

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

VIVENDI UNIVERSAL  
Form 11-K  
July 12, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

COMMISSION FILE NUMBER

THE SEAGRAM 401(k) PLAN  
375 Park Avenue  
New York, New York 10152  
(Full title of the plan and the address of the plan)

Vivendi Universal  
42, avenue de Friedland  
75380 Paris Cedex 08, France  
(Name of issuer of the securities held pursuant to the plan  
and the address of its principal executive office)

REQUIRED INFORMATION

1. Not Applicable.
2. Not Applicable.
3. Not Applicable.
4. The Seagram 401(k) Plan (the "Seagram Plan") is subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Attached hereto are the financial statements of the Seagram Plan for the fiscal year ended December 31, 2001 prepared in accordance with the financial reporting requirements of ERISA.

EXHIBITS

1. Financial statements of the Spencer Plan for the fiscal year ended December 31, 2001 prepared in accordance with the financial reporting requirements of ERISA.
2. Consent of McGladrey & Pullen, LLP, independent accountants.

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

THE SEAGRAM 401(k) PLAN

By /s/ Ann M. Giambusso

-----  
Ann M. Giambusso  
Vice President - Human Resources,  
Vivendi Universal

Date: July 12, 2002

Exhibit 1

THE SEAGRAM 401(k) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

CONTENTS

-----  
INDEPENDENT AUDITOR'S REPORT

1  
-----

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

|                                                           |        |
|-----------------------------------------------------------|--------|
| Statement of net assets available for benefits            | 2      |
| Statement of changes in net assets available for benefits | 3      |
| Notes to financial statements                             | 4 - 11 |

---

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of  
The Seagram 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of The Seagram 401(k) Plan as of December 31, 2001, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The statement of net assets available for benefits of The Seagram 401(k) Plan as of December 31, 2000 was audited by other auditors whose report, dated June 15, 2001, expressed an unqualified opinion on that statement.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Seagram 401(k) Plan as of December 31, 2001 and the changes in net assets available for benefits for the year ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ McGladrey & Pullen, LLP  
-----  
McGladrey & Pullen, LLP

New York, New York  
July 9, 2002

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

THE SEAGRAM 401 (k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
December 31, 2001 and 2000

|                                                           | 2001          | 2000          |
|-----------------------------------------------------------|---------------|---------------|
| Net assets held in trust by Bank of<br>New York (Note 10) | \$174,117,695 | \$185,560,263 |
| Liabilities                                               | -             | -             |
| Net Assets Available for Benefits                         | \$174,117,695 | \$185,560,263 |

SEE NOTES TO THE FINANCIAL STATEMENTS.

THE SEAGRAM 401 (k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2001

|                                               |              |
|-----------------------------------------------|--------------|
| Additions:                                    |              |
| Additions in net assets attributed to:        |              |
| Contributions                                 |              |
| Participating employees                       | \$ 9,246,398 |
| Participating companies                       | 3,795,561    |
|                                               | -----        |
|                                               | 13,041,959   |
|                                               | -----        |
| Investment income:                            |              |
| Net appreciation in fair value of investments | (15,452,526) |
| Dividends and interest                        | 6,936,886    |
|                                               | -----        |
|                                               | (8,515,640)  |
|                                               | -----        |
| Total additions                               | 4,526,319    |
| Deductions:                                   |              |
| Deductions to net assets attributed to:       |              |
| Participant withdrawals                       | (15,968,887) |
|                                               | -----        |
| Net (decrease)                                | (11,442,568) |
| Net assets available for benefits:            |              |

## Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

|                   |               |
|-------------------|---------------|
| Beginning of year | 185,560,263   |
|                   | -----         |
| End of year       | \$174,117,695 |
|                   | =====         |

SEE NOTES TO THE FINANCIAL STATEMENTS.

