

## VIACOM REPORTS SECOND QUARTER 2009 RESULTS

New York, NY, July 28, 2009 — Viacom Inc. (NYSE: VIA and VIA.B) today reported financial results for the second quarter ended June 30, 2009.

### 2009 Results

(in millions, except per share amounts)	Quarter Ended June 30,		B/(W) 2009 vs. 2008	Six Months Ended June 30,		B/(W) 2009 vs. 2008
	2009	2008		2009	2008	
Revenues.....	\$ 3,299	\$ 3,857	(14%)	\$ 6,204	\$ 6,974	(11%)
Operating income .....	586	792	(26%)	1,028	1,359	(24%)
Net earnings from continuing operations attributable to Viacom .....	277	406	(32%)	454	676	(33%)
Diluted EPS from continuing operations..	0.46	0.64	(28%)	0.75	1.06	(29%)
Adjusted diluted EPS.....	\$ 0.49	\$ 0.64	(23%)	\$ 0.78	\$ 1.08	(28%)

Revenues for the second quarter of 2009 totaled \$3.30 billion, a 14% decline from \$3.86 billion in the second quarter of 2008. This decrease reflects lower revenues in both the Media Networks and Filmed Entertainment segments as weak economic conditions continued to impact certain business sectors. Operating income declined 26% to \$586 million primarily as a result of lower year-over-year revenues, which more than offset a \$352 million net reduction in expenses in the quarter. Excluding the impact of Media Networks and Filmed Entertainment severance charges, adjusted operating income decreased 22% to \$619 million. Reported net earnings attributable to Viacom declined 32% versus a year ago to \$277 million, or 27% on an adjusted basis. Excluding \$0.03 in severance charges, adjusted diluted earnings per share (EPS) were \$0.49, a 23% decline versus the second quarter of 2008. The adjustments are detailed in the Supplemental Disclosures at the end of this release.

Sumner M. Redstone, Executive Chairman of Viacom, said, “As the leading pure-play content company, Viacom has the right portfolio of assets and the right vision to manage through this challenging climate while we continue to position ourselves for future growth.”

Philippe Dauman, President and Chief Executive Officer of Viacom, said, “While the global economy continued to be a challenge in the second quarter, the diversity of our revenue streams, sequential improvement in our domestic advertising sales, our generation of cash and our operational discipline all helped to temper the short-term impact. As we look to a longer-term recovery, we continue to manage costs aggressively and make changes in the business that will better position Viacom for growth. Importantly, our efforts to reinvigorate our cable networks’ creative machine are generating positive results, with ratings trends improving across our key networks and record-breaking results for several of our tentpole events, including the *MTV Movie Awards* and *BET Awards ‘09*.”

“Paramount Pictures’ performance in the second quarter was highlighted by the box office success of its tentpole films *STAR TREK* and *Transformers: Revenge of the Fallen*. Both films are unqualified blockbusters that will generate substantial profit as they move through their windows.”

## Revenues

Revenues (in millions)	Quarter Ended June 30,		B/(W)	Six Months Ended June 30,		B/(W)
	2009	2008	2009 vs. 2008	2009	2008	2009 vs. 2008
Media Networks .....	\$ 1,966	\$ 2,136	(8%)	\$ 3,831	\$ 4,153	(8%)
Filmed Entertainment .....	1,380	1,771	(22%)	2,467	2,917	(15%)
Eliminations.....	(47)	(50)	N/M	(94)	(96)	N/M
Total revenues .....	\$ 3,299	\$ 3,857	(14%)	\$ 6,204	\$ 6,974	(11%)

