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MP3 COM INC
Form 425
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Subject Company: MP3.com, Inc.
Exchange Act File Number of
Subject Company: 000-26697

This presentation contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to: the risk that recently acquired operations will not be integrated successfully; that the synergies expected to be created as a result of recent acquisitions will not materialize; that Vivendi Universal, S.A. ("Vivendi Universal") will be unable to further identify, develop and achieve success for new products, services and technologies; that Vivendi Universal will face increased competition and that the effect on pricing, spending, third-party relationships and revenues of such competition will limit or reduce Vivendi Universal's revenue and/or income; that Vivendi Universal will be unable to establish and maintain relationships with commerce, advertising, marketing, technology, and content providers; and that Vivendi Universal will be unable to obtain or retain, upon acceptable terms, the licenses and permits necessary to operate and expand its businesses; as well as the risks described in the documents Vivendi Universal has filed with the U.S. Securities and Exchange Commission. Investors and security holders are urged to read those documents at the Commission's web site at www.sec.gov. Those documents may also be obtained free of charge from Vivendi Universal.

Vivendi Universal and MP3.com will file a proxy statement/prospectus and other documents regarding their proposed merger with the U.S. Securities and Exchange Commission. Investors and security holders are urged to read the proxy statement/prospectus when it becomes available, because it will contain important information about Vivendi Universal and MP3.com and the proposed transaction. A definitive proxy statement/prospectus will be sent to security holders of MP3.com seeking their approval of the transaction. Investors and security holders may obtain a free copy of the definitive proxy statement/prospectus (when available) and other documents filed by Vivendi Universal and MP3.com with the SEC at the SEC's web site at www.sec.gov.

MP3.com, Vivendi Universal and their respective directors, executive officers and certain members of management and other employees may be deemed to be participants in the solicitation of proxies of MP3.com stockholders to approve the proposed merger. Such individuals may have interests in the merger, including as a result of holding options or shares of MP3.com stock. A detailed list of the names, affiliations and interests of the participants in the solicitation will be contained in the proxy statement that will be filed by MP3.com with the SEC.

The definitive proxy statement/prospectus and other documents may also be obtained free of cost by directing a request to the following Investor Relations contacts:

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May 2001

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AGENDA

- o Overview of the Group
- o A Globally Integrated Group
- o Q1 2001 Results
- o FY2000 Results

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OVERVIEW OF THE GROUP:

The Second Largest
World Media Group

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WHO ARE WE?

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[euro sign] In millions, 2000 proforma

| | | | | |
|-----------------------|--------|-----------|---------------|--------|
| Communication Sales: | 24,324 | VIVENDI | Total Sales: | 52,521 |
| Communication EBITDA: | 3,329 | UNIVERSAL | Total EBITDA: | 7,213 |

| MUSIC | PUBLISHING | TV & FILM | TELCO | INTER |
|-------------------------------------|--|--|---|--|
| Universal Music Group | Vivendi Universal Publishing | Canal + Group; Universal Pictures; Universal Recreation; USA Network, Inc* | Cegetel: SFR (Mobile) "7" (fixed) Vivendi Telecom International | Vi (JV wit VU Port |
| SALES: 6,611 EBITDA: 1,157 | SALES: 3,600 EBITDA: 531 | SALES: 8,795 EBITDA: 771 | SALES 5,270 EBITDA: 1,303 | SALES: EBITDA: |
| #1 Worldwide; 22.5% market share | A European Leader; #1 Worldwide in multimedia education | Leading Pan-European Pay TV provider; World's largest film entertainment library; #2 Theme park operator in the world | #1 Private operator in France; 34% market share | #1 Multi portal w subscrib of 90m (|

Content

Access

Aggregation

*Equity Investment (43%)

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CONTENT

Consistent Growth

Strong Cash Flow

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MUSIC

- |X| #1 Worldwide, With Strong Global and Local Content
 - o 22.5% global market share (FY 00)
 - o 28% market share for current albums in North America
- |X| Worldwide Coverage
 - o 44% of 2000 sales in North America, 39% in Europe, 13% in Asia Pacific and 4% in Latin America
- [X] 67 Albums Sold Over 1 Million Copies, 5 Albums Sold Over 5 Million Copies in 2000
- |X| Capitalize on New Business Opportunities, With Our DUET JV With Sony, Distributed by Yahoo!: Digital Download, Subscription Services, Pay Per Play, Wireless...to Start Early Q3 2001
- |X| 2000 EBITDA: euro 1,157m
- |X| Low Risk/High FCF (approx. 70% OF EBITDA)

