

3<sup>rd</sup> QUARTER  
2008 RESULTS

VIACOM

November 3, 2008

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## Cautionary Statement Concerning Forward-Looking Statements

This presentation contains both historical and forward-looking statements. All statements, including Business Outlook, which are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect the Company's current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause actual results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: advertising market conditions; the public acceptance of and ratings for the Company's feature films, programs, digital services, games and other content, as well as related advertisements; competition for advertising dollars; technological developments and their effect in the Company's markets and on consumer behavior; fluctuations in the Company's results due to the timing, mix and availability of the Company's programming, films and other content; changes in the Federal communications laws and regulations; the impact of piracy; the impact of increased scale in parties involved in the distribution and aggregation of the Company's products and program services to consumers and advertisers; the impact of union activity; other domestic and global economic, business, competitive and/or regulatory factors affecting the Company's businesses generally, including the current downturn in global economic conditions and possible domestic recession; and other factors described in the Company's news releases and filings with the Securities and Exchange Commission, including but not limited to the Company's 2007 Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K. The forward-looking statements included in this presentation are made only as of the date of this presentation, and the Company does not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. Reconciliations for any non-GAAP financial information contained in this presentation are included in this presentation or found on the Company's website at [www.viacom.com](http://www.viacom.com).

**This presentation is a supplement to, and should be read in conjunction with, Viacom's earnings release for the third quarter ended September 30, 2008.**



# Reported Results

(\$ In Millions, except per share amounts)

	3rd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Revenues	\$ 3,408	4%	\$10,382	13%
Expenses	(2,599)	(11%)	(7,983)	(16%)
Equity Compensation	(28)	(27%)	(70)	(9%)
D&A	(92)	11%	(281)	5%
Operating Income	<u>689</u>	(15%)	<u>2,048</u>	5%
Net Earnings, Continuing Operations	385	(14%)	1,061	(2%)
Diluted EPS, Continuing Operations	0.62	(7%)	1.68	6%
Weighted Average Diluted Shares	619.3	7%	630.1	8%

# Adjusted Results

(\$ In Millions, except per share amounts)

	3rd Quarter		Year-to-Date	
	2008	BI/(W) 2007	2008	BI/(W) 2007
Revenues	\$ 3,408	4%	\$10,382	13%
Adjusted Expenses	(2,599)	(12%) <sup>(2)</sup>	(7,983)	(18%) <sup>(2)</sup>
Equity Compensation	(28)	(27%)	(70)	(9%)
D&A	(92)	11%	(281)	5%
Adjusted Operating Income	<u>689</u>	(16%) <sup>(2)</sup>	<u>2,048</u>	1% <sup>(2)</sup>
Adjusted Net Earnings, Continuing Operations	339 <sup>(1)</sup>	(22%) <sup>(2)</sup>	1,027 <sup>(1)</sup>	(1%) <sup>(2)</sup>
Adjusted Diluted EPS, Continuing Operations	0.55 <sup>(1)</sup>	(15%) <sup>(2)</sup>	1.63 <sup>(1)</sup>	7% <sup>(2)</sup>
Weighted Average Diluted Shares	619.3	7%	630.1	8%

See Page 4 for footnotes.

## Footnotes

1. 2008 adjusted results for the three months ended September 30, 2008 exclude discrete tax benefits of \$46 million (\$0.07 per share). The discrete tax benefits were principally the result of effectively settled audits.

2008 adjusted results for the nine months ended September 30, 2008 exclude a \$12 million pre-tax non-cash investment impairment (\$12 million after-tax, \$0.02 per share) and discrete tax benefits of \$46 million (\$0.07 per share).
2. 2007 adjusted results for the three months ended September 30, 2007 exclude \$3 million of pre-tax expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations (\$2 million after-tax, \$0.00 per share) and net discrete tax benefits of \$15 million (\$0.02 per share).

