“Competitiveness of Emerging Market Companies in the Global World”
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As Vivendi’s Chairman for the last 10 years, I would like first to give you a brief overview of our activities and strategy. I will then talk about Morocco, a country that offers wonderful opportunities, and where we have been very successful.

Vivendi
I was asked to become Chairman and Chief Executive Officer of Vivendi Universal in June two thousand and two, when I was just getting ready to enjoy my retirement!

The company was in great difficulty. Between two thousand and one and two thousand and two, Vivendi Universal had posted a heavy loss of 38 billion euros, together with substantial debt amounting to 42 billion euros. The company was a complex conglomerate at the time, made up of 6,500 companies and about 380,000 employees, with a multitude of activities and interests. The largest were water distribution, urban transport and energy. However its activities also included music, film, television, telecoms, Internet, planes, hotels, and the list goes on... Many of these companies acquired at a vast premium during the stock market bubble at the beginning of the twenty-first century, were in fact generating losses in two thousand and two.

In July of 2009 we were very nearly bankrupt. We had to very urgently find additional financing to gain time and rapidly define the company’s future. That meant selecting activities to survive and selling the other assets under the best possible conditions.

Contrary to all opinion at that time, I decided to sell the traditional businesses at the origin of the company: the urban services of Veolia, a world leader. This sale allowed us to quickly and substantially reduce the group’s debt. We then put all our efforts into becoming a media and communications Group.

As a result, we had to acquire majority interests in the telecommunications companies – SFR in France and Maroc Telecom in Morocco –, turn around Canal+ and consolidate music, films and games. All the other activities were sold off. New management was put in place. Vivendi was restructured and strict management procedures were applied. They still apply today.

The transformation was successful. Vivendi is now a prosperous group generating net earnings of over 2.5 billion euros (2.7 in 2010 and more in 2011) paying a substantial dividend.

Vivendi has become a major player in the digital age. Society is undergoing a very profound transformation.

New communication technologies, the Internet and mobile phones, smart tablets, smart TV, e-commerce, instant access to all the information and content available worldwide, as well as the explosion of piracy, are profoundly changing everyone’s behavior, regardless of age or nationality. Business models have also to adapt.

Using new vocabulary that helps us analyze this new world, Vivendi creates content, manages the platforms that provide this content, and is a player in networks (telephone and satellite).
Let's take the content first:
- We are the global leader in music with Universal Music Group; and this leadership position will be further strengthened after the integration of EMI. We have already concluded this acquisition and are now waiting for government approval in the United States and Europe.
- We are also the world leader in video games with Activision Blizzard; Call of Duty and World of Warcraft are sold worldwide.
- We are the leading European producer of films and TV series with Studio Canal, which owns the world’s second largest film catalogue - over 5,000 titles.

Vivendi also publishes and manages platforms.
Vivendi has a strong presence in television, particularly via Canal+, which is available in some 30 countries. Canal+ also manages a whole series of specific platforms offering DVD’s, games and TV series.

Last, but not least, Vivendi is a highly professional player in the network sector with three telecommunications activities: SFR in France, which holds one third of the French market, Maroc Telecom, which also operates in sub-Saharan Africa, and GVT in Brazil.
All these activities are actually interconnected Vivendi is particularly dynamic in terms of technological and commercial innovation and business model trends as well.

I would now like to talk about Vivendi’s experience in Morocco.

In 2005, Vivendi took a majority interest in Maroc Telecom, which until then belonged to the State. At the same time 15% of its shares were listed in Casablanca and Paris. The government kept 35%.
Maroc Telecom has performed extraordinarily well over the years. In 2011, it was ranked among the world’s 100 most innovative companies by Forbes magazine.

Maroc Telecom became the largest market capitalization in Morocco. In this new structure, the State’s tax revenues quickly grew to a higher level than those enjoyed when it was the sole shareholder.
The keys to this success lie:
1. With the quality of its Moroccan CEO and domestic management teams.
2. Sustained investment year after year, enabling it to offer quality services in a growth market.
3. The change of status of its personnel at the time it was privatized. Negotiations with the unions made it possible for employees to drop civil servant status for normal private company status. At the same time the company was restructured with an efficient decentralized organizational structure.

Maroc Telecom’s performance led us to expand in sub-Saharan Africa. As a result, Maroc Telecom has a controlling share in Telecoms in Mauritania, Mali, Burkina Faso and Gabon.

Morocco constitutes a particularly favorable base for expansion in western Africa and the Moroccan managers and engineers are succeeding brilliantly in these often difficult countries.

As the President of the Franco-Moroccan Business Leaders Club I would like to add a few words on Morocco itself. For the last ten years Morocco has experienced regular growth in GDP (between 4 and 6 percent per year), which is remarkable given that the country has neither oil nor exportable raw materials, apart from phosphates. This growth was made possible by the development of numerous industrial partnerships and services.

This success can be explained by the adoption of strategic plans broken down into major economic activities.
The efficiency of this original approach is due in large part to the fact that these plans are challenged by private operators that naturally have a stake in these ambitions. In addition, Morocco is extremely tolerant, receptive and open to Foreign investments.

I had the opportunity to meet the new Islamist government at the end of January. I can assure you of its desire to maintain, and even intensify, this liberal policy of cooperation and openness.

There are lots of opportunities in front of us, especially for those who speak French as well as you – the Lebanese entrepreneurs!