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PUBLISHING

- |X| Among the World Leaders in Publishing
 - o #2 WORLDWIDE IN PC-BASED GAMES, #1 IN IN ONLINE GAMES
 - O WORLD LEADER IN EDUCATIONAL CONTENT FOR PC
 - O EUROPEAN LEADER IN INFORMATION
 - O #1 WORLDWIDE FOR DRUG INFORMATION
 - #3 WORLDWIDE FOR MEDICAL INFORMATION
- |X| Focusing on Growth Markets With Multi-platform Applications (EDUCATION, HEALTHCARE, BUSINESS INFORMATION, LOCAL SERVICES)
- |X| Positioned for the Digital Revolution (PC GAMES, E-LEARNING)
- |X| 2000 EBITDA: euro 531m

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|X| Low Risk/High FCF (approx. 80% OF EBITDA)

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FILM AND RECREATION

|X| World's Largest Film Entertainment Library

- o > 10,000 films and 30,000 TV hours (Universal + Studio Canal)

|X| Significant Expansion of Library Sales From New Formats

- o DVD & Digital distribution

|X| Universal Pictures' Ongoing Turnaround:
Film and Recreation 2000 EBITDA: euro 241m

|X| Risk Management

- o Cap on film investments

|X| Successful Opening of New Theme Park

- o Universal Studios Osaka theme park in March 2001

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ACCESS

Rapid Growth

Strong EBITDA Leverage

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TELECOMMUNICATIONS

CEGETEL

- |X| Cegetel is #1 Private Operator in France With Over 12m Customers
 - o 10.6m SFR mobile users
 - o 2.6m fixed lines
 - o 11,000 data sites and 35,000 voice sites for the corporate market
 - o First alternative long distance carrier in France: 70m mn/day
- |X| Fast Growing Penetration Rates
 - o 52% mobile penetration in France
 - o Targeting > 65% in 2 years
- |X| A Fixed Cost Industry
 - > Leverage on EBITDA
- |X| 2000 EBITDA = euro 1,303m (compared to euro 494m in 1999)
- |X| UMTS Financing Completed With a Peak Debt to Equity Ratio of 1:1 in 2002

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PAY TV

CANAL+

- |X| Leading Pan-European Multi-service Television Provider
 - o 15.3m subscriptions in 11 countries
 - o 5.3m digital subscribers up 32% in 2000
- |X| Europe's Third Largest TV and Film Library
- |X| Exclusive, Long-term Agreements for Sports Programming
- |X| Continuing Growth From Canal+ Business Model Replicated Outside France
- |X| Costs Are Fixed -> EBITDA Leverage
- |X| Digitalization Creates Additional Leverage on Average Revenue Per User

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(ARPU)

- o Analog ARPU (current) : euro 28 per month
- o Digital ARPU (current) : euro 46 per month
- o Multi-services ARPU (expected) : euro 60 per month

|X| 2000 EBITDA: euro 507m

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AGGREGATION

Strong Assets

New Business Models

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INTERNET

|X| VIVENDI NET

- o Grow thematic portals (entertainment, education, information and transaction)
- o Grow and create enablers, capitalizing on the critical mass of the Vivendi Universal network
- o Develop new profitable business models through our existing customer bases (-> lower acquisition costs), and less sensitive to advertising cycle

|X| VIZZAVI

- o 50/50 JV with Vodafone
- o Our goal is to create the leading multi-access European portal
 - |X| Not a pure PC portal
 - |X| Seamless services between mobile, PC and TV (unified messaging services)

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- o 90m potential multi-platform subscribers (TV, MOBILE, PC)
- o European mobile market will be broadband by mid year (GPRS)
- o Vivendi Universal as preferred content supplier of Vizzavi

