

VIACOM INC
Form S-4/A
November 23, 2005

As filed with the Securities and Exchange Commission on November 23, 2005

Registration No. 333-128821

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

NEW VIACOM CORP.

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

4841

(Primary Standard Industrial Classification Code Number)

20-3515052

(I.R.S. Employer Identification Number)

1515 Broadway

New York, NY 10036

(212) 258-6000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

VIACOM INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

4841

(Primary Standard Industrial Classification Code Number)

04-2949533

(I.R.S. Employer Identification Number)

1515 Broadway

New York, NY 10036

(212) 258-6000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Michael D. Fricklas

Executive Vice President, General Counsel and Secretary

Viacom Inc.

1515 Broadway

New York, NY 10036

(212) 258-6000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Stephen T. Giove

Creighton O'M. Condon

Christa A. D'Alimonte

Shearman & Sterling LLP

599 Lexington Avenue

New York, NY 10022

(212) 848-4000

Approximate date of commencement of proposed sale to the public: As promptly as practicable after the filing of this Registration Statement and other conditions to the commencement of the offer described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

Edgar Filing: VIACOM INC - Form S-4/A

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Edgar Filing: VIACOM INC - Form S-4/A

The information in this preliminary Prospectus-Information Statement is not complete and may be changed. We may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This preliminary Prospectus-Information Statement is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated November 23, 2005

Preliminary Prospectus-Information Statement

, 2005

Dear Viacom Stockholder:

In June 2005, Viacom announced a plan to separate into two nimble and focused companies, consisting of businesses with great assets and industry-leading brands. We will accomplish this by creating a new publicly traded company that will include our advertising-supported Cable Networks business and our Paramount Pictures business. Upon the separation, this new company will be named "Viacom Inc." We will refer to this new company as "New Viacom." The existing company, which today you know as Viacom, will change its name upon the separation to "CBS Corporation." We will refer to this company as it will exist after the separation as "CBS Corp."

In many ways, this separation is a natural extension of the path we laid out in creating Viacom. We recognize the need to adapt to a changing competitive environment and we believe that the separation of New Viacom and CBS Corp. will best serve our stockholders.

New Viacom, the newly created company, will be a portfolio of well-known cable networks and entertainment brands, including MTV Networks (including MTV: Music Television, VH1, Nickelodeon, Nick at Nite, Comedy Central, CMT: Country Music Television, Spike TV, TV Land and many other networks around the world), BET, Paramount Pictures, Paramount Home Entertainment and Famous Music. The focus of New Viacom will be to drive strong financial growth and deliver superior returns to stockholders and, in turn, to use that financial capacity to invest in its businesses and to repurchase its shares.

After the separation, CBS Corp. will consist of our powerful mass-media brands which are led by two great broadcast networks in CBS and UPN; the CBS television stations group; Infinity Broadcasting, our radio company; the CBS, Paramount and King World television production and syndication operations; the well-known premium cable brand Showtime; as well as Viacom Outdoor, Paramount Parks and Simon & Schuster. CBS Corp. plans to continue building and reinvesting in its businesses to further financial growth, deliver strong operating results, generate significant cash flow, pay an attractive annual dividend and, most importantly, provide stockholders with a consistent and significant return on their investment.

Viacom has always been at the leading edge of industry trends, and we intend to maintain that leadership and maximize our future earnings potential for stockholders. By separating Viacom's higher growth Cable Networks businesses from those more focused on generating significant cash flow and returning that cash flow to investors, the separation will provide current and potential stockholders with attractive investment options that are more closely aligned with their various investment objectives. In addition, the separation will better enable management to directly impact and maximize the strengths of their respective businesses by focusing their resources on developing and growing their core businesses. Viacom's businesses are vibrant, and we believe that their separation into two companies will not only enhance their strength, but will also improve their strategic, operational and financial flexibility and will give New Viacom an attractive acquisition currency.

In the separation, you will receive 0.5 of a share of New Viacom class A common stock and 0.5 of a share of CBS Corp. class A common stock for every share of Viacom class A common stock you own. You will also receive 0.5 of a share of New Viacom class B common stock and 0.5 of a share of CBS Corp. class B common stock for every share of Viacom class B common stock you own. You will receive cash in lieu of receiving any fractional shares of New Viacom common stock and CBS Corp. common stock. We expect to complete the separation on December 31, 2005.

This Prospectus-Information Statement, which is being mailed to all Viacom stockholders, describes the separation in greater detail and contains important information about the businesses of New Viacom and CBS Corp. following the separation. We encourage you to read this material carefully. If you have any questions regarding the separation, please contact MacKenzie Partners, Inc. at 1-212-929-5500 (collect) or 1-800-322-2885 (toll-free).

We are proud of what we have created here at Viacom, and want to ensure we can efficiently capitalize on our skills, our innovative ideas and the business opportunities that arise. We also recognize the significant untapped business and investment potential of our brands. This is an exciting time for our company as we undertake a bold reinvention of our businesses that we believe will maximize our future as well as stockholder returns.

Edgar Filing: VIACOM INC - Form S-4/A

We thank you for your continuing investment and support.

Sincerely,

Sumner M. Redstone
Chairman and Chief Executive Officer

Thomas E. Freston
Co-President and Co-Chief Operating Officer

Leslie Moonves
Co-President and Co-Chief Operating Officer

See the section entitled "Risk Factors" beginning on page 25 for a discussion of certain factors that you should consider in connection with the separation.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this Prospectus-Information Statement or determined if this Prospectus-Information Statement is truthful or complete. Any representation to the contrary is a criminal offense.

**WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY**

This Prospectus-Information Statement is dated _____ **and is first being mailed to stockholders on or**
about _____ **.**

AVAILABLE INFORMATION

This Prospectus-Information Statement incorporates important business and financial information about Viacom Inc. and New Viacom Corp. that is not included in or delivered with this Prospectus-Information Statement. This information is available without charge to Viacom stockholders upon written or oral request. Requests should be directed to:

MACKENZIE PARTNERS, INC.

105 Madison Avenue
New York, New York 10016
proxy@mackenziepartners.com

Call Collect: 1-212-929-5500

or

Toll-Free: 1-800-322-2885

You should make any requests for documents by December 23, 2005 to ensure timely delivery of the documents prior to the separation.

TABLE OF CONTENTS

	Page
QUESTIONS AND ANSWERS ABOUT THE SEPARATION	1
SUMMARY	6
The Companies	6
The Separation	12
Risk Factors	16
Comparative Market Value of Securities	16
No Dissenters' Rights	16
Accounting Treatment	16
Regulatory Approval	16
Certain U.S. Federal Income Tax Consequences	17
New York Stock Exchange Listings	17
Interests of Certain Persons in the Separation	17
New Viacom Summary Selected Combined Financial Data	19
New Viacom Summary Unaudited Pro Forma Combined Condensed Financial Information	20
Viacom Summary Selected Consolidated Financial Data	21
CBS Corp. Summary Unaudited Pro Forma Consolidated Condensed Financial Information	23
Comparative Historical and Pro Forma Per Share Data	24
RISK FACTORS	25
Risk Factors Relating to the Separation	25
Risk Factors Relating to New Viacom Common Stock and CBS Corp. Common Stock and the Securities Markets	29
Risk Factors Relating to New Viacom's Business	30
Risk Factors Relating to CBS Corp.'s Business	35
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS	44
THE SEPARATION	45
Background of and Reasons for the Separation	45
Recommendation of the Viacom Board of Directors	47
Matters Related to the Adoption of the Merger Agreement	47
No Dissenters' Rights	47
Accounting Treatment	47
Regulatory Approval	48
Certain U.S. Federal Income Tax Consequences	48
U.S. Federal Securities Law Consequences	51
Non-U.S. Securities Law Disclosure	51
New York Stock Exchange Listing	51
When-Issued Trading	52
Merger Agreement	52
Interests of Certain Persons in the Separation	57
Security Ownership of Certain Beneficial Owners and Management of Viacom	59
Viacom Market Price Information and Dividend Policy	61
Performance Graph	62
COMPARISON OF STOCKHOLDER RIGHTS BEFORE AND AFTER THE SEPARATION	63
DESCRIPTION OF NEW VIACOM AFTER THE SEPARATION	68
Business of New Viacom	68

Edgar Filing: VIACOM INC - Form S-4/A

Capitalization of New Viacom	84
New Viacom Selected Combined Financial Data	85
Management's Discussion and Analysis of New Viacom's Results of Operations and Financial Condition	86
Executive Officers and Directors of New Viacom	111
Corporate Governance	118
New Viacom Director Compensation	119
New Viacom Director Equity Compensation Plans	122
New Viacom Executive Compensation	128
Certain New Viacom Executive Compensation Plans	136
Security Ownership of Certain Beneficial Owners and Management of New Viacom	146
New Viacom Related Party Transactions	148
Possible Offer to Exchange Stock Options for RSUs	151
New Viacom Market Price Information and Dividend Policy	152
Description of New Viacom Capital Stock	152
Description of New Viacom Financing Arrangements	157
New Viacom Unaudited Pro Forma Combined Condensed Financial Information	158
DESCRIPTION OF CBS CORP. AFTER THE SEPARATION	165
Business of CBS Corp.	165
Capitalization of CBS Corp.	191
Executive Officers and Directors of CBS Corp.	192
Corporate Governance	199
CBS Corp. Director Compensation	200
CBS Corp. Executive Compensation	203
Security Ownership of Certain Beneficial Owners and Management of CBS Corp.	202
CBS Corp. Related Party Transactions	214
Possible Offer to Exchange Stock Options for RSUs	215
CBS Corp. Market Price Information and Dividend Policy	216
Description of CBS Corp. Capital Stock	216
Description of CBS Corp. Financing Arrangements	222
CBS Corp. Unaudited Pro Forma Consolidated Condensed Financial Information	223
ARRANGEMENTS BETWEEN NEW VIACOM AND CBS CORP. AFTER THE SEPARATION	232
Material Agreements Relating to the Separation	232
Description of Material Agreements Relating to Ongoing Relationships	236
OTHER INFORMATION	238
Legal Matters	238
Experts	238
Where You Can Find More Information	238
FINANCIAL STATEMENTS	F-1
Annex A	Merger Agreement
Annex B	Form of Separation Agreement
Annex C	Form of Tax Matters Agreement

You should rely only on the information contained in this Prospectus-Information Statement or to which we specifically refer you. We have not authorized anyone to provide you with information that is different from the information contained in this Prospectus-Information Statement.

Edgar Filing: VIACOM INC - Form S-4/A

EXPLANATORY NOTES

Throughout this Prospectus-Information Statement:

the term "Viacom" refers to Viacom Inc. as it exists prior to the separation;

the term "New Viacom" refers to the new publicly traded company to be named "Viacom Inc." after the separation;

the term "CBS Corp." refers to Viacom Inc. as it will exist after the separation, when it will be renamed "CBS Corporation";
and

the terms "we," "our" or "us" refer to Viacom and New Viacom, the co-registrants of the Registration Statement of which this Prospectus-Information Statement forms a part.

Following the separation, New Viacom will include the following:

MTV Networks;

BET;

Paramount Pictures;

Paramount Home Entertainment; and

Famous Music.

Following the separation, CBS Corp. will include the following:

CBS television network;

UPN television network;

CBS television stations group;

Infinity Broadcasting;

the CBS, Paramount and King World television production and syndication operations;

Showtime Networks;

Viacom Outdoor;

Paramount Parks; and

Simon & Schuster.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION

The following are questions and answers regarding the separation that summarize certain information explained in more detail elsewhere in this Prospectus-Information Statement. In addition to these questions and answers, you should read the entire document carefully.

Q: What is Viacom proposing to do?

A: Viacom is proposing to create a new, publicly traded company named Viacom Inc., which we refer to in this Prospectus-Information Statement as "New Viacom," which will include the following principal businesses: MTV Networks (including MTV: Music Television®, MTV2®, Nickelodeon®, Nick at Nite®, VH1®, TV Land®, Spike TV®, CMT: Country Music Television®, Comedy Central®, MTV Overdrive , Neopets® and many other networks, websites and related businesses around the world), BET®, Paramount Pictures®, Paramount Home Entertainment and Famous Music®. Mr. Thomas E. Freston will be the president and chief executive officer and a director of New Viacom and Mr. Sumner M. Redstone will serve as chairman of the board of directors of New Viacom.

The existing company, which will be renamed "CBS Corporation" at the time of the separation, and which we refer to in this Prospectus-Information Statement as "CBS Corp.," will retain the following principal businesses of Viacom: the CBS® and UPN® television networks, the CBS television stations group, Infinity Broadcasting®, Viacom Outdoor®, the CBS, Paramount® and King World® television production and syndication operations, as well as Showtime®, Simon & Schuster® and Paramount Parks®. Mr. Leslie Moonves will be the president and chief executive officer and a director of CBS Corp. and Mr. Sumner M. Redstone will serve as chairman of the board of directors of CBS Corp.

For a more complete description of the businesses of New Viacom and CBS Corp., see the sections entitled "Description of New Viacom After the Separation" and "Description of CBS Corp. After the Separation" beginning on pages 68 and 165, respectively.

Q: Why has Viacom decided to separate into two public companies?

A: The Viacom board of directors has authorized the separation of New Viacom into its own publicly traded company because it believes the separation will be beneficial to Viacom and its stockholders for the following reasons, among others:

Viacom's businesses are expected to face many new challenges and opportunities. The businesses of New Viacom and CBS Corp. will be more focused as separate companies, which will allow each company to be better able to make necessary changes to its businesses to better respond as the industries in which they operate continue to change.

The market price of New Viacom common stock and CBS Corp. common stock is expected to more closely reflect the efforts of management at each company than the market price of Viacom common stock currently does. For example, senior managers of New Viacom or CBS Corp. can expect their performance to be reflected more directly in the market price of New Viacom common stock or CBS Corp. common stock than in the market price of the combined, larger company. As a result, we believe that equity incentives, such as stock options and restricted share units of New Viacom and CBS Corp., will better align the interests of management with the interests of stockholders and improve each company's performance.

Separating New Viacom into its own publicly traded company will provide investors with the opportunity to invest in the New Viacom businesses and the CBS Corp. businesses individually, rather than

Edgar Filing: VIACOM INC - Form S-4/A

as a single unit. The Viacom board of directors believes that investments in New Viacom, a largely pure-play content company, and CBS Corp., a largely pure-play mass-media company, may be more attractive to certain kinds of investors and that the separation will therefore increase the demand for each company's shares. For example, New Viacom may be more attractive to investors who wish to invest in the potential of the pure content business and who believe that New Viacom offers more share price appreciation potential due to its ability to employ its anticipated cash flows to reinvest in its businesses and engage in complementary acquisitions, and CBS Corp. may be more attractive to investors who wish to invest in the potential of the mass-media business and who are interested in receiving a dividend that represents a higher payout ratio than Viacom's current dividend. CBS Corp. currently anticipates paying a regular cash dividend to its stockholders that initially will be no less than the aggregate annual payment of approximately \$450 million under Viacom's existing dividend program.

The growth opportunities available to New Viacom are expected to result in a higher market price as measured by price-to-earnings ratios or a higher value of New Viacom's capitalization in relation to operating income before depreciation and amortization. This will provide New Viacom with the ability to finance acquisitions with equity in a manner that preserves capital with significantly less dilution of its stockholders' interests.

Q: How will the separation of New Viacom be accomplished?

A. The separation of New Viacom into its own publicly traded company will be accomplished through a merger, which we refer to in this Prospectus-Information Statement as the "merger." On November 21, 2005, Viacom, New Viacom and Viacom Merger Sub Inc., a newly formed wholly owned subsidiary of Viacom, entered into an agreement and plan of merger, which we refer to in this Prospectus-Information Statement as the "merger agreement," pursuant to which Viacom Merger Sub Inc. will be merged with and into Viacom, with Viacom continuing as the surviving entity. On the effective date of the merger, Viacom will be renamed "CBS Corporation."

On the effective date of the merger, each outstanding share of Viacom class A common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class A common stock and 0.5 of a share of CBS Corp. class A common stock. Similarly, each outstanding share of Viacom class B common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class B common stock and 0.5 of a share of CBS Corp. class B common stock. Holders of either class of Viacom common stock will receive cash in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock.

For example:

If you own 25 shares of Viacom class A common stock immediately prior to the merger, you will receive 12 shares of New Viacom class A common stock, 12 shares of CBS Corp. class A common stock, cash in lieu of 0.5 of a share of New Viacom class A common stock and cash in lieu of 0.5 of a share of CBS Corp. class A common stock.

If you own 25 shares of Viacom class B common stock immediately prior to the merger, you will receive 12 shares of New Viacom class B common stock, 12 shares of CBS Corp. class B common stock, cash in lieu of 0.5 of a share of New Viacom class B common stock and cash in lieu of 0.5 of a share of CBS Corp. class B common stock.

Q: What will I own after the separation?

A. Following the separation, you will own common stock in both New Viacom and

CBS Corp., each of which will be a separate publicly traded company. If you own Viacom common stock by virtue of your participation in the Viacom 401(k) Plan, following the separation, the Viacom common stock in your Viacom 401(k) Plan account will be converted into common stock of both New Viacom and CBS Corp.

Your shares of New Viacom common stock will only represent an ownership interest in New Viacom and not in CBS Corp., and your shares of CBS Corp. common stock will only represent an ownership interest in CBS Corp. and not in New Viacom.

The holders of Viacom class A common stock and Viacom class B common stock immediately prior to the consummation of the separation will, immediately following the separation, initially own New Viacom class A common stock and New Viacom class B common stock and CBS Corp. class A common stock and CBS Corp. class B common stock in the same proportion as such holders owned the respective classes of Viacom common stock immediately prior to the consummation of the separation.

Q: How will existing Viacom stock options and restricted share units be treated in the separation?

A. Existing Viacom stock options and restricted share units held by an individual who is an employee or director of Viacom immediately prior to the separation will be converted into options and restricted share units of class B common stock of the company to which such individual will provide services immediately following the separation.

Existing Viacom stock options and restricted share units held by an individual who is a former employee or director of Viacom immediately prior to the separation will be converted into options and restricted share units of CBS Corp. class B common stock.

In the case of an employee or director of Viacom immediately prior to the separation who will provide services to both companies immediately following the separation, the Viacom stock options and restricted share units held by such individual will be converted such that the holder will receive an equal number of options and restricted share units of New Viacom class B common stock and CBS Corp. class B common stock. Options to purchase shares of Viacom class B common stock will be converted in a manner designed to preserve their intrinsic value ("intrinsic value" is the difference between the market value of the share subject to an option and the option exercise price). Restricted share units will be converted in a manner designed to preserve their value.

Q: Will shares of New Viacom common stock and CBS Corp. common stock be listed on a stock exchange after the separation?

A: Following the separation, subject to official notice of issuance to the New York Stock Exchange, shares of each class of New Viacom common stock and CBS Corp. common stock will be listed on the New York Stock Exchange. Viacom has reserved the symbols "VIA" and "VIA.B" for New Viacom class A common stock and New Viacom class B common stock, respectively, and the symbols "CBS.A" and "CBS" for CBS Corp. class A common stock and CBS Corp. class B common stock, respectively.

Q: What will the relationship between New Viacom and CBS Corp. be after the separation is completed?

A: The separation will establish New Viacom and CBS Corp. as separate publicly traded companies. However, both New Viacom and CBS Corp. will continue to benefit from certain commercial arrangements between the companies and will continue to be under the common control of National Amusements, Inc. Each company will have a separate board of directors and a majority of the members of each board of directors will be independent. In addition, a majority of directors on each company's board of directors will not be directors of the other company, although New Viacom and CBS

Corp. will initially have three common directors. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of National Amusements, Inc., will serve as chairman of the board of directors of both companies and Ms. Shari Redstone, the president and a director of National Amusements, Inc., will serve as non-executive vice chair of the board of directors of both companies. Mr. Philippe P. Dauman, a director of National Amusements, Inc., will serve as a director of both New Viacom and CBS Corp. For a description of these relationships and of provisions that will be included in each company's certificate of incorporation related to corporate opportunities that may be of interest to both New Viacom and CBS Corp., see the sections entitled "Description of New Viacom After the Separation Description of New Viacom Capital Stock," "Description of CBS Corp. After the Separation Description of CBS Corp. Capital Stock" and "Arrangements Between New Viacom and CBS Corp. After the Separation" beginning on pages 152, 216 and 232, respectively.

Q: Why is Viacom not holding a stockholders' meeting in connection with the separation?

A: NAIRI, Inc., a wholly owned subsidiary of National Amusements, Inc., holds sufficient shares of Viacom class A common stock to adopt the merger agreement by written consent. On November 21, 2005, NAIRI executed a written consent adopting the merger agreement, and no further stockholder approval or action is required.

Q: When does Viacom expect to complete the separation?

A: Viacom currently expects to complete the separation on December 31, 2005, assuming that all of the conditions to the merger have been satisfied or waived by such time. You should be aware that, even though NAIRI has adopted the merger agreement, the Viacom board of directors may abandon or delay the separation in its sole discretion. See the section entitled "The Separation Merger Agreement Conditions to the Merger" beginning on page 56.

Q: Am I entitled to dissenters' rights?

A: No. You will not be entitled to dissenters' rights in connection with the merger. See the section entitled "The Separation No Dissenters' Rights" beginning on page 47.

Q: Will shares of New Viacom common stock and CBS Corp. common stock have different rights from shares of Viacom common stock?

A: Currently shares of Viacom class A common stock and Viacom class B common stock are identical and holders of such shares are entitled to the same rights and privileges, except with respect to voting rights and except as required by Delaware law. Following the separation, the shares of New Viacom class A common stock and CBS Corp. class A common stock will have substantially the same rights that shares of Viacom class A common stock currently have, and shares of New Viacom class B common stock and CBS Corp. class B common stock will have substantially the same rights that shares of Viacom class B common stock currently have. Accordingly, holders of shares of New Viacom class A common stock and CBS Corp. class A common stock will be entitled to one vote per share, and holders of shares of New Viacom class B common stock and CBS Corp. class B common stock will not be entitled to any voting rights, except as required by Delaware law. See the sections entitled "Description of New Viacom After the Separation Description of New Viacom Capital Stock," "Description of CBS Corp. After the Separation Description of CBS Corp. Capital Stock" and "Comparison of Stockholder Rights Before and After the Separation" beginning on pages 152, 216 and 63, respectively.

Q: Will I be taxed on the receipt of shares of New Viacom common stock and CBS Corp. common stock in the merger?

A: The receipt of shares of New Viacom common stock and CBS Corp. common stock will not be a taxable transaction for

U.S. federal income tax purposes, except with respect to cash received in lieu of fractional shares. You should consult your tax advisor as to the particular U.S. federal income tax consequences to you of the merger, as well as any state, local or foreign tax consequences. See the section entitled "The Separation Certain U.S. Federal Income Tax Consequences" beginning on page 48.

Q: What do I need to do with my shares of Viacom class A and class B common stock?

A: If you hold physical certificates representing your shares of Viacom common stock, Wachovia Bank, N.A., the exchange agent for Viacom and New Viacom in connection with the separation, will mail a letter of transmittal to you after the separation has been completed. Once you receive the letter of transmittal, you should follow the instructions and return it, together with the certificates representing your shares and any other required documents, to the exchange agent. You will then be issued book-entry credit for whole shares of New Viacom common stock and CBS Corp. common stock to which you are entitled and you will receive cash in lieu of any fractional shares. If you hold your shares of Viacom common stock in book-entry form, you will not be required to return a letter of transmittal with respect to such shares. Following the separation, shares of Viacom common stock held in book-entry form will be exchanged automatically and you will be issued book-entry credit for whole shares of New Viacom common stock and CBS Corp. common stock to which you are entitled, and you will receive cash in lieu of any fractional shares.

Q: Will I receive physical certificates representing shares of New Viacom common stock and CBS Corp. common stock following the separation?

A: No. Following the separation, physical certificates representing shares of New Viacom common stock and CBS Corp. common stock will not be issued. Instead, New Viacom common stock and CBS Corp. common stock will be issued electronically (in book-entry form) by way of direct registration, which will eliminate the physical handling and safekeeping responsibilities inherent in owning physical stock certificates and the need to return a duly executed stock certificate to effect a transfer. The Bank of New York, who will act as the registrar and transfer agent for New Viacom and CBS Corp. after the separation, will mail you a book-entry confirmation statement of your shares of New Viacom common stock and CBS Corp. common stock.

Q: Where can I find more information about Viacom, New Viacom and CBS Corp.?

A: You can find more information about Viacom, New Viacom and CBS Corp. in the sections entitled "Description of New Viacom After the Separation" and "Description of CBS Corp. After the Separation" beginning on pages 68 and 165, respectively, and from various sources described in the section entitled "Other Information Where You Can Find More Information" beginning on page 238.

Q: Who should I contact if I have questions about the separation or want copies of additional documents?

A: You may contact MacKenzie Partners, Inc., the information agent for the separation, to ask any questions about the separation or to request additional documents, including copies of this Prospectus-Information Statement. You should direct your requests to MacKenzie Partners, Inc. by telephone at 1-212-929-5500 (call collect) or at 1-800-322-2885 (toll-free) or by e-mail at proxy@mackenziepartners.com.

SUMMARY

The following is a summary of certain information explained in more detail elsewhere in this Prospectus-Information Statement. In addition to this summary, you should read the entire document carefully, including (1) the risks relating to the separation and investing in New Viacom common stock and CBS Corp. common stock and those relating to New Viacom's and CBS Corp.'s businesses discussed in the section entitled "Risk Factors" beginning on page 25, (2) the unaudited pro forma condensed financial statements for each of New Viacom and CBS Corp. beginning on pages 158 and 223, respectively, and (3) the historical combined financial statements and related notes for New Viacom included in the section entitled "Financial Statements" beginning on page F-1. The summaries set forth below under the captions "The Companies New Viacom Corp." and "The Companies CBS Corporation" assume the completion of the separation. See the section entitled "Other Information Where You Can Find More Information" beginning on page 238.

THE COMPANIES

Viacom Inc.

1515 Broadway
New York, New York 10036
(212) 258-6000
www.viacom.com

Viacom is a diversified worldwide entertainment company with operations in the following segments:

Cable Networks: The Cable Networks segment consists of: MTV Networks, including MTV: Music Television, MTV2, Nickelodeon, Nick at Nite, Noggin®, The N®, Nicktoons Network, VH1, TV Land, Spike TV, CMT: Country Music Television, Comedy Central, MTV Desi, MTV Español, mtvU, MTV Hits, MTV Jams, MTV Overdrive, VH1 Classic, VHUno, VH1 Soul, VH1 Country, Logo, Game One, VIVA, TMF, Paramount Comedy and Neopets; and BET, which includes BET Jazz®; and other program services, including online programming services.

Television: The Television segment consists of the CBS and UPN television networks, Showtime Networks Inc. including its various program services, Viacom's 39 owned broadcast television stations and its television production and syndication business, including King World Productions and Paramount Television®.

Radio: The Radio segment owns and operates 178 radio stations in 40 U.S. markets through Infinity Broadcasting.

Outdoor: The Outdoor segment, through Viacom Outdoor, displays advertising on out-of-home media, including billboards, transit shelters, buses, rail systems (in-car, station platforms and terminals), mall kiosks and stadium signage.

Entertainment: The Entertainment segment includes Paramount Pictures, which produces and distributes feature motion pictures, and Famous Music, which is involved in music publishing.

Parks/Publishing: This category includes Simon & Schuster, which publishes and distributes consumer books under imprints such as Simon & Schuster, Pocket Books®, Scribner® and The Free Press, and Paramount Parks, which is principally engaged in the ownership and operation of five theme parks and a themed attraction in the United States and Canada.

