

VIA COM

RESULTS FOR THE QUARTER ENDED MARCH 31, 2016

April 28, 2016



Cautionary Statement Concerning Forward-Looking Statements

This presentation contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our 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 future results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the public acceptance of our brands, programs, motion pictures and other entertainment content on the various platforms on which they are distributed; the impact of inadequate audience measurement on our program ratings, advertising revenues and affiliate fees; technological developments and their effect in our markets and on consumer behavior; competition for content, audiences, advertising and distribution; the impact of piracy; economic fluctuations in advertising and retail markets, and economic conditions generally; fluctuations in our results due to the timing, mix, number and availability of our motion pictures and other programming; the potential for loss of carriage or other reduction in the distribution of our content; changes in the Federal communications or other laws and regulations; evolving cybersecurity and similar risks; other domestic and global economic, business, competitive and/or regulatory factors affecting our businesses generally; and other factors described in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 2015 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 we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. If applicable, reconciliations for any non-GAAP financial information contained in this presentation are included in this presentation or available on our website at www.viacom.com.

This presentation is a supplement to, and should be read in conjunction with, Viacom's earnings release for the quarter and six months ended March 31, 2016.



Reported Results

(In Millions, except per share amounts)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 3,001	(3%)	\$ 6,155	(4%)
Expenses	(2,333)	(7%)	(4,567)	(1%)
Depreciation and Amortization	(56)	2%	(111)	1%
Equity-Based Compensation	(26)	(4%)	(52)	(2%)
Operating Income	<u>\$ 586</u>	n/m	<u>\$ 1,425</u>	46%
Net Earnings Attributable to Viacom	\$ 303	n/m	\$ 752	68%
Diluted EPS	\$ 0.76	n/m	\$ 1.89	73%
Weighted Average Diluted Shares	397.4	1%	397.9	3%

n/m – not meaningful



Adjusted Results

(In Millions, except per share amounts)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 3,001	(3%)	\$ 6,155	(4%)
Expenses	(2,333)	(7%)	(4,567)	(2%)
Depreciation and Amortization	(56)	2%	(111)	1%
Equity-Based Compensation	(26)	(4%)	(52)	(2%)
Adjusted Operating Income	<u>\$ 586</u>	(29%)	<u>\$ 1,425</u>	(20%)
Adjusted Net Earnings Attributable to Viacom	\$ 303	(35%)	\$ 773	(23%)
Adjusted Diluted EPS	\$ 0.76	(34%)	\$ 1.94	(20%)
Weighted Average Diluted Shares	397.4	1%	397.9	3%

See pages 16-19 for the reconciliation to GAAP results.



Free Cash Flow

(In Millions)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Operating Income	\$ 586	n/m	\$ 1,425	46%
Depreciation and Amortization	56	(2%)	111	(1%)
Capital Expenditures	(28)	7%	(54)	16%
Cash Interest	(145)	3%	(302)	1%
Working Capital and Other	52	(15%)	(746)	(18%)
Subtotal	\$ 521	(32%)	\$ 434	(50%)
Cash Taxes	(139)	15%	(204)	3%
Free Cash Flow	\$ 382	(36%)	\$ 230	(65%)

