



Results for the Quarter Ended June 30, 2012

# VIACOM

August 3, 2012



## 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 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: the public acceptance of the Company's programs, motion pictures and other entertainment content on the various platforms on which they are distributed; technological developments and their effect in the Company's markets and on consumer behavior; competition for audiences and distribution; the impact of piracy; economic conditions generally, and in advertising and retail markets in particular; fluctuations in the Company's results due to the timing, mix and availability of the Company's motion pictures; changes in the Federal communications laws and regulations; other domestic and global economic, business, competitive and/or regulatory factors affecting the Company's businesses generally; and other factors described in the Company's news releases and filings with the Securities and Exchange Commission, including its 2011 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 available 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 quarter and nine months ended June 30, 2012.**

# Reported Results

*(In Millions, except per share amounts)*

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Revenues	\$ 3,241	(14%)	\$ 10,524	(3%)
Expenses	(2,246)	17%	(7,403)	5%
Depreciation & Amortization	(57)	12%	(178)	12%
Equity-Based Compensation	(35)	(17%)	(92)	1%
Operating Income	<u>\$ 903</u>	(8%)	<u>\$ 2,851</u>	3%
Net Earnings from Continuing Operations Attributable to Viacom	\$ 523	(9%)	\$ 1,702	8%
Diluted EPS from Continuing Operations	\$ 0.99	2%	\$ 3.13	19%
Weighted Average Diluted Shares	530.4	10%	544.1	9%

# Adjusted Results

(In Millions, except per share amounts)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Revenues	\$ 3,241	(14%)	\$10,524	(3%)
Expenses	(2,246)	16%	(7,403)	5%
Depreciation & Amortization	(57)	12%	(178)	12%
Equity-Based Compensation	(35)	(17%)	(92)	1%
Adjusted Operating Income	<u>\$ 903</u>	(9%)	<u>\$ 2,851</u>	2%
Adjusted Net Earnings from Continuing Operations Attributable to Viacom	\$ 512	(12%)	\$ 1,638	-
Adjusted Diluted EPS from Continuing Operations	\$ 0.97	(2%)	\$ 3.01	11%
Weighted Average Diluted Shares	530.4	10%	544.1	9%

See pages 16-20 for the reconciliation to GAAP results.

# Free Cash Flow

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Operating Income	\$ 903	(8%)	\$ 2,851	3%
Depreciation & Amortization	57	(12%)	178	(12%)
Capital Expenditures	(46)	(31%)	(109)	(42%)
Cash Interest	(144)	(6%)	(345)	3%
Cash Taxes	(520)	(37%)	(593)	3%
Working Capital & Other	(53)	58%	(314)	n/m
Operating Free Cash Flow	\$ 197	(47%)	\$ 1,668	(11%)
Discontinued Operations, net	(3)	n/m	(6)	70%
Free Cash Flow	\$ 194	(47%)	\$ 1,662	(6%)

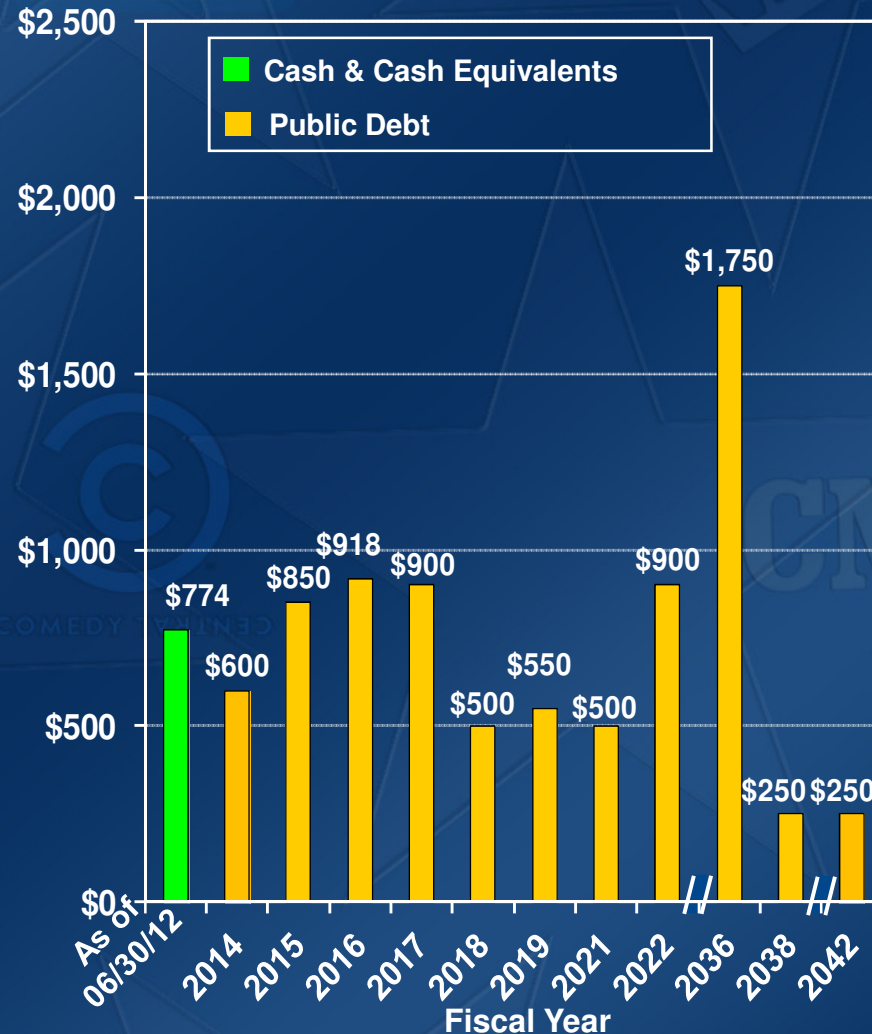
See page 21 for the reconciliation of cash provided by operations to Operating Free Cash Flow and Free Cash Flow.