2007 adjusted results for the nine months ended September 30, 2007 exclude \$70 million of pre-tax expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations (\$44 million after-tax, \$0.06 per share); \$151 million pre-tax gain on the sale of equity investment (\$94 million after-tax, \$0.14 per share); \$36 million non-cash pre-tax investment impairment (\$22 million after-tax, \$0.03 per share); and net discrete tax benefits of \$15 million (\$0.02 per share).

See pages 16 - 21 for a reconciliation to GAAP results.



# Free Cash Flow

(\$ In Millions)

	3rd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Operating Income	\$ 689	(15%)	\$ 2,048	5%
Depreciation & Amortization	92	(11%)	281	(5%)
Capital Expenditures	(53)	21%	(235)	(59%)
Cash Interest	(36)	12%	(286)	(3%)
Cash Taxes <sup>(1)</sup>	(205)	20%	(644)	(52%)
Working Capital & Other	77	n/m	(779)	(93%)
Operating Free Cash Flow	\$ 564	n/m	\$ 385	(62%)
Cash Taxes on Disposition <sup>(2)</sup>	-	n/m	-	n/m
Free Cash Flow <sup>(3)</sup>	\$ 564	n/m	\$ 385	(60%)

1) Excludes taxes paid with respect to the dispositions of assets in 2007.

2) Cash taxes paid with respect to the gain recognized in 2Q'07 on the sale of the Company's non-controlling investment in MTV Russia. It is important to note that the net cash proceeds from asset sales is not included in Free Cash Flow.

3) See Page 22 for the definition and reconciliation of free cash flow and operating free cash flow to net cash flow from operations.

Note: n/m – not meaningful

## Debt & Cash

(\$ In Millions)

September 30, 2008

Commercial Paper / Bank Debt	\$ 1,520
Floating Rate Senior Notes due 2009	750
Total Floating Rate Debt	<u>2,270</u>
5.75% Senior Notes due 2011	1,495
6.25% Senior Notes due 2016	1,495
6.125% Senior Notes due 2017	497
6.875% Senior Debentures due 2036	1,734
6.75% Senior Debentures due 2037	248
6.85% Senior Notes due 2055	750
Note Payable	147
Capital Leases and Other	316
Total Fixed Rate Debt	<u>6,682</u>
Total Debt	<u>\$ 8,952</u>
Cash & Cash Equivalents	<u>\$525</u>

# Share Repurchase Program

*(In Millions)*

	3Q 2008	Nine Months Ended 9/30/2008	YTD through 10/31/2008
Cost of Repurchase	\$215	\$1,075	\$1,124
Shares Repurchased	7.6	30.2	32.7
Quarter End Shares Outstanding		615.3	

Remaining program availability as of 10/31/08 is \$1.4 billion





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**SEGMENT HIGHLIGHTS**

## Media Networks – Revenues by Type

(\$ In Millions)

	3rd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Advertising	\$ 1,155	(2%)	\$ 3,376	2%
Affiliate	660	12%	1,953	12%
Ancillary	313	36%	952	56%
<b>Total</b>	<u>\$ 2,128</u>	6%	<u>\$ 6,281</u>	11%

## Media Networks – Financial Results

(\$ In Millions)

	3rd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Revenues	\$ 2,128	6%	\$ 6,281	11%
Expenses	(1,294)	(16%)	(3,845)	(20%)
Equity Compensation	(13)	(18%)	(28)	(4%)
D&A	(60)	17%	(188)	12%
Operating Income, Before Restructuring Charges	761	(5%)	2,220	1%
Restructuring Charges <sup>(1)</sup>	-	n/m	-	n/m
Operating Income	\$ 761	(4%)	\$ 2,220	4%

1) 2007 results include \$3 million and \$70 million, respectively, of expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations for the quarter and nine months ended September 30, 2007.

