

2<sup>nd</sup> QUARTER  
2008 RESULTS

VIACOM

July 29, 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 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; 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 second quarter ended June 30, 2008.**

# Reported Results

(\$ In Millions, except per share amounts)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Revenues	\$ 3,857	21%	\$ 6,974	18%
Expenses	(2,946)	(24%)	(5,384)	(19%)
Equity Compensation	(22)	(22%)	(42)	-
D&A	(97)	1%	(189)	3%
Operating Income	<u>792</u>	13%	<u>1,359</u>	19%
Net Earnings, Continuing Operations	406	(6%)	676	6%
Diluted EPS, Continuing Operations	0.64	2%	1.06	15%
Weighted Average Diluted Shares	630.1	8%	635.5	8%

# Adjusted Results

(\$ In Millions, except per share amounts)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007 <sup>(2)</sup>	2008 <sup>(1)</sup>	B/(W) 2007 <sup>(2)</sup>
Revenues	\$ 3,857	21%	\$ 6,974	18%
Adjusted Expenses	(2,946)	(25%) <sup>(2)</sup>	(5,384) <sup>(1)</sup>	(21%) <sup>(2)</sup>
Equity Compensation	(22)	(22%)	(42)	-
D&A	(97)	1%	(189)	3%
Adjusted Operating Income	<u>792</u>	11% <sup>(2)</sup>	<u>1,359</u> <sup>(1)</sup>	12% <sup>(2)</sup>
Adjusted Net Earnings, Continuing Operations	406	10% <sup>(2)</sup>	688 <sup>(1)</sup>	14% <sup>(2)</sup>
Adjusted Diluted EPS, Continuing Operations	0.64	19% <sup>(2)</sup>	1.08 <sup>(1)</sup>	23% <sup>(2)</sup>
Weighted Average Diluted Shares	630.1	8%	635.5	8%

See Page 4 for footnotes.

# Footnotes

1. 2008 adjusted results for the six months ended June 30, 2008 exclude a \$12 million pre-tax non-cash impairment of an investment in which the Company holds a minority interest (\$12 million after-tax, \$0.02 per share).
2. 2007 2Q adjusted results exclude \$11 million of pre-tax expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations (\$8 million after-tax, \$0.01 per share); \$151 million pre-tax gain on the sale of equity investment (\$94 million after-tax, \$0.13 per share); and \$36 million pre-tax non-cash impairment of investment (\$22 million after-tax, \$0.03 per share).

2007 adjusted results for the six months ended June 30, 2008 exclude \$67 million of pre-tax expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations (\$42 million after-tax, \$0.06 per share); \$151 million pre-tax gain on the sale of equity investment (\$94 million after-tax, \$0.13 per share); and \$36 million non-cash pre-tax impairment of investment (\$22 million after-tax, \$0.03 per share)

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

# Free Cash Flow

(\$ In Millions)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Operating Income	\$ 792	13%	\$ 1,359	19%
Depreciation & Amortization	97	(1%)	189	(3%)
Capital Expenditures	(94)	(135%)	(182)	(125%)
Cash Interest	(213)	(11%)	(250)	(5%)
Cash Taxes	(295)	n/m	(439)	(161%)
Working Capital & Other	(469)	n/m	(856)	n/m
Free Cash Flow <sup>(1)</sup>	\$ (182)	n/m	\$ (179)	n/m

1) See Page 21 for the definition and reconciliation of free cash flow to cash provided by (used in) operations.

Note: n/m – not meaningful

# Debt & Cash

(\$ In Millions)

	June 30, 2008
Commercial Paper / Bank Debt	\$ 1,766
Floating Rate Senior Notes due 2009	750
Total Floating Rate Debt	<u>2,516</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	161
Capital Leases and Other	347
Total Fixed Rate Debt	<u>6,727</u>
Total Debt	<u>\$ 9,243</u>
Cash & Cash Equivalents	<u>\$737</u>

# Share Repurchase Program

*(In Millions)*

	2Q 2008	Six Months Ended 6/30/2008	YTD through 7/28/2008
Cost of Repurchase	\$446	\$860	\$912
Shares Repurchased	12.2	22.6	24.4
Quarter End Shares Outstanding		622.8	

Remaining program availability as of 7/28/08 is \$1.6 billion





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**SEGMENT HIGHLIGHTS**

# Media Networks – Revenues by Type

(\$ In Millions)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Advertising	\$ 1,173	2%	\$ 2,221	5%
Affiliate	656	12%	1,293	12%
Ancillary	307	62%	639	67%
Total	<u>\$ 2,136</u>	11%	<u>\$ 4,153</u>	14%

# Media Networks – Financial Results

(\$ In Millions)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Revenues	\$ 2,136	11%	\$ 4,153	14%
Expenses	(1,298)	(18%)	(2,551)	(22%)
Equity Compensation	(8)	11%	(15)	6%
D&A	(65)	8%	(128)	9%
Operating Income, Before Restructuring Charges	765	3%	1,459	4%
Restructuring Charges <sup>(1)</sup>	-	n/m	-	n/m
Operating Income	\$ 765	4%	\$ 1,459	9%

1) 2007 results include \$11 million and \$67 million, respectively, of expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations for the quarter and six months ended June 30, 2007.