3

THE SEAGRAM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

-----

### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in the preparation of the financial statements of The Seagram 401(k) Plan (the "Plan") conform with accounting principles generally accepted in the United States of America. The more significant accounting policies are:

**Basis of Accounting:** The accompanying financial statements of the Plan are maintained on the accrual basis of accounting.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

**Investment Valuation:** The assets are held in trust by Bank of New York (Trustees) in the Joseph E. Seagram & Sons, Inc. Master Trust Agreement (Master Trust) which also includes assets of the 401(k) plans of the Company's affiliates, Universal Studios, Inc., UMG Manufacturing and Logistics, Inc. and Spencer Gifts, Inc. Effective July 1, 1999, the assets of the PolyGram Holding, Inc. Deferred Savings and Investment Plan for Employees were added to the Master Trust. The related investment income and appreciation in fair value represents allocations to the Plan based upon the ratio of the Plan's assets to total Master Trust Assets.

On December 8, 2000, The Seagram Company, Ltd. (parent of Joseph E. Seagram & Sons, Inc.) Vivendi S.A. and Canal Plus S.A. completed a series of transactions pursuant to which the three companies combined into Vivendi Universal S.A. Upon the completion of the merger transactions, shareholders of The Seagram Company Ltd. (other than those exercising dissenters' rights), including the Trustee on behalf of the Plan, received, for each common share of The Seagram Company Ltd. held, 0.80 Vivendi Universal ADS or a combination of 0.80 non-voting exchangeable shares of Vivendi Universal's Canadian subsidiary, Vivendi Universal Exchangeco, and an equal number of voting rights in Vivendi Universal.

On December 21, 2001, Vivendi Universal, S.A., Diageo, PLC and Pernod Ricard

## Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

completed a series of transactions which resulted in the stock sale of Joseph E. Seagram & Sons, Inc. to Diageo, PLC. Under the terms of the sale and purchase agreement, assets and liabilities relating to the U.S. active spirits and wine employees were to be transferred to the respective 401(k) plans of Diageo's and Pernod Ricard's U.S. affiliates.

Investment securities are recorded and valued as follows: United States government obligations are recorded at fair value based on the current market yields; temporary investments in short-term investment funds are recorded at cost which in the normal course approximates market value; securities representing units of other funds are recorded at net assets value; and the common shares are recorded at the closing price reported on the composite tape of the New York Stock Exchange on the valuation date.

Purchase and sales of securities are accounted for on a trade basis with the average cost basis used for determining the cost of investments sold. Interest income is recorded on an accrual basis. Income on securities purchased under agreements to resell is accounted for at the repurchase rate.

4

THE SEAGRAM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. DESCRIPTION OF THE PLAN

The Plan is a defined contribution plan established as of August 1, 1985 by Joseph E. Seagram, & Sons, Inc. (the "Company") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Effective October 15, 2001, the Plan sponsorship was assigned to Vivendi Universal U.S. Holding Co. ("VU").

The Plan covers employees of the Company and certain of its United States subsidiaries (collectively, the "Participating Companies") whose annual base salary or regular wages, (excluding overtime, bonuses, commissions or other special or contingent payments) exceeds \$15,793 as of December 31, 1998 (increased on the last day of each year by 4%) and who are either (i) salaried employees, or (ii) hourly employees not employed in a classification designated by the Participating Companies from time to time, excluding various categories of employees specified in the Plan including, but not limited to, persons represented by a collective bargaining agent, persons employed on a special basis, and persons employed by an operating unit of the Participating Companies to which the Plan has not been extended.

The Plan provides benefits to participants based upon amounts voluntarily contributed to participant accounts by the participants and amounts contributed under certain circumstances, by the Participating Companies (See Note 3). Under the Plan, a participant is not provided with any fixed benefit. The ultimate benefit to be received by the participant depends on the amounts contributed, the investment results and other adjustments, and the participant's vested interest at termination of employment (See Note 4).

## Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

With respect to each participant, contributions are allocated among four accounts specified in the Plan: pre-tax account, company match account, after-tax account and rollover account (the "Accounts"). Such contributions are invested as designated by the participants in one or more of the investment funds options, and are accumulated and invested in the Master Trust. Plan assets are solely available for the benefit of and for the liabilities incurred on behalf of employees covered by the Plan. The Plan is administered by the Joseph E. Seagram & Sons, Inc. through an Administrative Committee appointed by the Board of Directors of the Company. Effective October 15, 2001, the administration of the Plan was assigned to VU. VU administers the Plan through an Administrative Committee appointed by the Board of Directors of VU.