n/m – not meaningful

# Debt & Cash

(\$ In Millions)

June 30, 2012



Bank Debt / Commercial Paper	\$	-
Total Floating Rate Debt	\$	-
4.375% Senior Notes due September 2014		598
1.250% Senior Notes due February 2015 <sup>(1)</sup>		599
4.250% Senior Notes due September 2015		250
6.250% Senior Notes due April 2016		916
2.500% Senior Notes due December 2016		398
3.500% Senior Notes due April 2017		496
6.125% Senior Notes due October 2017		498
5.625% Senior Notes due September 2019		553
4.500% Senior Notes due March 2021		492
3.875% Senior Notes due December 2021		591
3.125% Senior Notes due June 2022 <sup>(1)</sup>		296
6.875% Senior Debentures due April 2036		1,736
6.750% Senior Debentures due October 2037		248
4.500% Senior Debentures due February 2042		245
Total Fixed Rate Debt	\$	7,916
Capital Lease and Other Obligations		248
Total Debt	\$	8,164
Cash & Cash Equivalents	\$	774
Net Debt	\$	7,390

Maturity dates in the chart are on a fiscal year basis and exclude capital leases and other obligations.

At June 30, 2012, no amounts were outstanding under our \$2.1 billion credit facility.

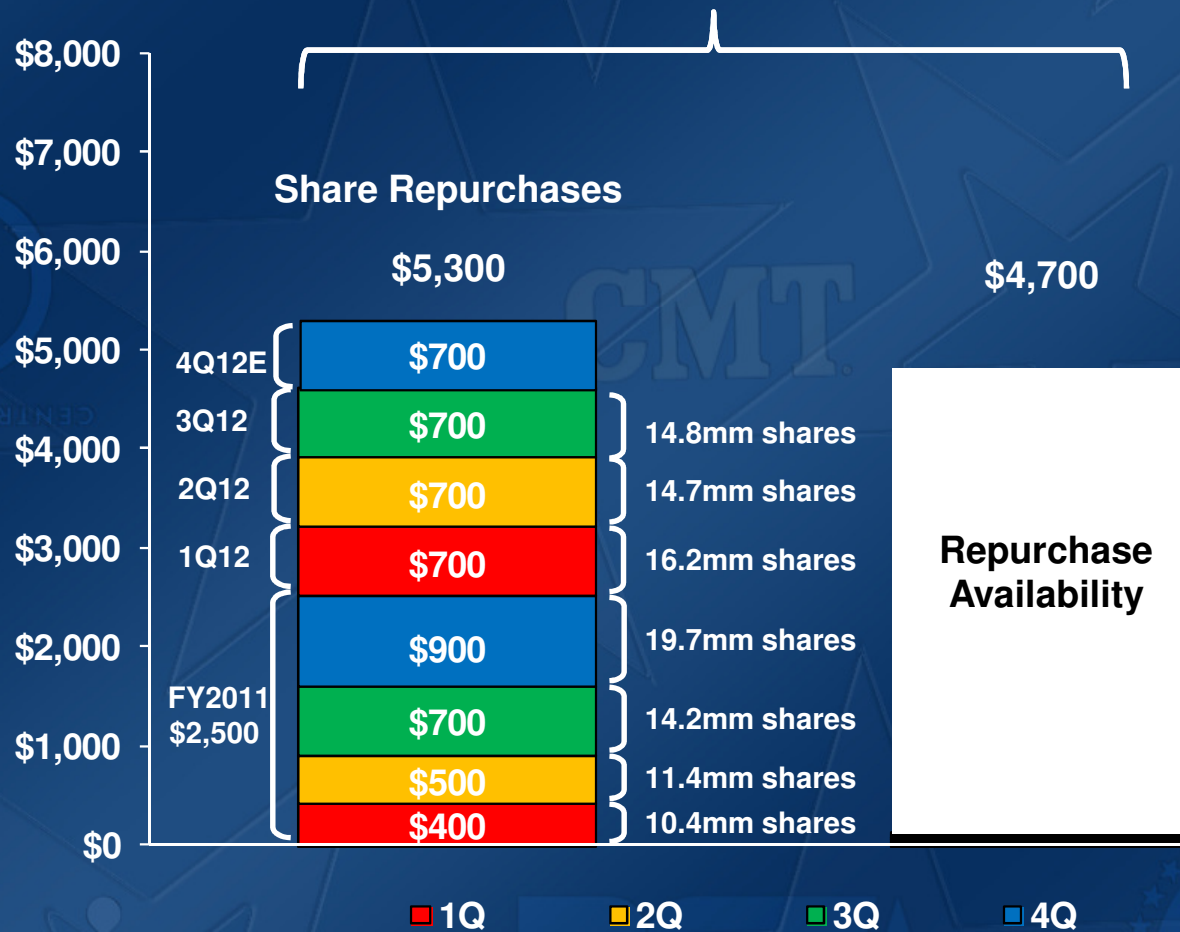
(1) During the quarter ended June 30, 2012, the Company issued \$300 million aggregate principal amount of 3.125% Senior Notes due 2022 and an additional \$100 million aggregate principal amount of its 1.250% Senior Notes due 2015.

# Capital Returned to Shareholders

(In Millions)