Effective July 1, 2005, Viacom realigned its segments to reflect the new management structure under its co-presidents and co-chief operating officers. The Cable Networks and Entertainment

segments will become part of New Viacom and the Television, Radio, Outdoor and Parks/Publishing segments will become part of CBS Corp.

New Viacom Corp.

1515 Broadway
New York, New York 10036
www.viacom.com

New Viacom is a worldwide entertainment company with operations in the following segments:

Cable Networks: The Cable Networks segment includes: MTV Networks, including MTV: Music Television, MTV2, Nickelodeon, Nick at Nite, Noggin, The N, Nicktoons Network, VH1, TV Land, Spike TV, CMT: Country Music Television, Comedy Central, MTV Desi, MTV Español, mtvU, MTV Hits, MTV Jams, MTV Overdrive, VH1 Classic, VHUno, VH1 Soul, VH1 Country, Logo, Game One, VIVA, TMF, Paramount Comedy, and Neopets; BET, which includes BET Jazz; and other program services, including online programming services.

Entertainment: The Entertainment segment includes Paramount Pictures, which produces and distributes feature motion pictures, and Famous Music, which is involved in music publishing.

New Viacom's revenues from the Cable Networks segment accounted for 68% of New Viacom's revenues for the first nine months of 2005 and 69% for the year ended December 31, 2004, and its revenues from Entertainment accounted for 32% of New Viacom's revenues for the first nine months of 2005 and 31% for the year ended December 31, 2004. New Viacom generated approximately 21% of its total revenues from international regions, principally Europe and Canada, in the nine months ended September 30, 2005 and the full year 2004. For the year ended December 31, 2004, approximately 68% and 7% of total international revenues of \$1.7 billion were generated in Europe and Canada, respectively. Revenues from the Cable Networks segment are generated primarily from advertising sales, affiliate fees, home entertainment sales, and licensing and merchandising of cable products. Revenues from the Entertainment segment are generated primarily from the licensing and sale of feature films in various media.

On October 13, 2005, MTV Networks acquired IFILM Corp., which owns IFILM.com, a video-entertainment website, for \$49 million. On July 22, 2005, Viacom sold Famous Players, its Canadian-based theater chain, to Cineplex Galaxy L.P. for approximately \$400 million. In the second quarter of 2005, MTV Networks acquired Neopets, Inc., which we refer to in this Prospectus-Information Statement as "Neopets," the owner and operator of Neopets.com, a leading online destination and community for kids and young adults, for approximately \$160 million. During 2004, MTV Networks acquired 97.8% of VIVA Media AG, which we refer to in this Prospectus-Information Statement as "VIVA," a youth entertainment media company based in Germany, for a total purchase price of \$393.6 million and acquired the remainder in 2005. In October 2004, Viacom completed the split-off of Blockbuster Inc., which we refer to in this Prospectus-Information Statement as "Blockbuster," by exchanging 72 million shares of Blockbuster class A common stock and 72 million shares of Blockbuster class B common stock that Viacom owned for 27,961,165 shares of Viacom class A and class B common stock, which we refer to in this Prospectus-Information Statement as "Viacom common stock." New Viacom's results of operations include Blockbuster and Famous Players as discontinued operations. MTV Networks also acquired the remaining 50% interest that it did not already own in Comedy Central in 2003 and in Noggin in 2002.

For additional information about significant dispositions and acquisitions, see Notes 3 and 9 to the New Viacom Interim Combined Financial Statements and Notes 4 and 7 to the New Viacom Combined Financial Statements beginning on page F-1.

New Viacom competes with many different entities and media in various markets worldwide. New Viacom competes in the cable, broadcast and entertainment businesses with other diversified

international entertainment companies such as Time Warner Inc., Sony Corporation, The Walt Disney Company, and NBC Universal, Inc.

New Viacom was organized as a Delaware corporation in 2005 as a wholly owned subsidiary of Viacom and prior to the separation will acquire its businesses from Viacom. On the effective date and as a result of the separation, New Viacom will be a separate publicly traded company. New Viacom's principal offices are located at 1515 Broadway, New York, New York 10036.

New Viacom Competitive Strengths

New Viacom believes it possesses a number of strengths that will enable it to compete successfully:

One of the largest collections of cable programming assets in the world, with leading global brands that are attractive advertiser vehicles. New Viacom has one of the largest collections of cable programming assets in the world. The leading New Viacom program services reach more than 165 territories through over 110 television channels presented in over 25 different languages and, as of April 2005, reached approximately 430 million subscriber households worldwide. New Viacom develops brands that appeal to a wide range of targeted niche audiences, which also represent demographics sought after by advertisers. New Viacom's broad distribution to specialized audiences and its focus on forging strong connections with its audiences make New Viacom's networks an attractive vehicle for advertisers.

A long-standing international presence with a global footprint. New Viacom has a significant and/or growing presence in many regions of the world. Established advertising, distribution and programming relationships in these markets, together with New Viacom's infrastructure, provide a platform for new channel launches and complementary acquisitions. New Viacom's global footprint also allows it to incubate technical and programming expertise in emerging markets where new media products have been deployed more extensively than in the U.S. markets.

A strong connection with audiences, a proven ability to create global hits and a valuable entertainment library. New Viacom's focus on understanding its audiences through research enhances its ability to develop innovative and original programming. New Viacom's programming is broadly diversified, with popular shows and films that appeal to a variety of audiences and with new shows and interactive programming continually being developed and debuted throughout the year. As a result of its creative output in television and in motion pictures, New Viacom has assembled a library with significant future revenue potential.

A secure distribution platform and a strong track record of obtaining new carriage. New Viacom's cable programming services are made available to consumers in the United States and internationally through affiliation agreements with distributors that generally are long-term, have staggered expiration dates and provide for built-in rate increases and protected distribution. New Viacom believes that its strong relationships with its affiliates, the quality and popularity of its programming networks and its ability to create programming that is appealing to viewers, have enabled it to renew existing affiliation agreements, to obtain new distribution for existing networks and to launch new networks.

An established and growing multiplatform presence. New Viacom programs and operates over 100 websites, including broadband sites, which collectively attracted over 26 million unique visitors in August 2005, giving New Viacom the second most-visited entertainment website portfolio on the Internet during that period. New Viacom continues to launch integrated broadband channels and content, online communities, wireless applications and video-on-demand offerings across its properties in many countries around the world.

An attractive financial profile. New Viacom's largest business segment, Cable Networks, has increased its revenue at a compound annual growth rate of 22% since 1988. Operating income in this segment has increased at a compound annual growth rate of 25% since 1988. Cable Networks reported operating income margins of 41%, 41%, and 40% in 2002, 2003, and 2004, respectively.

An experienced management team with a proven creative and financial track record. New Viacom's operations are led by a financially-disciplined management team that has the expertise and the vision to develop and successfully exploit its programming content. The senior management of New Viacom and its MTV Networks, Black Entertainment Television, which we refer to in this Prospectus-Information Statement as "BET," and Paramount Pictures operations consists of leaders in the media and entertainment industry who have established track records of success.

New Viacom Strategy

New Viacom's mission as a newly separate business is to be the leading global, consumer-focused, branded entertainment company, with the most respected, most successful and best-in-class brands that live across television, motion pictures and digital media platforms. To achieve this, New Viacom intends to create growth by focusing on the consumer, enhancing existing brands, developing new brands and implementing its multiplatform strategy. New Viacom believes that it can deliver superior returns to stockholders by capitalizing on these strengths and deepening its relationships with advertisers, distribution affiliates, creative talent and licensees.

More specifically, New Viacom plans to:

Enhance existing brands and build compelling new brands for all platforms. New Viacom intends to continue investing in programming and new and existing brands to serve and grow its audiences, and expand its distribution and advertising revenue streams. Through these investments, New Viacom intends to build its content libraries, support expanded distribution and licensing, and expand into new media and businesses. These initiatives will also continue to benefit from New Viacom's core consumer research and creative strengths.

Enlarge its established international base. New Viacom believes its established position as a multichannel network operator in many regions of the world enhances its ability to create additional value by acquiring other networks, broadening its platforms, and growing its consumer products business. New Viacom expects to use its knowledge and experience in local markets around the world and its worldwide scale to develop and acquire new programming services. New Viacom also expects to strengthen its international position by building its own organizations to distribute theatrical and television rights to motion pictures in important foreign markets and by strengthening distribution of home entertainment products internationally.

Expand its growing multiplatform business. New Viacom expects to take advantage of emerging technological and consumer trends by extending its brands and distributing its content into new forms of integrated digital distribution, such as broadband, wireless, online community, video-on-demand, high-definition programming and other businesses. This extension of its brands will be achieved through a combination of organic growth, investment in its existing and complementary businesses, strategic relationships and focused acquisitions that fit with its current brands and core competencies.

Revitalize Paramount Pictures. New Viacom believes it has a significant opportunity to revitalize Paramount Pictures. With a new management team in place at Paramount, New Viacom intends to pursue projects more closely aligned with the tastes of target movie-going audiences and to take advantage of its significant marketing and creative capabilities. New Viacom also plans to grow its worldwide home entertainment operations, enhance its revenue opportunities by retaining a greater proportion of international rights for its theatrically released films and begin the self-distribution of its films theatrically in certain key international markets.

Edgar Filing: VIACOM INC - Form S-4/A

Build on its reputation as a great place to work. New Viacom has created and is committed to maintaining a diverse culture that attracts the best people, embraces original ideas, is nimble and quick, promotes integrity, creativity and innovation, and values fun. New Viacom believes this diverse and creative culture will enable it to develop and to market equally diverse, creative and valuable television, motion picture and new media programming and will give it a significant strategic advantage, in the United States and around the world.

CBS Corporation

51 West 52nd Street
New York, New York 10019
www.cbcorporation.com

CBS Corp. is a worldwide entertainment company with operations in the following segments:

Television: The Television segment consists of the CBS and UPN television networks, Showtime Networks Inc., including its various program services, CBS Corp.'s 39 owned broadcast television stations, and its television production and syndication business, including King World Productions and Paramount Television.

Radio: The Radio segment owns and operates 178 radio stations in 40 U.S. markets through Infinity Broadcasting.

Outdoor: The Outdoor segment, through Viacom Outdoor, displays advertising on out-of-home media, including billboards, transit shelters, buses, rail systems (in-car, station platforms and terminals), mall kiosks and stadium signage.

Parks/Publishing: The Parks/Publishing category includes Simon & Schuster, which publishes and distributes consumer books under imprints such as Simon & Schuster, Pocket Books, Scribner and The Free Press, and Paramount Parks, which is principally engaged in the ownership and operation of five theme parks and a themed attraction in the United States and Canada.

On November 3, 2005, Viacom announced that CBS Corp. is acquiring CSTV Networks, Inc., a leading digital sports media company, for approximately \$325 million. The acquisition is expected to close in January 2006, after receipt of certain government approvals, and after the separation. At that time, consideration for the transaction will be principally in CBS Corp. class B common stock.

CBS Corp. competes with many different entities and media in various markets worldwide. In addition to competition in each of its businesses, CBS Corp. competes for opportunities in the entertainment business with other diversified international entertainment companies such as The Walt Disney Company, NBC Universal Inc., News Corporation and Clear Channel Communications.

Viacom, which will be renamed "CBS Corporation" after the separation, was organized in Delaware in 1986. CBS Corp.'s principal offices are located at 51 West 52nd Street, New York, New York 10019.

CBS Corp. Competitive Strengths

CBS Corp. believes it possesses a number of strengths that will enable it to compete successfully:

Wide reach and distribution in multiple media throughout the United States and key international markets. CBS Corp. is a leading mass-media company, with businesses that for many years have consistently held leadership positions as well as newer businesses that operate on the leading-edge of the media industry. CBS Corp., through its many and varied operations, combines broad reach with well-positioned national and local businesses, all of which provide it with an extensive distribution

network by which it serves audiences and advertisers in all 50 states, including the largest domestic metropolitan areas, and key international markets.

Popular programming and content that appeals to a broad range of audiences. CBS Corp. delivers television, radio and publishing content that appeals to audiences across virtually every segment of the population. In network television, CBS Network and UPN offer programming watched by millions of viewers, including shows like *CSI: Crime Scene Investigation*, *CSI: Miami*, *CSI: New York*, *The Amazing Race*, *Without a Trace*, *Two and a Half Men*, *Everybody Hates Chris*, *America's Next Top Model*, *60 Minutes*, the *Late Show with David Letterman*, *The Young and the Restless* and a significant selection of important sports events, from AFC National Football League games to the Masters golf tournament and the month-long March Madness college basketball tournament. CBS Corp. is the industry leader in the production and distribution of syndicated television programming, with long-running and recent successes like *Wheel of Fortune*, *Jeopardy!*, *The Oprah Winfrey Show*, *Dr. Phil*, *Entertainment Tonight* and *Judge Judy*. CBS Corp. owns, operates and programs radio stations in nearly every format, including rock, news/talk, oldies, adult contemporary, country, sports/talk and urban, many of which now utilize the Internet as an additional way of reaching their audiences with enhanced content. Since the beginning of 2003, Simon & Schuster has had over 265 books on *The New York Times* bestseller list, including 40 titles that were #1 bestsellers.

Extensive and growing content library exploited on multiple platforms. CBS Corp. has a large television library that includes approximately 3,000 titles and more than 77,000 hours of programming, including a growing collection of high-definition content. This valuable asset includes many popular television programs, including *CSI: Crime Scene Investigation*, *CSI: Miami*, *CSI: New York*, *Survivor*, *The Amazing Race*, *Cheers*, *I Love Lucy*, *The Andy Griffith Show* and *Frasier*. In addition, through King World and Paramount Domestic Television, CBS Corp. holds the library rights to current first-run syndicated television programs including *Entertainment Tonight*, *Judge Judy* and *Inside Edition*. The Infinity Broadcasting division owns local content in many formats from its radio stations and is pursuing new media opportunities including Internet streaming and podcasting. Simon & Schuster publishes some 1,800 titles a year and holds the rights to more than 17,000 titles, including perennial classics like *The Joy of Cooking*, *7 Habits of Highly Effective People* and *Dr. Spock's Baby and Child Care*, and the majority of works by Ernest Hemingway and F. Scott Fitzgerald, among others.

Ability to serve the needs of advertisers. Many advertisers reach their consumers via CBS Corp.'s programming. Whether an advertiser wishes to launch a new brand across multiple platforms or heighten awareness of an existing product in a particular region of the country, the scope of CBS Corp.'s distribution network gives advertisers access to consumers in all 50 states and key international markets. CBS Corp. is well-positioned to serve advertisers locally with a combination of television, radio and outdoor properties in the majority of the top 20 domestic markets.

Strong financial profile with significant cash flow generation. CBS Corp. has consistently generated strong revenues and cash flow from its operations and believes that its financial position will result in solid investment grade debt ratings.

Experienced management team with a proven creative and financial track record. CBS Corp. has a seasoned senior management team with significant experience in the media industry and a track record of building successful businesses, and managerial talent with extensive experience in each of its segments and business units.

CBS Corp. Strategy

The principal elements of CBS Corp.'s business strategy are well-established and include:

Focus on high quality, broad-appeal programming and content. CBS Corp. has longstanding experience identifying, producing and distributing popular, high-quality programming that appeals to many audiences. Broad groups of viewers and listeners enjoy the Super Bowl, the Grammy's® and *Survivor* on CBS Network, and make 1010 WINS-AM New York "All-News Radio" the most listened-to station in the United States, while targeted demographics watch UPN and listen to radio stations like KROQ-FM Los Angeles. CBS Corp.'s television, radio, syndication and publishing businesses are dedicated to developing their content to reach both broad and targeted audiences and attract advertisers.

Exploit content on emerging platforms. CBS Corp. plans to continue to develop content that can be applied to existing, emerging and undeveloped platforms. CBS Corp.'s content-based businesses in television, radio and publishing have established in-house digital media efforts focusing on the Internet, broadband technologies, wireless communications, on-demand programming and interactivity. These new platforms are expected to provide new ways for the various businesses of CBS Corp. to distribute the wealth of content produced by its many operations, and are expected to create new revenue streams from advertising, subscriptions and licensing.

Attract and retain creative talent. To build upon and ensure its leadership position in the development and distribution of its numerous forms of content, CBS Corp. will continue to focus on developing compelling content by attracting, aligning with and retaining high quality creative talent in each of its business operations, recognizing that it is the talent of writers, producers, actors and others that ultimately gives CBS Corp. its strength, its ability to serve its many audiences and customers, and its capability to grow market share in a competitive arena. CBS Corp.'s management team maintains strong relationships with many of the most successful content creators in media and places a high priority on establishing a diverse and creative work environment.

Focus on local presence in large and attractive markets. The vast majority of U.S. revenue in the local radio, television and outdoor industries is generated in the nation's top 50 markets. CBS Corp. intends to maintain its focus and build its presence in large markets attractive to advertisers, and regularly evaluate its portfolio of television, radio and outdoor assets in each of those markets to ensure that its mix of properties is delivering attractive margins and cash flow.

Deliver an attractive return on investment to stockholders and maintain ongoing cash flow growth. By focusing on its strengths and other strategies, CBS Corp. intends to deliver attractive returns to its stockholders by continuing to grow its cash flow and returning a significant portion of that cash flow to its stockholders in the form of dividends.

THE SEPARATION (page 45)

Reasons for the Separation (page 45)

The following is a summary of the information and factors that the Viacom board of directors considered in approving the merger and the separation and is not intended to be exhaustive.

The separation will result in more focused companies better able to respond quickly and successfully to changes in their respective industries.

Viacom's businesses are expected to face many new challenges and opportunities. The businesses of New Viacom and CBS Corp. will be more focused as separate companies, which will allow each company to be better able to make necessary changes to its businesses to better respond as the industries in which they operate continue to change.

The separation will create equity securities with a market price that is expected to more closely reflect the efforts of each company's management and therefore will better align management with stockholder interests.

The market price of New Viacom common stock and CBS Corp. common stock is expected to more closely reflect the efforts of management at each company than the market price of Viacom common stock currently does. For example, senior managers of New Viacom or CBS Corp. can expect their performance to be reflected more directly in the market price of New Viacom common stock or CBS Corp. common stock than in the market price of the combined, larger company. As a result, we believe that equity incentives, such as stock options and restricted share units, which we refer to in this Prospectus-Information Statement as "RSUs," will better align the interests of management with the interests of stockholders and improve each company's performance.

The separation will provide investors two largely pure-play investment options that may be more attractive than one combined company.

Separating New Viacom into its own publicly traded company will provide investors with the opportunity to invest in the New Viacom businesses and the CBS Corp. businesses individually, rather than as a single unit. The Viacom board of directors believes that investments in New Viacom, a largely pure-play content company, and CBS Corp., a largely pure-play mass-media company, may be more attractive to certain kinds of investors and that the separation will therefore increase the demand for each company's shares. For example, New Viacom may be more attractive to investors who wish to invest in the potential of the pure content business and who believe that New Viacom offers more share price appreciation potential due to its ability to employ its anticipated cash flows to reinvest in its businesses and engage in complementary acquisitions, and CBS Corp. may be more attractive to investors who wish to invest in the potential of the mass-media business, and who are interested in receiving a dividend that represents a higher payout ratio than Viacom's current dividend. CBS Corp. currently anticipates paying a regular cash dividend to its stockholders that initially will be no less than the aggregate annual payment of approximately \$450 million under Viacom's existing dividend program.

After the separation, New Viacom will have the opportunity to finance acquisitions with its own equity.

The growth opportunities available to New Viacom are expected to result in a higher market price as measured by price-to-earnings ratios or a higher value of New Viacom's capitalization in relation to operating income before depreciation and amortization. This will provide New Viacom with the ability to finance acquisitions with equity in a manner that preserves capital with significantly less dilution of its stockholders' interests.

Recommendation of the Viacom Board of Directors (page 47)

On November 21, 2005, the Viacom board of directors determined that the merger and the separation are in the best interests of Viacom's stockholders and, accordingly, approved the merger agreement and the separation and recommended that holders of Viacom class A common stock, par value \$0.01 per share, which we refer to in this Prospectus-Information Statement as "Viacom class A common stock," adopt the merger agreement. The Viacom board of directors also resolved to submit the merger agreement for consideration by NAIRI, Inc., a wholly owned subsidiary of Viacom's controlling stockholder, National Amusements, Inc., which we refer to in this Prospectus-Information Statement as "NAI," pursuant to a written consent, and on November 21, 2005, NAIRI executed a written consent adopting the merger agreement. Accordingly, no further stockholder approval or action is required.

Terms of the Separation (pages 52 and 232)

The separation of New Viacom into its own publicly traded company will be effected through the merger of Viacom Merger Sub Inc., which we refer to in this Prospectus-Information Statement as "Merger Sub," with and into Viacom. On the effective date of the merger and the separation, which we refer to in this Prospectus-Information Statement as the "effective date," Viacom will be renamed "CBS Corporation" and will continue as the surviving entity and:

each outstanding share of Viacom class A common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class A common stock, par value \$0.001 per share, and 0.5 of a share of CBS Corp. class A common stock, par value \$0.001 per share;

each outstanding share of Viacom class B common stock, par value \$0.01 per share, which we refer to in this Prospectus-Information Statement as "Viacom class B common stock," will automatically convert into the right to receive 0.5 of a share of New Viacom class B common stock, par value \$0.001 per share, and 0.5 of a share of CBS Corp. class B common stock, par value \$0.001 per share; and

holders of Viacom class A common stock and Viacom class B common stock will receive cash in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock.

In this Prospectus-Information Statement, we refer to New Viacom class A common stock, par value \$0.001 per share, and New Viacom class B common stock, par value \$0.001 per share, as "New Viacom class A common stock" and "New Viacom class B common stock," respectively, and collectively as "New Viacom common stock." In this Prospectus-Information Statement, we refer to CBS Corp. class A common stock, par value \$0.001 per share, and CBS Corp. class B common stock, par value \$0.001 per share, as "CBS Corp. class A common stock" and "CBS Corp. class B common stock," respectively, and collectively as "CBS Corp. common stock." See the section entitled "The Separation Merger Agreement" beginning on page 52. The merger agreement is included as Annex A to this Prospectus-Information Statement. We encourage you to read the merger agreement, which is the legal document that governs the merger.

In addition to the merger agreement, Viacom and New Viacom will enter into several arrangements that will effect the separation and govern certain aspects of the relationship between New Viacom and CBS Corp. following the separation, including a separation agreement that sets forth the allocation of assets, liabilities, rights and obligations of New Viacom and CBS Corp. following the separation, which we refer to in this Prospectus-Information Statement as the "separation agreement." Throughout this Prospectus-Information Statement, information regarding the assets and liabilities of New Viacom and CBS Corp. following the separation is presented giving effect to the provisions of the separation agreement, unless the context otherwise requires. See the section entitled "Arrangements Between New Viacom and CBS Corp. After the Separation" beginning on page 232 for a description of these arrangements.

The separation agreement will provide that, subject to the terms and conditions contained in the separation agreement:

All of the assets primarily related to the New Viacom business (as described in this Prospectus-Information Statement), as well as certain other specific assets, will be retained by or transferred to New Viacom or one of its subsidiaries;

All of the assets of Viacom not retained by or transferred to New Viacom will be assets of CBS Corp. or one of its subsidiaries;

Liabilities will be allocated to and assumed by New Viacom to the extent they are related to the New Viacom business, as well as certain other specified liabilities;

Liabilities of Viacom not retained by or transferred to New Viacom will be liabilities of CBS Corp.;

Specified liabilities related to businesses of Viacom that were sold or discontinued prior to the date of the separation will be assumed by New Viacom or will remain with CBS Corp. For example, liabilities related to Blockbuster, Famous Players and UCI will be assumed by New Viacom and liabilities related to Westinghouse and Gulf & Western will remain with CBS Corp.; and

Shortly prior to the separation, New Viacom will pay a special cash dividend to Viacom (to be renamed CBS Corporation) in an amount sufficient to establish CBS Corp.'s opening debt balance from continuing operations at \$7 billion, subject to certain adjustments. New Viacom has received \$6.0 billion in financing commitments, subject to the satisfaction of customary conditions, for a bridge term facility that will be used to fund the special cash dividend and for general corporate purposes. Based on Viacom's historical debt balance at September 30, 2005, the unaudited pro forma combined condensed financial statements included in this Prospectus-Information Statement reflect a special cash dividend of \$3.4 billion. After taking into account acquisitions and dispositions of assets, operating cash flow and share repurchases, among other things, Viacom's debt balance is expected to be significantly higher at the time of the separation than at September 30, 2005, and, as a result, the special cash dividend is expected to be significantly higher than \$3.4 billion. Based on Viacom's debt level as of November 21, 2005, the special cash dividend would approximate \$4.8 billion.

Conditions to the Merger (page 56)

The merger will be completed only if various conditions are satisfied or, for certain conditions, waived in the sole discretion of Viacom, including the following:

the Registration Statement of which this Prospectus-Information Statement forms a part registering the shares of New Viacom common stock and CBS Corp. common stock to be issued in the merger has been declared effective by the Securities and Exchange Commission, which we refer to in this Prospectus-Information Statement as the "SEC," and there is no stop-order in effect with respect to the Registration Statement and no proceedings for that purpose have been initiated by the SEC;

no governmental authority or court prohibits the merger or makes the merger illegal;

the shares of each class of New Viacom common stock and CBS Corp. common stock to be issued to Viacom stockholders in the merger have been authorized for listing by the New York Stock Exchange, subject to official notice of issuance;

Viacom has received the consent of the Federal Communications Commission, which we refer to in this Prospectus-Information Statement as the "FCC," to the transfer of control of New Viacom or any subsidiary of New Viacom that holds any FCC licenses; and

Viacom has received an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP and/or a private letter ruling from the Internal Revenue Service, which we refer to in this Prospectus-Information Statement as the "IRS," in each case, to the effect that, for U.S. federal income tax purposes, the merger and the distribution of New Viacom common stock in the merger will generally qualify as a tax-free distribution under Sections 355 and 368 of the Internal Revenue Code of 1986, as amended, which we refer to in this Prospectus-Information Statement as the "Code," and the distribution of CBS Corp. common stock in the merger will also generally be tax-free to Viacom and its stockholders. On November 22, 2005, Viacom received a private letter ruling from the IRS addressing certain issues relating to the foregoing, which we refer to in this Prospectus-Information Statement as the "IRS ruling." In accordance with current IRS ruling

Edgar Filing: VIACOM INC - Form S-4/A

policy, the IRS ruling does not address certain significant issues relating to qualification under Section 355 of the Code and, as to those issues, Viacom will be relying on an opinion of counsel. See the section entitled "The Separation Certain U.S. Federal Income Tax Consequences" beginning on page 48.

The merger will become effective when a certificate of merger is filed with the Delaware Secretary of State or at such later time as is specified in the certificate of merger.

RISK FACTORS (page 25)

You should carefully consider the matters described in the section entitled "Risk Factors" beginning on page 25, as well as other information included in this Prospectus-Information Statement and the other documents to which you have been referred, for discussions of the risks involved in the separation and in investments in New Viacom and CBS Corp. and those relating to New Viacom and CBS Corp.'s businesses.

COMPARATIVE MARKET VALUE OF SECURITIES (page 61)

On June 13, 2005, the last New York Stock Exchange trading day before the public announcement of the separation, the closing sale prices per share of Viacom class A common stock and Viacom class B common stock were \$34.20 and \$34.03, respectively.

On November 22, 2005, the last New York Stock Exchange trading day before the date of filing of Amendment No. 1 to the Registration Statement of which this Prospectus-Information Statement forms a part, the closing sale prices per share of Viacom class A common stock and Viacom class B common stock were \$34.09 and \$34.07, respectively. There is currently no trading market for New Viacom common stock or CBS Corp. common stock.