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A GLOBALLY

INTEGRATED GROUP

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MISSION STATEMENT

A GLOBAL COMPANY FOR THE DIGITAL AGE

Vivendi Universal will be the world's preferred creator and provider of
personalized information, entertainment and services to consumers
anywhere, at any time, and across all distribution platforms and devices

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WE WILL BENEFIT FROM

DIGITAL CONVERGENCE

[X] The Convergence Is Consumer-driven

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- o Localized services
 - o Multi-accessibility
 - o Rich and personalized content
 - o Personalization must be easy
- |X| The Move Is Technology-enabled
- o Broadband access channels to multiply
 - o Devices are mutating to match consumers' needs (portability, storage, etc.)
- |X| Premium Content Is Essential
- o Practical information for day-to-day life
 - o Entertainment content (music, film, games)
 - o Education

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VERTICAL INTEGRATION IS KEY

- |X| Vertical Integration Is Essential to Maximize Shareholder Value
- o New businesses will be introduced to the market faster
 - o Ability to keep most of the margin of the value-chain within the group
- |X| Vertical Integration Does Not Mean Exclusivity
- o Content does not maximize its value if distribution channels are limited and vice versa
 - o Premium content to contribute to differentiation through windowing policies and early cooperation
- |X| A Consumer Centric Century
- o Personalization
 - o Customization
 - o Localization

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STRONG FINANCIAL ECONOMICS

|X| CONTENT

Consistent Growth + Strong Cash Flow Generation

|X| ACCESS

Rapid Growth + Fixed Costs = Strong EBITDA Leverage

|X| AGGREGATION

New Business Models and Revenue Streams Based on Europe's #1 Multi-access
Distribution Platform and Leading Content Supplier

+

SYNERGIES: COSTS AND REVENUES

=

A UNIQUELY POSITIONED COMPANY WITH
EXTRAORDINARY GROWTH

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Q1 2001 OPERATING RESULTS

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Q1 HIGHLIGHTS FOR MEDIA

AND COMMUNICATIONS

|X| Revenues Up 13.4% Excluding USG Films to euro 5bn
Total Revenue Is Up 10% to euro 5.9bn

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- |X| EBITDA Grew 112% to euro 900m
- |X| By Business
 - o Music EBITDA was up 15% to euro 180m, reflecting strong market share and a revenue increase of 3%
 - o Telecom EBITDA tripled to euro 433m and revenues were up 30%
 - o TV and Film EBITDA more than doubled to euro 284m Revenues were up 13%, excluding USG Film
 - o Publishing EBITDA increased 16% with revenues up 5.5%

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Q1 2001 DIVISIONAL HIGHLIGHTS

| | 2001 ACTUAL | 2000 PROFORMA |
|------------------------------|----------------|------------------|
| | ----- | ----- |
| REVENUES | | |
| Music | 1,446 | 1,400 |
| Publishing | 817 | 775 |
| TV & Film | 2,077 | 2,008 |
| Telecom | 1,495 | 1,153 |
| Internet | 19 | 2 |
| | ----- | ----- |
| Media and Communications | 5,854 | 5,338 |
| Holding & Corporate | - | 2 |
| | ----- | ----- |
| TOTAL MEDIA & COMMUNICATIONS | 5,854 | 5,340 |
| | ----- | ----- |
| EBITDA | | |
| Music | 180 | 157 |
| Publishing | 103 | 88 |
| TV & Film | 284 | 121 |
| Telecom | 433 | 140 |
| Internet | (49) | (18) |
| | ----- | ----- |
| Media and Communications | 951 | 488 |
| Holding & Corporate | (51) | (63) |
| TOTAL MEDIA & COMMUNICATIONS | 900 | 425 |
| | ----- | ----- |

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2000

FY RESULTS

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VIVENDI UNIVERSAL 2000:
KEY MESSAGES