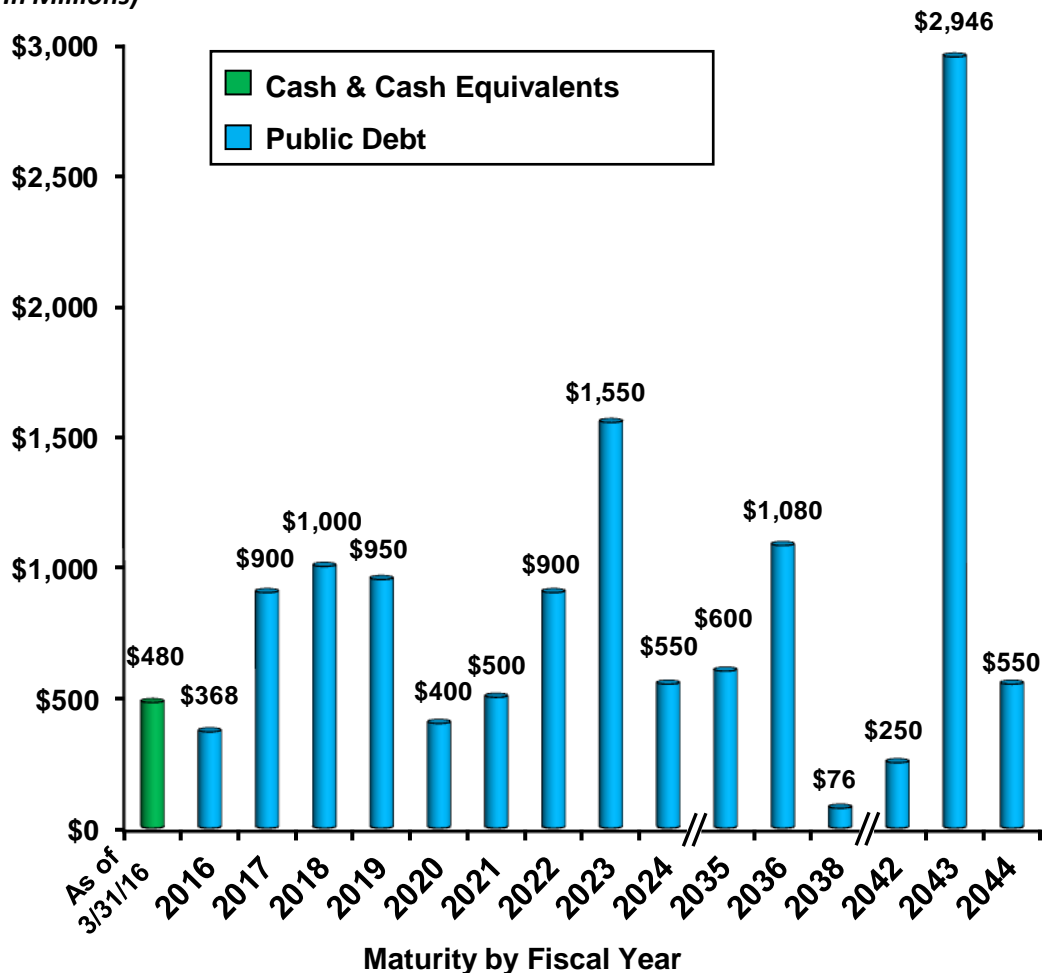
n/m – not meaningful

See pages 16 and 20 for the reconciliation of net cash provided by operating activities to free cash flow.



Debt & Cash

(In Millions)



	March 31, 2016
Floating Rate Debt	\$ -
Fixed Rate Debt	12,151
Commercial Paper	250
Capital Lease and Other Obligations	128
Total Debt	\$ 12,529
Cash & Cash Equivalents	480
Net Debt	\$ 12,049
Weighted Average Rate ⁽¹⁾	4.6%
Weighted Average Maturity ⁽¹⁾	12.8