NO DISSENTERS' RIGHTS (page 47)

Viacom stockholders will not have dissenters' rights in connection with the merger.

ACCOUNTING TREATMENT (page 47)

The separation will be accounted for by Viacom (to be renamed CBS Corporation) as a spin-off of New Viacom. Following the separation, New Viacom will be accounted for as a discontinued operation by CBS Corp. The measurement date for discontinued operations for accounting purposes will be the date of the separation. After the spin-off, the assets and liabilities of New Viacom will be accounted for at the historical book values carried by Viacom prior to the spin-off. No gain or loss will be recognized as a result of the separation. Total costs related to the spin-off will be recognized as incurred by Viacom and allocated between New Viacom and CBS Corp. in accordance with the terms of the separation agreement.

REGULATORY APPROVAL (page 48)

Apart from the registration under U.S. federal securities laws of shares of each class of New Viacom common stock and CBS Corp. common stock to be distributed in the separation, Viacom does not believe that any material governmental or regulatory filings or approvals will be necessary to consummate the separation. Viacom must obtain the FCC's consent prior to the completion of certain interim transactions that involve the transfer of licenses issued by the FCC or subsidiaries that hold FCC licenses and the separation of New Viacom from CBS Corp. The FCC has expedited approval processes for corporate restructurings, such as the separation, that do not result in any change in the ultimate control of the company. Viacom does not believe that the FCC consent process will delay the separation.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES (page 48)

It is a condition to the merger that Viacom receive an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP and/or a private letter ruling from the IRS, in each case, to the effect that, for U.S. federal income tax purposes, the merger and the distribution of New Viacom common stock in the merger will generally qualify as a tax-free distribution under Sections 355 and 368 of the Code and the distribution of CBS Corp. common stock in the merger will also generally be tax-free to Viacom and its stockholders. Viacom received the IRS ruling on November 22, 2005. In accordance with current IRS ruling policy, the IRS ruling does not address certain significant issues relating to qualification under Section 355 of the Code and, as to those issues, Viacom will be relying on an opinion of counsel. The merger has been structured to be tax-free for U.S. federal income tax purposes to Viacom stockholders, except with respect to cash received in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock. The merger will also be tax-free to Viacom for U.S. federal income tax purposes, except with respect to taxes arising out of foreign and other internal restructurings undertaken in connection with the separation and any "excess loss account" or "intercompany transaction" required to be taken into account by Viacom under the regulations promulgated by the Department of the Treasury, which we refer to in this Prospectus-Information Statement as the "Treasury Regulations."

You should consult your tax advisor as to the particular consequences to you of the separation. See the risk factor captioned "If the Merger Is Determined to Be Taxable, Viacom and Viacom Stockholders Could Be Subject to a Material Amount of Taxes" beginning on page 27 and the section entitled "The Separation Certain U.S. Federal Income Tax Consequences" beginning on page 48.

NEW YORK STOCK EXCHANGE LISTINGS (page 51)

Viacom class A common stock and Viacom class B common stock, which currently trade on the New York Stock Exchange under the symbols "VIA" and "VIA.B," respectively, will cease trading on the New York Stock Exchange as of the effective date of the merger, and each class of New Viacom common stock and CBS Corp. common stock will thereafter begin trading on the New York Stock Exchange. Viacom has reserved the symbols "VIA" and "VIA.B" for New Viacom class A common stock and New Viacom class B common stock, respectively, and the symbols "CBS.A" and "CBS" for CBS Corp. class A common stock and CBS Corp. class B common stock, respectively. Each of New Viacom and CBS Corp. believes that it will satisfy all of the applicable listing standards relating to its common stock.

In addition, a when-issued trading market for New Viacom common stock and CBS Corp. common stock may develop after the shares of New Viacom common stock and CBS Corp. common stock are registered with the SEC under the Securities Exchange Act of 1934, as amended, which we refer to in this Prospectus-Information Statement as the "Exchange Act." "When-issued" trading refers to conditional purchase or sale transactions with respect to a security that has been authorized but is not yet issued and available. The when-issued trading market would be a market that develops prior to the separation for the shares of New Viacom common stock and CBS Corp. common stock that will be distributed in the merger. If when-issued trading occurs, the listing of each class of New Viacom common stock and CBS Corp. common stock is expected to be under trading symbols different from the regular way trading symbols. On November 21, 2005, Viacom's \$8 billion stock purchase program was modified to authorize Viacom to purchase New Viacom common stock and CBS Corp. common stock in the when-issued market.

INTERESTS OF CERTAIN PERSONS IN THE SEPARATION (page 57)

The directors and executive officers of Viacom may have interests in the separation that are different from, or in addition to, your interests, and that may create potential conflicts of interest, including the following:

Viacom's directors and executive officers have equity interests in Viacom, including holdings of Viacom common stock, stock options, RSUs and/or phantom units that reference Viacom

Edgar Filing: VIACOM INC - Form S-4/A

common stock. In connection with the separation, holdings of Viacom common stock by these persons will convert into New Viacom common stock and CBS Corp. common stock in the same manner as shares held by stockholders. The stock options and RSUs that will be received by these persons will be converted using the same formula as Viacom employees' stock options and RSUs and will depend on the company with which the director or executive officer continues his or her affiliation following the separation. Phantom units held by these persons will generally convert into phantom units that reference both New Viacom common stock and CBS Corp. common stock, except for phantom units attributable to certain former CBS Corporation plans which will convert only into phantom units that reference CBS Corp. class B common stock. See the section entitled "The Separation Merger Agreement Treatment of Outstanding Viacom Equity Compensation Awards" beginning on page 53.

Mr. Sumner M. Redstone serves as chairman of the board of directors and chief executive officer of Viacom, and Ms. Shari Redstone serves as non-executive vice chairman of the Viacom board of directors. Mr. Redstone is the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, the controlling stockholder of Viacom, and Ms. Redstone is the president and a director of NAI. In addition, Messrs. George S. Abrams, David R. Andelman and Philippe P. Dauman, who are currently directors of Viacom, are also directors of NAI. Following the separation, Mr. Redstone will serve as chairman of the board of directors of New Viacom and chairman of the board of directors of CBS Corp. Ms. Redstone will serve as non-executive vice chair of the board of directors of both New Viacom and CBS Corp. and Mr. Dauman will serve as a director of both New Viacom and CBS Corp. Mr. Abrams will serve on the New Viacom board of directors and not on the CBS Corp. board of directors following the separation, and Mr. Andelman will serve on the CBS Corp. board of directors and not on the New Viacom board of directors following the separation.

Messrs. Alan C. Greenberg, Charles E. Phillips, Jr., Frederic V. Salerno and William Schwartz, who currently serve as directors of Viacom, will serve on the New Viacom board of directors and not on the CBS Corp. board of directors following the separation, and Messrs. Joseph A. Califano, Jr., William S. Cohen and Robert D. Walter, who currently serve as directors of Viacom, will serve on the CBS Corp. board of directors and not on the New Viacom board of directors following the separation. Mr. Greenberg is the chairman of the executive committee and a member of the board of directors of The Bear Stearns Companies Inc., which we refer to in this Prospectus-Information Statement as "Bear Stearns." Bear Stearns is acting as one of Viacom's financial advisors in connection with the separation and may receive a fee for its services not in excess of customary amounts.

Following the separation, Mr. Thomas E. Freston, who is currently the co-president and co-chief operating officer of Viacom, will be the president and chief executive officer and a director of New Viacom, but will not be an officer or director of CBS Corp., and Mr. Leslie Moonves, who is currently the co-president and co-chief operating officer of Viacom, will be the president and chief executive officer and a director of CBS Corp., but will not be an officer or director of New Viacom.

On June 14, 2005, the Viacom board of directors established a special committee, consisting of Mr. Redstone, as chair, Ms. Redstone, as vice chair, Mr. Dauman and Mr. Salerno, to meet regularly to assist with and oversee the separation process. Each member of this special committee of the Viacom board of directors, other than Mr. Redstone, is being compensated for serving as a member of the committee in the amount of \$30,000, payable upon the consummation or abandonment of the separation. In this Prospectus-Information Statement, we refer to this committee of the Viacom board of directors as the "Viacom separation committee."

NEW VIACOM SUMMARY SELECTED COMBINED FINANCIAL DATA

The following table presents the summary selected combined financial data of New Viacom. The summary selected combined financial data should be read in conjunction with, and is qualified in its entirety by reference to, New Viacom's combined financial statements and the notes thereto and the related "Management's Discussion and Analysis of New Viacom's Results of Operations and Financial Condition", each of which is included elsewhere in this Prospectus-Information Statement. The combined statements of operations data for the years ended December 31, 2004, 2003 and 2002 and the combined balance sheet data at December 31, 2004 and 2003 are derived from New Viacom's audited combined financial statements. The unaudited combined statements of operations data for the nine months ended September 30, 2005 and 2004 and for the years ended December 31, 2001 and 2000 are derived from New Viacom's accounting records for those periods and have been prepared on a basis consistent with New Viacom's audited combined financial statements. The unaudited combined balance sheet data at September 30, 2005 and at December 31, 2002, 2001 and 2000 is derived from New Viacom's accounting records for those periods and have been prepared on a basis consistent with New Viacom's audited combined financial statements.

The summary selected combined financial data is as reported in the historical carve-out financial statements of New Viacom beginning on page F-1. The summary selected combined financial data may not necessarily reflect New Viacom's results of operations and financial position in the future or what results of operations and financial position would have been had New Viacom been a separate, stand-alone company during the periods presented. The results for the nine months ended September 30, 2005 are not necessarily indicative of the results to be expected for the full year. For additional information, see "New Viacom Unaudited Pro Forma Combined Condensed Financial Information" and the notes thereto beginning on page 158.

Combined Statements of Operations Data
(in millions)

	Nine Months Ended September 30,		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)	(unaudited)				(unaudited)	(unaudited)
Revenues	\$ 6,885.9	\$ 5,628.4	\$ 8,132.2	\$ 7,304.4	\$ 6,050.7	\$ 5,497.6	\$ 5,021.1
Operating income	\$ 1,953.8	\$ 1,657.3	\$ 2,282.8	\$ 2,001.8	\$ 1,737.6	\$ 1,092.1	\$ 672.7
Net earnings from continuing operations	\$ 1,174.4	\$ 987.4	\$ 1,392.9	\$ 1,147.4	\$ 993.9	\$ 438.5	\$ 412.3

Combined Balance Sheet Data
(in millions)

	At December 31,					
	At September 30, 2005	2004	2003	2002	2001	2000
	(unaudited)			(unaudited)	(unaudited)	(unaudited)
Total assets	\$ 18,380.5	\$ 18,440.8	\$ 22,304.4	\$ 21,993.0	\$ 23,007.8	\$ 20,561.8
Capital lease obligations	\$ 328.8	\$ 345.1	\$ 202.2	\$ 170.0	\$ 183.9	\$ 217.8
Total invested equity	\$ 13,274.9	\$ 13,465.2	\$ 15,815.7	\$ 15,248.6	\$ 16,275.6	\$ 14,207.3

NEW VIACOM SUMMARY UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

The following table presents the summary unaudited pro forma combined condensed financial information of New Viacom. The summary unaudited pro forma combined condensed financial information is derived from, and should be read in conjunction with, the information provided in "Description of New Viacom After the Separation New Viacom Unaudited Pro Forma Combined Condensed Financial Information" and the notes thereto beginning on page 158. The summary unaudited pro forma combined condensed financial information is based upon the historical carve-out financial statements of New Viacom beginning on page F-1. The summary unaudited pro forma combined condensed statements of operations information is presented as if the separation had occurred on January 1, 2004. The summary unaudited pro forma combined condensed balance sheet information is presented as if the separation had occurred on September 30, 2005.

The summary unaudited pro forma combined condensed financial information is presented for illustrative purposes only and may not necessarily reflect New Viacom's results of operations and financial position in the future or what New Viacom's results of operations and financial position would have been had New Viacom been a separate, stand-alone company during the periods presented.

**Summary Unaudited Pro Forma Combined Condensed Statements
of Operations Information
(in millions, except per share amounts)**

	Nine Months Ended September 30, 2005	Year Ended December 31, 2004
Revenues	\$ 6,885.9	\$ 8,132.2
Operating income	\$ 1,953.8	\$ 2,282.8
Net earnings from continuing operations	\$ 1,089.7	\$ 1,280.5
Net earnings from continuing operations per common share:		
Basic	\$ 1.36	\$ 1.49
Diluted	\$ 1.36	\$ 1.48
Weighted average number of common shares outstanding:		
Basic	799.2	857.2
Diluted	803.6	862.9

**Summary Unaudited Pro Forma Combined Condensed Balance Sheet Information
(in millions)**

	At September 30, 2005
Total assets	\$ 18,399.6
Long-term debt, including capital lease obligations	\$ 3,717.9
Stockholders' equity	\$ 9,904.9

VIACOM SUMMARY SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents the summary selected consolidated financial data of Viacom. The summary selected consolidated financial data should be read in conjunction with, and is qualified in its entirety by reference to, Viacom's consolidated financial statements and the notes thereto and the related "Management's Discussion and Analysis of Results of Operations and Financial Condition" included in Viacom's Form 10-Q for the period ended September 30, 2005, and Viacom's Form 8-K filed with the SEC on November 21, 2005, each of which is incorporated by reference into this Prospectus-Information Statement. For additional information, please refer to Viacom's Form 10-K for the year ended December 31, 2004 also incorporated by reference into this Prospectus-Information Statement. The unaudited consolidated statements of operations data for the nine months ended September 30, 2005 and 2004 and the unaudited consolidated balance sheet data at September 30, 2005 are derived from Viacom's unaudited accounting records for those periods and have been prepared on a basis consistent with Viacom's audited consolidated financial statements.

Statement of Operations Data
(in millions, except per share amounts)

	Nine Months Ended September 30,(a)		Year Ended December 31,(a)				
	2005	2004	2004(b)(c)	2003(b)	2002(d)	2001	2000(e)(f)
Revenues	\$ 17,321.5	\$ 15,952.5	\$ 22,143.9	\$ 20,450.9	\$ 18,849.6	\$ 17,933.1	\$ 14,986.6
Operating income (loss)	\$ 3,975.9	\$ 3,779.2	\$ (12,957.6)	\$ 4,469.4	\$ 4,243.8	\$ 1,696.6	\$ 1,287.9
Net earnings (loss) from continuing operations	\$ 2,094.2	\$ 2,063.6	\$ (15,050.6)	\$ 2,238.2	\$ 2,038.8	\$ (3.5)	\$ (263.4)
Net earnings (loss) before cumulative effect of accounting change	\$ 2,047.3	\$ 976.7	\$ (16,149.8)	\$ 1,435.4	\$ 2,206.6	\$ (223.5)	\$ (363.8)
Net earnings (loss)	\$ 2,047.3	\$ 976.7	\$ (17,462.2)	\$ 1,416.9	\$ 725.7	\$ (223.5)	\$ (816.1)
Basic earnings (loss) per common share:							
Net earnings(loss) from continuing operations	\$ 1.31	\$ 1.19	\$ (8.78)	\$ 1.28	\$ 1.16	\$	\$ (.21)
Net earnings (loss) before cumulative effect of accounting change	\$ 1.28	\$.57	\$ (9.42)	\$.82	\$ 1.26	\$ (.13)	\$ (.30)
Net earnings (loss)	\$ 1.28	\$.57	\$ (10.19)	\$.81	\$.41	\$ (.13)	\$ (.67)
Diluted earnings (loss) per common share:							
Net earnings (loss) from continuing operations	\$ 1.30	\$ 1.19	\$ (8.78)	\$ 1.27	\$ 1.15	\$	\$ (.21)
Net earnings (loss) before cumulative effect of accounting change	\$ 1.27	\$.56	\$ (9.42)	\$.82	\$ 1.24	\$ (.13)	\$ (.30)
Net earnings (loss)	\$ 1.27	\$.56	\$ (10.19)	\$.80	\$.41	\$ (.13)	\$ (.67)
Cash dividends per common share(g)	\$.21	\$.18	\$.25	\$.12	\$	\$	\$

Edgar Filing: VIACOM INC - Form S-4/A

Balance Sheet Data
(in millions)

	At September 30,(a)		At December 31,(a)			
	2005	2004	2003	2002	2001	2000
Total assets	\$ 67,314.7	\$ 68,002.3	\$ 90,225.5	\$ 90,496.9	\$ 91,343.7	\$ 83,239.2
Long-term debt from continuing operations	\$ 10,698.8	\$ 9,708.7	\$ 9,653.4	\$ 9,835.0	\$ 10,325.3	\$ 11,412.9
Long-term debt from discontinued operations	\$ 153.2	\$ 208.3	\$ 427.8	\$ 770.9	\$ 1,150.3	\$ 1,681.0
Total stockholders' equity	\$ 40,354.8	\$ 42,024.3	\$ 63,205.0	\$ 62,487.8	\$ 62,716.8	\$ 47,966.9

- (a) On July 22, 2005, Viacom sold Famous Players, its Canadian-based theater chain, to Cineplex Galaxy L.P. In 2004, the exchange offer for the split-off of Blockbuster was completed. Blockbuster and Famous Players are presented as discontinued operations. All prior periods have been reclassified to conform to this presentation.
- (b) The application of SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" resulted in non-cash charges of \$18.0 billion, or \$10.43 per diluted share, in 2004 to reduce the carrying amount of Radio and Outdoor goodwill and intangibles to their respective estimated fair values and \$1.3 billion in 2003 related to a reduction in Blockbuster's goodwill and other long-lived assets.
- (c) As a result of the initial adoption of Emerging Issues Task Force Topic No. D-108 "Use of Residual Method to Value Acquired Assets Other than Goodwill", Viacom recorded an after-tax charge of \$1.3 billion, or \$.77 per diluted share, as a cumulative effect of accounting change, to reduce the intangible balances attributable to television stations FCC licenses.
- (d) As a result of the initial adoption of SFAS 142, Viacom recorded an after-tax non-cash charge of \$1.5 billion as a cumulative effect of a change in accounting principle.
- (e) As a result of the adoption of Statement of Position 00-2, "Accounting by Producers or Distributors of Films", Viacom recorded a non-cash after-tax charge of \$452.3 million as a cumulative effect of accounting change.
- (f) On May 4, 2000, the former CBS Corporation merged with and into Viacom, and effective from that date, its results of operations are included in the consolidated financial results of Viacom.
- (g) Viacom announced a quarterly cash dividend of \$.06 per share on its common stock during the first three quarters of 2004 and a cash dividend of \$.07 per share in the fourth quarter of 2004. A quarterly cash dividend of \$.06 per share was declared during the third and fourth quarter of 2003.

CBS CORP. SUMMARY UNAUDITED PRO FORMA CONSOLIDATED CONDENSED FINANCIAL INFORMATION

The following table presents the summary unaudited pro forma consolidated condensed financial information of CBS Corp. The summary unaudited pro forma consolidated condensed financial information is derived from, and should be read in conjunction with, the information provided in "Description of CBS Corp. After the Separation CBS Corp. Unaudited Pro Forma Consolidated Condensed Financial Information" and the notes thereto beginning on page 223. The summary unaudited pro forma consolidated condensed financial information is based upon the historical financial statements of Viacom (to be renamed CBS Corporation) and reflects the carve-out of New Viacom. The summary unaudited pro forma consolidated condensed statements of operations information is presented as if the separation had occurred on January 1, 2004. Due to Viacom's intention to account for New Viacom as a discontinued operation following the separation, the unaudited pro forma consolidated condensed statements of operations information for the years ended December 31, 2003 and 2002 are also presented herein. The summary unaudited pro forma consolidated condensed balance sheet information is presented as if the separation had occurred on September 30, 2005.

The summary unaudited pro forma consolidated condensed financial information is presented for illustrative purposes only and may not necessarily reflect CBS Corp.'s results of operations and financial position in the future or what CBS Corp.'s results of operations and financial position would have been had the separation been completed as of the dates indicated.

Summary Unaudited Pro Forma Consolidated Condensed Statements of Operations Information
(in millions, except per share amounts)

	Nine Months Ended September 30, 2005	Year Ended December 31,		
		2004	2003	2002
Revenues	\$ 10,708.3	\$ 14,547.3	\$ 13,554.5	\$ 13,163.4
Operating income (loss)	\$ 2,019.3	\$ (15,154.5)	\$ 2,511.3	\$ 2,578.6
Net earnings (loss) from continuing operations	\$ 982.4	\$ (16,306.6)	\$ 1,116.9	\$ 1,088.0
Net earnings (loss) from continuing operations per common share:				
Basic	\$ 1.23	\$ (19.02)	\$.64	\$.62
Diluted	\$ 1.22	\$ (19.02)	\$.63	\$.61
Weighted average number of common shares outstanding:				
Basic	799.1	857.2	1,744.0	1,752.8
Diluted	803.6	857.2	1,760.7	1,774.8

Summary Unaudited Pro Forma Consolidated Condensed Balance Sheet Information
(in millions)

	At September 30, 2005	
Total assets	\$	49,554.0
Long-term debt from continuing operations, including capital lease obligations	\$	7,000.0
Stockholders' equity	\$	30,447.1

COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

The following table presents per share information for Viacom on a historical basis and CBS Corp. and New Viacom on an unaudited pro forma basis. The pro forma information is presented as if the separation was completed on January 1, 2004 for the purposes of pro forma statement of operations data and on September 30, 2005 and December 31, 2004 for purposes of pro forma balance sheet data. For a full description of all pro forma events and assumptions, refer to "Description of CBS Corp. After the Separation CBS Corp. Unaudited Pro Forma Consolidated Condensed Financial Information" and related notes beginning on page 223 and "Description of New Viacom After the Separation New Viacom Unaudited Pro Forma Combined Condensed Financial Information" and related notes beginning on page 158.

The unaudited pro forma per share data is presented for illustrative purposes only and may not necessarily reflect CBS Corp.'s or New Viacom's results of operations or financial position in the future or what CBS Corp.'s or New Viacom's results of operations or financial position would have been had the separation been completed on January 1, 2004 or September 30, 2005, respectively.

Nine Months Ended or at September 30, 2005	Viacom Historical	CBS Corp. Pro Forma	New Viacom Pro Forma
Net earnings per common share from continuing operations:			
Basic	\$ 1.31	\$ 1.23	\$ 1.36
Diluted	\$ 1.30	\$ 1.22	\$ 1.36
Book value per common share ⁽¹⁾ :			
Basic	\$ 26.00	\$ 39.23	\$ 12.76
Diluted	\$ 25.88	\$ 39.05	\$ 12.70
Cash dividends per common share ⁽²⁾	\$.21	\$.42	\$

Twelve Months Ended or at December 31, 2004	Viacom Historical	CBS Corp. Pro Forma	New Viacom Pro Forma
Net earnings (loss) per common share from continuing operations:			
Basic	\$ (8.78)	\$ (19.02)	\$ 1.49
Diluted	\$ (8.78)	\$ (19.02)	\$ 1.48
Book value per common share ⁽¹⁾ :			
Basic	\$ 25.54	\$ 37.69	\$ 13.50
Diluted	\$ 25.54	\$ 37.47	\$ 13.42
Cash dividends per common share ⁽²⁾	\$.25	\$.50	\$

(1) The book value per common share of Viacom was calculated by dividing stockholders' equity by the number of common shares outstanding at the end of the period. The common shares outstanding used in the pro forma book value per share reflect the conversion of each outstanding share of Viacom common stock into 0.5 of a share of CBS Corp. common stock and 0.5 of a share of New Viacom common stock.

(2) CBS Corp. currently anticipates paying a regular cash dividend to its stockholders that initially will be no less than the aggregate annual payment of approximately \$450 million under Viacom's existing dividend program. Based on Viacom's historical cash dividend per common share and the conversion ratio of 0.5 of a share of CBS Corp. common stock for each share of Viacom common stock, CBS Corp.'s pro forma cash dividends were \$.42 per common share and \$.50 per common share for the nine months ended September 30, 2005 and the twelve months ended December 31, 2004, respectively. New Viacom does not currently anticipate paying dividends to its stockholders.

RISK FACTORS

You should consider carefully all of the information set forth in, or incorporated by reference into, this Prospectus-Information Statement and, in particular, the risk factors described below.

The risk factors have been separated into four groups:

risks that relate to the separation;

risks that relate to New Viacom common stock and CBS Corp. common stock and the securities markets generally;

risks that relate to New Viacom's business; and

risks that relate to CBS Corp.'s business.

In addition, the risks described below and elsewhere in this Prospectus-Information Statement are not the only ones Viacom, New Viacom and CBS Corp. are facing or that relate to the separation. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on New Viacom's or CBS Corp.'s future results or on the separation. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the events described below were to occur, New Viacom's or CBS Corp.'s businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected. In any such case, the price of New Viacom common stock or CBS Corp. common stock could decline, and you could lose all or part of your investment in New Viacom or CBS Corp.

For the purposes of these risk factors, unless the context otherwise indicates, we have assumed that the separation has been completed.

RISK FACTORS RELATING TO THE SEPARATION

The Financial Results of Each Company May Be Subject to Increased Variability After the Separation

After the separation, each company will have distinct market dynamics and economics as compared to Viacom prior to the separation. The businesses that each company will operate following the separation are sensitive to general economic conditions, consumer confidence, consumer retail spending, interest rates, adverse publicity, competition and trends in technology. The diversification that Viacom has currently, resulting from operating the businesses of New Viacom alongside the businesses of CBS Corp., tends to moderate financial and operational volatility. Following the separation, that diversification will diminish, and each company may experience increased volatility in terms of cash flow, seasonality, working capital and financing requirements.

The Historical and Pro Forma Financial Information of Viacom, New Viacom and CBS Corp. May Not Be Indicative of Their Results as Separate Companies

The historical and pro forma financial information of Viacom, New Viacom and CBS Corp. presented in, or incorporated by reference into, this Prospectus-Information Statement may not necessarily reflect what the results of operations, financial condition and cash flows of each company would have been had the companies been operating as separate entities pursuing independent strategies during the periods presented or what the results of operations, financial condition and cash flows of each company will be in the future. As a result, historical and pro forma financial information should not be relied upon as being indicative of future results of operations, financial condition and cash flows of either New Viacom or CBS Corp.

The Businesses of Each Company Will Be Attributable to the Other Company for Certain Regulatory Purposes

So long as New Viacom and CBS Corp. are under common control, each company's businesses, as well as the businesses of any other commonly controlled company, will be attributable to the other company for purposes of U.S. and non-U.S. antitrust rules and regulations, certain rules and regulations of the FCC, and certain rules regarding political campaign contributions in the United States, among others. The businesses of one company will continue to be attributable to the other company for FCC purposes even after the two companies cease to be commonly controlled, if the two companies share common officers, directors, or attributable stockholders. As a result, the businesses and conduct of one company may have the effect of limiting the activities or strategic business alternatives available to the other company.

The Separation Agreement Will Prohibit New Viacom and CBS Corp. from Engaging in Certain Types of Businesses

Under the terms of the separation agreement New Viacom will agree that, generally, it will not own or acquire certain interests in specified types of media companies if such ownership would cause CBS Corp. to be in violation of U.S. federal laws limiting the ownership of broadcast licenses or if it would limit CBS Corp.'s ability under these laws to acquire television or radio stations or television networks. Additionally, neither New Viacom nor CBS Corp. may make acquisitions, enter into agreements or accept or agree to any condition that purports to bind the other company or subjects the other company to restrictions it is not otherwise subject to by legal order without the other party's consent. New Viacom and CBS Corp. have agreed that prior to the earliest of (1) the fourth anniversary of the separation, (2) the date on which none of Mr. Redstone, NAI, NAIRI or any of their successors, assigns or transferees are deemed to have interests in both CBS Corp. and New Viacom that are attributable under applicable U.S. federal laws and (3) the date on which the other company ceases to own the video programming vendors that it owns as of the separation, neither of them will own or acquire an interest in a cable television operator if such ownership would subject the other company to U.S. federal laws regulating contractual relationships between video programming vendors and video programming distributors that the other company is not then subject to. These restrictions could limit the strategic business alternatives available to the companies.