Note: n/m – not meaningful

# Filmed Entertainment – Revenues by Type

(\$ In Millions)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Theatrical	\$ 805	84%	\$ 1,052	50%
Home Entertainment	612	12%	1,111	16%
TV License Fees	300	4%	640	7%
Ancillary	54	35%	114	43%
<b>Total</b>	<b>\$ 1,771</b>	<b>35%</b>	<b>\$ 2,917</b>	<b>25%</b>

# Filmed Entertainment – Theatrical Releases

2Q 2008

**Shine A Light**

**The Ruins**

**Iron Man**

**Son of Rambow**

**Indiana Jones 4**

**Foot Fist Way**

**Kung Fu Panda**

**The Love Guru**

2Q 2007

**Disturbia**

**Year Of The Dog**

**Next**

**Shrek, the Third**

**A Mighty Heart**

# Filmed Entertainment – Financial Results

(\$ In Millions)

	2nd Quarter		Year-to-Date	
	2008	B/(W) 2007	2008	B/(W) 2007
Revenues	\$ 1,771	35%	\$ 2,917	25%
Expenses	(1,655)	(31%)	(2,837)	(20%)
Equity Compensation	(4)	n/m	(6)	(50%)
D&A	(26)	(13%)	(51)	(13%)
Operating Income	<u>\$ 86</u>	291%	<u>\$ 23</u>	n/m

Note: n/m – not meaningful

## Business Outlook

For the three year period from 2008 through 2010, Viacom expects to deliver low double-digit annual growth in 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 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)

	Six Months Ended June 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>	\$ 1,359	\$ 1,088	\$ 676	\$ 1.06
<b>Adjustments:</b>				
Impairment of Investment <sup>(3)</sup>	-	12	12	0.02
<b>Adjusted Results</b>	<u>\$ 1,359</u>	<u>\$ 1,100</u>	<u>\$ 688</u>	<u>\$ 1.08</u>

See Page 20 for footnotes.

## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions, Except Per Share Amounts)

	Quarter ended June 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>	\$ 702	\$ 706	\$ 433	\$ 0.63
<b>Adjustments:</b>				
Media Networks Restructuring Activities <sup>(4)</sup>	11	11	8	0.01
Gain on sale of equity investment <sup>(5)</sup>	-	(151)	(94)	(0.13)
Impairment of Investment <sup>(6)</sup>	-	36	22	0.03
<b>Adjusted Results</b>	<u>\$ 713</u>	<u>\$ 602</u>	<u>\$ 369</u>	<u>\$ 0.54</u>

See Page 20 for footnotes.

## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions, Except Per Share Amounts)

	Six Months Ended June 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>\$ 1,143</b>	<b>\$ 1,037</b>	<b>\$ 635</b>	<b>\$ 0.92</b>
<b>Adjustments:</b>				
Media Networks Restructuring Activities <sup>(4)</sup>	67	67	42	0.06
Gain on sale of equity investment <sup>(5)</sup>	-	(151)	(94)	(0.13)
Impairment of Investment <sup>(6)</sup>	-	36	22	0.03
<b>Adjusted Results</b>	<b>\$ 1,210</b>	<b>\$ 989</b>	<b>\$ 605</b>	<b>\$ 0.88</b>

See Page 20 for footnotes.

## Footnotes – Pages 17 - 19

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. 2008 adjusted results for the six months ended June 30, 2008 exclude a \$12 million non-cash impairment of an investment in which the Company holds a minority interest.
4. 2007 adjusted results exclude \$11 million and \$67 million, respectively, of expenses related to Media Networks restructuring charges, principally severance, affecting MTV Networks domestic and international operations for the quarter and six months ended June 30, 2007.
5. The Company sold its non-controlling investment in MTV Russia for \$191 million and recognized a pre-tax gain of \$151 million.
6. The Company recorded a pre-tax non-cash impairment charge of \$36 million to write off its investment in Amp'd Mobile which filed for bankruptcy.

## Supplemental Disclosures – Non-GAAP Financial Information

(\$ In Millions)

	2nd Quarter		Year-to-Date	
	2008	2007	2008	2007
Cash Provided By (Used In) Operations	\$ (88)	\$ 456	\$ 3	\$ 805
Capital Expenditures	(94)	(40)	(182)	(81)
Free Cash Flow <sup>(1)</sup>	<u>\$ (182)</u>	<u>\$ 416</u>	<u>\$ (179)</u>	<u>\$ 724</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.

The image features the word "VIACOM" in a bold, metallic, sans-serif font. The letters are rendered in a light blue color with a silver or chrome-like outline, giving them a three-dimensional appearance. The text is centered horizontally and positioned in the lower-middle section of the frame. Behind the letters, a bright, multi-pointed sunburst or starburst effect emanates from a central point, creating a sense of energy and focus. The background is a deep, dark blue with a subtle, fine-grained texture. A vertical beam of light, slightly darker than the rest of the background, runs down the center, passing through the sunburst and the text. The overall aesthetic is clean, modern, and professional, typical of a corporate logo presentation.