is no difference between the results as reported and their historical cost equivalents.

Statement of total recognised gains and losses for the eighteen month period ended 31 December 2000

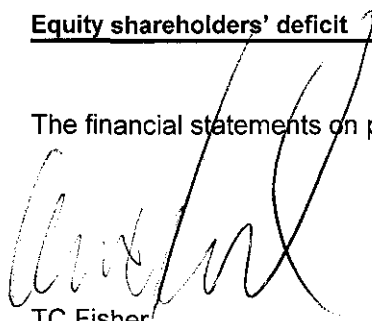
	<i>Note</i>	18 month period ended 31 December 2000 £	18 month period ended 30 June 1999 £
Profit/Result for financial period		-	161
Total recognised gains and losses for the financial period		-	161
Adjustment made in prior period for implementation of FRS12		-	44,184
Total gains and losses recognised since last annual report		-	44,345

Know Existence Limited

Balance sheet as at 31 December 2000

	<i>Note</i>	31 December 2000 £	30 June 1999 £
Current assets			
Debtors: within one year	7	115,715	115,715
Creditors: amounts falling due within one year	8	(2,930,712)	(2,930,712)
Net liabilities		(2,814,997)	(2,814,997)
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	(2,815,097)	(2,815,097)
Equity shareholders' deficit	10	(2,814,997)	(2,814,997)

The financial statements on pages 5 to 10 were approved by the director on 29 January 2002.



TC Fisher,
Director

Know Existence Limited

Notes to the financial statements for the eighteen month period ended 31 December 2000

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

a) Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis as the company has received confirmation from Vivendi-Universal, the company's ultimate parent undertaking, that it will continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements.

b) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise, calculated at a rate at which it is estimated that taxation will be payable.

2 Cash flow statement

The company was a subsidiary undertaking where 90% or more of the voting rights were controlled within the Vivendi Universal group and was included in the consolidated financial statements of that group, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Vivendi Universal group or investees of that group.

Know Existence Limited

Notes to the financial statements for the eighteen month period ended 31 December 2000 (Continued)

3 Profit on ordinary activities before taxation

Auditors remuneration and certain administrative costs are borne by other UK group undertakings.

4 Directors' emoluments and employee information

The director received no fees or emoluments during the eighteen month period ended 31 December 2000 (18 month period ended 30 June 1999: £nil).

The company had no employees during the eighteen month period ended 31 December 2000 (18 month period ended 30 June 1999: nil).

5 Interest receivable and similar income

	18 month period ended 31 December 2000 £	18 month period ended 30 June 1999 £
Interest receivable on bank deposits	-	263

6 Interest payable and similar charges

	18 month period ended 31 December 2000 £	18 month period ended 30 June 1999 £
Other charges	-	102

7 Debtors

	31 December 2000 £	30 June 1999 £
Amounts owed by group undertakings	115,715	115,715

Know Existence Limited

Notes to the financial statements for the eighteen month period ended 31 December 2000 (Continued)

8 Creditors: amounts falling due within one year

	31 December 2000 £	30 June 1999 £
Trade creditors	57,474	57,474
Amounts due to group undertakings	2,769,238	2,769,238
Other creditors	102,000	102,000
Accruals and deferred income	2,000	2,000
	2,930,712	2,930,712

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

9 Called up share capital

	31 December 2000 £	30 June 1999 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

10 Reconciliation of movement in shareholders' deficit and reserves

	Share Capital £	Profit And Loss Account £	Total Equity Shareholders' Deficit £
At 1 July 1999	100	(2,815,097)	(2,814,997)
Result for the eighteen month period	-	-	-
At 31 December 2000	100	(2,815,997)	(2,814,997)

Know Existence Limited

Notes to the financial statements for the eighteen month period ended 31 December 2000 (Continued)

11 Ultimate parent undertaking

On 20 June 2000, the company's ultimate parent undertaking, Seagram, Vivendi SA and Canal Plus SA announced that they had entered into a Merger Agreement, dated as of 19 June 2000 which sets forth the terms and conditions of the proposed business combination among Seagram, Vivendi and Canal. The merger closed on 8 December 2000.

The ultimate parent undertaking is now Vivendi Universal SA, a company incorporated in France. The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi Universal SA incorporated in France. Copies of its annual report in English may be obtained from:

Vivendi Universal SA
42 Avenue de Freidland
75380 Paris
Cedex 08
France