The Tax Matters Agreement and the Tax Rules Applicable to the Separation May Restrict New Viacom and CBS Corp.'s Ability to Engage in Certain Corporate Transactions

In connection with the separation, the companies will enter into a tax matters agreement, to be effective upon the consummation of the separation, which we refer to in this Prospectus-Information Statement as the "tax matters agreement." The tax matters agreement will provide, among other things, that, depending on the event, New Viacom may have to indemnify CBS Corp., or CBS Corp. may have to indemnify New Viacom, for some or all of the taxes resulting from the merger and the distribution of New Viacom common stock in the merger if the merger and distribution do not qualify as a tax-free distribution under Sections 355 and 368 of the Code. In addition, the current U.S. federal income tax law creates a presumption that the distribution of New Viacom common stock in the merger would be taxable to Viacom, but not to its stockholders, if either Viacom, CBS Corp. or New Viacom engages in, or enters into an agreement to engage in, a transaction that would result in a 50% or greater change, by vote or value, in Viacom's, CBS Corp.'s or New Viacom's stock ownership during the four-year period that begins two years before the date of the separation, unless it is established that the transaction was not undertaken pursuant to a plan or series of transactions related to the separation. The Treasury Regulations currently in effect generally provide that whether such distribution is part of a plan is determined based on all of the facts and circumstances, including, but not limited to, specific factors described in the Treasury Regulations. In addition, the Treasury Regulations provide several "safe harbors" for acquisition transactions that are not considered to be part of a plan. The

indemnification obligations set forth in the tax matters agreement and the above-described provisions of the tax law may prevent CBS Corp. and New Viacom from entering into transactions which might be advantageous to their respective stockholders, such as issuing equity securities to satisfy financing needs or acquiring businesses or assets with equity securities, and may make New Viacom and CBS Corp. less attractive to a potential acquiror and reduce the possibility that an acquiror will propose or seek to effect certain transactions with New Viacom and CBS Corp.

If the Merger Is Determined to Be Taxable, Viacom and Viacom Stockholders Could Be Subject to a Material Amount of Taxes

It is a condition to the merger that Viacom receive an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP and/or a private letter ruling from the IRS, in each case, to the effect that, for U.S. federal income tax purposes, the merger and the distribution of New Viacom common stock in the merger will generally qualify as a tax-free distribution under Sections 355 and 368 of the Code and the distribution of CBS Corp. common stock in the merger will also generally be tax-free to Viacom and its stockholders. Viacom received the IRS ruling on November 22, 2005. In accordance with current IRS ruling policy, the IRS ruling does not address certain significant issues relating to qualification under Section 355 of the Code and, as to those issues, Viacom will be relying on an opinion of counsel. The merger has been structured to be tax-free for U.S. federal income tax purposes to Viacom stockholders, except with respect to cash received in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock. The merger will also be tax-free to Viacom for U.S. federal income tax purposes, except with respect to taxes arising out of foreign and other internal restructurings undertaken in connection with the separation and any "excess loss account" or "intercompany transaction" required to be taken into account by Viacom under the Treasury Regulations. The IRS ruling is based on the facts presented and representations made by Viacom in the ruling request. Generally, an IRS private letter ruling will not be revoked or modified retroactively unless there has been an omission or misstatement of a material fact or a breach of a material representation. If the facts or representations are found to be incorrect or incomplete in a material respect or if the facts at the time of the separation are materially different from the facts upon which the IRS ruling is based, Viacom cannot rely on the IRS ruling. An opinion of counsel is not binding on the IRS or any court and is also based on representations and assumptions included therein. If these factual representations and assumptions are incorrect, Viacom cannot rely on the tax opinion.

If Viacom completes the separation and the merger is determined to be taxable, Viacom and its stockholders who receive shares of New Viacom common stock and CBS Corp. common stock would be subject to a material amount of taxes. Neither New Viacom nor CBS Corp. will indemnify any individual stockholder for any taxes that may be incurred in connection with the separation.

In Connection with the Separation, Each Company Will Rely on the Other Company's Performance Under Various Agreements Between the Companies

In connection with the separation, New Viacom and Viacom will enter into various agreements, including the separation agreement, the tax matters agreement, a transition services agreement pursuant to which New Viacom and CBS Corp. will provide certain specified services to each other following the separation and which we refer to in this Prospectus-Information Statement as the "transition services agreement," and certain related party arrangements pursuant to which New Viacom and CBS Corp. will provide services and products to each other from and after the separation. The separation agreement will set forth the allocation of assets, liabilities, rights and obligations of New Viacom and CBS Corp. following the separation, and will include indemnification obligations for such liabilities and obligations. In addition, pursuant to the tax matters agreement, certain income tax liabilities and related responsibilities will be allocated between, and indemnification obligations will be assumed by, each of New Viacom and CBS Corp. Each company will rely on the other company to satisfy its performance and payment obligations under these agreements. Certain of the liabilities to be

assumed or indemnified by New Viacom or CBS Corp. under these agreements are legal or contractual liabilities of the other company. If either company were to breach or be unable to satisfy its material obligations under these agreements, including a failure to satisfy its indemnification obligations, the other party could suffer operational difficulties or significant losses.

After the Separation, Certain Members of Management, Directors and Stockholders May Face Actual or Potential Conflicts of Interest

After the separation, the management and directors of New Viacom and CBS Corp. will own both New Viacom common stock and CBS Corp. common stock, and both New Viacom and CBS Corp. will be controlled by NAI. Mr. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, will serve as chairman of the New Viacom board of directors and chairman of the CBS Corp. board of directors. Ms. Redstone, the president and a director of NAI, will serve as vice chair of the board of directors of both New Viacom and CBS Corp. Messrs. Abrams, Andelman and Dauman are directors of NAI, and following the separation, Mr. Dauman will serve as a director of both New Viacom and CBS Corp., Mr. Abrams will serve as a director of New Viacom and Mr. Andelman will serve as a director of CBS Corp. This ownership overlap and these common directors could create, or appear to create, potential conflicts of interest when New Viacom's and CBS Corp.'s management, directors and controlling stockholder face decisions that could have different implications for New Viacom and CBS Corp. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between New Viacom and CBS Corp. regarding the terms of the agreements governing the separation and the relationship between New Viacom and CBS Corp. thereafter. These agreements include, among others, the separation agreement, the tax matters agreement, the transition services agreement and any commercial agreements between the parties or their affiliates. Potential conflicts of interest could also arise if New Viacom and CBS Corp. enter into any commercial arrangements with each other in the future. Each of Mr. Redstone, Ms. Redstone and Mr. Dauman may also face conflicts of interest with regard to the allocation of his or her time between New Viacom and CBS Corp.

The New Viacom certificate of incorporation and the CBS Corp. certificate of incorporation will each contain provisions related to corporate opportunities that may be of interest to both New Viacom and CBS Corp. The New Viacom certificate of incorporation will provide that in the event that a director, officer or controlling stockholder of New Viacom who is also a director, officer or controlling stockholder of CBS Corp. acquires knowledge of a potential corporate opportunity for both New Viacom and CBS Corp., such director, officer or controlling stockholder may present such opportunity to New Viacom or CBS Corp. or both, as such director, officer or controlling stockholder deems appropriate in his or her sole discretion, and that by doing so such person will have satisfied his or her fiduciary duties to New Viacom and its stockholders. In addition, the New Viacom certificate of incorporation will provide that New Viacom renounces any interest in any such opportunity presented to CBS Corp. The CBS Corp. certificate of incorporation will contain mirror provisions. These provisions create the possibility that a corporate opportunity of one company may be used for the benefit of the other company.

New Viacom and CBS Corp. May Not Enjoy All of the Benefits of Scale that Viacom Achieves with All of Its Businesses Under the Same Corporate Structure

Currently, Viacom's businesses share benefits of scope and scale in costs, human capital, vendor relationships and customer relationships. While New Viacom and CBS Corp. expect to enter into agreements that will govern a number of their commercial and other relationships after the separation, those arrangements will not fully capture the benefits the businesses enjoyed as a result of common ownership prior to the separation. The loss of these benefits as a consequence of the separation could have an adverse effect on each of New Viacom's and CBS Corp.'s businesses, results of operations and financial condition following the separation.

Following the Separation, Each Company Will Have a New Operating Structure and New Management

The separation of New Viacom into its own publicly traded company involves the division of Viacom's businesses. In connection with the separation, many jointly-held assets and operating systems as well as personnel will be allocated between the companies, in particular at Paramount and in Viacom's corporate offices, and new related party agreements will be entered into to govern the ongoing business relationships between the companies following the separation. Each company will have a senior corporate staff that includes several executives who were hired relatively recently or who recently assumed all or a substantial part of their current responsibilities. There can therefore be no assurance that either company will be successful under these conditions.

RISK FACTORS RELATING TO NEW VIACOM COMMON STOCK AND CBS CORP. COMMON STOCK AND THE SECURITIES MARKETS

The Combined Market Values of New Viacom Common Stock and CBS Corp. Common Stock that Viacom Stockholders Will Receive in the Merger Might Be Less Than the Market Value of Viacom Common Stock Prior to the Separation

If Viacom completes the separation, holders of Viacom common stock prior to the separation will own a combination of New Viacom common stock and CBS Corp. common stock following the separation. Any number of matters, including the risks described herein, may adversely impact the value of New Viacom common stock and CBS Corp. common stock after the completion of the separation. Some of these matters may or may not have been identified by Viacom prior to the completion of the separation and, in any event, may not be within Viacom's, New Viacom's or CBS Corp.'s control. In the event of any adverse circumstances, facts, changes or effects, the combined market values of New Viacom common stock and CBS Corp. common stock held by stockholders after the separation may be less than the market value of Viacom common stock prior to the separation.

Many Factors May Cause the Stock Prices of New Viacom Common Stock and CBS Corp. Common Stock to Fluctuate Significantly Following the Separation, and You Could Lose All or Part of Your Investment as a Result

The stock prices of New Viacom common stock and CBS Corp. common stock may fluctuate significantly following the separation as a result of many factors. These factors, some or all of which are beyond Viacom's, New Viacom's and CBS Corp.'s control, include:

lack of a trading history;

actual or anticipated fluctuations in New Viacom's and CBS Corp.'s operating results;

changes in expectations as to New Viacom's and CBS Corp.'s future financial performance or changes in financial estimates of securities analysts;

success of New Viacom's and CBS Corp.'s operating and growth strategies;

investor anticipation of strategic, technological or regulatory threats, whether or not warranted by actual events;

operating and stock price performance of other comparable companies; and

realization of any of the risks described in these risk factors.

In addition, the stock market has experienced volatility that often has been unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the trading prices of New Viacom common stock and CBS Corp. common stock, regardless of New Viacom's and CBS Corp.'s actual operating performance.

Trading Activity in Response to Requirements of Stock Indices and Guidelines of Institutional Investors May Cause Market Prices for Shares of New Viacom Common Stock and CBS Corp. Common Stock to Decline Following the Completion of the Separation

A portion of Viacom class A common stock and Viacom class B common stock is held by index funds tied to Standard & Poor's 500 Index or other stock indices. If New Viacom is not included in the Standard & Poor's 500 Index or either New Viacom or CBS Corp. is not included in any other index that currently includes Viacom, these index funds will be required to sell any New Viacom common stock or CBS Corp. common stock they hold, which could adversely affect the price at which such stock trades. Furthermore, New Viacom common stock or CBS Corp. common stock distributed in the merger may not meet the investment guidelines or preferences of certain particular investors. Sales of New Viacom common stock or CBS Corp. common stock by investors who receive shares but do not desire to continue to own them, or the perception that such sales will occur, may cause the price of either class of New Viacom common stock or CBS Corp. common stock to decline.

RISK FACTORS RELATING TO NEW VIACOM'S BUSINESS

New Viacom's Success Is Dependent upon Audience Acceptance of Its Programs and Films Which Is Difficult to Predict

Entertainment content and feature film production and distribution are inherently risky businesses because the revenues derived from the production and distribution of a cable program and feature film, and the licensing of rights to the intellectual property associated with a program or film, depend primarily upon its acceptance by the public, which is difficult to predict. The commercial success of a cable program or feature film also depends upon the quality and acceptance of other competing programs and films released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions and other tangible and intangible factors, many of which are difficult to predict. Audience sizes for New Viacom's cable networks are also factors that are weighed when deciding on the advertising rates and the renegotiation of affiliate rates that New Viacom receives. Poor ratings in targeted demographics can lead to a reduction in pricing and advertising spending. Further, the theatrical success of a feature film may impact revenues from other distribution channels, such as home entertainment and premium pay television, and sales of licensed consumer products. Consequently, low public acceptance of New Viacom's cable programs and feature films will have an adverse effect on New Viacom's results of operations.

A Decline in Advertising Expenditures Could Cause New Viacom's Revenues and Operating Results to Decline Significantly in Any Given Period or in Specific Markets

New Viacom derives substantial revenues from the sale of advertising on its cable networks. A decline in advertising expenditures could significantly adversely affect New Viacom's revenues and operating results in any given period or in specific markets. A decline in the economic prospects of advertisers or the economy in general could alter current or prospective advertisers' spending priorities. Disasters, acts of terrorism, political uncertainty or hostilities could lead to a reduction in advertising expenditures as a result of economic uncertainty. In addition, advertising expenditures may also be affected by increasing competition for the leisure time of audiences. Advertising expenditures by companies in certain sectors of the economy, including the children's toys and entertainment sectors, represent a sizeable portion of New Viacom's advertising revenues. Any political, economic, social or

technological change may result in a reduction of these sectors' advertising expenditures. For example, at least one company has announced that it is shifting its advertising focus away from children under 12 years of age in response to concerns about child obesity and unhealthy eating. Any reduction in advertising expenditures could have an adverse effect on New Viacom's revenues and results of operations.

New Viacom's Businesses Operate in Highly Competitive Industries

Participants in the cable and motion pictures industries depend primarily upon the sale of advertising, revenues generated by the distribution of feature films and affiliate fees to generate revenue. Competition for viewers, advertising and distribution is intense and comes from broadcast networks and specialty cable channels; movie studios; local, regional and national newspapers; online activities; video gaming; direct mail; and other communications and advertising media that operate in these markets. In addition, there has been consolidation in the media industry and New Viacom's competitors include market participants with interests in multiple media businesses which are often vertically integrated. New Viacom's ability to compete successfully depends on a number of factors, including its ability to provide high quality and popular cable programs and motion pictures and its ability to achieve high distribution levels. In addition, cable providers and "direct-to-home," or "DTH," satellite operators, have developed new techniques that allow them to transmit more channels on their existing equipment to highly targeted audiences, reducing the cost of creating channels and potentially leading to the division of the television marketplace into more specialized niche audiences. More television options increase competition for viewers, and competitors targeting programming to narrowly defined audiences may gain an advantage over New Viacom for television advertising and subscription revenues. There can be no assurance that New Viacom will be able to compete successfully in the future against existing or potential competitors, or that competition will not have a material adverse effect on its business, financial condition or results of operations.

The Loss of Affiliation Agreements Could Cause New Viacom's Revenues to Decline in Any Given Period or in Specific Markets

New Viacom is dependent upon the maintenance of affiliation agreements with cable and DTH satellite operators for the distribution of its cable networks and there can be no assurance that these affiliation agreements will be renewed in the future on terms acceptable to New Viacom. The loss of a significant number of these arrangements or the loss of carriage on the most widely penetrated programming tiers could reduce the distribution of New Viacom's cable networks, which may adversely affect New Viacom's advertising and affiliate fee revenues. In addition, further consolidation among cable and DTH satellite operators and increased vertical integration of such distributors into the cable or broadcast network business could adversely affect New Viacom's ability to negotiate the launch of new networks or the ability to maintain existing distribution or obtain additional distribution for existing networks. In a more concentrated market, there can be no assurance that New Viacom will be able to obtain or maintain carriage of its programming services by distributors on commercially reasonable terms, or at all.

Box Office Receipts and the Growth Rate of DVD Sales Have Recently Been Declining, Which May Adversely Affect New Viacom's Prospects and Results of Operations

Several factors, including piracy, growing competition for consumer discretionary spending and low audience acceptance, may be contributing to a recent industrywide decline in box office receipts and in a reduced growth rate of DVD sales, both domestically and internationally. DVD sales are being affected by increased competition for retailer shelf space. New Viacom's ability to sell its DVDs could also be affected by the influence of several large retailers, whose decisions as to placement and removal of New Viacom DVDs could have a significant impact on New Viacom's revenues from sales of DVDs.

A continuing decline in attendance by moviegoers and in DVD sales growth could have a substantial adverse impact on New Viacom's results of operations and growth prospects.

New Viacom's Revenues and Operating Results Are Subject to Cyclical and Seasonal Variations

New Viacom's revenues and operating results fluctuate due to the timing and availability of theatrical and home entertainment releases and of programming for syndication and cable exhibition and the timing of the beginning of the license periods for television exhibition of motion pictures. New Viacom's operating results also fluctuate due to the timing of the recognition of production costs and the possible later recognition of related revenues.

New Viacom's business has experienced and is expected to continue to experience seasonality due to, among other things, seasonal advertising patterns and seasonal influences on people's viewing and listening habits and attendance. Typically, New Viacom's revenue from advertising increases in the fourth quarter and revenue from feature films increases in the summer. The effect of such seasonality makes it difficult to estimate future operating results based on the results of any specific quarter.

New Viacom Must Respond to Rapid Changes in Technology, Services and Standards in Order to Remain Competitive

Technology in the video, telecommunications and data services used in the entertainment industry is changing rapidly. Advances in technologies or alternative methods of product delivery and storage or certain changes in consumer behavior driven by these or other technologies and methods of delivery and storage could have a negative effect on New Viacom's business. Examples of such advances in technologies include video-on-demand, new video formats and downloading from the Internet. For example, devices that allow users to view cable programs or motion pictures from a remote location or on a time-delayed basis and technologies which enable users to fast-forward or skip advertisements may cause changes in consumer behavior that could affect the attractiveness of New Viacom's offerings to advertisers and could therefore adversely affect its revenues. New Viacom may not have the right, and may not be able to secure the right, to distribute its licensed content across these, or any other, new platforms. The ability to anticipate and adapt to changes in technology on a timely basis and exploit new sources of revenue from these changes will affect New Viacom's ability to continue to grow and increase its revenue.

Increased Programming and Content Costs May Adversely Affect New Viacom's Profits

New Viacom produces programming and incurs costs for all types of creative talent including actors, writers and producers, and for new show concepts. New Viacom also acquires programming, such as movies and television series, from television production companies and movie studios. An increase in the costs of programming may lead to decreased profitability.

An increase in licensing costs could also affect New Viacom's profits. For example, New Viacom, in exchange for cash and advertising time or for promotional consideration only, licenses from record companies music videos for exhibition on its cable channels and other programming or content services. New Viacom has entered into global music video licensing agreements with certain major record companies and into global or regional license agreements with certain independent record companies. New Viacom also licenses various other music rights from record companies, music publishers, performing rights societies and others. There can be no assurance that New Viacom will be able to obtain license renewals or additional license agreements and, if so, on favorable terms. There can also be no assurance that New Viacom will be able to secure the rights to distribute the content it licenses over new platforms on acceptable terms. If New Viacom fails to obtain such extensions, renewals or agreements on acceptable terms and consequently cannot obtain licensing rights for content needed in its operations, its revenue or costs may be adversely affected.

New Viacom's Cable Networks Are Included with CBS Corp.'s Programming Under Certain of Viacom's Affiliation Agreements and New Affiliation Agreements May Be More Difficult to Negotiate Following the Separation

Viacom is party to affiliation agreements with cable and DTH satellite operators pursuant to which both New Viacom's cable networks and CBS Corp.'s television programming are carried by these distributors. After these agreements expire, New Viacom's cable networks will no longer be included with CBS Corp.'s programming. There can therefore be no assurance that New Viacom will be able to negotiate new affiliation agreements with these distributors on terms as favorable as was previously possible.

Changes in U.S. or Foreign Communications Laws or Other Regulations May Have an Adverse Effect on New Viacom's Business

The multichannel video programming and distribution industries in the United States are highly regulated by U.S. federal laws and regulations issued and administered by various federal agencies, including the FCC. For example, federal legislation and FCC rules limit the amount and content of commercial material that may be shown on cable channels during programming designed for children 12 years of age and younger. In November 2004, the FCC issued new rules that would, as of January 1, 2006, classify promotions on a channel for programs aired on that channel as commercial matter unless the programs being promoted are educational or informational as defined under FCC rules. If not modified, this rule could have an adverse impact on New Viacom's children-oriented programming, including Nickelodeon and Nick Jr.®, because it would force a reduction of promotional or advertising time during such programming. The new rules would also, as of January 1, 2006, limit the display during children's cable programming of the Internet addresses of websites that contain or link to commercial material, including the websites for New Viacom's cable channels, if commercial material is on those websites. This rule, if not modified, could have an adverse impact on New Viacom's revenues from its websites for children. Viacom and several other companies have asked the FCC to reconsider both rules and have sought a stay of the effective date of the rules during the FCC's reconsideration.

In addition, the U.S. Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect the operations and ownership of New Viacom's U.S. media properties. In particular, some policymakers maintain that cable operators should be required to offer à la carte programming to subscribers on a network-by-network basis or provide "family-friendly" tiers. The unbundling or tiering of program services may reduce distribution of certain channels, thereby leading to reduced viewership and increased marketing expenses, and may affect New Viacom's ability to compete for or attract the same level of advertising dollars. Any decline in subscribers could lead to a loss in New Viacom's advertising sales and affiliate fees and a reduction in payments by cable and DTH satellite operators.

Some policymakers also support the extension of indecency rules applicable to over-the-air broadcasters to cover cable and satellite operators. If such an extension took place and was not found to be unconstitutional, New Viacom's content could be subject to additional regulation.

Similarly, changes in regulations imposed by governments in other jurisdictions in which New Viacom, or entities in which New Viacom has an interest, operate could adversely affect New Viacom's business, results of operations and ability to expand these operations beyond their current scope.

Piracy of New Viacom's Motion Pictures and Other Content, Including Digital and Internet Piracy, May Decrease Revenue Received from the Exploitation of New Viacom's Cable Television Programs and Films and Adversely Affect Its Business and Profitability

Piracy of motion pictures, television programming, video content and DVDs is prevalent in many parts of the world and is made easier by technological advances allowing conversion of motion pictures, television programming and other content into digital formats, which facilitates the creation,

transmission and sharing of high quality unauthorized copies of motion pictures and other content. The proliferation of unauthorized copies and piracy of these products has an adverse effect on New Viacom's business and profitability because these products reduce the revenue that New Viacom potentially could receive from the legitimate sale and distribution of its content. In addition, if piracy were to increase, it would have an adverse effect on business and profitability.

The Loss of Key Personnel, Including Talent, Could Disrupt the Management and Operations of New Viacom's Business and Adversely Affect Its Revenues

New Viacom's business depends upon the continued efforts, abilities and expertise of its chief executive officer and other key employees and entertainment personalities. New Viacom believes that the unique combination of skills and experience possessed by its executive officers would be difficult to replace, and that the loss of its executive officers could have a material adverse effect on New Viacom, including the impairment of New Viacom's ability to execute its business strategy. Additionally, New Viacom employs or independently contracts with several entertainment personalities with loyal audiences. These personalities are sometimes important to achieving current levels of viewership. There can be no assurance that these individuals will remain with New Viacom or will retain their current audiences. If New Viacom fails to retain these individuals or its entertainment personalities lose their current audiences, New Viacom's revenues could be adversely affected.

New Viacom Could Be Adversely Affected by Strikes and Other Union Activity

New Viacom and its suppliers engage the services of writers, directors, actors and other talent, trade employees and others who are subject to collective bargaining agreements. If New Viacom or its suppliers are unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, higher costs in connection with these agreements or a significant labor dispute could adversely affect New Viacom's business by causing delays in the production, the release date or by reducing the profit margins of New Viacom's cable programs or feature films.

Political and Economic Risks Associated with New Viacom's Businesses Could Harm Its Financial Condition

New Viacom's businesses operate and have customers worldwide. Inherent risks of doing business in international markets include, among other risks, changes in the economic environment, export restrictions, exchange controls, tariffs and other trade barriers and longer payment cycles. New Viacom may incur substantial expense as a result of the imposition of new restrictions or changes in the existing economic environment in the regions where it does business. Acts of terrorism or other hostilities, or other future financial, political, economic or other uncertainties, could lead to a reduction in advertising and other revenue, which could materially adversely affect New Viacom's business, financial condition or results of operations.

The Failure or Destruction of Satellites and Facilities that New Viacom Depends Upon to Distribute Its Programming Could Materially Adversely Affect New Viacom's Business and Results of Operations

New Viacom uses satellite systems to transmit its cable networks to cable systems and other distributors worldwide. The distribution facilities include uplinks, communications satellites and downlinks. Transmissions may be disrupted as a result of local disasters that impair on-ground uplinks or downlinks, or as a result of an impairment of a satellite. Currently, there are a limited number of communications satellites available for the transmission of programming. If a disruption occurs, New Viacom may not be able to secure alternate distribution facilities in a timely manner. Failure to secure alternate distribution facilities in a timely manner could have a material adverse effect on New Viacom's business and results of operations.

New Viacom Could Suffer Losses Due to Asset Impairment Charges for Goodwill, Intangible Assets and Programming

In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," which we refer to in this Prospectus-Information Statement as "SFAS 142," New Viacom will test goodwill and intangible assets for impairment during the fourth quarter of each year, and on an interim date should factors or indicators become apparent that would require an interim test. A downward revision in the fair value of a reporting unit or intangible assets could result in an impairment under SFAS 142 and a non-cash charge would be required. Any significant shortfall, now or in the future, in the expected popularity of the programming for which New Viacom has acquired rights, or in the cable programming and feature films New Viacom produces, could lead to a downward revision in the fair value of such assets. Any such charge could have a material effect on New Viacom's reported net earnings.

Fluctuations in Foreign Exchange Rates Could Have an Adverse Effect on New Viacom's Results of Operations

Certain of New Viacom's revenues are earned and expenses are incurred in foreign currencies. The value of these currencies fluctuates relative to the U.S. dollar. As a result, New Viacom is exposed to exchange rate fluctuations, which could have an adverse effect on its results of operations.

New Viacom's Liabilities Related to Lease Guarantees and Litigation Could Adversely Impact Its Financial Condition

New Viacom has both recognized and potential liabilities and costs related to discontinued operations and former businesses, including, among other things, potential liabilities to landlords if Blockbuster should default on certain store leases entered into prior to Blockbuster's initial public offering in 1999, and pending and threatened litigation. New Viacom cannot assure you that its reserves are sufficient to cover these liabilities in their entirety or any one of these liabilities when it becomes due or at what point any of these liabilities may come due. Therefore, there can be no assurance that these liabilities will not have a material adverse effect on New Viacom's financial condition.