N/M = Not Meaningful

**Second Quarter 2009 revenues** of \$3.30 billion declined 14% from \$3.86 billion in 2008. Media Networks revenues decreased 8% to \$1.97 billion, principally due to a 41% decline in ancillary revenues driven by lower sales of the music video game *Rock Band*. Domestic advertising revenues decreased 6%, which represents a 3-percentage point sequential improvement over the first quarter 2009 results. Worldwide advertising revenues were down 8%, reflecting continued softness in the international advertising marketplace. Worldwide affiliate revenues grew 9%, including double-digit growth in the U.S. Filmed Entertainment revenues decreased 22% to \$1.38 billion, primarily due to lower theatrical and home entertainment revenues. The strong box office performance of *STAR TREK* and the first seven days of *Transformers: Revenge of the Fallen* was not enough to surpass the results of *Iron Man* and *Indiana Jones and the Kingdom of the Crystal Skull* in the second quarter of 2008, which resulted in a 27% decline in theatrical revenues to \$584 million. Home entertainment revenues were down 29% to \$435 million. This result reflects a difficult comparison with the strong sales of the *Indiana Jones* trilogy on DVD in the prior year as well as ongoing softness in the overall retail sector. Television license fees were up 5% to \$314 million in the second quarter.

## Operating Income

Operating Income (Loss) (in millions)	Quarter Ended June 30,		B/(W)	Six Months Ended June 30,		B/(W)
	2009	2008	2009 vs. 2008	2009	2008	2009 vs. 2008
Media Networks .....	\$ 671	\$ 765	(12%)	\$ 1,300	\$ 1,459	(11%)
Filmed Entertainment .....	(25)	86	N/M	(148)	23	N/M
Corporate .....	(61)	(59)	(3%)	(122)	(123)	1%
Eliminations.....	1	—	N/M	(2)	—	N/M
Total operating income .....	\$ 586	\$ 792	(26%)	\$ 1,028	\$ 1,359	(24%)

N/M = Not Meaningful

**Second Quarter 2009 operating income** decreased 26% to \$586 million, including the impact of \$33 million in severance charges, compared with \$792 million in the second quarter of 2008. Media Networks operating income declined 12% to \$671 million, reflecting lower advertising revenues, losses associated with *Rock Band* due to the soft retail environment and \$16 million in severance charges. The Filmed Entertainment segment had an operating loss of \$25 million, including the impact of \$17 million in severance charges, versus an operating profit of \$86 million in the prior year. This decline reflects the underperformance of certain theatrical releases, lower home entertainment profits and the timing of the theatrical release of *Transformers: Revenge of the Fallen* late in the quarter.

**Second Quarter 2009 net earnings attributable to Viacom** decreased \$130 million, or 32%, to \$277 million, principally due to lower operating income and increased foreign exchange losses, partially offset by a lower effective tax rate and lower interest expense. Excluding the \$21 million after-tax impact of severance charges, adjusted net earnings attributable to Viacom were \$298 million, down 27% versus the prior year. Adjusted diluted earnings per share for the quarter were \$0.49, a 23% decline from diluted EPS of \$0.64 in the second quarter of 2008.

**Debt**

At June 30, 2009, total debt outstanding, including capital lease obligations, decreased to \$7.37 billion, compared with \$8.00 billion at December 31, 2008. The Company's cash balances decreased to \$250 million at June 30, 2009 compared with \$792 million at December 31, 2008.

**About Viacom**

Viacom, consisting of BET Networks, MTV Networks and Paramount Pictures, is the world's leading entertainment content company. It engages audiences on television, motion picture and digital platforms through many of the world's best known entertainment brands, including MTV, VH1, CMT, Logo, Nickelodeon, Nick at Nite, Noggin, COMEDY CENTRAL, Spike TV, TV Land, BET, Rock Band, AddictingGames, Atom, Neopets, Shockwave and Paramount Pictures. Viacom's global reach includes approximately 170 channels and 400 online properties in 163 countries and territories.

For more information about Viacom and its businesses, visit [www.viacom.com](http://www.viacom.com).