- |X| Outstanding Growth in 2000 for Communications on a Proforma Basis: +16% TOP LINE AND +68% AT EBITDA LEVEL (EXCL. FOREX)
- |X| In 2000, VU Exceeded Its Ambitious EBITDA Targets Despite Difficult Markets and Economic Slowdown
(PF: euro 3.3bn for Communications; Total PF: euro 7.2bn)
- |X| Highest Historical Net Income of euro 2.3bn
- |X| Very Strong Balance Sheet (Net Debt PF for Communications of euro 3.4bn)
- |X| Integration Ahead of Schedule
- |X| Strong, Focused, Incentivized Management in Place
- |X| More Confident Than Ever That VU Will Achieve Its Aggressive Growth Targets for 2001 2000

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2000 PROFORMA

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VIVENDI UNIVERSAL 2000
PROFORMA

| euro in billions | 2000 PF | 1999 PF | % PF |
|-----------------------|---------|---------|------|
| x REVENUE | 52.5 | 44.0 | 19%* |
| x EBITDA** | 7.2 | 4.9 | 48%* |
| x OPERATING INCOME** | 3.1 | 1.9 | 68% |

*Respectively excluding forex: +15% and +43%

**EBITDA and operating income after holding costs

|x| BOTH STRONG GROWTH AND OUTSTANDING OPERATING LEVERAGE FOR 2000 PROFORMA

- o Excluding: USAi: @100%:2000 Revenues euro 5.1bn; 2000 EBITDA euro 0.8bn
- o Attributed Recreation: Revenues: euro 1bn; EBITDA: euro 0.3bn

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VIVENDI UNIVERSAL 2000
PROFORMA COMMUNICATIONS

| euro in billions | 2000 PF | 1999 PF | % PF |
|---|---------|---------|-------|
| x REVENUE | 24.3 | 20.3 | 20%* |
| x EBITDA after holding costs | 3.3 | 1.9 | 74%* |
| x Operating Income after holding costs | 1.0 | 0.2 | X4.2% |

*RESPECTIVELY EXCLUDING FOREX: +16% AND +68%

PROFORMA EBITDA OF VIVENDI UNIVERSAL COMMUNICATIONS OF EURO 3.3BN ABOVE GUIDANCE GIVEN IN OCTOBER 2000 BY EURO 129M

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- o Excluding: USAi: @100%: 2000 Revenues euro 5.1bn; 2000 EBITDA euro 0.8bn
- o Attributed Recreation: Revenues: euro 1bn; EBITDA: euro 0.3bn

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A VERY SOUND B/S STRUCTURE

- |X| Shareholders Equity: euro 57bn
 - o Total Equity: euro 66bn
- |X| Net Financial Debt
 - o VE euro 13.1bn, sustainable, 4.7 times cash flow, rating BBB+
 - o ProForma VU Communications euro 3.4bn after Spirits and Wine disposal
- |X| 0.7 times expected 01 EBITDA
- |X| Further potential for asset disposals or arbitrages, of which BskyB mandatory before YE02 (euro 6.3bn value before tax at current market prices)
- |X| Cash Flow: euro 3.4bn vs. euro 2.4bn in 1999 (excluding working capital changes)

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DIVISIONAL HIGHLIGHTS

FY2000 and 2001 Outlook

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MUSIC OPERATING PERFORMANCE
2000 AND 2001 OUTLOOK

| euro in millions | 2000 PF | 1999 PF | % PF constant forex | |
|---------------------------|---------|---------|---------------------------|---|
| | | | | [x] Increased glo worldwide mar to 22.5%. Un integration o targets |
| x Net Revenues | 6,611 | 5,705 | 5% | |
| x EBITDA | 1,157 | 840 | 24% | [x] Global market in 2001, part |
| [x] EBITDA Margin | 18% | 15% | | |
| | | | | [x] 2001: TARGET AND DOUBLE DI |
| x Global Maret Share | 22.5% | 21.8% | 0.7% | |
| [x] Current Albums U.S. | 28.0% | 27.3% | 1.0% | [x] Synergies wit Vizzavi and V materialize i |
| [x] Current Albums Europe | 26.0% | 23.3% | 2.7% | |
| | | | | [x] Duet (UMG/Son based music s accessible fr will be launc be distribute |

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PUBLISHING OPERATING PERFORMANCE 2000
AND 2001 OUTLOOK

| euro in millions | 2000 PF | 1999 PF | % PF | |
|-------------------------------|---------|---------|------|------------------------------------|
| | | | | [x] Revenue growt +9% |
| REVENUES | 3,599 | 3,352 | 7% | |
| REVENUES EXCL. FRANCE LOISIRS | 3,384 | 3,103 | 9% | [x] PF EBITDA mar to close to 1 |