NAI, Through Its Voting Control of New Viacom, Will Be in a Position to Control Actions that Require Stockholder Approval

NAI, through its beneficial ownership of New Viacom class A common stock, will have voting control of New Viacom. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, will serve as chairman of the New Viacom board of directors, and Ms. Shari Redstone, the president and a director of NAI, will serve as vice chair of the New Viacom board of directors. In addition, Messrs. Abrams and Dauman are directors of NAI and they will be directors of New Viacom following the separation. NAI will be in a position to control the outcome of corporate actions that require stockholder approval, including the election of directors and transactions involving a change of control. You will be unable to affect the outcome of the corporate actions of New Viacom for so long as NAI retains voting control.

RISK FACTORS RELATING TO CBS CORP.'S BUSINESS

A Decline in Advertising Expenditures Could Cause CBS Corp.'s Revenues and Operating Results to Decline Significantly in Any Given Period or in Specific Markets

CBS Corp. derives substantial revenues from the sale of advertising on its networks, television stations, radio stations, outdoor media and syndicated programming. A decline in the economic prospects of advertisers, the economy in general or the economy of any individual geographic market, particularly a major market such as Los Angeles, New York or Chicago, in which CBS Corp. owns and

operates sizeable businesses, could alter current or prospective advertisers' spending priorities. Disasters, acts of terrorism, political uncertainty or hostilities could lead to a reduction in advertising expenditures as a result of uninterrupted news coverage and economic uncertainty. Advertising expenditures may also be affected by increasing competition for the leisure time of audiences. In addition, advertising expenditures by companies in certain sectors of the economy, including the automotive, financial and pharmaceutical segments, represent a significant portion of CBS Corp.'s advertising revenues. Any political, economic, social or technological change resulting in a reduction in these sectors' advertising expenditures may adversely affect CBS Corp.'s revenue. Advertisers' willingness to purchase advertising from CBS Corp. may also be affected by a decline in audience ratings for CBS Corp.'s programming, the inability of CBS Corp. to retain the rights to popular programming, increasing audience fragmentation caused by the proliferation of new media formats, including cable networks, the Internet and video-on-demand and the deployment of portable digital devices allowing consumers to time shift programming and skip or fast forward through advertisements. CBS Corp.'s revenues from outdoor advertising also depends on CBS Corp.'s continued ability to obtain the right to use effective outdoor advertising space. Any reduction in advertising expenditures could have an adverse effect on CBS Corp.'s revenues and results of operations.

CBS Corp.'s Success Is Dependent upon Audience Acceptance of Its Television and Radio Programs, Which Is Difficult to Predict

Television and radio content production and distribution are inherently risky businesses because the revenues derived from the production and distribution of a television or radio program, and the licensing of rights to the intellectual property associated with the program, depend primarily upon their acceptance by the public, which is difficult to predict. The commercial success of a television or radio program also depends upon the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions and other tangible and intangible factors, all of which are difficult to predict. Rating points are also factors that are weighed when deciding on the advertising rates that CBS Corp. receives. Poor ratings can lead to a reduction in pricing and advertising spending. In addition, the success of Showtime Networks is dependent in part on audience acceptance of its programming. Consequently, low public acceptance of CBS Corp.'s television and radio programs will have an adverse effect on CBS Corp.'s results of operations.

Failure by CBS Corp. to Create and Retain the Rights in Popular Programming Could Adversely Affect CBS Corp.'s Revenues

Operating results from CBS Corp.'s production businesses fluctuate primarily with the acceptance of such productions by the public, which is difficult to predict. CBS Corp.'s revenue from its television and radio production business is therefore partially dependent on CBS Corp.'s continued ability to anticipate and adapt to changes in consumer tastes and behavior on a timely basis. Moreover, CBS Corp. derives a meaningful portion of its revenues from the exploitation of its extensive library of television programming. Generally, a television series must have a network run of at least three or four years to be successfully sold in domestic syndication. If the content of its television programming library ceases to be widely accepted by audiences or is not continuously replenished with popular content, CBS Corp.'s revenues could be adversely affected.

CBS Corp. obtains a significant portion of its popular programming from third parties. For example, some of CBS Network's most widely viewed broadcasts, including the NCAA Division 1 Men's Basketball Championship, golf's Masters Tournament and PGA Championship, and NFL games, are made available based upon programming rights of varying duration that CBS Corp. has negotiated with third parties. In addition, Showtime Networks enters into commitments to acquire rights to feature films and other programming for Showtime, The Movie Channel and FLIX® from motion picture

producers and other suppliers for varying durations, and Infinity Broadcasting acquires the broadcast rights to syndicated shows and to various programs, such as sports events from third parties. Competition for popular programming that is licensed from third parties is intense, and CBS Corp. may be outbid by its competitors for the rights to new, popular programming or in connection with the renewal of popular programming currently licensed by CBS Corp. CBS Corp.'s failure to obtain or retain rights to popular content could adversely affect CBS Corp.'s revenues.

Any Decrease in Popularity of the Programming for Which CBS Corp. Has Incurred Significant Commitments Could Have an Adverse Effect on Its Profitability

As of December 31, 2004, CBS Corp. had commitments of \$10.9 billion for the acquisition of sports programming rights, \$3.1 billion relating to television and radio production and acquisitions and \$821 million for talent contracts, with \$4.2 billion of these amounts payable in and after 2010. Any shortfall, now or in the future, in the expected popularity of the sports events for which CBS Corp. has acquired rights, or in the television and radio programming CBS Corp. expects to air, could lead to decreased profitability or losses for a significant period of time.

CBS Corp.'s Operating Results Are Subject to Seasonal Variations

CBS Corp.'s business has experienced and is expected to continue to experience seasonality due to, among other things, seasonal advertising patterns, seasonal theme park attendance and seasonal influences on people's viewing, reading and listening habits. Typically, CBS Corp.'s revenue from advertising increases in the fourth quarter, Simon & Schuster generates a substantial portion of its revenues in the fourth quarter and Paramount Parks' revenues from admissions are primarily generated in the second and third quarters. In addition, advertising revenues in even-numbered years benefit from advertising placed by candidates for political offices. The effect of such seasonality makes it difficult to estimate future operating results based on the previous results of any specific quarter.

CBS Corp.'s Businesses Operate in Highly Competitive Industries

CBS Corp. competes with other media companies for high quality content and attractive outdoor advertising space to achieve large audiences and to generate advertising revenue. CBS Corp.'s ability to attract viewers and advertisers depends on its ability to provide popular television, syndicated programming and radio programming and books, as well as well-placed outdoor advertising faces. In addition, the consolidation of advertising agencies, distributors and television service providers has made competition for viewers and advertising revenue and distribution outlets more intense. Competition for viewers and advertising comes from: other broadcast television stations and networks; cable television systems and networks; the Internet; terrestrial and satellite radio; outdoor advertisers; local, regional and national newspapers; direct mail; and other communications and advertising media that operate in these markets. Other television and radio stations may change their formats or programming, a new station may adopt a format to compete directly with CBS Corp.'s stations, or stations might engage in aggressive promotional campaigns. In addition, consolidation among book retailers has resulted in increased competition for limited shelf space for CBS Corp.'s publications.

This competition could result in lower ratings and advertising revenue or increased promotional and other expenses and, consequently, lower earnings and cash flow for CBS Corp. CBS Corp. cannot assure you that it will be able to compete successfully in the future against existing or potential competitors, or that competition will not have a material adverse effect on its business, financial condition or results of operations.

CBS Corp. Must Respond to Rapid Changes in Technology, Services and Standards in Order to Remain Competitive

Technology in the video, telecommunications, radio and data services used in the entertainment industry is changing rapidly. Advances in technologies or alternative methods of product delivery or storage or certain changes in consumer behavior driven by these or other technologies and methods of delivery and storage could have a negative effect on CBS Corp.'s businesses. Examples of such advances in technologies include video-on-demand, satellite radio, new video formats and downloading from the Internet. For example, devices that allow users to view or listen to television or radio programs on a time-delayed basis and technologies which enable users to fast-forward or skip advertisements, such as DVRs and portable digital devices, may cause changes in consumer behavior that could affect the attractiveness of CBS Corp.'s offerings to advertisers and could therefore adversely affect its revenues. In addition, further increases in the use of portable digital devices which allow users to view or listen to content of their own choosing, in their own time, while avoiding traditional commercial advertisements, could adversely affect CBS Corp.'s radio and television broadcasting advertising revenues. Cable providers and DTH satellite operators are developing new techniques that allow them to transmit more channels on their existing equipment to highly targeted audiences, reducing the cost of creating channels and potentially leading to the division of the television marketplace into more specialized niche audiences. More television options increase competition for viewers and competitors targeting programming to narrowly defined audiences may gain an advantage over CBS Corp. for television advertising and subscription revenues. The ability to anticipate and adapt to changes in technology on a timely basis and exploit new sources of revenue from these changes will affect CBS Corp.'s ability to continue to grow and increase its revenue.

Increased Programming and Content Costs May Adversely Affect CBS Corp.'s Profits

CBS Corp. produces and acquires programming and content and incurs costs for all types of creative talent, including actors, authors, writers and producers. An increase in the costs of such programming and content or in the costs for creative talent may lead to decreased profitability.

Piracy of CBS Corp.'s Programming and Other Content, Including Digital and Internet Piracy, May Decrease Revenue Received from the Exploitation of CBS Corp.'s Programming and Other Content and Adversely Affect Its Businesses and Profitability

Piracy of programming is prevalent in many parts of the world and is made easier by technological advances allowing conversion of programming and other content into digital formats, which facilitates the creation, transmission and sharing of high quality unauthorized copies of CBS Corp.'s content. The proliferation of unauthorized copies and piracy of these products has an adverse effect on CBS Corp.'s businesses and profitability because these products reduce the revenue that CBS Corp. potentially could receive from the legitimate sale and distribution of its products. In addition, if piracy were to increase, it would have an adverse effect on CBS Corp.'s businesses and profitability.

Changes in U.S. Communications Laws or Other Regulations May Have an Adverse Effect on CBS Corp.'s Business

The television and radio broadcasting and distribution industries in the United States are highly regulated by U.S. federal laws and regulations issued and administered by various federal agencies, including the FCC.

The television and radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act of 1934, as amended, which we refer to in this Prospectus-Information Statement as the "Communications Act." CBS Corp. is required to obtain licenses from the FCC to operate its radio and television stations. CBS Corp. cannot assure you that the FCC will approve its

future renewal applications or that the renewals will be for full terms or will not include conditions or qualifications. The non-renewal, or renewal with substantial conditions or modifications, of one or more of CBS Corp.'s licenses could have a material adverse effect on CBS Corp.'s revenues.

CBS Corp. must also comply with extensive FCC regulations and policies in the ownership and operation of its television and radio stations and its television networks. FCC regulations prohibit the ownership of more than one of the top four networks and limit the number of television and radio stations that a licensee can own in a market and the number of television stations that can be owned nationwide, which could restrict CBS Corp.'s ability to consummate future transactions and in certain circumstances could require it to divest some television or radio stations.

The FCC requires television stations to broadcast three hours per week of educational and informational programming designed for children 16 years of age and younger. In November 2004, the FCC issued a new rule that would have the effect of limiting the number of times that CBS Corp.'s television stations could preempt educational or informational children's programming due to scheduling conflicts with sports and other live event programming. Viacom and several other companies have asked the FCC to reconsider this rule. If the rule remains in effect, it may require CBS Corp. to make significant changes in its Saturday morning program schedule because, for example, live sports events that begin at noon Eastern time would preempt any children's programming scheduled for broadcast at or after 9:00 a.m. Pacific time.

As part of the nationwide transition from analog to digital broadcasting, CBS Corp.'s full power television stations are required to transmit a digital signal 100% of the time they are transmitting an analog signal. This requirement increases CBS Corp.'s operating costs. At the end of the analog-to-digital period, these television stations will be required to cease analog transmissions. CBS Corp. is unable to predict the extent to which consumers will acquire digital conversion devices for analog television receivers and the effect of the cessation of analog broadcasting on viewership. In addition, CBS Corp. is unable to predict the extent or timing of consumer demand for digital television services and the resulting impact on CBS Corp.'s viewership.

The U.S. Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations, and policies regarding a wide variety of matters that could, directly or indirectly, affect the operation and ownership of CBS Corp.'s radio and television properties. For example, from time to time, proposals have been advanced in the U.S. Congress and at the FCC to require radio and television broadcast stations to provide advertising time to political candidates for free or at a reduced charge. In addition, some policymakers maintain that cable operators should be required to offer à la carte programming to subscribers on a network by network basis. Unbundling packages of program services may increase both competition for carriage on distribution platforms and marketing expenses, which could adversely affect Showtime Networks' results of operations.

Changes to the media ownership and other FCC rules may affect the competitive landscape in ways that could increase the competition faced by CBS Corp. CBS Corp. is unable to predict the effect that any such laws, regulations or policies may have on its operations.

Vigorous Enforcement or Enhancement of FCC and Other Indecency Rules Against the Broadcast and Cable Industry Could Have an Adverse Effect on CBS Corp.'s Businesses and Results of Operations

The FCC's rules prohibit the broadcast of obscene material at any time and indecent or profane material on television or radio broadcast stations between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating the prohibition against broadcasting indecent material because of the vagueness of the FCC's definition of indecent material, coupled with the spontaneity of live programming.

The FCC vigorously enforces its indecency rules against the broadcasting industry as a whole. The FCC has indicated that it is stepping up its enforcement activities as they apply to indecency, and has threatened to initiate license revocation proceedings against broadcast licensees for "serious" indecency violations. The FCC has found on a number of occasions recently, chiefly with regard to radio stations, that the content of broadcasts has contained indecent material. In such instances, the FCC issued fines to the offending licensees. Moreover, the FCC has recently begun imposing separate fines for each allegedly indecent "utterance," in contrast with its previous policy, which generally considered all indecent words or phrases within a given program as constituting a single violation.

In addition, legislation has been introduced in the U.S. Congress which would, among other things, (i) significantly increase the fines for indecent broadcasts, (ii) specify that all indecency violations are "serious" violations for license renewal purposes and (iii) mandate an evidentiary hearing to consider the revocation of a station's license or construction permit of any station that has had three indecency violations during its license term. If the FCC denied a license renewal for one of CBS Corp.'s broadcast radio or television stations, CBS Corp. would lose its authority to operate the station.

The determination of whether content is indecent is inherently subjective and, as such, it can be difficult to predict whether particular content could violate indecency standards. The difficulty in predicting whether individual programs, words or phrases may violate the FCC's indecency rules adds significant uncertainty to CBS Corp.'s ability to comply with the rules. Violation of the indecency rules could lead to sanctions which may adversely affect CBS Corp.'s businesses and results of operations.

Some policymakers also support the extension of indecency rules applicable to over-the-air broadcasters to cover cable and satellite programming and/or attempts to step up enforcement of or otherwise expand existing laws and rules. If such an extension or attempt to step up enforcement took place and was not found to be unconstitutional, some of CBS Corp.'s cable content could be subject to additional regulation and might not be able to attract the same subscription and viewership levels.

The Loss of Affiliation Agreements or Retransmission Agreements Could Materially Adversely Affect CBS Corp.'s Results of Operations

CBS Network and UPN provide their affiliates with up to 98 and 10 hours, respectively, of Monday through Friday programming per week. In return, CBS Network's affiliated stations and UPN's affiliated stations broadcast network-inserted commercials during that programming. Loss of network affiliation agreements of CBS Network and UPN could adversely affect CBS Corp.'s results of operations by reducing the reach of CBS Corp.'s programming and therefore its attractiveness to advertisers and renewal on less favorable terms may also adversely affect CBS Corp.'s results of operations.

The non-renewal or termination of retransmission agreements with distributors such as Comcast Corporation, Time Warner Cable, a division of Time Warner Inc., DIRECTV Holdings LLC, or EchoStar Communications Corporation, which we refer to in this Prospectus-Information Statement as "EchoStar," or continued distribution on less favorable terms, could also adversely affect CBS Corp.'s ability to distribute its network programming to a nationwide audience and affect CBS Corp.'s ability to sell advertising, which could have a material adverse effect on CBS Corp.'s results of operations.

Showtime Networks is dependent upon the maintenance of affiliation agreements with cable and DTH satellite operators, and there can be no assurance that these affiliation agreements will be renewed in the future on terms acceptable to Showtime Networks. The loss of one or more of these arrangements would reduce the distribution of Showtime Networks' premium subscription television program services and reduce revenues from subscriber fees. Further, the loss of favorable packaging, positioning, pricing or other marketing opportunities with any distributor could reduce revenues from subscriber fees.

In addition, consolidation among cable and DTH satellite operators and increased vertical integration of such distributors into the cable or broadcast network business has provided more leverage to these providers and could adversely affect CBS Corp.'s ability to maintain or obtain distribution for its network programming or distribution and/or marketing for its premium subscription program services on commercially reasonable terms, or at all.

The Failure or Destruction of Satellites and Transmitter Facilities That CBS Corp. Depends Upon to Distribute Its Programming Could Materially Adversely Affect CBS Corp.'s Businesses and Results of Operations

CBS Corp. uses satellite systems to transmit its broadcast and cable networks to affiliates. The distribution facilities include uplinks, communications satellites and downlinks. Transmissions may be disrupted as a result of local disasters that impair on-ground uplinks or downlinks, or as a result of an impairment of a satellite. Currently, there are a limited number of communications satellites available for the transmission of programming. If a disruption occurs, CBS Corp. may not be able to secure alternate distribution facilities in a timely manner. Failure to secure alternate distribution facilities in a timely manner could have a material adverse effect on CBS Corp.'s business and results of operations.

In addition, each of CBS Corp.'s television and radio stations uses studio and transmitter facilities that are subject to damage or destruction. Failure to restore such facilities in a timely manner could have a material adverse effect on CBS Corp.'s businesses and results of operations.

CBS Corp. Could Suffer Losses Due to Asset Impairment Charges for Goodwill, Intangible Assets, FCC Licenses and Programming

In accordance with SFAS 142, CBS Corp. will test goodwill and intangible assets, including broadcast licenses, for impairment during the fourth quarter of each year, and on an interim date should factors or indicators become apparent that would require an interim test. A downward revision in the fair value of a reporting unit or intangible assets could result in an impairment under SFAS 142 and a non-cash charge would be required. Any significant shortfall, now or in the future, in the expected popularity of the programming for which CBS Corp. has acquired rights could lead to a downward revision in the fair value of such assets. Any such charge could have a material effect on CBS Corp.'s reported net earnings.

The Loss of Key Personnel, Including Talent, Could Disrupt the Management or Operations of CBS Corp.'s Business and Adversely Affect Its Revenues

CBS Corp.'s business depends upon the continued efforts, abilities and expertise of its chief executive officer and other key employees and entertainment personalities. CBS Corp. believes that the unique combination of skills and experience possessed by its executive officers would be difficult to replace, and that the loss of its executive officers could have a material adverse effect on CBS Corp., including the impairment of CBS Corp.'s ability to execute its business strategy. Additionally, CBS Corp. employs or independently contracts with several entertainment personalities and authors with significant loyal audiences. Entertainment personalities are sometimes significantly responsible for the ranking of a television or radio station and, therefore, the ability of the station to sell advertising, and an author's popularity can be significantly responsible for the success of a particular book. There can be no assurance that these entertainment personalities and authors will remain with CBS Corp. or will retain their current audiences or readership. If CBS Corp. fails to retain these entertainment personalities and authors or they lose their current audiences or readership, CBS Corp.'s revenues could be adversely affected.

Regulation of the Outdoor Advertising Industry Could Materially Adversely Affect CBS Corp.'s Outdoor Business

The outdoor advertising industry is subject to extensive governmental regulation at the federal, state and local levels in the United States and to national, regional and local restrictions in foreign countries. These regulations can affect the operation of advertising displays and include restrictions on the construction, repair, upgrading, height, size and location of outdoor advertising structures and, in some instances, content of advertising copy being displayed on these structures. In addition, in recent years, outdoor advertising has become the subject of targeted state and municipal taxes. Such laws may reduce CBS Corp.'s expansion opportunities or may increase competitive pressure from others. CBS Corp. cannot give any assurance that existing or future laws or regulations will not materially and adversely affect its outdoor business.

If Accidents Occur at Paramount Parks or Competing Parks, Attendance at Paramount Parks May Decline Which Would Negatively Impact CBS Corp.'s Revenues

There are inherent risks involved with the attractions at theme parks. An accident or an injury at any of Paramount Parks' theme parks could expose CBS Corp. to significant liability for personal injury claims. In addition, an accident or injury at these parks or at parks operated by competitors of Paramount Parks may create public concern and negative media coverage about the safety of theme parks and reduce attendance at Paramount Parks' theme parks, which would negatively impact CBS Corp.'s revenues.

Fluctuations in Foreign Exchange Rates Could Have an Adverse Effect on CBS Corp.'s Results of Operations

Certain of CBS Corp.'s revenues are earned and expenses are incurred in foreign currencies. The value of these currencies fluctuates relative to the U.S. dollar. As a result, CBS Corp. is exposed to exchange rate fluctuations, which could have an adverse effect on its results of operations.

CBS Corp.'s Liabilities Related to Discontinued Operations and Former Businesses Could Adversely Impact Its Financial Condition

CBS Corp. has both recognized and potential liabilities and costs related to discontinued operations and former businesses, certain of which are unrelated to the media business, including leases, guarantees, environmental liabilities, liabilities related to the pensions and medical expenses of retirees, asbestos liabilities, contractual disputes and other pending and threatened litigation. CBS Corp. cannot assure you that its reserves are sufficient to cover these liabilities in their entirety or any one of these liabilities when it becomes due or at what point any of these liabilities may come due. Therefore, there can be no assurances that these liabilities will not have a material adverse effect on CBS Corp.'s financial position, operating performance or cash flow.

CBS Corp. Could Be Adversely Affected by Strikes and Other Union Activity

CBS Corp. and its suppliers engage the services of writers, directors, actors and other talent, trade employees and others who are subject to collective bargaining agreements. If CBS Corp. or its suppliers are unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, higher costs in connection with these agreements or a significant labor dispute could adversely affect CBS Corp.'s television and radio businesses by causing delays in the production of CBS Corp.'s television or radio programming or CBS Corp.'s outdoor business by disrupting its ability to place advertising on outdoor faces.

Political and Economic Risks Associated with CBS Corp.'s International Businesses Could Harm CBS Corp.'s Financial Condition or Results of Operations

CBS Corp.'s businesses operate and have customers worldwide. Inherent risks of doing business in international markets include, among other risks, changes in the economic environment, export restrictions, exchange controls, tariffs and other trade barriers and longer payment cycles. CBS Corp. may incur substantial expense as a result of the imposition of new restrictions or changes in the existing economic environment in the regions where it does business. In addition, acts of terrorism or other hostilities, or other future financial, political, economic or other uncertainties, could lead to a reduction in advertising expenditures, which could materially adversely affect CBS Corp.'s business, financial condition or results of operations.

NAI, Through Its Voting Control of CBS Corp., Will Be in a Position to Control Actions that Require Stockholder Approval

NAI, through its beneficial ownership of CBS Corp. class A common stock, will have voting control of CBS Corp. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, will serve as chairman of the CBS Corp. board of directors, and Ms. Shari Redstone, the president and a director of NAI, will serve as vice chair of the CBS Corp. board of directors. In addition, Messrs. Andelman and Dauman are directors of NAI and they will be directors of CBS Corp. following the separation. NAI will be in a position to control the outcome of corporate actions that require stockholder approval, including the election of directors and transactions involving a change of control. You will be unable to affect the outcome of the corporate actions of CBS Corp. for so long as NAI retains voting control.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Prospectus-Information Statement and the documents incorporated by reference into this Prospectus-Information Statement contain both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to in this Prospectus-Information Statement as the "Securities Act," and Section 21E of the Exchange Act. These forward-looking statements are not based on historical facts, but rather reflect Viacom's, New Viacom's and CBS Corp.'s current expectations concerning future results and events. These forward-looking statements generally can be identified by the use of statements that include words such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will" or other similar words or phrases. Similarly, statements that describe Viacom's, New Viacom's and CBS Corp.'s objectives, plans or goals are or may be forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause Viacom's, New Viacom's and CBS Corp.'s actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements. More information about risks, uncertainties and other factors is included in Viacom's filings with the SEC including, but not limited to, Viacom's Form 10-K for the year ended December 31, 2004. There may be additional risks, uncertainties and factors that Viacom, New Viacom and CBS Corp. do not currently view as material or that are not necessarily known. Viacom, New Viacom and CBS Corp. cannot make any assurance that projected results or events will be achieved. The forward-looking statements included or incorporated by reference in this Prospectus-Information Statement are only made as of the date of this Prospectus-Information Statement or the respective incorporated document, and Viacom, New Viacom and CBS Corp. do not have any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. The risk factors in the section entitled "Risk Factors" beginning on page 25, among others, could affect future results, causing these results to differ materially from those expressed in Viacom's, New Viacom's and CBS Corp.'s forward-looking statements.

THE SEPARATION

The discussion in this Prospectus-Information Statement of the merger, the separation and the principal terms of the merger agreement and the separation agreement is subject, and qualified in its entirety by reference, to the merger agreement and the separation agreement. A copy of the merger agreement is attached as Annex A to this Prospectus-Information Statement and is incorporated herein by reference. A form of the separation agreement is attached as Annex B to this Prospectus-Information Statement and is incorporated herein by reference. For a discussion of the principal terms of the separation agreement, see the section entitled "Arrangements Between New Viacom and CBS Corp. After the Separation Material Agreements Relating to the Separation Separation Agreement" beginning on page 232.

BACKGROUND OF AND REASONS FOR THE SEPARATION

On March 16, 2005, Viacom announced that the Viacom board of directors authorized management to explore the possible division of its businesses into separate publicly traded companies as a means to achieve important corporate objectives and to better deliver value to Viacom's stockholders in a tax-efficient manner.

On June 14, 2005, the Viacom board of directors unanimously approved the separation of Viacom into two publicly traded companies consisting of the businesses of New Viacom and CBS Corp., subject to market conditions and the approval by the Viacom board of directors of the material terms of the separation and certain other matters. The Viacom board of directors determined that each Viacom stockholder would receive a pro rata equity interest in New Viacom and CBS Corp. based on such stockholder's equity interest in Viacom immediately prior to the date of the separation. The Viacom board of directors also established the Viacom separation committee, consisting of Mr. Redstone, as chair, Ms. Redstone, as vice chair, Mr. Dauman and Mr. Salerno, to meet regularly to assist with and oversee the separation process. Each member of the Viacom separation committee, other than Mr. Redstone, is being compensated for serving as a member of the committee in the amount of \$30,000, payable upon the consummation or abandonment of the separation.

The Viacom board of directors and the Viacom separation committee each met to discuss the separation on numerous occasions since the announcement on March 16, 2005, both with and without members of Viacom's senior management. In these meetings, the Viacom board of directors and the Viacom separation committee considered, among other things, the capital allocation strategies and dividend policies for the two companies, the allocation of Viacom's existing assets, liabilities and businesses between the two companies, the terms of certain commercial relationships that will exist following the separation between the two companies, the corporate governance arrangements that will be in place at each company following the separation, including the corporate opportunity provisions in each company's certificate of incorporation, and the appropriate members of senior management at each company following the separation.

On November 21, 2005, the Viacom board of directors determined that the merger and the separation are in the best interests of Viacom's stockholders and, accordingly, approved the merger agreement and the separation. On the same day, Viacom, New Viacom and Merger Sub executed the merger agreement and NAIRI, a wholly owned subsidiary of Viacom's controlling stockholder, NAI, executed a written consent adopting the merger agreement.

The following discussion of the information and factors that the Viacom board of directors considered in approving the separation is not intended to be exhaustive. In view of the wide variety of factors considered in connection with the evaluation of the separation and the complexity of these matters, the Viacom board of directors did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, the individual members of the Viacom board of directors may have given different weight to different factors.