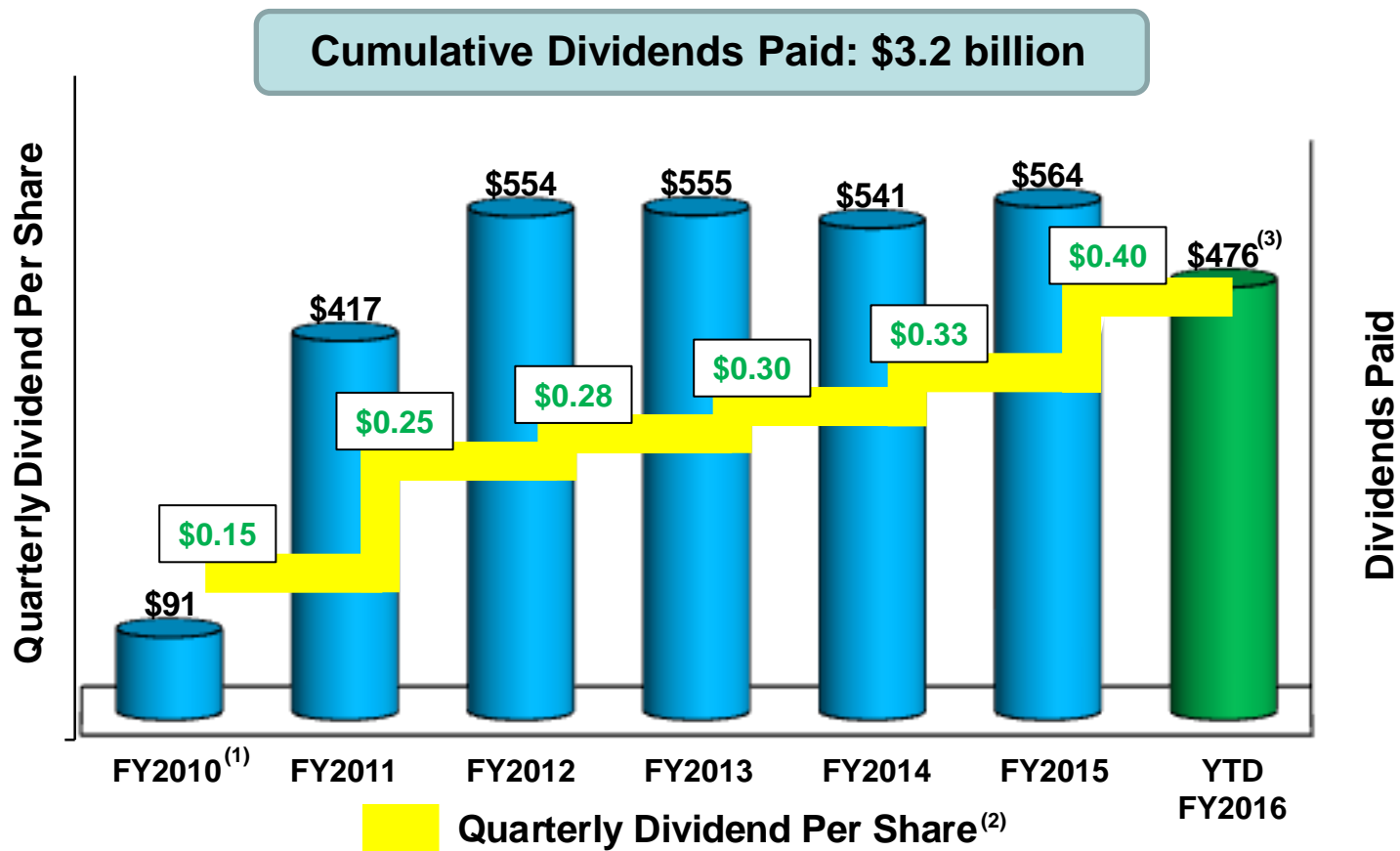
Chart excludes commercial paper, capital leases and other obligations.

(1) Calculations are based on the book value of fixed rate debt.



Dividends Paid

(In Millions, except per share amounts)



(1) We paid our initial quarterly cash dividend on July 1, 2010.

(2) We increased our quarterly dividend per share in the 4th fiscal quarter of each fiscal year.

(3) We paid a quarterly dividend of \$0.40 per share in each of the first three fiscal quarters of 2016.



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SEGMENT HIGHLIGHTS



Media Networks – Revenues by Type

(In Millions)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Advertising	\$ 1,123	(4%)	\$ 2,443	(4%)
Affiliate Fees	1,129	(1%)	2,248	(1%)
Ancillary	129	(4%)	255	(12%)
Total	\$ 2,381	(3%)	\$ 4,946	(3%)