In addition, the thrift Plan for the Employees of the Wine Spectrum Companies (the "Wine Spectrum Plan") was merged with the Plan in 1987. The eligible employees of the Wine Spectrum Plan became members of the Plan. As a result of the merger, the Plan retains the Coca-Cola Company Stock held by the Wine Spectrum Plan; however, no election may be made to transfer any funds into the Coca-Cola Company Stock Fund.

5

THE SEAGRAM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

-----

### NOTE 3. CONTRIBUTIONS

Non-highly compensated employees, as defined by the Plan, may elect to contribute to their pre-tax accounts on a pre-tax basis ("Pre-Tax Contributions") and/or to their after-tax accounts on an after-tax basis ("After-Tax Contributions") through payroll deductions of 1% to 17% (in the aggregate) of their annual salary (as defined in the Plan), in multiples of 1%, in any combination. Effective January 1, 1999, highly compensated employees, as defined by the Plan may contribute up to 17% in the aggregate to their pre-tax and after-tax accounts with a limit of 10% of their pre-tax account. Pre-tax contributions and after-tax contributions are subject to limitations imposed by federal laws for qualified retirement plans.

The Plan provides for matching contributions by the Participating Companies payable to the participants' company match accounts. The Participating Companies matching contribution was increased to 60% of the first 6% of the Participants' pre-tax and after-tax contributions made during each payroll period. The Participating Companies contributions are subject to limitations imposed by federal laws for qualified retirement plans.

Participants may elect to have their contributions and matching contributions invested in a variety of investment funds. Investment elections or contributions rate changes can be changed on any business day and must be made in increments of 1%.

The Plan will accept into participants' rollover Accounts cash received by participants from a qualified plan within the time prescribed by applicable law ("Rollover Contributions").

The Participating Companies may take discretionary contributions in an amount to

## Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

be determined by the Participating Companies. The Participating Companies have not made discretionary contributions since the inception of the Plan.

### NOTE 4. VESTING

A participant in the Plan always has a fully vested interest in the value of his or her contributions and rollover accounts. He or she has a non-forfeitable right to the value of his or her company match account upon the attainment of age 60, disability (as defined in the Plan) or death. Upon termination of employment for any other reason, a participant vests in the funds held in his or her company match account in accordance with the following vesting schedule:

| Years of service            | Vested Percentage |
|-----------------------------|-------------------|
| Less than 1                 | 0%                |
| At least 1, but less than 2 | 20%               |
| At least 2, but less than 3 | 40%               |
| At least 3, but less than 4 | 60%               |
| At least 4, but less than 5 | 80%               |
| 5 or more                   | 100%              |

6

### THE SEAGRAM 401(k) PLAN

### NOTES TO FINANCIAL STATEMENTS

### NOTE 4. VESTING (CONTINUED)

Upon termination of employment for reasons other than the attainment of age 60, disability or death of a participant who was not fully vested in his or her company match account, the nonvested portion of the participant's company match account shall be forfeited. Any account forfeited shall be applied to reduce the Participating Companies' contributions in accordance with the terms of the Plan. Any amount forfeited shall be restored if the participant is re-employed by a Participating Company before incurring a five year break in service and if the participant repays to the Plan (within five years after his or her reemployment commencement date) an amount in cash equal to the full amount distributed to him or her from the Plan on account of termination of employment, excluding amounts from the after-tax and rollover accounts at the participant's election. The Participating Companies used \$110,495 in forfeitures to offset their contributions during the year ended December 31, 2001.

Under the terms of the sale and purchase agreement relating to the stock sale of Joseph E. Seagrams & Sons, Inc., as mentioned in Note 1, active spirits and wine employees were fully vested in their account balances on December 21, 2001.

### NOTE 5. DISTRIBUTIONS

Upon termination of employment, after the attainment of age 60 or for reason of disability or death, the participant or his or her beneficiary shall receive the value of his or her accounts. However, if the termination of employment is for

## Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

reasons other than the attainment of age 60, disability or death, the participant shall receive only the value of the vested funds in his or her accounts (See Note 4). Benefits are recorded when paid.

