

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant [ ]

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Check the appropriate box:

[ ] Preliminary Proxy Statement

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[ ] Definitive Proxy Statement

[ ] Definitive Additional Materials

[X] Soliciting Material Under Rule 14a-12

USA Networks, Inc.

(Name of Registrant as Specified in its Charter)

Vivendi Universal, S.A.

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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(4) Date Filed:

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Additional Information

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Stockholders of USA Networks are urged to read the proxy statement when it becomes available because it will contain important information about USA Networks, the transactions and related matters. Investors and security holders can obtain free copies of the proxy statement when it becomes available by contacting Investor Relations, USA Networks, Inc., Carnegie Hall Tower, 152 W. 57th Street, 42nd Floor, New York, NY 10019 (Telephone: (212) 314-7400). Investors and security holders will be able to obtain free copies of the proxy statement and other documents filed by USA Networks and Vivendi Universal with the Securities and Exchange Commission in connection with the transactions at the SEC's web site at [www.sec.gov](http://www.sec.gov).

In addition to the proxy statement, Vivendi Universal files annual and special reports and other information, and USA Networks files annual, quarterly, and special reports, proxy statements and other information, with the SEC, which are available at the SEC's web site at [www.sec.gov](http://www.sec.gov). You may also read and copy any reports, statements and other information filed by USA Networks and Vivendi Universal at the SEC public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information.

USA Networks, 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 USA Networks' stockholders to approve the proposed transactions. Such individuals may have interests in the transactions, including as a result of holding options or shares of USA Networks' 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 USA Networks with the SEC.

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The following slide presentation was given by Vivendi Universal, S.A. at an investor relations conference on January 9, 2002.

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**Jean-Marie Messier**  
**Chairman and CEO**

**Salomon Smith Barney**  
**Media and Telecommunications Conference**  
**January 9, 2002**

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# Legal Disclaimer

*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 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](http://www.sec.gov). Those documents may also be obtained free of charge from Vivendi Universal.*

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# Investment Highlights

- **Global Media and Communications Company**
  - Leader in Key Content – Global and Local
  - Strong U.S./European Distribution Network
- **Direct-to-Consumer Business Model**
- **Strong Management Team Focused on Execution**
- **Industry-Leading Growth**
- **Exceptional Financial Visibility in Cyclical Downturn**

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## Digital Distribution = Personalized Content

- **New Distribution Platforms Emerging Due to Digital Build-Out**
- **Consumers Demanding Easy Access to Personalized Content**
- **Wireless Media Platforms Increasingly Support Content Portability**
- **Companies Need Scale and Leadership Positions in Both Content and Distribution**

***Major Media Companies Racing to Secure Access to Consumers***

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# Content + Distribution

## Content

- #1 in Music
- #2 in Movies
- #1 in Online Games
- #2 in PC Games (N.A.)
- #2 in Education
- Leader in Sports (Europe)