## Stock Repurchase Program

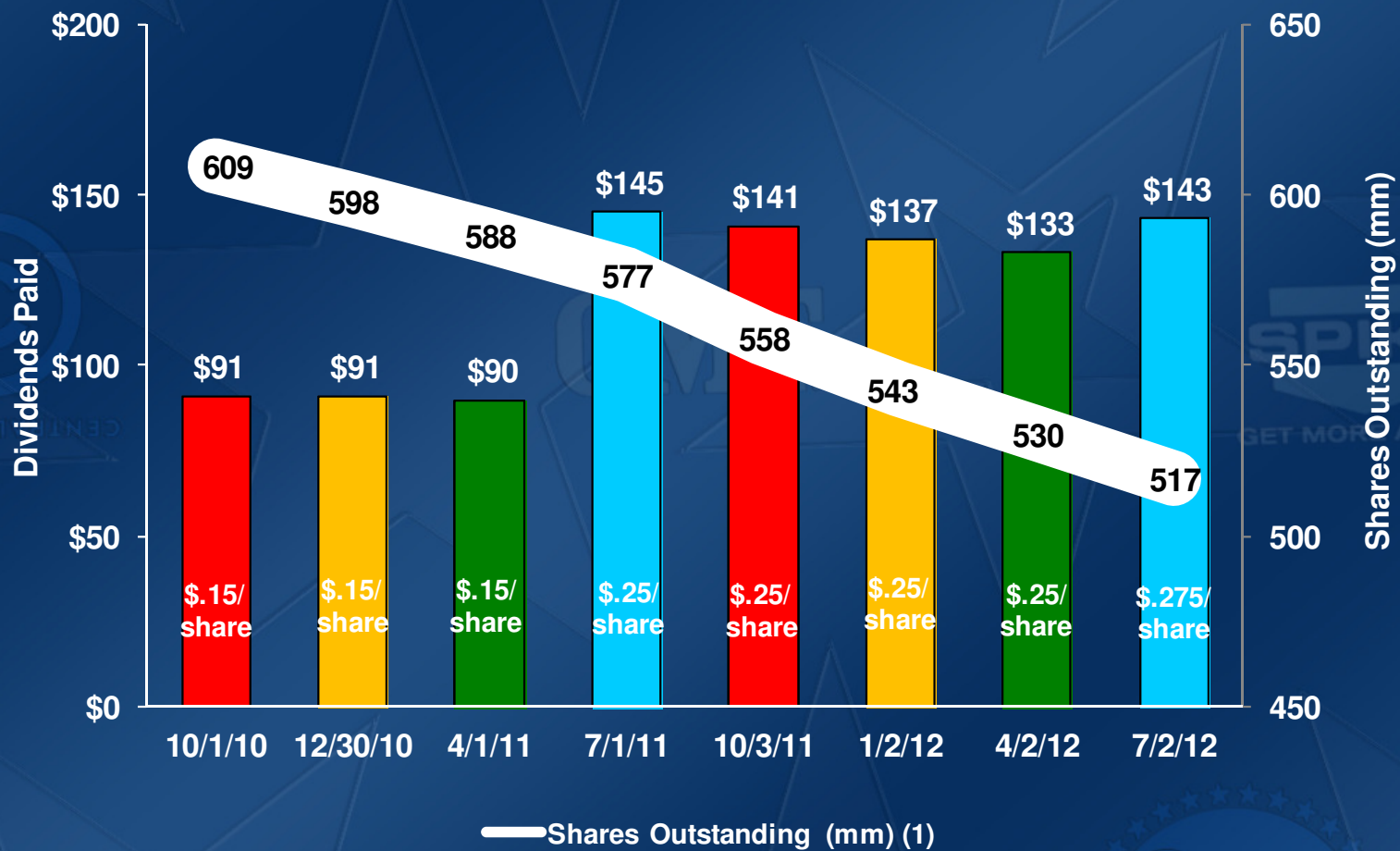
\$10,000 Current Authorization



# Capital Returned to Shareholders

(In Millions, except per share amounts)

## Dividends Paid



(1) Shares Outstanding are as of the end of the quarter in which the respective dividend was declared.





## SEGMENT HIGHLIGHTS

# VIACOM



# Media Networks – Revenues by Type

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Advertising	\$ 1,166	(9%)	\$ 3,593	(4%)
Affiliate Fees	976	1%	2,911	10%
Ancillary	124	(14%)	400	(15%)
<b>Total</b>	<u>\$ 2,266</u>	<u>(5%)</u>	<u>\$ 6,904</u>	<u>1%</u>

# Media Networks – Financial Results

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Revenues	\$ 2,266	(5%)	\$ 6,904	1%
Expenses	(1,297)	1%	(3,838)	-
Depreciation & Amortization	(35)	17%	(110)	18%
Adjusted Operating Income	\$ 934	(10%)	\$ 2,956	2%
Equity-Based Compensation	(11)	(57%)	(26)	4%
Operating Income	\$ 923	(9%)	\$ 2,930	3%

# Filmed Entertainment – Revenues by Type

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Theatrical	\$ 283	(52%)	\$ 1,179	(16%)
Home Entertainment	304	(8%)	1,317	(4%)
TV License Fees	315	(24%)	930	(9%)
Ancillary	104	44%	307	(4%)
<b>Total</b>	<u>\$ 1,006</u>	<u>(29%)</u>	<u>\$ 3,733</u>	<u>(10%)</u>

# Filmed Entertainment – Significant Releases

## Theatrical

**Qtr ended June 30, 2012**

Titanic (3D)

The Dictator

Madagascar 3: Europe's Most Wanted

**Qtr ended June 30, 2011**

Kung Fu Panda 2

Thor

Super 8

Transformers: Dark of the Moon

## Home Entertainment

**Qtr ended June 30, 2012**

Mission: Impossible - Ghost Protocol

The Devil Inside

**Qtr ended June 30, 2011**

True Grit