Note: n/m – not meaningful



## Filmed Entertainment – Revenues by Type

(\$ In Millions)

	3rd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Theatrical	\$ 312	(36%)	\$ 1,364	14%
Home Entertainment	593	30%	1,704	21%
TV License Fees	342	16%	982	10%
Ancillary	62	(3%)	176	22%
<b>Total</b>	<b>\$ 1,309</b>	<b>-</b>	<b>\$ 4,226</b>	<b>16%</b>

## Filmed Entertainment – Theatrical Releases

3Q 2008

American Teen

Tropic Thunder

Ghost Town

The Duchess

Eagle Eye

3Q 2007

Transformers

An Arctic Tale

Hot Rod

Stardust

Into The Wild

## Filmed Entertainment – Financial Results

(\$ In Millions)

	3rd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Revenues	\$ 1,309	0%	\$ 4,226	16%
Expenses	(1,297)	(8%)	(4,134)	(16%)
Equity Compensation	(4)	(33%)	(10)	(43%)
D&A	(27)	-	(78)	(8%)
Operating Income	<u>\$ (19)</u>	n/m	<u>\$ 4</u>	n/m

Note: n/m – not meaningful



## Business Outlook

For the full year 2008, Viacom expects to deliver mid-single to low double-digit growth in adjusted diluted earnings per share from continuing operations.

This outlook is based on adjusted earnings and reflects growth from 2007 adjusted diluted earnings per share from continuing operations of \$2.36. See the Supplemental Disclosures for a description of adjusted results and tables detailing those adjustments that impact the current and prior year.



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**APPENDIX  
RECONCILIATIONS**

## Supplemental Disclosures – Non-GAAP Financial Information

Non-GAAP measures, including free cash flow, operating free cash flow and adjusted results that exclude non-operating investment gains and losses, discrete taxes, impairment charges and restructuring charges, where applicable, are relevant and useful information for investors because they allow investors to view performance in a manner similar to the method used by the Company's management, help improve their ability to understand the Company's operating performance and make it easier to compare the Company's results with other companies.

These measures are not calculated in accordance with GAAP. They should not be considered in isolation of, or as a substitute for, net cash flow from operations, operating income, net earnings from continuing operations and diluted EPS from continuing operations as indicators of operating performance. Such non-GAAP measures, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.



## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions, Except Per Share Amounts)

	Quarter Ended September 30, 2008			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations <sup>(2)</sup>	Diluted EPS from Continuing Operations
Reported Results	\$ 689	\$ 511	\$ 385	\$ 0.62
Adjustments:				
Discrete Tax Benefits <sup>(6)</sup>	-	-	(46)	(0.07)
Adjusted Results	<u>\$ 689</u>	<u>\$ 511</u>	<u>\$ 339</u>	<u>\$ 0.55</u>

See Page 21 for footnotes.

## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions, Except Per Share Amounts)

	Nine Months Ended September 30, 2008			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations <sup>(2)</sup>	Diluted EPS from Continuing Operations
<b>Reported Results</b>	\$ 2,048	\$ 1,599	\$ 1,061	\$ 1.68
<b>Adjustments:</b>				
Impairment of Investment <sup>(5)</sup>	-	12	12	0.02
Discrete Tax Benefits <sup>(6)</sup>	-	-	(46)	(0.07)
<b>Adjusted Results</b>	<u>\$ 2,048</u>	<u>\$ 1,611</u>	<u>\$ 1,027</u>	<u>\$ 1.63</u>

See Page 21 for footnotes.

## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions, Except Per Share Amounts)

	Quarter ended September 30, 2007			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations <sup>(2)</sup>	Diluted EPS from Continuing Operations
<b>Reported Results</b>	\$ 815	\$ 692	\$ 450	\$ 0.67
<b>Adjustments:</b>				
Media Networks Restructuring Activities <sup>(3)</sup>	3	3	2	-
Discrete Tax Benefits <sup>(6)</sup>	-	-	(15)	(0.02)
<b>Adjusted Results</b>	<u>\$ 818</u>	<u>\$ 695</u>	<u>\$ 437</u>	<u>\$ 0.65</u>

See Page 21 for footnotes.



## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions, Except Per Share Amounts)

	Nine Months Ended September 30, 2007			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations <sup>(2)</sup>	Diluted EPS from Continuing Operations
<b>Reported Results</b>	<b>\$ 1,958</b>	<b>\$ 1,729</b>	<b>\$ 1,085</b>	<b>\$ 1.59</b>
<b>Adjustments:</b>				
Media Networks Restructuring Activities <sup>(3)</sup>	70	70	44	0.06
Gain on Sale of Equity Investment <sup>(4)</sup>	-	(151)	(94)	(0.14)
Impairment of Investment <sup>(5)</sup>	-	36	22	0.03
Discrete Tax Benefits <sup>(6)</sup>	-	-	(15)	(0.02)
<b>Adjusted Results</b>	<b>\$ 2,028</b>	<b>\$ 1,684</b>	<b>\$ 1,042</b>	<b>\$ 1.52</b>

See Page 21 for footnotes.

## Footnotes – Pages 17 - 20

1. Pre-tax earnings represent earnings from continuing operations before provision for income taxes and minority interest.
2. The tax impact of adjustments has been calculated where appropriate using the applicable rates in effect for the period presented.
3. 2007 adjusted results exclude \$3 million and \$70 million, respectively, of expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations for the quarter and nine months ended September 30, 2007.
4. In 2007, the Company sold its non-controlling investment in MTV Russia for \$191 million and recognized a pre-tax gain of \$151 million.
5. 2008 and 2007 adjusted results exclude \$12 million and \$36 million, respectively, of pre-tax non-cash investment impairment charges for the nine months ended September 30, 2008 and 2007.
6. 2008 and 2007 adjusted results exclude \$46 million and \$15 million, respectively, of net discrete tax benefits for the quarter and nine months ended September 30, 2008 and 2007. The discrete tax benefits were principally the result of effectively settled audits.

## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions)

	3rd Quarter		Year-to-Date	
	2008	2007	2008	2007
Cash Provided By (Used In) Operations	\$ 617	\$ 298	\$ 620	\$1,103
Capital Expenditures	(53)	(67)	(235)	(148)
Free Cash Flow <sup>(1)</sup>	<u>\$ 564</u>	<u>\$ 231</u>	<u>\$ 385</u>	<u>\$ 955</u>
Cash Taxes on Disposition <sup>(2)</sup>	-	48	-	48
Operating Free Cash Flow <sup>(3)</sup>	<u>\$ 564</u>	<u>\$ 279</u>	<u>\$ 385</u>	<u>\$1,003</u>

1. The Company defines free cash flow as cash provided by (used in) operations minus capital expenditures. Free cash flow is a non-GAAP measure. Management believes free cash flow provides investors with an important perspective on the Company's liquidity, including ability to service debt, make strategic acquisitions and investments, and repurchase stock.
2. Cash taxes paid with respect to the gain recognized in 2Q'07 on the sale of the Company's non-controlling investment in MTV Russia. It is important to note that the net cash proceeds from asset sales is not included in Free Cash Flow.
3. The Company defines operating free cash flow as cash provided by (used in) operations minus capital expenditures plus cash taxes on dispositions. Operating free cash flow is a non-GAAP measure. Management believes operating free cash flow provides investors with an important perspective on the Company's liquidity from ongoing activities.



The image features the word "VIACOM" in a bold, metallic, sans-serif font. The letters are rendered in a light blue color with a white outline, giving them a three-dimensional appearance. The text is centered horizontally and positioned in the middle of the frame. The background is a deep blue gradient, with a bright, multi-pointed light flare emanating from behind the letters, creating a sense of depth and energy. The overall aesthetic is clean, modern, and professional.

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