The separation will result in more focused companies better able to respond quickly and successfully to changes in their respective industries.

Viacom's businesses are expected to face many new challenges and opportunities. The businesses of New Viacom and CBS Corp. will be more focused as separate companies, which will allow each company to be better able to make necessary changes to its businesses to better respond as the industries in which they operate continue to change.

The separation will create equity securities with a market price that is expected to more closely reflect the efforts of each company's management and therefore will better align management with stockholder interests.

The market price of New Viacom common stock and CBS Corp. common stock is expected to more closely reflect the efforts of management at each company than the market price of Viacom common stock currently does. For example, senior managers of New Viacom or CBS Corp. can expect their performance to be reflected more directly in the market price of New Viacom common stock or CBS Corp. common stock than in the market price of the combined, larger company. As a result, we believe that equity incentives, such as stock options and RSUs, will better align the interests of management with the interests of stockholders and improve each company's performance.

The separation will provide investors two largely pure-play investment options that may be more attractive than one combined company.

Separating New Viacom into its own publicly traded company will provide investors with the opportunity to invest in the New Viacom businesses and the CBS Corp. businesses individually, rather than as a single unit. The Viacom board of directors believes that investments in New Viacom, a largely pure-play content company, and CBS Corp., a largely pure-play mass-media company, may be more attractive to certain kinds of investors and that the separation will therefore increase the demand for each company's shares. For example, New Viacom may be more attractive to investors who wish to invest in the potential of the pure content business and who believe that New Viacom offers more share price appreciation potential due to its ability to employ its anticipated cash flows to reinvest in its businesses and engage in complementary acquisitions, and CBS Corp. may be more attractive to investors who wish to invest in the potential of the mass-media business and who are interested in receiving a dividend that represents a higher payout ratio than Viacom's current dividend. CBS Corp. currently anticipates paying a regular cash dividend to its stockholders that initially will be no less than the aggregate annual payment of approximately \$450 million under Viacom's existing dividend program.

After the separation, New Viacom will have the opportunity to finance acquisitions with its own equity.

The growth opportunities available to New Viacom are expected to result in a higher market price as measured by price-to-earnings ratios or a higher value of New Viacom's capitalization in relation to operating income before depreciation and amortization. This will provide New Viacom with the ability to finance acquisitions with equity in a manner that preserves capital with significantly less dilution of its stockholders' interests.

Tax considerations

The Viacom board of directors also considered its expectation that the merger and the distribution of New Viacom common stock and CBS Corp. common stock in the merger generally would not be taxable for U.S. federal income tax purposes to Viacom, other than with respect to taxes arising out of foreign and other internal restructurings undertaken in connection with the separation and any "excess loss account" or "intercompany transaction" required to be taken into account under the Treasury Regulations relating to consolidated returns or to holders of Viacom common stock, except with respect to any cash received in lieu of fractional shares. Furthermore, the Viacom board of directors also considered that both New Viacom's and CBS Corp.'s ability to engage in significant issuances of equity securities or change of control transactions could be limited or restricted after the separation to

preserve the tax-free nature of the separation. See the risk factor captioned "The Tax Matters Agreement and the Tax Rules Applicable to the Separation May Restrict New Viacom and CBS Corp.'s Ability to Engage in Certain Corporate Transactions" beginning on page 26 and the section entitled " Certain U.S. Federal Income Tax Consequences" beginning on page 48.

RECOMMENDATION OF THE VIACOM BOARD OF DIRECTORS

Based primarily upon the factors described in the section entitled " Background of and Reasons for the Separation" beginning on page 45, on November 21, 2005, the Viacom board of directors determined that the merger and the separation are in the best interests of Viacom's stockholders and, accordingly, approved the merger agreement and the separation and recommended that holders of Viacom class A common stock adopt the merger agreement. The Viacom board of directors also resolved to submit the merger agreement for consideration by NAIRI, a wholly owned subsidiary of Viacom's controlling stockholder, NAI, pursuant to a written consent, and on November 21, 2005, NAIRI executed a written consent adopting the merger agreement. Accordingly, no further stockholder approval or action is required.

MATTERS RELATED TO THE ADOPTION OF THE MERGER AGREEMENT

Under Delaware law, the holders of a majority of the outstanding shares of Viacom class A common stock must adopt the merger agreement. Delaware law and Viacom's amended and restated certificate of incorporation, which we refer to in this Prospectus-Information Statement as the "Viacom certificate of incorporation," permit stockholders of Viacom to take action by written consent instead of holding a stockholders' meeting. Any such action must be approved by the holders of at least the minimum number of votes which would be necessary to authorize the action at a meeting. The Viacom board of directors resolved to submit the merger agreement for consideration by NAIRI, a wholly owned subsidiary of Viacom's controlling stockholder, NAI, pursuant to a written consent, and on November 21, 2005, NAIRI executed a written consent adopting the merger agreement. Accordingly, no further stockholder approval or action is required.

U.S. federal securities laws provide that the merger cannot become effective until at least 20 business days after Viacom furnishes this Prospectus-Information Statement to its stockholders. Viacom anticipates that the merger will become effective on December 31, 2005, but because consummation of the merger is subject to certain conditions, the merger may occur on a subsequent date, or not at all. In addition, under Delaware law, Viacom must provide prompt notice to Viacom's stockholders of record of the adoption of the merger agreement pursuant to the written consent of NAIRI. Viacom has prepared this Prospectus-Information Statement to provide that notice.

NO DISSENTERS' RIGHTS

Under the Delaware General Corporation Law, which we refer to in this Prospectus-Information Statement as the "DGCL," Viacom stockholders will not have dissenters' rights in connection with the merger.

ACCOUNTING TREATMENT

The separation will be accounted for by Viacom (to be renamed CBS Corporation) as a spin-off of New Viacom. Following the separation, New Viacom will be accounted for as a discontinued operation by CBS Corp. The measurement date for discontinued operations for accounting purposes will be the date of the separation. After the spin-off, the assets and liabilities of New Viacom will be accounted for at the historical book values carried by Viacom prior to the spin-off. No gain or loss will be recognized as a result of the separation. Total costs related to the spin-off will be recognized as incurred by Viacom and allocated between New Viacom and CBS Corp. in accordance with the terms of the separation agreement.

REGULATORY APPROVAL

Apart from the registration under U.S. federal securities laws of shares of each class of New Viacom common stock and CBS Corp. common stock to be distributed in the separation, Viacom does not believe that any other material governmental or regulatory filings or approvals will be necessary to consummate the separation. Viacom must obtain the FCC's consent prior to the completion of certain interim transactions that involve the transfer of licenses issued by the FCC or subsidiaries that hold FCC licenses and the separation of New Viacom from CBS Corp. The FCC has expedited approval processes for corporate restructurings, such as the separation, that do not result in any change in the ultimate control of the company. Viacom does not believe that the FCC consent process will delay the separation.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion describes the material U.S. federal income tax consequences of the merger and the distribution of New Viacom common stock and CBS Corp. common stock in the merger. This discussion is based on the Code, the Treasury Regulations promulgated thereunder, judicial opinions, published positions of the IRS, and all other applicable authorities as of the date of this Prospectus-Information Statement, all of which are subject to change, possibly with retroactive effects.

The following discussion applies only to a holder of Viacom common stock who holds those shares as capital assets within the meaning of the Code (generally, for investment purposes) and is for U.S. federal income tax purposes (1) a citizen or resident of the United States, (2) a corporation or other entity taxable as a corporation organized under the laws of the United States or any political subdivision thereof (including the states and the District of Columbia), (3) a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust, or the trust has made a valid election under the applicable Treasury Regulations to be treated as a U.S. person or (4) an estate that is subject to U.S. federal income tax regardless of its source. This discussion does not address all aspects of taxation that may be relevant to particular stockholders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. In addition, this discussion does not address the tax treatment of special classes of stockholders, such as banks, insurance companies, tax-exempt entities, financial institutions, broker-dealers, persons holding shares of Viacom common stock as part of a hedging or conversion transaction or as part of a "straddle," U.S. expatriates, persons subject to the alternative minimum tax, persons who have a functional currency other than the U.S. dollar, investors in pass-through entities and holders to whom this discussion is not addressed. This discussion does not address all issues that may be applicable to holders who acquired shares of Viacom common stock pursuant to the exercise of stock options or warrants or otherwise as compensation. Furthermore, this discussion does not address any state, local or foreign tax considerations. We urge you to consult your own tax advisor as to the specific tax consequences of the separation, including the applicable federal, state, local and foreign tax consequences to you of the separation.

It is a condition to the merger that Viacom receive an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP and/or a private letter ruling from the IRS, in each case, to the effect that, for U.S. federal income tax purposes, the merger and the distribution of New Viacom common stock in the merger will generally qualify as a tax-free distribution under Sections 355 and 368 of the Code and the distribution of CBS Corp. common stock in the merger will also generally be tax-free to Viacom and its stockholders and that such opinion and/or private letter ruling also contain any other assurances as to tax matters relating to the separation that the Viacom board of directors deems appropriate. Viacom received the IRS ruling on November 22, 2005. It addresses certain issues relevant to the qualification of the distribution of New Viacom common stock and CBS Corp. common stock in the merger as a tax-free distribution under Sections 355 and 368 of the Code, except with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by Viacom under the

Treasury Regulations relating to consolidated returns. This discussion assumes that the opinion from Paul, Weiss, Rifkind, Wharton & Garrison LLP referred to above is issued and that the IRS ruling is not modified or revoked in any material respect.

Principal U.S. Federal Income Tax Consequences to Viacom

Based on the IRS ruling and the opinion that Viacom will receive from Paul, Weiss, Rifkind, Wharton & Garrison LLP, for U.S. federal income tax purposes, the merger and the distribution of New Viacom common stock in the merger will generally qualify as a tax-free distribution under Sections 355 and 368 of the Code and the distribution of CBS Corp. common stock in the merger will also generally be tax-free to Viacom. Based on the foregoing, for U.S. federal income tax purposes, no gain or loss will be recognized by, and no amount will be includible in the income of, Viacom as a result of the merger and the distribution of New Viacom common stock and CBS Corp. common stock in the merger, other than taxes arising out of foreign and other internal restructurings undertaken in connection with the separation and with respect to any "excess loss account" or "intercompany transaction" required to be taken into account by Viacom under the Treasury Regulations relating to consolidated returns.

Principal U.S. Federal Income Tax Consequences to Stockholders of Viacom

Based on the IRS ruling and the opinion that Viacom will receive from Paul, Weiss, Rifkind, Wharton & Garrison LLP, for U.S. federal income tax purposes:

no gain or loss will be recognized by, and no amount will be includible in the income of, a holder of Viacom common stock solely as a result of the receipt of New Viacom common stock and CBS Corp. common stock in exchange therefor in the merger, except with respect to cash in lieu of fractional shares;

the holding period for the New Viacom common stock and CBS Corp. common stock received in the merger will include the period during which the Viacom common stock with respect to which such stock was received was held; and

the aggregate basis of the New Viacom common stock and CBS Corp. common stock in the hands of each Viacom stockholder after the merger will, in each instance, be the same as the aggregate basis of the Viacom common stock held by such stockholder immediately before the merger (reduced by the basis allocable to fractional shares), allocated in proportion to the fair market value of each.

Principal U.S. Federal Income Tax Consequences to Viacom and Stockholders of Viacom If the Merger and the Distribution of New Viacom Common Stock and CBS Corp. Common Stock Were Taxable

The IRS ruling is based on the facts presented and representations made by Viacom in the ruling request. Generally, an IRS private letter ruling will not be revoked or modified retroactively unless there has been an omission or misstatement of a material fact or a breach of a material representation. Viacom believes that it presented all relevant material facts and representations and ensured that those facts and representations are correct and complete in all material respects. If, however, those facts or representations are found to be incorrect or incomplete in a material respect or if the facts at the time of the separation are materially different from the facts upon which the IRS private letter ruling was based, Viacom could not rely on the IRS ruling and the merger might not qualify as a tax-free distribution under Sections 355 and 368 of the Code. In addition, in accordance with current IRS ruling policy, the IRS ruling does not address certain significant issues relating to qualification under Section 355 of the Code and, as to those issues, Viacom will be relying on an opinion of counsel.

An opinion of counsel represents counsel's best legal judgment and is not binding on the IRS or any court. An opinion of counsel is also based on the representations and assumptions included therein.

If the IRS subsequently determined the merger and the distribution of New Viacom common stock and CBS Corp. common stock to be taxable, the above consequences would not apply and both Viacom and holders of Viacom common stock would be subject to tax. Additionally, future events that may or may not be within the control of New Viacom or CBS Corp., including extraordinary purchases by third parties of New Viacom common stock or CBS Corp. common stock, could cause the merger and the distribution of New Viacom common stock in the merger not to qualify as tax-free to Viacom and/or holders of Viacom common stock. For example, if one or more persons were to acquire a 50% or greater interest in New Viacom common stock or CBS Corp. common stock as part of a plan or a series of related transactions of which the merger is a part, the merger and the distribution of New Viacom common stock in the merger would be taxable to CBS Corp., although not necessarily to Viacom's stockholders. Pursuant to the tax matters agreement, depending on the event, New Viacom may have to indemnify CBS Corp., or CBS Corp. may have to indemnify New Viacom, for some or all of the taxes resulting from the merger and the distribution of New Viacom common stock in the merger if the merger and distribution do not qualify as tax-free under Sections 355 and 368 of the Code. See the section entitled "Arrangements Between New Viacom and CBS Corp. After the Separation Material Agreements Relating to the Separation Tax Matters Agreement" beginning on page 235. If the merger and the distribution of New Viacom common stock in the merger were taxable, then:

each holder of Viacom common stock who receives shares of New Viacom common stock and CBS Corp. common stock in the merger would be treated as if the stockholder received a taxable distribution equal to the fair market value of the shares of New Viacom common stock received, taxed as a dividend to the extent of the stockholder's pro rata share of Viacom's current and accumulated earnings and profits (including earnings and profits arising from the gain to Viacom described in the following bullet point) and then treated as a non-taxable return of capital to the extent of the holder's basis in the Viacom common stock and thereafter as capital gain from the sale or exchange of Viacom common stock; and

the consolidated group of which CBS Corp. will be the common parent would recognize a gain equal to the excess of the fair market value of the stock of New Viacom on the date of the separation over Viacom's tax basis therein.

Under current law, individual citizens or residents of the United States are subject to U.S. federal income tax on dividends at a maximum rate of 15% (assuming holding period and other requirements are met) and long-term capital gains (i.e., capital gains on assets held for more than one year) at a maximum rate of 15%.

Cash in Lieu of Fractional Shares

Holders of Viacom common stock will receive cash in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock in the merger. Holders who receive cash in lieu of a fractional share of New Viacom common stock and CBS Corp. common stock will recognize capital gain or loss measured by the difference between the cash received in lieu of such fractional share and the holder's tax basis in the fractional share. Any such capital gain or loss will be treated as a long-term or short-term gain or loss based on the holder's holding period for the Viacom common stock.

Backup Withholding and Information Reporting

Payments of cash to holders of Viacom common stock in lieu of fractional shares may be subject to information reporting and "backup withholding" at a rate of 28%, unless a stockholder provides proof of an applicable exemption or a correct taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding does not constitute an additional tax, but merely an advance payment, which may be refunded or credited against a stockholder's U.S. federal income tax liability, provided that the required information is timely supplied to the IRS.

Information Reporting

Current Treasury Regulations require each Viacom stockholder who receives New Viacom common stock pursuant to the merger to attach to his or her U.S. federal income tax return for the year in which the merger occurs a detailed statement setting forth such data as may be appropriate in order to show the applicability of Section 355 of the Code. CBS Corp. will provide the information necessary to comply with this requirement.

We urge you to consult your own tax advisor as to the specific tax consequences of the separation, including the applicable federal, state, local and foreign tax consequences to you of the separation.

U.S. FEDERAL SECURITIES LAW CONSEQUENCES

The following New Viacom securities have been registered under the Securities Act:

Class A common stock, par value \$0.001 per share; and

Class B common stock, par value \$0.001 per share.

The following CBS Corp. securities have been registered under the Securities Act:

Class A common stock, par value \$0.001 per share; and

Class B common stock, par value \$0.001 per share.

Upon issuance, shares of New Viacom common stock and CBS Corp. common stock may be traded freely and without restriction, except that holders of shares of New Viacom common stock and CBS Corp. common stock who are deemed to be "affiliates" (as such term is defined under the Securities Act) of Viacom may resell their shares of New Viacom common stock and CBS Corp. common stock only in transactions permitted by the resale provisions of Rule 145 under the Securities Act (or Rule 144 under the Securities Act, in the case of such persons who were not previously affiliates of Viacom but who become affiliates of New Viacom or CBS Corp., as applicable) or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of New Viacom, CBS Corp. and Viacom, as applicable, are generally defined as individuals or entities that control, are controlled by, or are under common control with, New Viacom, CBS Corp. and Viacom, as applicable, and may include certain executive officers and directors of New Viacom, CBS Corp. and Viacom, as applicable.

NON-U.S. SECURITIES LAW DISCLOSURE

No prospectus or offering document to comply with the securities laws of any country other than the United States has been prepared in connection with the separation or with respect to New Viacom common stock or CBS Corp. common stock. The distribution of this Prospectus-Information Statement and the distribution or sale of New Viacom common stock or CBS Corp. common stock in jurisdictions outside the United States may be restricted by law, and persons into whose possession this Prospectus-Information Statement comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. It is the responsibility of holders of shares of Viacom common stock outside the United States to satisfy themselves as to the full observance of all legal requirements applicable to them in the relevant jurisdiction in relation to the holding of shares of Viacom common stock, the merger, the separation or the holding of shares of New Viacom common stock or CBS Corp. common stock. Holders of shares of Viacom common stock outside the United States who are in any doubt as to their legal position should seek their own advice as to the consequences to them of the separation under the laws of the relevant jurisdiction.

NEW YORK STOCK EXCHANGE LISTING

Viacom class A common stock and Viacom class B common stock, which currently trade on the New York Stock Exchange under the symbols "VIA" and "VIA.B," respectively, will cease trading on the New York Stock Exchange as of the date the separation is consummated, at which time each class

of New Viacom common stock and CBS Corp. common stock will begin trading on the New York Stock Exchange. Viacom has reserved the symbols "VIA" and "VIA.B" for New Viacom class A common stock and New Viacom class B common stock, respectively, and the symbols "CBS.A" and "CBS" for CBS Corp. class A common stock and CBS Corp. class B common stock, respectively. Each of New Viacom and CBS Corp. believes that it will satisfy all of the applicable listing standards relating to its common stock.

WHEN-ISSUED TRADING

Between the date that the shares of New Viacom common stock and CBS Corp. common stock are registered with the SEC under the Exchange Act, which we refer to in this Prospectus-Information Statement as the "Exchange Act registration statement effective date," and the effective date of the separation, a when-issued trading market in New Viacom common stock and CBS Corp. common stock may develop. "When-issued" trading refers to conditional purchase or sale transactions with respect to a security that has been authorized but is not yet issued and available. The when-issued trading market would be a market that develops prior to the separation for the shares of New Viacom common stock and CBS Corp. common stock that will be distributed in the merger. If you own shares of Viacom class A common stock or Viacom class B common stock on the Exchange Act registration statement effective date (and do not sell those shares on or before the effective date of the separation), you will be entitled to receive a number of shares of the same class of New Viacom common stock and CBS Corp. common stock based upon the number of shares of such class of Viacom common stock you owned at that time. You may trade this entitlement to receive shares of New Viacom common stock and CBS Corp. common stock on the when-issued trading market. We expect when-issued trades of New Viacom common stock and CBS Corp. common stock to settle within four trading days after the effective date of the separation. On the first trading day following the effective date of the separation, any when-issued trading with respect to New Viacom common stock and CBS Corp. common stock will end and regular way trading will begin. If when-issued trading occurs, the listing of each class of New Viacom common stock and CBS Corp. common stock is expected to be under trading symbols different from the regular way trading symbols. Following the effective date of the separation, shares of New Viacom common stock and CBS Corp. common stock will be listed for trading on the New York Stock Exchange. If the separation does not occur, all when-issued trading will be null and void.

On November 21, 2005, Viacom's \$8 billion stock purchase program was modified to authorize Viacom to purchase New Viacom common stock and CBS Corp. common stock in the when-issued market.

MERGER AGREEMENT

The following description of the principal provisions of the merger agreement among Viacom, New Viacom and Merger Sub is qualified by reference to the text of the merger agreement, a copy of which is attached as Annex A and is incorporated into this Prospectus-Information Statement by reference. You are encouraged to read the merger agreement in its entirety for a more complete description of the terms and conditions of the merger.

General Structure; Effective Date; Closing of the Merger

Upon the terms and subject to the conditions of the merger agreement, the separation of New Viacom into its own publicly traded company will be effected through the merger of Merger Sub with and into Viacom, with Viacom continuing as the surviving entity. Upon the consummation of the merger, Viacom will be renamed "CBS Corporation." The merger will become effective on the date and at the time that a certificate of merger is filed with the Delaware Secretary of State in accordance with the applicable provisions of the DGCL or at such later time as is specified in the certificate of merger. In the merger, holders of Viacom common stock will receive the consideration described below under the caption entitled "Conversion of Viacom Securities." The effective date will occur after the last of the conditions described below under the caption entitled "Conditions to the Merger" has been satisfied or waived by Viacom in its sole discretion. Viacom currently expects that the merger will become effective on December 31, 2005, but because the consummation of the merger is subject to certain conditions, the merger may occur on a subsequent date, or not at all.

Conversion of Viacom Securities

On the effective date, each outstanding share of Viacom class A common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class A common stock and 0.5 of a share of CBS Corp. class A common stock, and each outstanding share of Viacom class B common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class B common stock and 0.5 of a share of CBS Corp. class B common stock. Holders of Viacom common stock will receive cash in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock. After the effective date, each share of Viacom class A common stock or Viacom class B common stock will represent only the right to receive shares of New Viacom class A common stock and CBS Corp. class A common stock or New Viacom class B common stock and CBS Corp. class B common stock, as the case may be, and cash in lieu of fractional shares.

Cancellation of Shares

Each share of Viacom class A common stock or Viacom class B common stock held by Viacom as treasury stock or by any of its wholly owned subsidiaries immediately before the effective date, each share of common stock, par value \$0.01 per share, of Merger Sub issued and outstanding immediately prior to the effective date and each share of common stock, par value \$0.001 per share, of New Viacom issued and outstanding immediately prior to the effective date will be automatically canceled in the merger, and Viacom will not exchange those shares for any shares of New Viacom common stock or CBS Corp. common stock.

Treatment of Outstanding Viacom Equity Compensation Awards

Options to purchase shares of Viacom class B common stock will be converted in a manner designed to preserve their intrinsic value. RSUs will be converted in a manner designed to preserve their value. The adjustments of outstanding options to purchase shares of Viacom class B common stock and RSUs of Viacom class B common stock will be effected in a manner intended to comply with the requirements of Section 424 of the Code and Section 409A of the Code.

Current Employees and Directors. On the effective date, all outstanding unexercised options to purchase shares of Viacom class B common stock and all outstanding unsettled RSUs of Viacom class B common stock held by an individual who is a current employee or director of Viacom immediately prior to the effective date will convert into options to purchase shares of class B common stock and RSUs of class B common stock, respectively, of the company to which the individual will provide services immediately following the effective date. Adjustments will be made to the number of options and the option exercise prices, and the number of RSUs, based on the relative "fair values," determined pursuant to accounting principles generally accepted in the United States, of the Viacom class B common stock immediately prior to the effective time and the New Viacom class B common stock or CBS Corp. class B common stock, as the case may be, immediately following the effective time.

Former Employees and Directors. On the effective date, all outstanding unexercised options to purchase shares of Viacom class B common stock and all outstanding unsettled RSUs of Viacom class B common stock held by an individual who is a former employee or director of Viacom immediately prior to the effective date will convert into options to purchase shares of CBS Corp. class B common stock and RSUs of CBS Corp. class B common stock, respectively. Adjustments will be made to the number of options and the option exercise prices, and the number of RSUs, based on the relative "fair values," determined pursuant to accounting principles generally accepted in the United States, of the Viacom class B common stock immediately prior to the effective time and the CBS Corp. class B common stock immediately following the effective time.

Overlapping Employees and Directors. Notwithstanding the foregoing, in the case of any current employees or directors of Viacom immediately prior to the effective date who will provide services to

both New Viacom and CBS Corp. immediately following the effective date, all outstanding unexercised options to purchase shares of Viacom class B common stock will convert into options to purchase shares of New Viacom class B common stock and options to purchase shares of CBS Corp. class B common stock. All outstanding unsettled RSUs of Viacom class B common stock will convert into RSUs to purchase shares of New Viacom class B common stock and RSUs to purchase shares of CBS Corp. class B common stock. Adjustments will be made to the number of options and the number of RSUs based on the ratio of the "fair value" of the Viacom class B common stock immediately prior to the effective time to the sum of the "fair values," determined pursuant to accounting principles generally accepted in the United States, of the New Viacom class B common stock and the CBS Corp. class B common stock immediately following the effective time. The option exercise prices will be adjusted as described above for current employees and directors.

General. Except as otherwise described above, following the effective date, the options to purchase shares of New Viacom class B common stock or CBS Corp. class B common stock and the RSUs of New Viacom class B common stock or CBS Corp. class B common stock will have the same terms and conditions, including the same vesting provisions and exercise periods, as the options to purchase shares of Viacom class B common stock and the RSUs of Viacom class B common stock had immediately prior to the effective date. The options to purchase shares of CBS Corp. class B common stock and the RSUs of CBS Corp. class B common stock will remain outstanding under and continue to be governed by the equity compensation plan and option and RSU agreements pursuant to which the corresponding option to purchase shares of Viacom class B common stock and the RSUs of Viacom class B common stock were granted. The options to purchase shares of New Viacom class B common stock and the RSUs of New Viacom class B common stock will be substitute options and RSUs under new equity compensation plans to be adopted by New Viacom prior to the effective date but the terms of such options and RSUs will continue to be as set forth in the plans and option and RSU agreements under which they were originally issued.

Following the effective date, each employee or director deferral or other phantom unit that references Viacom class B common stock that is attributable to former CBS Corporation plans (except 401(k) plans or plans that mirror investments in 401(k) plans) and was deferred or earned prior to the effective date will be deemed to reference CBS Corp. class B common stock. Following the effective date, each employee or director deferral or other phantom unit that references a share of Viacom class A common stock or Viacom class B common stock that is attributable to a Viacom plan and was deferred or earned prior to the effective date will be deemed to reference 0.5 shares of New Viacom class A common stock or New Viacom class B common stock, as applicable, and 0.5 shares of CBS Corp. class A common stock or CBS Corp. class B common stock, as applicable.

Procedures for Exchange of Certificates; Direct Registration; Fractional Shares

To effect the exchange of shares, as soon as reasonably practicable after the effective date, Wachovia Bank, N.A., the exchange agent for Viacom and New Viacom in connection with the separation, which we refer to in this Prospectus-Information Statement as the "exchange agent," will mail a letter of transmittal to each registered holder that holds physical certificates representing Viacom common stock as of the effective date. The letter of transmittal will contain instructions with respect to the surrender of certificates previously representing shares of Viacom common stock to be exchanged for shares of New Viacom common stock and CBS Corp. common stock and cash in lieu of fractional shares. Viacom stockholders who surrender their Viacom common stock certificates, together with a properly completed letter of transmittal and any other required documents, will receive book-entry credit representing the number of whole shares of New Viacom common stock and CBS Corp. common stock into which their shares of Viacom class A common stock and Viacom class B common stock have been converted in the merger. The surrendered certificates representing shares of Viacom common stock will be canceled. Registered holders that hold shares of Viacom common stock in book-entry form will not be required to return a letter of transmittal to the exchange agent to effect

the exchange of such shares. Following the effective date, shares of Viacom common stock held in book-entry form will be exchanged automatically for book-entry credit of shares of New Viacom common stock and CBS Corp. common stock and cash in lieu of fractional shares. Following the effective date, Viacom common stock will no longer be transferable or tradeable.