Justin Bieber: Never Say Never

No Strings Attached

Little Fockers

# Filmed Entertainment – Financial Results

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	B/(W) 2011	2012	B/(W) 2011
Revenues	\$ 1,006	(29%)	\$ 3,733	(10%)
Expenses	(939)	30%	(3,538)	9%
Depreciation & Amortization	(21)	5%	(65)	2%
Adjusted Operating Income	\$ 46	(6%)	\$ 130	(17%)
Equity-Based Compensation	(4)	n/m	(7)	(17%)
Operating Income	\$ 42	(14%)	\$ 123	(18%)

n/m – not meaningful



## APPENDIX RECONCILIATIONS

# VIACOM



## **Supplemental Disclosures: Non-GAAP Financial Information**

**Non-GAAP measures, including consolidated operating free cash flow, free cash flow and adjusted results that exclude restructuring charges, extinguishment of debt and discrete tax benefits, are relevant and useful information for investors because they clarify the Company's actual operating performance, make it easier to compare the Company's results with those of other companies and allow investors to review performance in the same way as the Company's 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 from continuing operations 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.**



# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Quarter ended June 30, 2012			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations Attributable to Viacom <sup>(2)</sup>	Diluted EPS from Continuing Operations
Reported Results	\$ 903	\$ 802	\$ 523	\$ 0.99
Factors Affecting Comparability:				
Discrete Tax Benefits <sup>(3)</sup>	-	-	(11)	(0.02)
Adjusted Results	\$ 903	\$ 802	\$ 512	\$ 0.97

(1) Pre-tax earnings from continuing operations represent earnings before provision for income taxes.