Media Networks – Financial Results

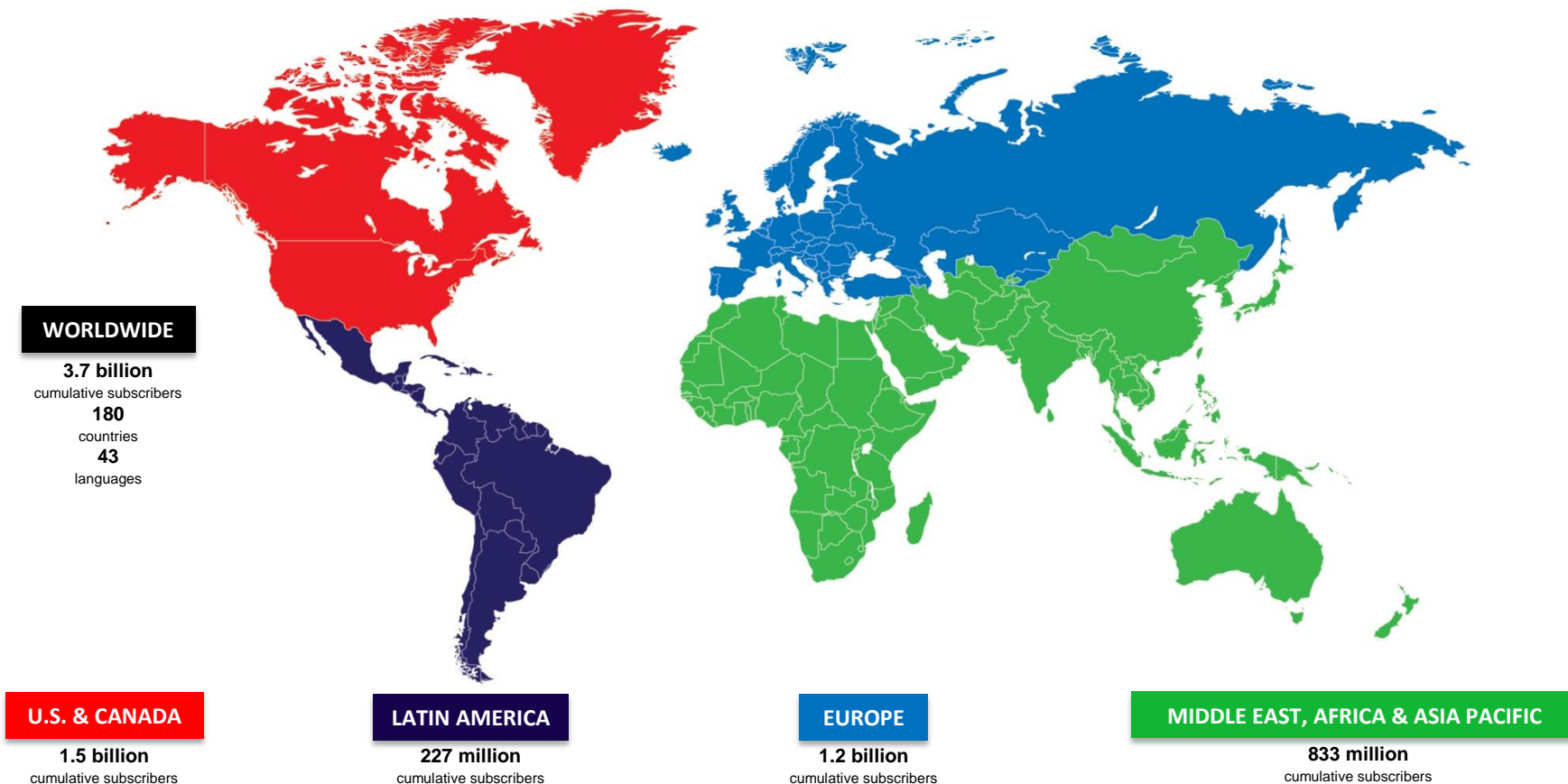
(In Millions)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 2,381	(3%)	\$ 4,946	(3%)
Expenses	(1,534)	(2%)	(3,001)	1%
Depreciation and Amortization	(42)	(2%)	(83)	(1%)
Adjusted Operating Income	\$ 805	(11%)	\$ 1,862	(7%)
Equity-Based Compensation	(9)	18%	(18)	14%
Operating Income	\$ 796	260%	\$ 1,844	40%



Media Networks – International

Strongholds in the most important developing and developed markets



Source: Cumulative subscriber numbers aggregate subscribers to each channel. Includes all owned and operated, joint venture and licensee channels. Domestic subscriber numbers are based on Nielsen Media Research as of March 2016 and Canadian subscriber numbers are based on MediaStats as of January 2016. All other international subscriber numbers are based on internal figures as of January 2016, plus February and March channel launches.



Filmed Entertainment – Revenues by Type

(In Millions)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Theatrical	\$ 217	6%	\$ 311	(17%)
Home Entertainment	153	(21%)	392	(23%)
License Fees	240	17%	477	21%
Ancillary	45	(17%)	87	(13%)
Total	\$ 655	(1%)	\$ 1,267	(8%)



Filmed Entertainment – Significant Releases

Theatrical

Qtr ended March 31, 2016

13 Hours: The Secret Soldiers of Benghazi
Zoolander 2
Whiskey Tango Foxtrot
10 Cloverfield Lane

Qtr ended March 31, 2015

Selma ⁽¹⁾
The SpongeBob Movie: Sponge Out of Water

Home Entertainment

Qtr ended March 31, 2016

The Big Short
Daddy's Home

Qtr ended March 31, 2015

Top Five
Interstellar

(1) Limited release in the December quarter 2014. Wide release in the March quarter 2015.



