

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

RETIREMENT SAVINGS AND INVESTMENT PLAN  
FOR UNION EMPLOYEES OF  
JOSEPH E. SEAGRAM & SONS, INC. AND AFFILIATES  
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 Retirement Savings and Investment Plan for Union Employees of Joseph E. Seagram & Sons, Inc. and Affiliates (the "Union 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 Union Plan for the fiscal year ended December 31, 2001 prepared in accordance with the financial reporting requirements of ERISA.

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

EXHIBITS

1. Financial statements of the Union 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.

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 RETIREMENT SAVINGS AND INVESTMENT PLAN  
FOR UNION EMPLOYEES OF JOSEPH E. SEAGRAM & SONS, INC.  
AND AFFILIATES

By /s/ Ann M. Giambusso

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

Date: July 12, 2002

Exhibit 1

RETIREMENT SAVINGS AND INVESTMENT PLAN  
FOR UNION EMPLOYEES OF  
JOSEPH E. SEAGRAM & SONS, INC.  
AND AFFILIATES

FINANCIAL STATEMENTS

DECEMBER 31, 2001 and 2000

CONTENTS

-----  
INDEPENDENT AUDITOR'S REPORT

# Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

ON THE FINANCIAL STATEMENT	1
-----	
FINANCIAL STATEMENTS	
Statement of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4-10
-----	
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	
-----	
SUPPLEMENTARY INFORMATION	
Line 4j Schedule H of Form 5500 - Schedule of Reportable Transactions Year Ended December 31, 2001	11
Line 4i Schedule H of Form 5500 - Schedule of Assets Held for Investment Purposes December 31, 2001	12
-----	

## INDEPENDENT AUDITOR'S REPORT

To the Benefits Committee of the Retirement  
Savings and Investment Plan for Union  
Employees of Joseph E. Seagram & Sons, Inc.  
and Affiliates:

We have audited the accompanying statement of net assets available for benefits of the Retirement Savings and Investment Plan for Union Employees of Joseph E. Seagram & Sons, Inc. and Affiliates 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 Retirement Savings and Investment Plan for Union Employees of Joseph E. Seagram & Sons, Inc. and Affiliates 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 Retirement

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

Savings and Investment Plan for Union Employees of Joseph E. Seagram & Sons, Inc. and Affiliates 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

1

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR  
UNION EMPLOYEES OF JOSEPH E. SEAGRAM & SONS, INC.  
AND AFFILIATES

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

	2001
-----	
ASSETS	
Investments (Note 3):	
Money market fund:	
Dreyfus Cash Management Plus Fund (cost of \$408,697 and \$206,669 )	\$ 408,697
Cash	-
Stable income fund:	
Dreyfus-Certus Stable Value Fund Series I (cost of \$172,818 and \$225,835)	172,818
Cash	-
Bond fund:	
Dreyfus A Bond Plus Fund (cost of \$148,259 and \$190,028)	144,396
Cash	-
S&P 500 index fund:	
Dreyfus Institutional S&P 500 Stock Index Fund	
(cost of \$1,117,741 and \$1,626,506)	1,037,791
Cash	-
Disciplined stock fund:	
Warburg Pincus Emerging Growth Fund (cost of \$387,762 and \$644,466)	344,742
Cash	-
Growth equity fund:	
Dreyfus Disciplined Stock Fund (cost of \$393,259 and \$735,564)	280,948
Cash	-
Vivendi stock fund:	
Viviendi Universal ADSs (\$430,941 in 2000)	-
TBC Inc. Pooled Employee Funds (\$461 in 2000)	-
Cash	-
Loans to participants	53,198
	-----
TOTAL INVESTMENTS	2,442,590

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

Receivables	
Dividends and Interest	-
TOTAL ASSETS	2,442,590
LIABILITIES	
Cost of unsettled purchases	-
Total Liabilities	-
NET ASSETS AVAILABLE FOR BENEFITS	\$2,442,590

See Notes to Financial Statements.

2

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR  
UNION EMPLOYEES OF JOSEPH E. SEAGRAM & SONS, INC.  
AND AFFILIATES

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS  
Year ended December 31, 2001

-----	
Additions:	
Additions to net assets attributed to:	
Contributions:	
Employees	\$ 1,209,165
Employer	110,216
	-----
	1,319,381
	-----
Investment income:	
Interest and dividends	52,931
Net appreciation (depreciation) in fair value of investments	(564,666)
	-----
	(511,735)
	-----
Total additions	807,646
	-----
Deductions:	
Deductions in net assets attributed to:	
Participant Withdrawals	(205,461)
Transfer to other plan	(2,285,344)
	-----
	(2,490,805)
	-----

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

Net (decrease)	(1,683,159)
Net assets available for benefits:	
Beginning of Year	4,125,749
	-----
End of Year	\$ 2,442,590
	=====

See Notes to Financial Statements.