## Distribution

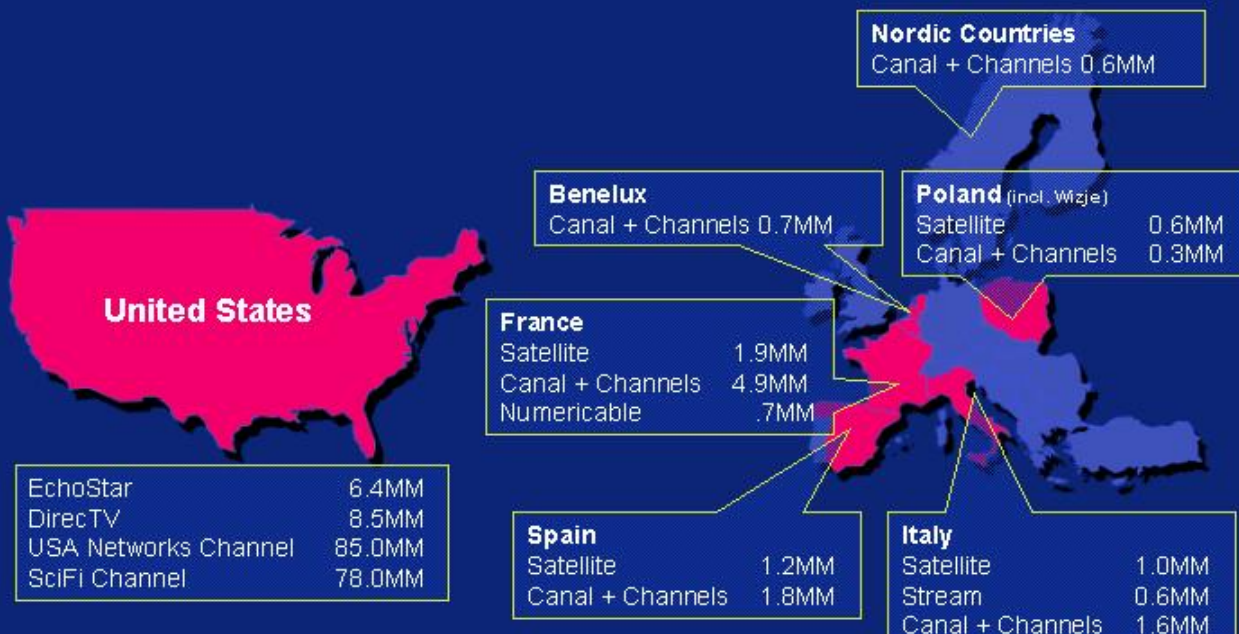
- #1 in European Pay-TV
- #2 in Mobile Telephony in France
- #1 Satellite TV Service in U.S. (EchoStar Alliance incl. DirecTV)
- Top 3 Basic Cable Network in U.S.
- Multi-Access Portal to 90MM Consumers in Europe (Vizzavi)
- #2 among the Content Internet Players in U.S. and Europe
- Online Music Platform (Pressplay)

*Building Relationships with Consumers on a Worldwide Basis*

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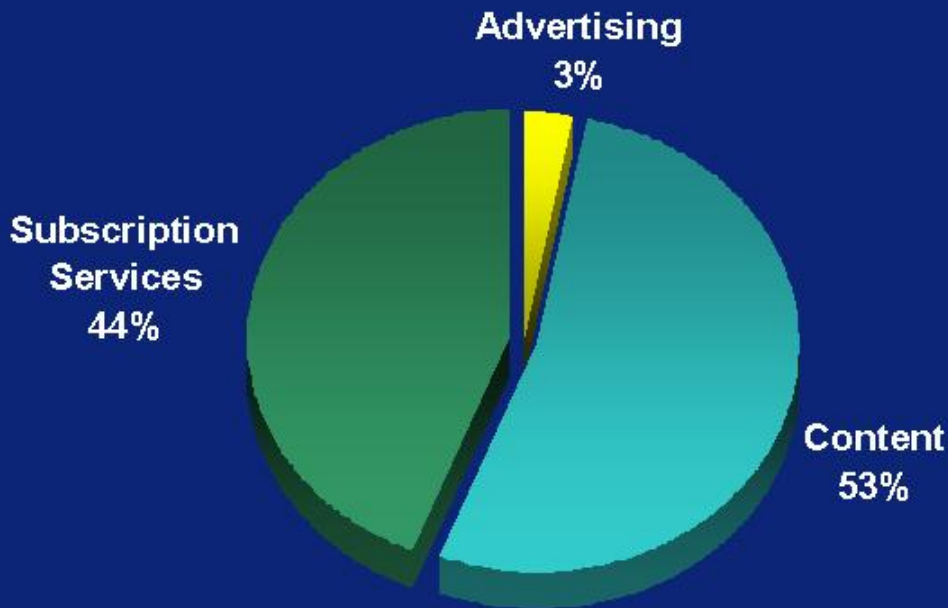
## Strong U.S. & European Distribution



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# Direct-to-Consumer Business Model



Note: Includes USA Networks, Inc. Entertainment Assets

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## A Strong Management Team



- **Management Strongly Incentivized to Deliver Growth Targets.**

- **Bonuses Based On:**
  - EBITDA
- **Adjusted +/- 20%:**
  - Operational Free Cash Flow
  - Synergies Targets

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# Strong Results

2001

	Q1 PF Growth	Q2 PF Growth	Q3 PF Growth
<b>Revenue</b>			
Music	3%	0%	-4%
Publishing	5%	-6%	8%
TV & Film (1)	13%	11%	10%
Telecoms	30%	51%	17%
Internet	na	na	na
Total – Reported Growth (1)	13%	16%	24%
Total – Organic Growth (1),(2)	13%	8%	8%
<b>EBITDA</b>			
Music	15%	17%	6%
Publishing	16%	1%	15%
TV & Film	135%	84%	73%
Telecoms	209%	70%	31%
Internet	na	na	na
Total – Reported Growth	112%	57%	90%
Total – Organic Growth (2)	112%	35%	36%