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| | | | | | |
|-------------------------------|-------|-------|--|------|-------------------|
| Games (incl. UI) | 419 | 324 | | 29% | [x] Games: Const |
| Education | 981 | 799 | | 23% | game of the y |
| Literature (incl. Fr Loisirs) | 400 | 417 | | -4% | Half-Life, Di |
| Healthcare | 419 | 219 | | 91% | world leader |
| Business Info. | 1,271 | 1,235 | | 3% | Uproar acquis |
| Other | 110 | 358 | | -69% | |
| ----- | | | | | |
| EBITDA | 531 | 443 | | 20% | [x] Education: su |
| EBITDA EXCL. FRANCE LOISIRS | 507 | 411 | | 23% | Spanish and B |
| ----- | | | | | |
| Games (incl. UI) | 96 | 75 | | 27% | |
| Education | 130 | 97 | | 34% | [x] Information: |
| Literature (incl. Fr Loisirs) | 54 | 57 | | -5% | the division |
| Healthcare | 58 | 29 | | 99% | |
| Business Info. | 180 | 159 | | 13% | [x] Healthcare: C |
| Other | 14 | 26 | | -46% | our worldwide |
| ----- | | | | | |
| EBITDA % | 14.7% | 13.2% | | | [x] TARGET EBITDA |
| EBITDA % EXCL. FRANCE LOISIRS | 15.0% | 13.2% | | | GUIDANCE +10% |
| ----- | | | | | |

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TV & FILM OPERATING PERFORMANCE 2000
AND 2001 OUTLOOK

| euro in millions | 2000 PF | 1999 PF | | % PF | [x] Canal+'s digi |
|--------------------|---------|---------|--|---------|--------------------|
| ----- | | | | | Total subs up |
| [x] REVENUES | 8,796 | 7,345 | | 20% | o France (C+ |
| Groupe Canal+ | 3,847 | 3,288 | | 17% | the PayTV |
| USG* | 4,741 | 3,858 | | 23% (1) | o Italy: 68% |
| Other | 208 | 199 | | 4% | o Very good |
| ----- | | | | | Canal |
| [x] EBITDA | 771 | 326 | | 137% | [x] USG: \$1bn box |
| Group Canal+ | 507 | 415 | | 22% | share: 14.5% |
| USG* | 241 | -96 | | | |
| Other | 23 | 7 | | | |
| ----- | | | | | o Outstandin |
| [x] EBITDA MARGIN | 9% | 4% | | | o Recreation |
| ----- | | | | | in March 2 |
| (1) +6% excl forex | | | | | 24% Equity |

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*Excluding: USAi: @ 100%: 2000 Revenues:
euro 5.1bn; 2000 EBITDA euro 0.8bn

*Attributed Recreation: Revenues: euro 1bn;
EBITDA: euro 0.3bn

[x] Integration:
work as a full
[x] GLOBAL DIVISI
+20%/+30% (CA

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[GRAPHIC OMITTED]

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TELECOMS OPERATING PERFORMANCE
AND 2001 OUTLOOK

| euro in millions | 2000 PF | 1999 PF | % PF |
|----------------------------------|---------|---------|------|
| x REVENUES | 5,270 | 3,913 | 35% |
| Cegetel Mobile (SFR) | 4,623 | 3,531 | 31% |
| Cegetel Fixed | 455 | 318 | 43% |
| International and other | 192 | 64 | |
| x EBITDA | 1,303 | 494 | 164% |
| Cegetel Mobile (SFR) | 1,326 | 642 | 107% |
| Cegetel Fixed | -86 | -143 | -40% |
| International and other | 63 | -5 | |
| [x] EBITDA MARGIN | 25% | 13% | |
| [x] CEGETEL MOBILE (SFR) MARGIN* | 32% | 20% | |

* Margin calculated on SFR network revenues

Those figures don't include TD's (fixed network)
2000 Net revenues @50%: euro 315m
2000 EBITDA @50%: euro 58m