3

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR UNION  
EMPLOYEES OF JOSEPH E. SONS, INC. AND AFFILLIATES

NOTES TO FINANCIAL STATEMENTS

---

Note 1. Summary of Significant Accounting Policies

The accounting policies followed in the preparation of the financial statements of the Retirement Savings and Investment Plan for Union Employees of Joseph E. Seagram & Sons, Inc. and Affiliates (the "Plan") conform with generally accepted accounting principles. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Accordingly, actual results may differ from those estimates.

**Investment Valuation:** 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 asset value; common shares are recorded at the closing price reported on the composite tape of the New York Stock Exchange on the valuation date.

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 dissenter's 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

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

in Vivendi Universal.

On December 21, 2001, Vivendi Universal, S.A., Diageo, PLC and Pernod Ricard S.A., completed a series of transactions which resulted in the stock sale of Joseph E. Seagram & Son, 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.

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

### Note 2. Description of the Plan

The Plan is a defined contribution plan established as of January 1, 1997 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").

The Plan covers eligible employees of the Company who are covered by various collective bargaining arrangements between the Company and the employee representatives, as specified by the Plan.

4

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR UNION  
EMPLOYEES OF JOSEPH E. SONS, INC. AND AFFILIATES

### NOTES TO FINANCIAL STATEMENTS

---

### Note 2. Description of the Plan (continued)

The Plan provides benefits to participants based upon amounts voluntarily contributed to a participants' accounts by the participants (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).

With respect to each participant, contributions are allocated among four accounts: pre-tax account, after-tax account, rollover account and company match 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 a Trust Fund held by the Dreyfus Trust Company, as Trustee. The Plan is administered by the Company through an administrative committee appointed by the Board of Directors of the Company.

### Note 3. Contributions

Eligible employees, as defined, may elect to contribute to their 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

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

the aggregate) of their annual pay, as defined in the Plan, in multiples of 1%, in any contribution, provided, the aggregate percentage of the contributions does not exceed 17% of their annual pay. Pre-tax contributions and after-tax contributions are subject to limitations imposed by federal laws for qualified retirement plans.

The Company will match twenty five cents for each dollar of the first 3% of the participant's elective deferral. 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").

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:

Under the terms of the sale and purchase agreement relating to the stock sale of Joseph E. Seagram & Sons, Inc., ad mentioned in Note 1, active spirits and wine employees were fully vested in their account balances on December 31, 2001.

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR UNION  
EMPLOYEES OF JOSEPH E. SONS, INC. AND AFFILLIATES

NOTES TO FINANCIAL STATEMENTS

Note 4. Vesting (continued)

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%

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 amount forfeited shall be applied to reduce the Participating Companies' contributions. 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



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

Plan on account of termination of employment, excluding amounts from the after-tax and rollover accounts at the participant's election.

The nonvested interest of terminated participants serves to reduce Participating Company contributions in accordance with the terms of the Plan.

### Note 5. Distributions

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

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 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.

6

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR UNION  
EMPLOYEES OF JOSEPH E. SONS, INC. AND AFFILIATES

### NOTES TO FINANCIAL STATEMENTS

---

### 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 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. The amounts borrowed are transferred from the investment funds in which the participant's Accounts are currently invested. On a weekly basis, repayments and interest thereon are credited to the participant's current investment funds through payroll deduction.

### Note 7. Tax Status

The Internal Revenue Service has ruled by a letter dated May 20, 1998 that the Plan is qualified under Section 401 (a) of the Internal Revenue Code. 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.

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

### Note 8. Related Party Transactions

Certain of the expenses of the Plan 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

Although it has not expressed intent to do so, the Plan may be terminated at the discretion of the Board of Directors of the Company. The employer contribution on behalf of the participants shall then become fully vested. The total value of the employer and employee vested accounts shall be distributed to the participants in a lump sum.