HOLDERS OF VIACOM COMMON STOCK SHOULD NOT FORWARD STOCK CERTIFICATES TO THE EXCHANGE AGENT UNTIL THEY HAVE RECEIVED A LETTER OF TRANSMITTAL.

Following the effective date, physical certificates representing shares of New Viacom common stock and CBS Corp. common stock to which you are entitled will not be issued or mailed to you. Instead, shares of New Viacom common stock and CBS Corp. common stock will be issued electronically (in book-entry form) by way of direct registration. Direct registration eliminates the physical handling and safekeeping responsibilities inherent in owning physical stock certificates and the need to return a duly executed stock certificate to effect a transfer. If you hold certificates representing shares of Viacom common stock, the exchange agent will cause whole shares of New Viacom common stock and CBS Corp. common stock to be credited to book-entry accounts established on your behalf by the transfer agent upon your surrender of such certificates of Viacom common stock to the exchange agent, together with a properly completed letter of transmittal and any other required documents. If you hold shares of Viacom common stock in book-entry form, the exchange agent will cause whole shares of New Viacom common stock and CBS Corp. common stock to be credited automatically to book-entry accounts established on your behalf by the transfer agent following the effective date. Promptly following the crediting of shares to your respective book-entry accounts, you will receive a statement from the transfer agent evidencing your holdings, as well as general information about the direct registration form of ownership. The Bank of New York will act as the registrar and transfer agent for New Viacom and CBS Corp. after the separation.

Shares of New Viacom common stock and CBS Corp. common stock may be credited to an account in a name other than the name in which the surrendered certificate of Viacom common stock is registered if the certificate surrendered is properly endorsed and accompanied by all documents required to transfer the shares to the new holder.

Neither New Viacom nor CBS Corp. will issue fractional shares in the merger. Instead, the exchange agent, acting as agent for the Viacom stockholders entitled to receive cash in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock, will aggregate all fractional shares and cause them to be sold in the open market for the accounts of these stockholders. The proceeds that the exchange agent may realize from the sale of the fractional shares of New Viacom common stock and CBS Corp. common stock will be distributed, net of commissions and any applicable tax, to each stockholder entitled thereto in accordance with the stockholder's fractional interest. None of Viacom, New Viacom, CBS Corp. or the exchange agent will guarantee any minimum proceeds from the sale of fractional shares of New Viacom common stock and CBS Corp. common stock. **You will not receive any interest on any cash paid to you, even if there is a delay in making the payment.** Generally speaking, a stockholder who receives cash in lieu of fractional shares of New Viacom common stock and CBS Corp. common stock will recognize a gain or a loss on the receipt of the cash to the extent that the cash received exceeds the tax basis that would have been allocated to that stockholder's fractional shares. You are urged to carefully read the discussion in the section entitled " Certain U.S. Federal Income Tax Consequences" beginning on page 48, and to consult your tax advisor on the consequences to you of the separation.

Holders of Viacom common stock will not be entitled to receive any dividends or other distributions in respect of New Viacom common stock or CBS Corp. common stock prior to the effective date. After the effective date, holders of Viacom common stock who have surrendered their shares will be entitled to accrued dividends and other distributions declared or made on New Viacom common stock or CBS Corp. common stock with a record date after the effective date. No such dividends or other distributions on New Viacom common stock or CBS Corp. common stock will be

paid to the holders of Viacom common stock until they surrender their certificates for shares of Viacom common stock to the exchange agent. Subject to escheat, tax and other applicable laws, at the time of surrender, the holders of New Viacom common stock and CBS Corp. common stock will be paid the amount of any accrued dividends or other distributions that have been paid since the effective date. After the effective date, if certificates for shares of Viacom common stock are presented to New Viacom, CBS Corp. or the exchange agent for any reason, those certificates will be canceled and exchanged for book-entry credit for shares of New Viacom common stock and CBS Corp. common stock and cash in lieu of any fractional share entitlement as described above.

With respect to any Viacom common stock that you own by virtue of your participation in the Viacom 401(k) Plan, which we refer to in this Prospectus-Information Statement as the "Viacom 401(k) plan," the trustee for the Viacom 401(k) plan, Mellon Bank, N.A., will effect the exchange of such shares of Viacom common stock with the exchange agent and you will receive a statement from Mellon Bank evidencing the allocation of the proper amount of New Viacom common stock and CBS Corp. common stock to your accounts.

Lost, Stolen or Destroyed Certificates

If your certificate or certificates representing shares of Viacom class A common stock or Viacom class B common stock has or have been mutilated, destroyed, lost or stolen, you will need to complete an affidavit of loss, as described in the letter of transmittal, and pay a surety bond for your lost or destroyed shares of Viacom common stock. Upon receipt of the completed affidavit of loss and the surety bond payment, the exchange agent will issue distribution instructions to the transfer agent who will then credit to your book-entry account the shares of New Viacom common stock and CBS Corp. common stock to which you are entitled pursuant to the merger agreement.

Conditions to the Merger

The merger will be completed only if the following conditions are satisfied or, for certain conditions, waived in the sole discretion of Viacom:

the Registration Statement of which this Prospectus-Information Statement forms a part registering the shares of New Viacom common stock and CBS Corp. common stock to be issued in the merger has been declared effective by the SEC and there is no stop-order in effect with respect to the Registration Statement and no proceedings for that purpose have been initiated by the SEC;

no governmental authority or court prohibits the merger or makes the merger illegal;

the shares of New Viacom common stock and CBS Corp. common stock to be issued to Viacom stockholders in the merger have been authorized for listing by the New York Stock Exchange, subject to official notice of issuance;

any necessary actions and filings with regard to federal and state securities laws have been taken and, where applicable, have become effective or been accepted;

the separation agreement, tax matters agreement, transition services agreement and certain other agreements between the companies have been executed and delivered by the parties thereto;

Viacom has received the consent of the FCC to the transfer of control of New Viacom or any subsidiary of New Viacom that holds any FCC licenses; and

Viacom has received an opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP and/or a private letter ruling from the IRS, in each case, to the effect that, for U.S. federal income tax purposes, the merger and the distribution of New Viacom common stock in the merger will generally qualify as a tax-free distribution under Sections 355 and 368 of the Code and the distribution of CBS Corp. common stock in the merger will also generally be tax-free to Viacom and its stockholders and that such opinion and/or private letter ruling contain any other assurances as to tax matters relating to the separation that the Viacom board of directors deems

Edgar Filing: VIACOM INC - Form S-4/A

appropriate. On November 22, 2005, Viacom received the IRS ruling. In accordance with current IRS ruling policy, the IRS ruling does not address certain significant issues relating to qualification under Section 355 of the Code and, as to those issues, Viacom will be relying on an opinion of counsel.

Termination, Amendment and Waiver

The merger agreement may be terminated and the merger and the separation may be abandoned at any time prior to the effective date by Viacom in its sole discretion, whether before or after the adoption of the merger agreement by NAIRI, a wholly owned subsidiary of NAI.

Viacom, New Viacom and Merger Sub may amend the merger agreement by action taken or authorized by their respective boards of directors at any time prior to the effective date, either before or after adoption of the merger agreement by NAIRI, a wholly owned subsidiary of NAI, except that after such adoption, no amendment that by law requires further approval by the stockholders of Viacom may be made without such further approval. At any time prior to the effective date, any of Viacom, New Viacom or Merger Sub, by action taken or authorized by such party's board of directors, may extend the time specified in the merger agreement for the performance of any of the obligations of any other party or waive compliance by any other party with any of the agreements or covenants of such other party contained in the merger agreement.

INTERESTS OF CERTAIN PERSONS IN THE SEPARATION

You should be aware that, as described below, the directors and executive officers of Viacom may have interests in the separation that are different from, or in addition to, your interests, and that may create potential conflicts of interest. The Viacom board of directors was aware of these interests and considered them, among other matters, in approving the separation.

Equity Ownership

Viacom's directors and executive officers have equity interests in Viacom, including holdings of Viacom common stock, stock options, RSUs and/or phantom units that reference Viacom common stock. In connection with the separation, these directors and executive officers will receive the following in respect of the equity interests in Viacom that they currently have:

in respect of common stock holdings, these persons will receive the same treatment as Viacom stockholders and therefore own shares of New Viacom class A common stock and/or New Viacom class B common stock and shares of CBS Corp. class A common stock and/or CBS Corp. class B common stock,

in respect of stock options, (i) options to purchase shares of New Viacom class B common stock (in the case of directors or executive officers of Viacom who will be directors or executive officers of New Viacom but not CBS Corp. immediately following the separation); (ii) options to purchase shares of CBS Corp. class B common stock (in the case of directors or executive officers of Viacom who will be directors or executive officers of CBS Corp. but not New Viacom immediately following the separation); or (iii) options to purchase shares of New Viacom class B common stock and options to purchase shares of CBS Corp. class B common stock (in the case of directors or executive officers of Viacom who will be directors or executive officers of both New Viacom and CBS Corp. immediately following the separation),

in respect of RSUs, (i) RSUs of New Viacom class B common stock (in the case of directors or executive officers of Viacom who will be directors or executive officers of New Viacom but not CBS Corp. immediately following the separation); (ii) RSUs of CBS Corp. class B common stock (in the case of directors or executive officers of Viacom who will be directors or executive officers of CBS Corp. but not New Viacom immediately following the separation); or (iii) RSUs of New Viacom class B common stock and RSUs of CBS Corp. class B common stock (in the

Edgar Filing: VIACOM INC - Form S-4/A

case of directors or executive officers of Viacom who will be directors or executive officers of both New Viacom and CBS Corp. immediately following the separation), and/or

(i) in respect of phantom units of Viacom class A common stock and Viacom class B common stock attributable to Viacom plans, phantom units of New Viacom class A common stock and New Viacom class B common stock and phantom units of CBS Corp. class A common stock and CBS

Corp. class B common stock in the same manner as will be received by Viacom stockholders; and/or (ii) in respect of phantom units of Viacom class B common stock attributable to former CBS Corporation plans (except 401(k) plans and plans that mirror investments in 401(k) plans), phantom units of CBS Corp. class B common stock.

See the sections entitled " Merger Agreement Treatment of Outstanding Viacom Equity Compensation Awards," " Security Ownership of Certain Beneficial Owners and Management of Viacom," "Description of New Viacom After the Separation Security Ownership of Certain Beneficial Owners and Management of New Viacom" and "Description of CBS Corp. After the Separation Security Ownership of Certain Beneficial Owners and Management of CBS Corp." beginning on pages 53, 59, 146 and 212, respectively.

Relationship of Certain Directors and Executive Officers

Mr. Sumner M. Redstone serves as chairman of the board of directors and chief executive officer of Viacom, and Ms. Shari Redstone serves as non-executive vice chairman of the Viacom board of directors. As of August 31, 2005, NAI beneficially owned shares of Viacom common stock representing approximately 71% of the voting power of all classes of Viacom common stock. Mr. Redstone is the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, the controlling stockholder of Viacom, and Ms. Redstone is the president and a director of NAI. In addition, Messrs. Abrams, Andelman and Dauman, who are currently directors of Viacom, are directors of NAI. Following the consummation of the separation, Mr. Redstone will serve as chairman of the New Viacom board of directors and chairman of the CBS Corp. board of directors. Ms. Redstone will serve as non-executive vice chair of the board of directors of both New Viacom and CBS Corp. and Mr. Dauman will serve on the board of directors of both New Viacom and CBS Corp. Mr. Abrams will serve on the New Viacom board of directors and not on the CBS Corp. board of directors following the separation, and Mr. Andelman will serve on the CBS Corp. board of directors and not on the New Viacom board of directors following the separation. In addition, Messrs. Greenberg, Phillips, Salerno and Schwartz, who currently serve as directors of Viacom, will serve on the New Viacom board of directors and not on the CBS Corp. board of directors following the separation; and Messrs. Califano, Cohen and Walter, who currently serve as directors of Viacom, will serve on the CBS Corp. board of directors and not on the New Viacom board of directors following the separation. Mr. Greenberg is the chairman of the executive committee and a member of the board of directors of Bear Stearns. Bear Stearns is acting as one of Viacom's financial advisors in connection with the separation and may receive a fee for its services not in excess of customary amounts. Following the separation, Mr. Thomas E. Freston, who is currently the co-president and co-chief operating officer of Viacom, will be the president and chief executive officer and a director of New Viacom, but will not be an officer or director of CBS Corp., and Mr. Leslie Moonves, who is currently the co-president and co-chief operating officer of Viacom, will be the president and chief executive officer and a director of CBS Corp., but will not be an officer or director of New Viacom.

Compensation of Members of the Viacom Separation Committee

On June 14, 2005, the Viacom board of directors established the Viacom separation committee, consisting of Mr. Redstone, as chair, Ms. Redstone, as vice chair, Mr. Dauman and Mr. Salerno, to meet regularly to assist with and oversee the separation process. The members of the Viacom separation committee, other than Mr. Redstone, are being compensated for serving as members of the committee in the amount of \$30,000, payable upon the consummation or abandonment of the separation. This fee was authorized by the Viacom board of directors in order to compensate the members of the Viacom separation committee for the significant additional time commitment that is required of them in connection with fulfilling their duties and responsibilities as members of the Viacom separation committee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF VIACOM

The table below sets forth, as of August 31, 2005, except as otherwise noted, certain information concerning the beneficial ownership of shares of Viacom class A common stock and Viacom class B common stock by: (i) each director of Viacom; (ii) each named executive officer of Viacom as of December 31, 2004; (iii) the current directors and executive officers of Viacom as a group; and (iv) persons who, to Viacom's knowledge, are holders of 5% or more of shares of Viacom class A common stock. Each person has sole voting and investment power over the shares, unless otherwise noted. The table below does not reflect ownership of stock options or RSUs if such stock options or RSUs do not become exercisable or vest within 60 days from August 31, 2005.

As of August 31, 2005, there were 131,486,804 shares of Viacom class A common stock outstanding and 1,441,666,509 shares of Viacom class B common stock outstanding.

Beneficial Ownership of Equity Securities

Name	Title of Equity Security	Number of Equity Shares	Option Shares(1)	Percentage of Class(1)
George S. Abrams	Viacom class A common stock	19,452(2)		*
	Viacom class B common stock	46,015(2)(3)	25,333	*
David R. Andelman	Viacom class A common stock	4,268(2)		*
	Viacom class B common stock	4,300(2)	20,333	*
Richard J. Bressler(11)	Viacom class A common stock			*
	Viacom class B common stock	230(4)	2,200,000	*
Joseph A. Califano, Jr.	Viacom class A common stock	2,892(2)		*
	Viacom class B common stock	8,796(2)(5)	11,333	*
William S. Cohen	Viacom class A common stock	2,406(2)		*
	Viacom class B common stock	2,429(2)	11,333	*
Philippe P. Dauman	Viacom class A common stock			*
	Viacom class B common stock	5,000	23,333	*
Thomas E. Freston	Viacom class A common stock	74(4)		*
	Viacom class B common stock	841(4)(5)	4,572,000	*
Michael D. Fricklas	Viacom class A common stock	46(4)		*
	Viacom class B common stock	1,456(4)	770,000	*
Alan C. Greenberg	Viacom class A common stock			*
	Viacom class B common stock	22,643	11,333	*
Leslie Moonves	Viacom class A common stock			*
	Viacom class B common stock	41,686(4)(5)	6,198,609	*
Charles E. Phillips, Jr.	Viacom class A common stock	1,116(2)		*
	Viacom class B common stock	1,128(2)	10,000	*
Shari Redstone	Viacom class A common stock	231(2)(6)		*
	Viacom class B common stock	3,233(2)(3)(6)		*
Sumner M. Redstone(12)	Viacom class A common stock	93,658,908(7)		71.2%
	Viacom class B common stock	89,209,527(7)	12,196,000	6.2%
Frederic V. Salerno	Viacom class A common stock	14,771(2)		*
	Viacom class B common stock	24,821(2)	16,333	*
William Schwartz	Viacom class A common stock	21,200(2)		*
	Viacom class B common stock	30,521(2)	19,333	*
Robert D. Walter	Viacom class A common stock	5,583(2)		*
	Viacom class B common stock	84,578(2)(8)	34,323	*

Edgar Filing: VIACOM INC - Form S-4/A

NAIRI, Inc.(13)	Viacom class A common stock	93,658,828(9)	71.2%
NAI(13)	Viacom class B common stock	89,198,982(9)	6.2%
Mario J. Gabelli(14)	Viacom class A common stock	9,443,647(10)	7.2%
Gabelli Asset Management Inc.(14)			
Current directors and executive officers of Viacom as a group, other than Mr. Sumner M. Redstone (19 persons)			
	Viacom class A common stock	72,793(2)(4)(6)	*
	Viacom class B common stock	282,519(2 6)(8)	12,689,248 *

*

Represents less than 1% of the outstanding common stock of the class.

(1)

These shares are excluded from the column headed "Number of Equity Shares" and from the calculation of "Percentage of Class."

(2)

Includes the following Viacom class A common stock units and Viacom class B common stock units credited pursuant to Viacom's deferred compensation plan for outside directors: Abrams, 19,452 shares of Viacom class A common stock and 19,815 shares of Viacom class B common stock; Andelman, 4,268 shares of Viacom class A common stock and 4,300 shares of Viacom class B common stock; Califano, 2,892 shares of Viacom class A common stock and 2,916 shares of Viacom class B common stock; Cohen, 2,406 shares of Viacom class A common stock and 2,429 shares of Viacom class B common stock; Phillips, 1,116 shares of Viacom class A common stock and 1,128 shares of Viacom class B common stock; Ms. Redstone, 231 shares of Viacom class A common stock and 233 shares of Viacom class B common stock; Salerno, 14,771 shares of Viacom class A common stock and 14,821 shares of Viacom class B common stock; Schwartz, 21,200 shares of Viacom class A common stock and 21,521 shares of Viacom class B common stock; and Walter, 5,583 shares of Viacom class A common stock and 5,623 shares of Viacom class B common stock. Pursuant to this plan, the common stock units are payable in cash following termination of service as a director.

(3)

Includes (a) for Mr. Abrams, 200 shares of Viacom class B common stock held in a family trust for which he is co-trustee and as to which he disclaims beneficial ownership; and (b) for Ms. Redstone, 3,000 shares of Viacom class B common stock held in trusts for the benefit of Ms. Redstone's children for which she is a co-trustee.

(4)

Includes shares held through the Viacom 401(k) plan.

(5)

The following shares which are included in the security ownership table for the indicated director or officer are owned by family members: Califano, 1,855 shares of Viacom class B common stock, as to which he disclaims beneficial ownership; Freston, 65 shares of Viacom class B common stock, as to which he disclaims beneficial ownership; and Moonves, 588 shares of Viacom class B common stock and options for 1,487 shares of Viacom class B common stock, as to which he disclaims beneficial ownership.

(6)

Ms. Redstone is a stockholder of NAI and has a significant indirect beneficial interest in the shares of Viacom common stock owned by NAI.

(7)

Except for 80 shares of Viacom class A common stock and 10,080 shares of Viacom class B common stock owned directly by Mr. Redstone, 265 shares of Viacom class B common stock held by Mr. Redstone through the Viacom 401(k) plan, and 200 shares of Viacom class B common stock held by Mr. Redstone's wife, all shares are owned beneficially by NAI.

(8)

Includes the following securities equivalent to Viacom class B common stock credited pursuant to the former CBS Corporation's deferred compensation plan and advisory director's plan: Walter, 113 Viacom class B common stock equivalents and 3,278 Viacom class B common stock units. Pursuant to the plans, the Viacom class B common stock equivalents are payable in shares of Viacom class B common stock following termination of service as a director and the Viacom class B common stock units are payable in shares of Viacom class B common stock or cash, or a combination thereof following termination of service as a director.

(9)

Mr. Redstone is the beneficial owner of the controlling interest in NAI and, accordingly, beneficially owns all such shares. NAIRI is a wholly owned subsidiary of NAI.

(10)

This information is based on Amendment No. 9 to Schedule 13D filed with the SEC by Gabelli Asset Management Inc. et al. on September 1, 2005. The Amendment No. 9 to Schedule 13D reported that Gabelli entities have investment discretion and/or voting power with respect to substantially all

Edgar Filing: VIACOM INC - Form S-4/A

of such shares.

- (11) Mr. Bressler served as senior executive vice president and chief financial officer of Viacom until May 2005 and was a named executive officer as of December 31, 2004. The information in this table with respect to Mr. Bressler's beneficial ownership is as of May 10, 2005. Mr. Michael J. Dolan was appointed executive vice president and chief financial officer of Viacom as of May 11, 2005.
- (12) The address for Mr. Redstone is c/o Viacom Inc., 1515 Broadway, New York, New York 10036.
- (13) The address for NAIRI and NAI is 200 Elm Street, Dedham, Massachusetts 02026.
- (14) The address for Mario J. Gabelli and Gabelli Asset Management Inc. is One Corporate Center, Rye, New York 10580.

Change in Control Transactions

Viacom does not know of any existing arrangements between any persons, the operation of which could result in a change of control of Viacom at any subsequent date.

VIACOM MARKET PRICE INFORMATION AND DIVIDEND POLICY**Market Price Information**

Viacom class A common stock and Viacom class B common stock are listed and traded on the New York Stock Exchange under the symbols "VIA" and "VIA.B," respectively.

The following table sets forth, for the calendar periods indicated, the per share range of high and low sales prices for Viacom class A common stock and Viacom class B common stock, as reported on the New York Stock Exchange.

	Voting Class A Common Stock		Non-Voting Class B Common Stock	
	High	Low	High	Low
2005				
4th quarter (through November 22)	\$ 34.20	\$ 30.02	\$ 34.16	\$ 29.93
3rd quarter	35.70	32.11	35.64	31.80
2nd quarter	36.39	32.20	36.25	31.95
1st quarter	39.26	34.23	38.99	33.73
2004				
4th quarter	\$ 37.60	\$ 34.00	\$ 37.27	\$ 33.42
3rd quarter	36.74	32.56	35.94	30.09
2nd quarter	42.32	35.80	42.15	35.08
1st quarter	45.10	36.76	45.05	36.35
2003				
4th quarter	\$ 44.67	\$ 36.98	\$ 44.62	\$ 36.87
3rd quarter	46.93	37.79	46.95	37.72
2nd quarter	48.13	36.53	49.75	36.16
1st quarter	43.95	33.26	43.96	33.11

As of August 31, 2005, there were 4,415 record holders of Viacom class A common stock and 55,656 record holders of Viacom class B common stock.

Dividend Policy

Viacom declared its first quarterly cash dividend of \$0.06 per share on its common stock in the fourth quarter of 2003 and paid such dividend through the fourth quarter of 2004. Beginning with the dividend payable on January 1, 2005, Viacom increased its quarterly cash dividend payment to \$0.07 per share and has paid such amount per share each quarter since such date. On October 11, 2005, the Viacom board of directors declared a regular quarterly dividend of \$0.07 per share of Viacom class A common stock and Viacom class B common stock, payable January 1, 2006 to stockholders of record at the close of business on November 30, 2005. The Viacom board of directors is free to change its dividend practices from time to time for any reason, including decreasing or increasing the dividend paid, or not paying a dividend.

PERFORMANCE GRAPH

The following graph compares the cumulative total stockholder return on Viacom class A common stock and Viacom class B common stock with the cumulative total return on the companies listed in the Standard & Poor's 500 Stock Index and a peer group of companies identified below.

The performance graph assumes \$100 invested on December 31, 1999 in each of Viacom class A common stock, Viacom class B common stock, the S&P 500 Index and the peer group identified below, including reinvestment of dividends, through the calendar year ended December 31, 2004.

The peer group consists of the following companies: The Walt Disney Company; News Corporation; Time Warner Inc.; Tribune Company; and Clear Channel Communications.

**Total Cumulative Stockholder Return
for Five-Year Period Ending December 31, 2004**

December 31,	1999	2000	2001	2002	2003	2004
Viacom class A common stock	100.00	77.77	73.22	67.52	73.46	61.95
Viacom class B common stock	100.00	77.35	73.05	67.44	73.65	60.80
S&P 500 Index	100.00	90.90	80.09	62.39	80.29	89.03
Peer group	100.00	79.44	71.46	43.22	58.47	60.76

COMPARISON OF STOCKHOLDER RIGHTS BEFORE AND AFTER THE SEPARATION

On the effective date, the Viacom certificate of incorporation and bylaws will be amended and restated, and will become the CBS Corp. certificate of incorporation and bylaws. Following the separation, the rights of the New Viacom stockholders will be governed by the New Viacom certificate of incorporation and bylaws and Delaware law, and the rights of the CBS Corp. stockholders will be governed by the CBS Corp. certificate of incorporation and bylaws and Delaware law. Immediately following the effective date, the certificates of incorporation and bylaws of each of New Viacom and CBS Corp. will be identical to one another.

The following is a summary of the rights of stockholders under the certificates of incorporation and bylaws of Viacom, New Viacom and CBS Corp. and under Delaware law. This summary is not a complete statement of the rights of stockholders of the companies or a complete description of the specific provisions referred to below. This summary is qualified in its entirety by reference to the Viacom, New Viacom and CBS Corp. certificates of incorporation and bylaws, which you should read. Copies of these documents have been filed with the SEC or have been or will be filed as exhibits to the Registration Statement of which this Prospectus-Information Statement forms a part. To find out where you can get copies of these documents, see the section entitled "Other Information Where You Can Find More Information" beginning on page 238.

As of the effective date, the certificate of incorporation of each of New Viacom and CBS Corp. will reflect that the number of authorized shares of each of New Viacom common stock and CBS Corp. common stock will be equal to half of the current number of authorized shares of Viacom common stock. The number of outstanding shares of New Viacom common stock and CBS Corp. common stock set forth in the table below has been adjusted to give effect to the exchange ratio in the merger, which is 0.5 and which we refer to in this Prospectus-Information Statement as the "exchange ratio," assuming the date of the separation was August 31, 2005.

**Authorized Capital Structure and Liquidation Rights of
Viacom, New Viacom and CBS Corp.
(As of August 31, 2005)**

CLASS OF SECURITY	AUTHORIZED	OUTSTANDING	LIQUIDATION PREFERENCE
<u>Viacom:</u>			
Viacom class A common stock, par value \$0.01 per share	750 million	131,486,804	None
Viacom class B common stock, par value \$0.01 per share	10 billion	1,441,666,509	None
Viacom preferred stock, par value \$0.01 per share	25 million	4,144,000(a)\$	0.01 per share
<u>New Viacom:</u>			
New Viacom class A common stock, par value \$0.001 per share	375 million	65,743,402	None
New Viacom class B common stock, par value \$0.001 per share	5 billion	720,833,254	None
New Viacom preferred stock, par value \$0.001 per share	25 million	None	Not applicable
<u>CBS Corp.:</u>			
CBS Corp. class A common stock, par value \$0.001 per share	375 million	65,743,402	None
CBS Corp. class B common stock, par value \$0.001 per share	5 billion	720,833,254	None
CBS Corp. preferred stock, par value \$0.001 per share	25 million	None	Not applicable

(a)

All outstanding shares of Viacom preferred stock are held by a subsidiary of Viacom and will no longer be outstanding as of the effective date.