(1) Revenues exclude USG Filmed Entertainment; consistent with October 2000 guidance (Q1 & Q2 only)

(2) Excludes acquisition and divestitures

## Executing on the Strategy



# Music

## Capitalizing on Growth Opportunities via Digital Distribution

- **Acquired MP3.com**
  - Important Step in Our Strategy to Create Both a Distribution Platform and Acquire State-of-the-Art Technology
  
- **Launched Universal Music Mobile**
  - Targeting 15-25 Year-Olds by offering access to VU content on mobile phones
  - Monthly Reloading Prepaid Account From EUR15 to EUR38 Per Month
  - 250,000 Sold at Year End and 1 Million Targeted for 2003
  
- **Launched Pressplay - UMG and Sony Joint Venture**
  - Online Music Subscription Service Providing Consumers On-Demand Access to Music That Can Be Streamed, Downloaded and Burned Onto a CD
  - Includes music from: Universal, Sony, EMI and Ten Independent Labels
  - 4 Plans – Pricing Ranges From \$9.95 to \$24.95

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# Publishing

## Realigning to Focus on Consumer Content – Education and Games

- **Houghton Mifflin Acquisition**
  - Vivendi Universal Publishing Becomes #2 Worldwide in Education and #3 Worldwide in Publishing
  - Moving From a Cyclical Business, Advertising to Long-Term Steady Growth, Education
    - ◆ EUR25B Market Worldwide
    - ◆ Digitization – Creates Economies of Scale and Increases Ability to Customize
  
- **Sale of Publishing's Professional Services Division to Cinven**

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# Film

## Managing the Process, Creating More Profitable Movie Slates and Developing Strategies to Maximize the Value of the Catalog

- **2001**
  - #2 at the Box Office in the U.S.
  - 4 Movies Exceed \$100 Million in the U.S. Box Office
  - 6 Movies Exceed \$100 Million in Worldwide Box Office
- **VOD Agreement With In-Demand**
- **Online Movie Venture With Sony, AOL Time Warner, Viacom and MGM**
- **Acquired Publicly Traded 15% of Studio Canal**
  - Integrating Studio Canal and Universal Pictures

## USA Networks, Inc. Entertainment Assets

### Gaining Control of USA Networks' Entertainment Assets

- **Includes Cable TV, TV and Movie Production**
- **Combined With Universal Studios Group to Form Vivendi Universal Entertainment (VUE)**
- **Barry Diller to Become CEO of VUE**
- **Vivendi Universal Will Be a Major Player in the Six Most Rapidly Growing and Valuable Content Businesses in the World: Music, Film, TV Programming, Cable Channels, Games and Education**

- **Provides Vivendi Universal with Attractive U.S. Distribution Assets in Least Capital Intensive Way**
- **Significant Accretion for Vivendi Universal, Due to the Structure of the Transaction**
- **Operating Control & Financial Consolidation**
  - Breaks Strategic Deadlock; Frozen Landscape Disappears
  - Reunites U.S. and International TV Production, Distribution and Cable Channels
  - Consolidates Access to Significant Free Cash Flow
  - Simplifies Financial Structure

## Pay TV

### Focusing on Restructuring International Operations Accelerating Breakeven Time Table

- **Canal + Restructuring**
  - Scandinavia Agreed to Sell to Telenor
  - Canal + / UPC Merged in Poland
  - Telepui / Stream Merger Agreement in Italy
  - Cost-Cutting Initiatives in France:  
23% Cut in Unscrambled Programming Grid Cost

# EchoStar

## Securing Distribution in the U.S. via Scalable Multi-Channel Platform

- **Strategic Alliance Securing Distribution in the U.S.**
- **\$1.5 Billion Equity Investment for 10% of EchoStar With Downside Protection**
- **Commercial Terms**
  - EchoStar to Utilize Canal Technologies' Set Top Box
  - Distribution Contract for 5 Vivendi Universal Channels
  - 8-Year Non-Exclusive PPV / VOD Agreement
  - Vivendi Universal Becomes a Leading Interactive Content Partner of EchoStar