FRANCE
[x] Mobile (SFR):
customers EOY
operator in F
share on cust
o Date on mob
2001: SMS a
account for
o GPRS will b
commercial
2002
o UMTS: stron
[x] Full European
mobile for Vi
through the J
(Vizzavi): 90
in 15 Europea
[x] Fixed: #1 pri
close to brea
including TD
INTERNATIONAL
[x] Operations in
Spain, Morroo

[GRAPHIC OMITTED]

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INTERNET OPERATING PERFORMANCE
AND 2001 OUTLOOK

| euro in millions | 2000 PF | 1999 PF | |
|--------------------|---------|---------|---|
| [x] REVENUES | 48 | 2 | |
| [x] Won (Flipside) | 18 | | Vizzavi and Scoot JVs consolidated under the equity method |
| [x] Numedia | 4 | | |
| [x] 01 Net | 3 | 1.9 | |
| [x] Other portals | 23 | 2 | |
| [x] EBITDA | -184 | -34 | |

- [x] Vizzavi update:
- o Vizzavi roll out in 2001: France, UK, Netherlands, Germany, Italy
 - o Vizzavi to become a virtual ISP
 - o More than 750,000 registered customers (UK, NL)
 - o Projected >2m customers by 2Q 2001
 - o Projected investment of euro 1.6bn (@100%, VU owns 50% of Vizzavi) by end 2002, with monthly EBITDA break even by end 2003

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SUMMARY: 2001 FINANCIAL OUTLOOK FOR
VIVENDI UNIVERSAL COMMUNICATION

| | |
|-------------------------|-------|
| [X] Revenues 2001 | |
| o Music | +5/6% |
| o Pay TV & Recreation | +10% |
| o Publishing | +5/6% |
| o Telecom | >+20% |
| o Total excl. USG Films | +10% |

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- |X| EBITDA: Oct. 2000 Guidance: 2000PF: euro 3.2bn, Then +35% 2000-2002
- o We overperformed in 2000
 - o For 2001, we fully confirm, at least, Oct. 2000 guidance

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2001 SYNERGIES UPDATE

- |X| MAJOR PROGRESS AFTER THREE MONTHS, TO ACHIEVE THE COST CUTTING 2002 TARGET (EURO 420m): A Few Significant Examples:
- o HQ: 2001 budgeted savings, euro 58m
 - o PURCHASING: plan well underway (30 major contracts already renegotiated, representing euro 20m), more to come
 - o IT: strong potential to achieve results beyond initial targets, optimization of internal network worldwide & Data center in Europe, euro 33m, much more to come
 - o Real Estate: HQ optimization in BU's (London, LA) already represent euro 20m, more to come

-----> COST SYNERGIES WELL UNDERWAY: EURO 200M WILL BE ACHIEVED BY END 2001

- |X| Revenue Synergies Already in BU's Budgets. Really Significant in 2002-2003

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SUMMARY

- |X| Strong Confidence in Delivering the Ambitious Growth Targets for 2001/2002
- |X| VU Management Team Strongly Incentivized to Deliver Growth Targets
- o 2 stock option programs have been put in place at the closing
 - |X| 1% of the Capital for 3,693 people
 - |X| 0.5% of the Capital for TOP 92, options exercisable upon relative performance of VU vs. MSCI Media Index

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VIVENDI UNIVERSAL KEY DIFFERENTIATORS

- |X| Direct Access to Large Existing Customer Base
(allowing cross marketing and lower acquisition costs)
- |X| Strong and Unmatchable Franchises
 - o Strong U.S. and European footprints, with Europe leading the multi-access, broadband revolution
 - o Worldwide positions in key content businesses
- |X| Rapid Underlying Growth (not sensitive to advertising cycles)
- |X| Strong Financial Fundamentals
(no financial pressure on the telecom side)
- |X| Natural Focus on Subscription Models Allowing More Efficient/diversified New Business Models
- |X| Very Good Year in 2000 (REVENUE UP 16% AND EBITDA UP 68%, PROFORMA COMMUNICATIONS EXCLUDING FOREIGN EXCHANGE) and Strong Outlook for 2001

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[GRAPHIC OMITTED]

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