7

### RETIREMENT SAVINGS AND INVESTMENT PLAN FOR UNION EMPLOYEES OF JOSEPH E. SONS, INC. AND AFFILIATES

#### NOTES TO FINANCIAL STATEMENTS

-----

### Note 10. Investments

The following investments each represent five percent or more of the total Plan assets as of the beginning of the respective Plan year:

Description of Investment	Cost	Fair V
-----		
Year ended December 31, 2001:		
Dreyfus Cash Management Plus Fund	\$ 408,697	\$ 408
Dreyfus-Certus Stable Value Fund Series 1	172,818	172
Dreyfus A Bond Plus Fund	148,259	144
Dreyfus Institutional S&P 500 Stock Index Fund	1,117,741	1,037
Dreyfus Disciplined Stock Fund	387,762	344
Warburg Pincus Emerging Growth Fund	393,259	280
Year ended December 31, 2000:		
Dreyfus Cash Management Plus Fund	\$ 206,669	\$ 206
Dreyfus-Certus Stable Value Fund Series I	225,835	225
Dreyfus A Bond Plus Fund	190,028	189
Dreyfus Institutional S&P 500 Stock Index Fund	1,626,506	1,701
Dreyfus Disciplined Stock Fund	644,466	639
Warburg Pincus Emerging Growth Fund	735,564	614
The Seagram Company, Ltd. Common Shares	430,941	453

8

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR  
UNION EMPLOYEES OF JOSEPH E. SEAGRAM & SONS, INC.  
AND AFFILIATES

Line 4j Schedule H of Form 5500 - Schedule of Reportable Transactions  
Series of Transactions In Excess of Five Percent of the Current  
Value of the Assets

Year ended December 31, 2001

Shares/ Par Value	Security Description	Number of Transactions	Cost of Purchases	Proceeds From Sales
608,493.83	Dreyfus Cash Mgmt Plus Institutional Shares*	59	608,494	-
127,027.02	Dreyfus Cash Mgmt. Plus Institutional Shares*	17	-	127,027
26,615.85	Dreyfus/Laurel Fds Inc. S&P 500 Stk Index FD Tr Shs*	70	656,077	-
6,114.77	Dreyfus/Laurel Fds Inc. S&P 500 Stk Index FD Tr Shs*	21	-	156,811
7,520.60	Dreyfus/Laurel disc STK FD R*	59	250,373	-
2,034.68	Dreyfus/Laurel disc STK FD R*	19	-	68,918
1,741.00	Vivendi Universal Sponsored ADR*	43	111,769	-
8,637.60	Vivendi Universal Sponsored ADR*	19	-	476,213
5,791.24	Warburg Pincus Emerging Growth Fd	45	151,817	-
2,840.36	Warburg Pincus Emerging Growth Fd	17	-	74,625
11,871.53	Dreyfus A Bond Plus Inc	65	166,229	-
2,840.36	Dreyfus A Bond Plus Inc	17	-	17,567
102,996.68	TBC Inc Pooled Employee	47	102,997	-
103,458.13	TBC Inc Pooled Employee	43	-	103,458

\*Party-in interest

9

RETIREMENT SAVINGS AND INVESTMENT PLAN FOR  
UNION EMPLOYEES OF JOSEPH E. SEAGRAM & SONS  
AND AFFILIATES

Line 4i Schedule H of Form 5500-Schedule of Assets Held for Investment Purposes  
December 31, 2001

Shares/ Par Value	Security Description	Cost	Price
----------------------	-------------------------	------	-------

Edgar Filing: VIVENDI UNIVERSAL - Form 11-K

-----  
Interest-Bearing Cash  
-----

408,696.9050	Dreyfus Cash Mgmt Plus Institutional Shares*	\$ 408,697	\$ 1.00	\$
--------------	---	------------	---------	----

-----  
Participant Loans  
-----

53,197.9500	Loans to Participants	53,198	1.00	
-------------	-----------------------	--------	------	--

-----  
Common Collective Trust  
-----

172,817.8940	Certus Stable Value Series "I" Fund	172,818	1.00	
--------------	-------------------------------------	---------	------	--

-----  
Registered Investment Companies  
-----

10,609.5770	Dreyfus A Bonds Plus, Inc.*	148,259	13.61	
-------------	-----------------------------	---------	-------	--

43,422.2150	Dreyfus/Laurel Funds Inc.* S&P 500 Stk Index Fund Tr Shares	1,117,741	23.90	1
-------------	--	-----------	-------	---

10,783.2940	Dreyfus/Laurel Funds Inc.* Disciplined Stock Fund R*	387,762	31.97	
-------------	---	---------	-------	--

10,409.3270	Warburg Pincus Emerging Growth Fund	393,259	26.99	
-------------	--	---------	-------	--

	Total Registered Investment Companies	2,047,021		1
--	---------------------------------------	-----------	--	---

	Grand Total	\$ 2,681,734		\$ 2
		=====		=====

\*Party-in-interest