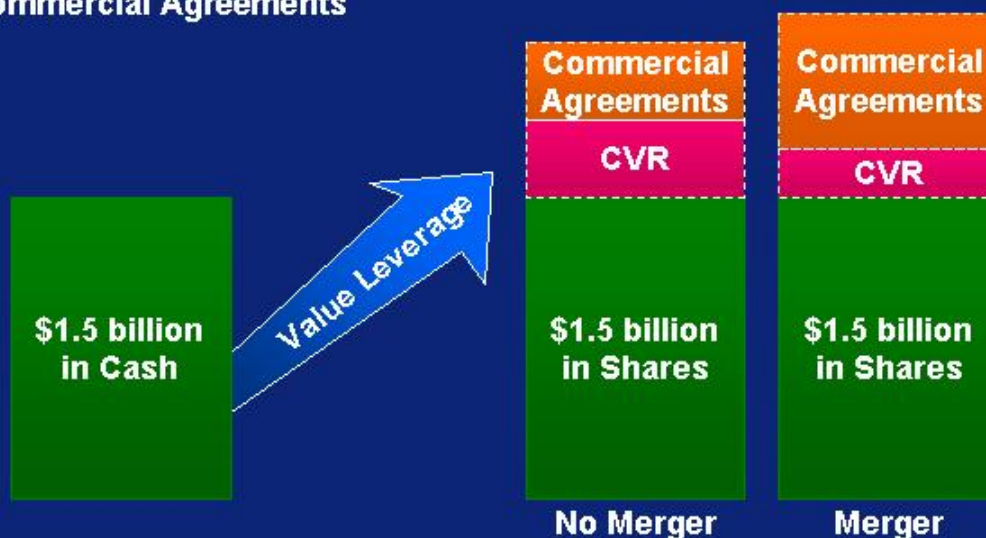
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## EchoStar (cont'd)

### Significant Value Leverage for Vivendi Universal

- **Preferred Deal to Create Value Upside for Vivendi Universal's Shareholders: Upside on Financial Investment and Upside on Commercial Agreements**



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# Telecoms

- **Successfully Renegotiated French UMTS License Fee Reduction From EUR4.95B to EUR619MM Upfront Payment and 1% of UMTS Revenues**
  - Net Present Value of the Total Fee is Below EUR2B
  
- **Focused on balancing subscriber growth and profit growth:**
  - **First Nine Months of 2001 (excluding Maroc Telecom):**
    - Revenues: +23%
    - EBITDA: +58%
  - **2001 Projections:**
    - Number of Subscribers: + ≈28%
    - Revenue growth: >20%
    - EBITDA growth: >35%

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# Other

- **Uproar Acquisition**
  - Flipside Acquires Uproar, Creating the Leader in Online Games
- **BSkyB Shares:**
  - **September 2001 Monetized BskyB Stake, 400MM Shares**
    - Initial Cash Proceeds EUR4.0B
    - VU Retains Upside/Downside Exposure Through a 4-year Total Return Swap
  - **December 2001 150MM of Shares Sold by Financial Institution**
    - Reduces Position By About 40% « Total Return Swap »
    - Generated Incremental Cash of EUR200MM
- **Seagram Spirits and Wine Divestiture**
  - \$8.1B in Cash. Proceeds to Be Used for Debt Repayment
- **Treasury shares:**
  - 55 million treasury shares sold
  - Proceeds of sale ≈EUR3.3B, Mostly Used to Reduce Debt

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# 2002

- **Continue to Focus on Integration**
- **Generate High Level of Organic Revenue Growth**
- **Continue to Benefit from EBITDA Leverage**
- **VUE Integration, Both TV and Movie**
  - **Opportunity to Increase Universal Franchise Content Value Through Improved TV Distribution**
  - **Improved Content Offerings on USA Cable Networks**

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# 2002 (cont'd)

- **3 X US GAAP Net Debt / EBITDA Ratio**
  - **Generating Additional Operational Free Cash Flow**
  - **Sale of Other Non-Core Assets**

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# Why Invest in Vivendi Universal?

- **Repositioning Vivendi Universal, Increasing U.S. Presence**
  - A True U.S. Media and Entertainment Company - ≈EUR10B Revenues in U.S.
  - U.S. Distribution in Place
  - U.S. GAAP Quarterly Reporting Beginning 1Q 2002
- **Positioned to Benefit From Wireless, Broadband and Multi-Access Evolutions**
- **Strong Management Team Focused on Execution and Profitability**
- **Industry Leading Growth**

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