Filmed Entertainment – Financial Results

(In Millions)

	Quarter ended March 31,		Six months ended March 31,	
	2016	B/(W) 2015	2016	B/(W) 2015
Revenues	\$ 655	(1%)	\$ 1,267	(8%)
Expenses	(778)	(21%)	(1,523)	(8%)
Depreciation and Amortization	(13)	-	(26)	-
Adjusted Operating Loss	\$ (136)	n/m	\$ (282)	(378%)
Equity-Based Compensation	(4)	(33%)	(7)	-
Operating Loss	\$ (140)	(36%)	\$ (289)	(73%)

n/m – not meaningful



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APPENDIX RECONCILIATIONS



Supplemental Disclosures: Non-GAAP Financial Information

Non-GAAP measures, including consolidated free cash flow and adjusted results that exclude the impact of certain items identified as affecting comparability, are relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare our results with those of other companies and allow investors to review performance in the same way as Viacom management.

These are not measures of performance calculated in accordance with GAAP. They should not be considered in isolation of, or as a substitute for, cash flow provided by operations, operating income, net earnings attributable to Viacom and diluted EPS as indicators of operating performance, and they may not be comparable to similarly titled measures employed by other companies. The tax impacts included in these tables have been calculated using the rates applicable to the adjustments presented.



Supplemental Disclosures: Non-GAAP Financial Information

(In Millions, except per share amounts)

	Six months ended March 31, 2016		
	Operating Income	Net Earnings Attributable to Viacom	Diluted EPS
Reported Results (GAAP)	\$ 1,425	\$ 752	\$ 1.89
Factors Affecting Comparability: Discrete Tax Expense ⁽¹⁾	-	21	0.05
Adjusted Results (Non-GAAP)	\$ 1,425	\$ 773	\$ 1.94

(1) The net discrete tax expense is principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation.



Supplemental Disclosures: Non-GAAP Financial Information

(In Millions, except per share amounts)

	Quarter ended March 31, 2015		
	Operating Income	Net Earnings/(Loss) Attributable to Viacom	Diluted EPS
Reported Results (GAAP)	\$ 38	\$ (53)	\$ (0.13)
Factors Affecting Comparability:			
Restructuring and Programming Charges ⁽¹⁾	784	520	1.29
Adjusted Results (Non-GAAP)	\$ 822	\$ 467	\$ 1.16

(1) The pre-tax charge of \$784 million reflects \$578 million of programming charges and a \$206 million restructuring charge associated with workforce reductions.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Six months ended March 31, 2015		
	Operating Income	Net Earnings Attributable to Viacom	Diluted EPS
Reported Results (GAAP)	\$ 973	\$ 447	\$ 1.09
Factors Affecting Comparability:			
Restructuring and Programming Charges ⁽¹⁾	784	520	1.26
Loss on Pension Settlement ⁽²⁾	24	15	0.04
Discrete Tax Expense ⁽³⁾	-	23	0.05
Adjusted Results (Non-GAAP)	\$ 1,781	\$ 1,005	\$ 2.44

- (1) The pre-tax charge of \$784 million reflects \$578 million of programming charges and a \$206 million restructuring charge associated with workforce reductions.
- (2) The pre-tax non-cash charge of \$24 million was driven by the settlement of pension benefits of certain participants of our funded pension plan.
- (3) The net discrete tax expense is principally related to a reduction in qualified production activity tax benefits as a result of retroactively reenacted legislation.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions)

	Quarter ended March 31,		Six months ended March 31,	
	2016	2015	2016	2015
Net Cash Provided By Operating Activities	\$ 410	\$ 624	\$ 284	\$ 680
Capital Expenditures	(28)	(30)	(54)	(64)
Excess Tax Benefits	-	4	-	39
Free Cash Flow ⁽¹⁾	<u>\$ 382</u>	<u>\$ 598</u>	<u>\$ 230</u>	<u>\$ 655</u>

(1) We define free cash flow as net cash provided by operating activities minus capital expenditures, plus excess tax benefits from equity-based compensation awards (actual tax deductions in excess of amounts previously recognized, which is included within financing activities in the statement of cash flows), as applicable. Free cash flow is a non-GAAP measure. Management believes the use of this measure provides investors with an important perspective on our liquidity, including our ability to service debt and make investments in our businesses.



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