## Cautionary Statement Concerning Forward-Looking Statements

*This news release 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 worsening of current economic conditions generally, and in advertising and retail markets in particular; the public acceptance of the Company's programs, motion pictures and games on the various platforms on which they are distributed; competition for audiences and distribution; 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 motion pictures and games; changes in the Federal communications laws and regulations; the impact of piracy; 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 2008 Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K. The forward-looking statements included in this document are made only as of the date of this document, and the Company does not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.*

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**VIACOM INC.**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
(Unaudited)

(in millions, except earnings per share amounts)	Quarter Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues .....	\$ 3,299	\$ 3,857	\$ 6,204	\$ 6,974
Expenses:				
Operating .....	1,943	2,238	3,691	4,047
Selling, general and administrative .....	690	730	1,323	1,379
Depreciation and amortization .....	<u>80</u>	<u>97</u>	<u>162</u>	<u>189</u>
Total expenses .....	2,713	3,065	5,176	5,615
Operating income .....	586	792	1,028	1,359
Interest expense, net .....	(109)	(123)	(218)	(240)
Equity in losses of investee companies .....	(23)	(10)	(56)	(16)
Other items, net .....	<u>(15)</u>	<u>(12)</u>	<u>(34)</u>	<u>(15)</u>
Earnings from continuing operations before provision for income taxes .....	439	647	720	1,088
Provision for income taxes .....	<u>(158)</u>	<u>(237)</u>	<u>(259)</u>	<u>(404)</u>
Net earnings from continuing operations .....	281	410	461	684
Discontinued operations, net of tax .....	<u>—</u>	<u>1</u>	<u>—</u>	<u>1</u>
Net earnings (Viacom and noncontrolling interests) .....	281	411	461	685
Less: Net earnings attributable to noncontrolling interest .....	<u>(4)</u>	<u>(4)</u>	<u>(7)</u>	<u>(8)</u>
Net earnings attributable to Viacom .....	<u>\$ 277</u>	<u>\$ 407</u>	<u>\$ 454</u>	<u>\$ 677</u>
Amounts attributable to Viacom:				
Net earnings from continuing operations .....	\$ 277	\$ 406	\$ 454	\$ 676
Discontinued operations, net of tax .....	<u>—</u>	<u>1</u>	<u>—</u>	<u>1</u>
Net earnings attributable to Viacom .....	<u>\$ 277</u>	<u>\$ 407</u>	<u>\$ 454</u>	<u>\$ 677</u>
Basic earnings per share attributable to Viacom:				
Continuing operations .....	\$ 0.46	\$ 0.65	\$ 0.75	\$ 1.07
Discontinued operations .....	\$ —	\$ —	\$ —	\$ —
Net earnings per share of Viacom .....	\$ 0.46	\$ 0.65	\$ 0.75	\$ 1.07
Diluted earnings per share attributable to Viacom:				
Continuing operations .....	\$ 0.46	\$ 0.64	\$ 0.75	\$ 1.06
Discontinued operations .....	\$ —	\$ 0.01	\$ —	\$ 0.01
Net earnings per share of Viacom .....	\$ 0.46	\$ 0.65	\$ 0.75	\$ 1.07
Weighted average number of common shares outstanding:				
Basic .....	607.0	629.2	606.9	634.4
Diluted .....	608.1	630.1	607.6	635.5

**VIACOM INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<b>June 30, 2009</b>	<b>December 31, 2008</b>
(in millions, except par value)		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 250	\$ 792
Receivables, net (including retained interests in securitizations).....	1,809	2,271
Inventory, net.....	869	881
Deferred tax assets, net.....	214	203
Prepaid and other assets.....	393	355
Total current assets.....	3,535	4,502
Property and equipment, net.....	1,065	1,145
Inventory, net.....	4,147	4,133
Goodwill.....	11,470	11,470
Intangibles, net.....	612	674
Other assets.....	566	563
Total assets.....	\$ 21,395	\$ 22,487
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable.....	\$ 292	\$ 574
Accrued expenses.....	1,115	1,304
Participants' share and residuals.....	1,245	1,537
Program rights obligations.....	432	384
Deferred revenue.....	357	442
Current portion of long-term debt.....	99	105
Other liabilities.....	422	496
Total current liabilities.....	3,962	4,842
Long-term debt.....	7,275	7,897
Participants' share and residuals.....	387	488
Program rights obligations.....	557	621
Deferred tax liabilities, net.....	100	12
Other liabilities.....	1,438	1,556
Redeemable noncontrolling interest.....	167	148
Commitments and contingencies		
Viacom stockholders' equity:		
Class A Common stock, par value \$0.001, 375.0 authorized; 57.4 and 57.4 outstanding, respectively.....	—	—
Class B Common stock, par value \$0.001, 5,000.0 authorized; 549.9 and 549.4 outstanding, respectively.....	1	1
Additional paid-in capital.....	8,225	8,186
Treasury stock.....	(5,725)	(5,725)
Retained earnings.....	4,947	4,496
Accumulated other comprehensive income (loss).....	47	(49)
Total Viacom stockholders' equity.....	7,495	6,909
Noncontrolling interests.....	14	14
Total equity.....	7,509	6,923
Total liabilities and equity.....	\$ 21,395	\$ 22,487