(2) The tax impact has been calculated using the rates applicable to the adjustments presented.

(3) Adjusted results exclude \$11 million of discrete tax benefits principally reflecting the release of tax reserves with respect to certain effectively settled tax positions.

# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Quarter ended June 30, 2011			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations Attributable to Viacom <sup>(2)</sup>	Diluted EPS from Continuing Operations
Reported Results	\$ 981	\$ 899	\$ 574	\$ 0.97
Factors Affecting Comparability:				
Restructuring <sup>(3)</sup>	14	14	9	0.02
Adjusted Results	\$ 995	\$ 913	\$ 583	\$ 0.99

(1) Pre-tax earnings from continuing operations represent earnings before provision for income taxes.

(2) The tax impact has been calculated using the rates applicable to the adjustments presented.

(3) Adjusted results exclude \$14 million of employee separation costs attributable to the Media Networks segment.

# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Nine Months ended June 30, 2012			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations Attributable to Viacom <sup>(2)</sup>	Diluted EPS from Continuing Operations
Reported Results	\$ 2,851	\$ 2,531	\$ 1,702	\$ 3.13
Factors Affecting Comparability:				
Extinguishment of Debt <sup>(3)</sup>	-	21	13	0.02
Discrete Tax Benefits <sup>(4)</sup>	-	-	(77)	(0.14)
Adjusted Results	\$ 2,851	\$ 2,552	\$ 1,638	\$ 3.01

(1) Pre-tax earnings from continuing operations represent earnings before provision for income taxes.

(2) The tax impact has been calculated using the rates applicable to the adjustments presented.

(3) Adjusted results exclude a pre-tax debt extinguishment loss of \$21 million on the redemption of all \$750 million of our outstanding 6.850% Senior Notes due 2055.

(4) Adjusted results exclude \$77 million of discrete tax benefits principally related to certain operating and capital loss carryforwards and the release of tax reserves with respect to certain effectively settled tax positions.

# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Nine Months ended June 30, 2011			
	Operating Income	Pre-tax Earnings from Continuing Operations <sup>(1)</sup>	Net Earnings from Continuing Operations Attributable to Viacom <sup>(2)</sup>	Diluted EPS from Continuing Operations
Reported Results	\$ 2,781	\$ 2,438	\$ 1,570	\$ 2.62
Factors Affecting Comparability:				
Restructuring <sup>(3)</sup>	14	14	9	0.01
Extinguishment of Debt <sup>(4)</sup>	-	87	54	0.09
Adjusted Results	\$ 2,795	\$ 2,539	\$ 1,633	\$ 2.72

(1) Pre-tax earnings from continuing operations represent earnings before provision for income taxes.

(2) The tax impact has been calculated using the rates applicable to the adjustments presented.

(3) Adjusted results exclude \$14 million of employee separation costs attributable to the Media Networks segment.

(4) Adjusted results exclude a pre-tax debt extinguishment loss of \$87 million on the repurchase of \$582 million of our 6.250% Senior Notes due 2016.

# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2012	2011	2012	2011
Cash Provided By Operations	\$ 232	\$ 392	\$ 1,736	\$ 1,836
Capital Expenditures	(46)	(35)	(109)	(77)
Excess Tax Benefits	8	12	35	12
Free Cash Flow <sup>(1)</sup>	\$ 194	\$ 369	\$ 1,662	\$ 1,771
Discontinued Operations, net	3	-	6	20
Debt Retirement Premium	-	-	-	91
Operating Free Cash Flow <sup>(1)</sup>	\$ 197	\$ 369	\$ 1,668	\$ 1,882

(1) The Company defines free cash flow as cash provided by operations minus capital expenditures, plus excess tax benefits from equity-based compensation awards (included within financing activities in the statement of cash flows), as applicable. The Company defines operating free cash flow as free cash flow, excluding the impact of discontinued operations and the cash premium on the extinguishment of debt, as applicable. Free cash flow and operating free cash flow are non-GAAP measures. Management believes the use of these measures provides investors with an important perspective on, in the case of free cash flow, the Company's liquidity, including ability to service debt and make investments in our businesses, and in the case of operating free cash flow, the Company's liquidity from ongoing activities.



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