In accordance with the procedures established by the Administrative Committee and the terms of the Plan, certain terminated employees may elect to defer final distribution from the Plan. Upon such election, the amount in such participants' vested interest in the Plan is entitled to continue to receive investment income and is held by the Trustee until the date of distribution as elected by the participants.

Prior to termination of employment, the participant may withdraw amounts from the participant's accounts in accordance with the provisions of the Plan.

### NOTE 6. LOANS TO PARTICIPANTS

A participant may apply for loans up to the lesser of \$50,000 or 50% of the value of the vested portion of the participant's Accounts. The minimum loan amount is \$1,000. The maximum repayment terms are 5 years for general purpose loans and 25 years for principal residence loans, except that primary residence loans requested after December 31, 1999 will have a maximum repayment term of fifteen years. Applications for loans must be approved by the administrative committee. The amounts borrowed are transferred from the investment funds in which the participant's accounts are currently invested. Repayment and interest thereon are credited to the participant's current investment funds through payroll deductions made each pay period. The interest rate for loans is based on the prime rate on the first business day of the month in which the loan is made plus one percentage point.

7

### THE SEAGRAM 401(k) PLAN

### NOTES TO FINANCIAL STATEMENTS

---

### NOTE 7. TAX STATUS OF PLAN

The Internal revenue Service has ruled by a letter dated April 20, 2000 that the Plan is qualified under Section 401(a) of the Internal Revenue Service Code, as amended. So long as the Plan continues to be so qualified, it is not subject to Federal income taxes. Although the Plan has been amended since receiving the determination letter, the plan Administrator and the Plan's tax counsel believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

### NOTE 8. RELATED PARTY TRANSACTIONS

Some of the Plan expenses including trustee, custodial, and certain recordkeeping fees, are paid by the Company, and personnel and facilities of the Company are used by the Plan at no charge.

### NOTE 9. TERMINATION OF THE PLAN

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

Although it has not expressed an intent to do so, the Board of Directors of VU has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In case of termination, the rights of participants to their accounts shall be fully vested as of the date of termination.

THE SEAGRAM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 10. ASSETS HELD IN TRUST

The assets of the Plan are invested in the Master Trust held by the Trustee where the assets of other related employee benefit plans of affiliates are invested on a commingled basis. The Master Trust net assets consist of the following classification of assets and liabilities as of December 31, 2001 and 2000.

|                                                                              | 2001        | 2000          |
|------------------------------------------------------------------------------|-------------|---------------|
| ASSETS                                                                       |             |               |
| Investments held in trust at fair valued determined by quoted market prices: |             |               |
| Money market fund                                                            |             |               |
| State street yield enhanced STIF fund                                        | \$ -        | \$ 50,734,702 |
| Stable income fund                                                           |             |               |
| The LaSalle income plus fund                                                 | 121,870,473 | 55,772,944    |
| Bond fund                                                                    |             |               |
| PIMCO total return fund, class A shares                                      | 116,050,435 | 98,703,855    |
| S&P 500 index fund                                                           |             |               |
| Vanguard employee benefit fund                                               | 168,991,669 | 205,414,392   |
| Managed equity fund                                                          |             |               |
| Vanguard value index fund                                                    | 45,758,762  | 51,700,709    |
| Growth equity fund                                                           |             |               |
| Vanguard institutional index fund                                            | 20,321,155  | 24,538,463    |
| Vivendi stock fund                                                           |             |               |
| Vivendi Universal ADSs                                                       | 34,029,544  | 48,004,886    |
| Collective short term investment fund                                        | 553,319     | 1,325,251     |
| The Coca-Cola company stock fund                                             |             |               |
| The Coca-Cola company common stock                                           | 1,561,089   | 2,453,770     |
| Collective short term investment fund                                        | 108,353     | 67,777        |
| Dreyfus small company value fund                                             |             |               |
| Dreyfus small company value fund                                             | 46,493,358  | 24,883,209    |
| MSDW international equity fund                                               |             |               |
| MSDW international equity fund                                               | 19,032,529  | 22,109,100    |
| Dresdner global technology fund                                              |             |               |
| Dresdner RCM global technology fund                                          | 10,590,173  | 20,418,043    |
| Loans to participants                                                        | 8,457,476   | 9,280,310     |