**VIACOM INC.**  
**SUPPLEMENTAL DISCLOSURES REGARDING NON-GAAP FINANCIAL INFORMATION**

The following table reconciles the Company's results for the quarter and six months ended June 30, 2009 and the six months ended June 30, 2008, to adjusted results that exclude the impact of severance charges and an impairment charge of a minority investment. The Company uses adjusted operating income, adjusted net earnings from continuing operations attributable to Viacom and adjusted diluted EPS as applicable, among other measures, to evaluate the Company's operating performance in the absence of certain items and for planning and forecasting of future periods. The Company believes that the adjusted results provide relevant and useful information for investors because it allows investors to view performance in a manner similar to the method used by the Company's management, improves their ability to understand the Company's operating performance and makes it easier to compare the Company's results with other companies. Since adjusted operating income, adjusted net earnings from continuing operations attributable to Viacom and adjusted diluted EPS are not measures of performance calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for 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.

(in millions, except per share amounts)	<b>Quarter Ended June 30, 2009</b>			
	<b>Operating Income</b>	<b>Pre-tax Earnings from Continuing Operations<sup>(1)</sup></b>	<b>Net Earnings from Continuing Operations Attributable to Viacom<sup>(2)</sup></b>	<b>Diluted EPS</b>
Reported results .....	\$ 586	\$ 439	\$ 277	\$ 0.46
Adjustments:				
Severance charges <sup>(3)</sup> .....	33	33	21	0.03
Adjusted results .....	\$ 619	\$ 472	\$ 298	\$ 0.49

(in millions, except per share amounts)	<b>Six Months Ended June 30, 2009</b>			
	<b>Operating Income</b>	<b>Pre-tax Earnings from Continuing Operations<sup>(1)</sup></b>	<b>Net Earnings from Continuing Operations Attributable to Viacom<sup>(2)</sup></b>	<b>Diluted EPS</b>
Reported results .....	\$ 1,028	\$ 720	\$ 454	\$ 0.75
Adjustments:				
Severance charges <sup>(3)</sup> .....	33	33	21	0.03
Adjusted results .....	\$ 1,061	\$ 753	\$ 475	\$ 0.78

**VIACOM INC.**  
**SUPPLEMENTAL DISCLOSURES REGARDING NON-GAAP FINANCIAL INFORMATION**

**Quarter Ended**  
**June 30, 2008**

No adjustments to reported results.

**Six Months Ended**  
**June 30, 2008**

(in millions, except per share amounts)

	<b>Operating Income</b>	<b>Pre-tax Earnings from Continuing Operations<sup>(1)</sup></b>	<b>Net Earnings from Continuing Operations Attributable to Viacom<sup>(2)</sup></b>	<b>Diluted EPS</b>
Reported results .....	\$ 1,359	\$ 1,088	\$ 676	\$ 1.06
Adjustments:				
Impairment of investment <sup>(4)</sup> .....	-	12	12	0.02
Adjusted results .....	<u>\$ 1,359</u>	<u>\$ 1,100</u>	<u>\$ 688</u>	<u>\$ 1.08</u>

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

(2) The tax impact of adjustments has been calculated where appropriate using the applicable rates in effect for the period presented.

(3) For the quarter and six months ended June 30, 2009 adjusted results exclude \$33 million of severance expenses attributable to the Media Networks and Filmed Entertainment segments.

(4) For the six months ended June 30, 2008, adjusted results exclude a \$12 million pre-tax non-cash investment impairment charge, which occurred in the 1st quarter of 2008.