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

|                   |                |                |
|-------------------|----------------|----------------|
| Total investments | \$ 593,818,335 | \$ 615,407,411 |
|-------------------|----------------|----------------|

---

9

THE SEAGRAM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

---

NOTE 10. ASSETS HELD IN TRUST (CONTINUED)

|                                           |               |               |
|-------------------------------------------|---------------|---------------|
| Receivables                               |               |               |
| Accrued interest and dividends            | \$ 1,586,871  | \$ 6,347,086  |
| Capital gain distribution receivable      | 12,247,990    | -             |
| Contributions receivable                  | 5,554         | 88,182        |
| Proceeds from securities sold             | 157,749,273   | 371,263       |
|                                           | <hr/>         | <hr/>         |
| Total receivables                         | 171,589,688   | 6,806,531     |
|                                           | <hr/>         | <hr/>         |
| Total assets                              | 765,408,023   | 622,213,942   |
|                                           | <hr/>         | <hr/>         |
| Liabilities                               |               |               |
| Accounts payable for securities purchased | 170,257,735   | 6,337,958     |
| Administrative expenses                   | 15,438        | 26,171        |
| Other payables                            | 300,242       | -             |
| Benefit payments                          | 50,749        | -             |
|                                           | <hr/>         | <hr/>         |
| Total liabilities                         | 170,624,164   | 6,364,129     |
|                                           | <hr/>         | <hr/>         |
| Net assets                                | \$594,783,859 | \$615,849,813 |
|                                           | <hr/>         | <hr/>         |

As of December 31, 2001 and 2000, the equitable share of the Plan in the Master Trust is 29.27% and 30.13% respectively.

As of December 31, 2001 and 2000, the net assets of the Master Trust available to the Plan for benefits in the individual investment funds were as follows:

10

THE SEAGRAM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

NOTE 10. ASSETS HELD IN TRUST (CONTINUED)

|                                     | 2001          | 2000          |
|-------------------------------------|---------------|---------------|
| Money Market Fund                   | \$ -          | \$ 18,171,098 |
| Stable Income Fund                  | 35,273,964    | 10,675,164    |
| Bond Fund                           | 19,239,009    | 13,355,029    |
| S&P 500 Index Fund                  | 50,724,501    | 63,734,515    |
| Managed Equity Fund                 | 13,280,094    | 15,125,385    |
| Growth Equity Fund                  | 7,623,267     | 10,215,818    |
| Vivendi Universal ADSs Stock Fund   | 13,519,572    | 18,563,165    |
| The Coca-Cola Company Stock Fund    | 1,688,368     | 2,522,007     |
| Dreyfus Small Company Value Fund    | 18,512,124    | 10,277,825    |
| MSDW International Equity Fund      | 7,028,461     | 9,287,988     |
| Dresdner RCM Global Technology Fund | 4,663,533     | 10,205,844    |
| Loans to participants               | 2,564,802     | 3,426,425     |
| Total                               | \$174,117,695 | \$185,560,263 |

NOTE 11. INVESTMENT INCOME FROM MASTER TRUST

The appreciation in fair value and other income is as follows:

Investments held in trust at fair value determined by quoted market prices:

|                                             | 2001           |
|---------------------------------------------|----------------|
| Bond Fund                                   | \$ 176,905     |
| S&P 500 Index Fund                          | (7,626,064)    |
| Managed Equity Fund                         | (2,349,689)    |
| Growth Equity Fund                          | (1,391,043)    |
| Seagram Stock Fund                          | -              |
| Vivendi Universal ADSs Stock Fund           | (3,047,961)    |
| Dreyfus Small Company Value Fund            | 4,406,515      |
| MSDW International Equity Fund              | (1,079,099)    |
| Dresdner RCM Global Technology Fund         | (3,987,487)    |
| The Coca-Cola Company Stock Fund            | (554,603)      |
| Investment losses (net of investment gains) | (15,452,526)   |
| Interest and dividends                      | 6,936,886      |
| Investment income (loss)                    | \$ (8,515,640) |