Edgar Filing: VIACOM INC - Form S-4/A

STOCKHOLDER RIGHTS	VIACOM	NEW VIACOM	CBS CORP.
DIVIDEND POLICY	<p>Viacom has no legal or contractual obligation to pay dividends on its common stock. In October 2003, Viacom began paying a quarterly cash dividend on its class A and class B common stock of \$0.06 per share. During the fourth quarter of 2004, the amount of the cash dividend paid by Viacom on its class A and class B common stock was increased to \$0.07 per share. The Viacom board of directors is free to change its dividend practices from time to time for any reason, including decreasing or increasing the dividend paid, or not paying a dividend.</p>	<p>New Viacom has no legal or contractual obligation to pay dividends on its common stock. New Viacom does not currently anticipate paying a dividend to its stockholders. The New Viacom board of directors is free to change its dividend practices from time to time for any reason, including paying a dividend, or decreasing or increasing any dividend paid. See the section entitled "Description of New Viacom After the Separation New Viacom Market Price Information and Dividend Policy" beginning on page 152.</p>	<p>CBS Corp. has no legal or contractual obligation to pay dividends on its common stock. CBS Corp. currently anticipates paying a regular cash dividend to its stockholders that initially will be no less than the aggregate annual payment of approximately \$450 million under Viacom's existing dividend program. The CBS Corp. board of directors is free to change its dividend practices from time to time for any reason, including decreasing or increasing the dividend paid, or not paying a dividend. See the section entitled "Description of CBS Corp. After the Separation CBS Corp. Market Price Information and Dividend Policy" beginning on page 216.</p>
VOTING, GENERALLY	<p>Viacom class A common stock:</p> <p>One vote per share. Majority vote for the election of directors and most other matters.</p> <p>Viacom class B common stock:</p> <p>No voting rights, except as required by Delaware law.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation.</p>
STOCKHOLDER ACTION BY WRITTEN CONSENT	<p>Under the DGCL, unless the certificate of incorporation provides otherwise, stockholders may act by written consent if written consents are received from the holders of the minimum number of votes that would be necessary to authorize that action at a meeting at which all the shares entitled to vote for that action were present and voted. The Viacom certificate of incorporation does not restrict the stockholders' ability to act by written consent.</p>	<p>The New Viacom certificate of incorporation initially will not restrict the stockholders' ability to act by written consent.</p>	<p>The CBS Corp. certificate of incorporation initially will not restrict the stockholders' ability to act by written consent.</p>

Edgar Filing: VIACOM INC - Form S-4/A

NUMBER OF DIRECTORS AND SIZE OF BOARD	<p>The Viacom certificate of incorporation allows between three and 20 directors to serve on its board of directors and authorizes the board of directors to determine the number of directors from time to time. The Viacom board of directors has set the current number of directors at 12.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation. Following the separation, the New Viacom board of directors will initially consist of 12 members.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation. Following the separation, the CBS Corp. board of directors will initially consist of 12 members.</p>
TERM OF DIRECTORS	<p>Each director serves for a one-year term and until his or her successor is duly elected and qualified.</p>	<p>Each director will serve until the next annual meeting of stockholders or until his or her successor is duly elected and qualified, unless sooner displaced.</p>	<p>Each director will serve until the next annual meeting of stockholders or until his or her successor is duly elected and qualified, unless sooner displaced.</p>
REMOVAL OF DIRECTORS	<p>Any or all of Viacom's directors may be removed with or without cause by Viacom stockholders who represent a majority of the aggregate voting power of outstanding shares of Viacom capital stock entitled to vote.</p> <p>Any director may be removed by a majority vote of the Viacom board of directors if either:</p> <ul style="list-style-type: none">the director fails to meet the qualifications stated in Viacom's bylaws for election as a director; orthe director is in breach of any agreement with Viacom relating to such director's service as a director or employee of Viacom.	<p>This provision will initially be the same as in the Viacom certificate of incorporation.</p> <p>Any director may be removed by a majority vote of the New Viacom board of directors if the director is in breach of any agreement with New Viacom relating to such director's service as a director or employee of New Viacom.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation.</p> <p>Any director may be removed by a majority vote of the CBS Corp. board of directors if the director is in breach of any agreement with CBS Corp. relating to such director's service as a director or employee of CBS Corp.</p>
BOARD VACANCIES	<p>Vacancies are filled by a vote of the majority of directors then in office, even if less than a quorum is present. If there are no directors then in office, an election of directors may be held in the manner provided by the DGCL.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation.</p>	<p>This provision will initially be the same as in the Viacom certificate of incorporation.</p>

Edgar Filing: VIACOM INC - Form S-4/A

ADVANCE NOTICE PROCEDURES FOR A STOCKHOLDER PROPOSAL

There are no provisions regarding advance notice of director nominations or stockholder proposals. A stockholder who wishes to recommend a director candidate or make a stockholder proposal must comply with the process described in Viacom's proxy statement for such recommendation and applicable provisions of the U.S. federal securities laws.

This provision will initially be the same as in the Viacom certificate of incorporation.

This provision will initially be the same as in the Viacom certificate of incorporation.

CALLING OF SPECIAL MEETING OF STOCKHOLDERS

Special meetings of Viacom stockholders may be called by the:

- majority vote of the board of directors;
- chairman of the board of directors;
- chief executive officer; or
- vice chairman of the board of directors.

Special meetings of Viacom stockholders must be called by the chairman of the board of directors, the chief executive officer, the vice chairman of the board of directors or secretary at the written request of stockholders representing at least 50.1% of the aggregate voting power of all outstanding shares of Viacom capital stock entitled to vote.

This provision will initially be the same as in the Viacom certificate of incorporation.

This provision will initially be the same as in the Viacom certificate of incorporation.

AMENDMENT

Amendments to provisions of the Viacom certificate of incorporation and bylaws by Viacom stockholders do not require any supermajority vote, except as required by the DGCL. The Viacom certificate of incorporation also grants the Viacom board of directors the right to amend the Viacom bylaws.

This provision will initially be the same as in the Viacom certificate of incorporation.

This provision will initially be the same as in the Viacom certificate of incorporation.

**TRANSFER RESTRICTIONS
WITH RESPECT TO FEDERAL
COMMUNICATIONS LAWS**

Viacom may refuse to permit the transfer of shares of its capital stock if it concludes that the ownership or transfer of such shares would result in any inconsistency with, or violation of, applicable federal communications laws.

New Viacom will be able to prohibit the ownership of, or redeem, shares of its capital stock in order to ensure compliance with, or prevent the applicability of limitations imposed by, the requirements of applicable federal communications laws.

CBS Corp. will be able to prohibit the ownership of, or redeem, shares of its capital stock in order to ensure compliance with, or prevent the applicability of limitations imposed by, the requirements of applicable federal communications laws.

**CORPORATE OPPORTUNITY
PROVISIONS**

None.

No officer, director or controlling stockholder of New Viacom who is also an officer, director or controlling stockholder of CBS Corp. will be liable to New Viacom or its stockholders for breach of any fiduciary duty by reason of the fact that any such person directs a corporate opportunity to CBS Corp. instead of or in addition to New Viacom, or does not communicate information regarding a corporate opportunity to New Viacom because the officer, director or controlling stockholder has directed the corporate opportunity to CBS Corp., in each case, if such person directs such corporate opportunity as he or she deems appropriate in his or her sole discretion. New Viacom will renounce any interest in any such opportunity presented to CBS Corp. See the section entitled "Description of New Viacom After the Separation Description of New Viacom Capital Stock" beginning on page 152.

No officer, director or controlling stockholder of CBS Corp. who is also an officer, director or controlling stockholder of New Viacom will be liable to CBS Corp. or its stockholders for breach of any fiduciary duty by reason of the fact that any such person directs a corporate opportunity to New Viacom instead of or in addition to CBS Corp., or does not communicate information regarding a corporate opportunity to CBS Corp. because the officer, director or controlling stockholder has directed the corporate opportunity to New Viacom, in each case, if such person directs such corporate opportunity as he or she deems appropriate in his or her sole discretion. CBS Corp. will renounce any interest in any such opportunity presented to New Viacom. See the section entitled "Description of CBS Corp. After the Separation Description of CBS Corp. Capital Stock" beginning on page 216.

DESCRIPTION OF NEW VIACOM AFTER THE SEPARATION

BUSINESS OF NEW VIACOM

Overview

New Viacom is a worldwide entertainment company with operations in the following segments:

Cable Networks: The Cable Networks segment consists of: MTV Networks, including MTV: Music Television, MTV2, Nickelodeon, Nick at Nite, Noggin, The N, Nicktoons Network, VH1, TV Land, Spike TV, CMT: Country Music Television, Logo, Comedy Central, MTV Desi, MTV Español, mtvU, MTV Hits, MTV Jams, MTV Overdrive, VH1 Classic, VHUno, VH1 Soul, VH1 Country, Game One, VIVA, TMF, Paramount Comedy and Neopets; BET, which includes BET Jazz; and other program services, including online programming services.

Entertainment: The Entertainment segment includes Paramount Pictures, which produces and distributes feature motion pictures, and Famous Music, which is involved in music publishing.

New Viacom's revenues from the Cable Networks segment accounted for 68% of New Viacom's revenues for the first nine months of 2005 and 69% for the year ended December 31, 2004, and its revenues from Entertainment accounted for 32% of New Viacom's revenues for the first nine months of 2005 and 31% for the year ended December 31, 2004. New Viacom generated approximately 21% of its total revenues from international regions, principally Europe and Canada, in both 2004 and the nine months ended September 30, 2005. For the year ended December 31, 2004, approximately 68% and 7% of total international revenues of \$1.7 billion were generated in Europe and Canada, respectively. Revenues from the Cable Networks segment are generated primarily from advertising sales, affiliate fees, home entertainment sales and licensing and merchandising of cable products. Revenues from the Entertainment segment are generated primarily from the licensing and sale of feature films in various media.

On October 13, 2005, MTV Networks acquired IFILM Corp., which owns IFILM.com, a video-entertainment website, for \$49 million. On July 22, 2005, Viacom sold Famous Players, its Canadian-based theater chain, to Cineplex Galaxy L.P. for approximately \$400 million. In the second quarter of 2005, MTV Networks acquired Neopets, the owner and operator of Neopets.com, a leading online destination and community for kids and young adults, whose members, among other things, create and care for virtual pets, for approximately \$160 million. During 2004, MTV Networks acquired 97.8% of VIVA, a youth entertainment media company based in Germany, for a total purchase price of \$393.6 million and acquired the remainder in 2005. In October 2004, Viacom completed the split-off of Blockbuster by exchanging 72 million shares of Blockbuster class A common stock and 72 million shares of Blockbuster class B common stock that Viacom owned for 27,961,165 shares of Viacom class A and class B common stock. New Viacom's results of operations include Blockbuster and Famous Players as discontinued operations. MTV Networks also acquired the remaining 50% interest that it did not already own in Comedy Central in 2003 and in Noggin in 2002.

For additional information about significant dispositions and acquisitions, see Notes 3 and 9 to the New Viacom Interim Financial Statements and Notes 4 and 7 to the New Viacom Combined Financial Statements beginning on page F-1.

New Viacom competes with many different entities and media in various markets worldwide. New Viacom competes in the cable, broadcast and entertainment businesses with other diversified international entertainment companies such as Time Warner Inc., News Corporation, Sony Corporation, The Walt Disney Company, and NBC Universal Inc.

As new technologies for delivering content and services evolve, New Viacom is pursuing opportunities to distribute content to consumers through various media, devices and platforms, including the Internet, wireless devices, video-on-demand, interactive television and video games.

New Viacom was organized as a Delaware corporation in 2005 as a wholly owned subsidiary of Viacom and prior to the separation acquired its businesses from Viacom. On the effective date and as

a result of the separation, New Viacom will be a separate publicly traded company. New Viacom's principal offices are located at 1515 Broadway, New York, New York 10036.

Competitive Strengths

New Viacom believes it possesses a number of strengths that will enable it to compete successfully:

One of the largest collections of cable programming assets in the world, with leading global brands that are attractive advertiser vehicles. New Viacom has one of the largest collections of cable programming assets in the world. The leading New Viacom program services reach more than 165 territories through over 110 television channels presented in over 25 different languages and, as of April 2005, reached approximately 430 million subscriber households worldwide. In the United States, New Viacom's leading networks program approximately 1,730 hours per week and, according to Nielsen Media Research®, reached approximately 130 million television viewers in the period from April 2005 to August 2005. Many of New Viacom's brands, such as MTV, Nickelodeon and VH1, and its motion picture studio, Paramount Pictures, are known worldwide. Interbrand Corp., an international brand consultancy, cited MTV as one of the world's most valuable brands in 2005. Nickelodeon, which as of September 30, 2005 was available in approximately 300 million television households worldwide, is one of the world's most widely distributed children's television brands.

MTV Networks and BET develop brands that appeal to a wide range of targeted niche audiences, which also represent demographics sought after by advertisers. In the United States, MTV Networks and BET delivered the most viewers in the 12- to 34-year-old demographic during the 2004-2005 broadcast season, according to Nielsen Media Research. MTV: Music Television has been the #1 advertising-supported 24-hour basic cable network among 12- to 24-year-olds for 34 consecutive quarters and Nickelodeon accounted for 50% of all viewing of advertising-supported children's television programming in the United States by children ages two to 11 during the 2004-2005 broadcast season. New Viacom's broad distribution to specialized audiences and its focus on forging strong connections with its audiences make New Viacom's networks an attractive vehicle for advertisers. New Viacom maintains a strong in-house research organization that focuses on identifying emerging behaviors and trends among core audiences, which New Viacom believes is a key competitive advantage. These factors, combined with New Viacom's integrated presence on a variety of digital and broadcast platforms, allow New Viacom to provide an efficient and reliable vehicle for advertisers to reach consumers.

A long-standing international presence with a global footprint. New Viacom has a significant and/or growing presence in many regions of the world. Established advertising, distribution and programming relationships in these markets, together with New Viacom's infrastructure, provide a platform for new channel launches and complementary acquisitions. New Viacom has created over 110 channels delivered in more than 165 territories. Over the last 12 months alone, New Viacom has launched 18 program services internationally, including its first pan-African channel and Nickelodeon in Germany. New Viacom's global footprint also allows it to incubate technical and programming expertise in emerging markets where new media products have been deployed more extensively than in the U.S. markets. For example, New Viacom has launched programming applications for advanced mobile services in Japan and Europe, which New Viacom believes better prepares it to offer these services as the U.S. market develops.

A strong connection with audiences, a proven ability to create global hits and a valuable entertainment library. New Viacom's focus on understanding its audiences through research enhances its ability to develop innovative and original programming. New Viacom's programming is broadly diversified, with popular shows and films that appeal to a variety of audiences, and with new shows and interactive programming continually being developed and debuted throughout the year. New Viacom's television programming includes popular shows and enduring characters, including *Newlyweds*, *The Real World*, *SpongeBob SquarePants*, *South Park*, *Dora the Explorer*, *The Daily Show with Jon Stewart*, *The Osbournes*, *Laguna Beach*, *Blue's Clues* and *Rugrats*. New Viacom's programming also includes events,

such as *The MTV Video Music Awards*, *Nickelodeon's Kids' Choice Awards*, *VH1 Save the Music*, *CMT Music Awards*, *MTV Movie Awards*, *Spike TV Video Game Awards*, *Comedy Central Roast* and the *BET Awards*. New Viacom has significant in-house creative capabilities and has helped launch the careers of some of the entertainment industry's leading entertainers, directors and producers. New Viacom believes that its strong creative track record, its willingness to experiment with new shows and concepts, the strength and breadth of its distribution, its solid financial foundation and its well-known media brands help attract and retain creative talent. New Viacom's motion picture library includes rights to some of the best loved and most successful films, including *Titanic*, *The Godfather* trilogy, the *Indiana Jones* films, *Forrest Gump* and *Braveheart*.

As a result of its creative output in television and in motion pictures, New Viacom has assembled a library with significant future revenue potential. New Viacom's library consists of over 1,000 motion picture titles, approximately 18,000 hours of television programming and varying rights for approximately 2,500 additional motion picture titles. New Viacom's library contains many titles that have not been fully exploited in the DVD or other digital media formats.

A secure distribution platform and a strong track record of obtaining new carriage. New Viacom's cable programming services are made available to consumers in the United States and internationally through affiliation agreements with distributors that generally are long-term, have staggered expiration dates and provide for built-in rate increases and protected distribution. New Viacom has eight cable programming services that are distributed in over 75 million homes in the United States and two other services that currently reach more than 40 million homes in the United States. The majority of New Viacom's networks are available on broadly distributed programming tiers. New Viacom believes that its strong relationships with its affiliates, the quality and popularity of its programming networks and its ability to create programming that is appealing to viewers, have enabled it to renew existing affiliation agreements, to obtain new distribution for existing networks and to launch new networks.

An established and growing multiplatform presence. New Viacom programs and operates over 100 websites, including broadband sites, which collectively attracted over 26 million unique visitors in August 2005, giving New Viacom the second most-visited entertainment website portfolio on the Internet during that period. New Viacom continues to launch integrated broadband channels and content, online communities, wireless applications and video-on-demand offerings across its properties in many countries around the world. New Viacom is building wireless services for the majority of its core brands and is partnering with carriers such as Virgin Mobile USA, Verizon Wireless, Sprint, China Mobile, and DoCoMo in Japan to deliver ringtones, text updates and video programming. New Viacom also recently acquired Neopets, the owner and operator of Neopets.com, a leading online destination and community for kids and young adults. MTV Networks has various rights in various territories to create and distribute content for mobile devices. For example, in September 2005, New Viacom entered into a global licensing agreement with Warner Music Group to create and distribute short form video content for mobile devices that contains audio visual excerpts.

An attractive financial profile. New Viacom's largest business segment, Cable Networks, has increased its revenue at a compound annual growth rate of 22% since 1988. Operating income in this segment has increased at a compound annual growth rate of 25% since 1988. In the nine months ended September 30, 2005, New Viacom's revenues were derived 40% from advertising, 31% from feature film exploitation, 20% from affiliate fees, and 9% from other revenues. New Viacom has a large worldwide consumer licensing business. Basic cable programming services receive revenue from both advertising and affiliate fees, which increases the predictability of these revenues. Further, many of New Viacom's services, particularly its cable programming services, develop programming through in-house capabilities, resulting in lower overall production costs. Cable Networks reported operating income margins of 41%, 41%, and 40% in 2002, 2003, and 2004, respectively.

An experienced management team with a proven creative and financial track record. New Viacom's operations are led by a financially-disciplined management team that has the expertise and

the vision to develop and successfully exploit its programming content. The senior management of New Viacom and its MTV Networks, BET and Paramount Pictures operations consists of leaders in the media and entertainment industry who have established track records of success.

Business Strategy

New Viacom's mission as a newly separate business is to be the leading global, consumer-focused, branded entertainment company, with the most respected, most successful and best-in-class brands that live across television, motion pictures and digital media platforms. To achieve this, New Viacom intends to create growth by focusing on the consumer, enhancing existing brands, developing new brands and implementing its multiplatform strategy. New Viacom believes that it can deliver superior returns to stockholders by capitalizing on these strengths and deepening its relationships with advertisers, distribution affiliates, creative talent and licensees.

More specifically, New Viacom plans to:

Enhance existing brands and build compelling new brands for all platforms. New Viacom intends to continue investing in programming and new and existing brands to serve and grow its audiences, and expand its distribution and advertising revenue streams. In particular, New Viacom expects to target new demographic and interest groups and continue the development of existing services in order to retain and expand its audiences and the value of its brands. Through these investments, New Viacom intends to build its content libraries, support expanded distribution and licensing and expand into new media and businesses. These initiatives will also continue to benefit from New Viacom's core consumer research and creative strengths.

Enlarge its established international base. New Viacom believes its established position as a multichannel network operator in many regions of the world enhances its ability to create additional value by acquiring other networks, broadening its platforms, and growing its consumer products business. New Viacom expects to use its knowledge and experience in local markets around the world and its worldwide scale to develop and acquire new programming services. New Viacom also expects to strengthen its international position by building its own organizations to distribute theatrical and television rights to motion pictures in important foreign markets and by strengthening distribution of home entertainment products internationally.

Expand its growing multiplatform business. New Viacom expects to take advantage of emerging technological and consumer trends by extending its brands and distributing its content into new forms of integrated digital distribution, such as broadband, wireless, online community, video-on-demand, high-definition programming and other businesses. This extension of its brands will be achieved through a combination of organic growth, investment in its existing and complementary businesses, strategic relationships, and focused acquisitions that fit with its current brands and core competencies. Through this expansion, New Viacom expects to develop stronger connections with its existing viewers, while building relationships with additional audiences in key demographic areas. New Viacom believes its connection with its audiences, its marketing expertise and its ability to integrate new digital offerings and experiences on multiple platforms will support this expansion.

Revitalize Paramount Pictures. New Viacom believes it has a significant opportunity to revitalize Paramount Pictures. With a new management team in place at Paramount, New Viacom intends to pursue projects more closely aligned with the tastes of target movie-going audiences and to take advantage of its significant marketing and creative capabilities. New Viacom also plans to grow its worldwide home entertainment operations, enhance its revenue opportunities by retaining a greater proportion of international rights for its theatrically released films and begin the self-distribution of its films theatrically in certain key international markets.

Build on its reputation as a great place to work. New Viacom has created and is committed to maintaining a diverse culture that attracts the best people, embraces original ideas, is nimble and quick, promotes integrity, creativity and innovation, and values fun. New Viacom believes this diverse and creative culture will enable it to develop and to market equally diverse, creative and valuable television,

motion picture and new media programming and will give it a significant strategic advantage, in the United States and around the world.

Business Segments

New Viacom's reportable business segments are Cable Networks and Entertainment. Financial and other information by segment is included in the Notes to the New Viacom Combined Financial Statements beginning on page F-1.

Cable Networks. (68%, 69%, 64% and 62% of New Viacom's combined revenues for the nine months ended September 30, 2005 and full year 2004, 2003 and 2002, respectively).

New Viacom owns and operates advertiser-supported basic cable television program services through MTV Networks and BET in the United States and internationally.

New Viacom's cable networks derive revenues principally from two sources: the sale of time on its own networks to advertisers and the receipt of affiliate fees from cable television operators, DTH satellite operators and other distributors. For the nine months ended September 30, 2005, revenues from advertising sales and affiliate fees were 61% and 29%, respectively, of total revenues for the Cable Networks segment. New Viacom's cable networks also derive revenues from home entertainment sales of its cable programming, the licensing of its cable networks in international markets and the licensing of its brands for consumer products. The sale of advertising time is affected by desirable viewer demographics, viewer ratings and market conditions for advertising time. Affiliate fees and licensing revenues are related to the popularity of cable programming. Adverse changes to any of these factors could have an adverse effect on revenues. See the section entitled " Cable Networks Competition" beginning on page 78. To sell advertising, New Viacom maintains both domestic and international sales forces, which call on both clients and their associated advertising agencies. To meet a broad range of client needs, New Viacom maintains specific sales forces around key brands, such as MTV and Nickelodeon. New Viacom also has the ability to package across brands and platforms where client needs dictate this approach or when such a strategy is beneficial to it, for example during the "upfront" selling season, during which advertisers purchase advertising inventory prior to the start of the broadcast television season.

Cable and DTH satellite distribution is currently the predominant means of distributing New Viacom's program services in the United States. Internationally, distribution technology varies region by region. Viacom has historically negotiated affiliation agreements generally with long terms and staggered expiration dates with cable television operators and DTH satellite operators. These agreements generally cover a number of networks which may be provided by the cable operator or DTH satellite operator to consumers in various channel positions and programming "tiers" and may also include additional platforms such as video-on-demand. These agreements are generally renewed.

A number of these agreements also authorize the distributor to transmit local analog and/or digital television programming from CBS Corp. New Viacom and CBS Corp. have begun negotiating separately with distributors for rights to carriage on a distributor's system. See the section entitled "Arrangements Between New Viacom and CBS Corp. After the Separation Description of Material Agreements Relating to Ongoing Relationships Programming, Retransmission and Affiliation Agreements" beginning on page 236. Consolidation among cable and DTH satellite operators over the past several years has meant that approximately 85% of the cable and DTH households in the United States are now controlled by eight distributors, and international markets are also experiencing consolidation. Industry consolidation can make it more difficult for New Viacom to negotiate favorable arrangements with its distributors.

New Viacom produces original programming using internal production employees, freelance employees and external production companies. New Viacom also acquires programming such as movies and television series from television production companies and movie studios. Production costs are generally variable and depend primarily on the cost of on and off-screen talent, whether or not scripted and whether animated or live.

New Viacom is an industry leader in developing programming networks that target specific audiences. Cable and DTH satellite operators seek to carry programming that appeals to consumers they wish to attract to their businesses. New Viacom believes that its track record and skill in researching consumer desires and developing niche, innovative cable networks, together with its relationships with distributors, provide it with an advantage in obtaining distribution for new services. For example, New Viacom recently launched Logo, which was available to approximately 17 million subscribers as of September 30, 2005. In September 2005, MTV Networks announced plans to launch a high-definition television channel in January 2006 featuring multiple genres of music drawn from the MTV, VH1 and CMT family of brands.

For 2004, according to information from the Nielsen Media Research report covering the period between December 29, 2003 and December 26, 2004, New Viacom's basic cable networks had the following percentage shares in total television viewing: approximately 21% (for viewers ages 2-24), 17% (for viewers ages 2-34), 15% (for viewers ages 12-34) and 10% (for viewers ages 18-49).

MTV Networks. In the United States, MTV Networks' owned and operated program services include MTV: Music Television, MTV2, Nickelodeon, Nick at Nite, Noggin, The N, Nicktoons Network, VH1, TV Land, Spike TV, CMT: Country Music Television, which we refer to in this Prospectus-Registration Statement as "CMT," Comedy Central, MTV Desi, MTV Español, mtvU, MTV Hits, MTV Jams, MTV Overdrive, VH1 Classic, VHUno, VH1 Soul, VH1 Country, Logo, Game One, VIVA, TMF, Paramount Comedy and Neopets, among others. Subscriber numbers for MTV Networks are typically based on Nielsen Media Research reports.

MTV's programming consists of youth-oriented programs including music videos, music-based programming, music and general lifestyle information, reality-based programming, comedy and dramatic series, animated programs, news specials, interviews and documentaries. Recent programming highlights include *The MTV Video Music Awards*, *The Real World*, *My Super Sweet 16* and *Laguna Beach*. At August 31, 2005, MTV: Music Television reached approximately 89 million domestic subscriber households. MTV2, a spin-off of MTV: Music Television, features music videos from a broad range of musical genres and related programming. At August 31, 2005, MTV2 reached approximately 58 million domestic subscriber households. VH1 presents music programming, including music videos, long-form programming, live music events, reality series, documentaries and other pop culture and lifestyle programming. At August 31, 2005, VH1 reached approximately 88 million domestic subscriber households. CMT primarily presents country music-related original programming, live concerts and events, as well as country music videos. At August 31, 2005, CMT reached approximately 78 million domestic subscriber households. mtvU offers students on U.S. college campuses a blend of music, news, sports and college-specific programming.

Nickelodeon programming consists primarily of originally produced programs appealing to audiences ages two to 11, which includes Nick Jr., a program block designed for two to five year olds, and popular shows such as *Dora the Explorer*, *Zoey 101*, *The Fairly Odd Parents* and *SpongeBob SquarePants*. Nick at Nite is telecast in the evening and nighttime hours, appeals primarily to audiences ages 18 to 49 and offers mostly situation comedies from various eras and original programming. At August 31, 2005, each of Nickelodeon and Nick at Nite reached approximately 89 million domestic subscriber households. As of September 30, 2005, Nickelodeon was one of the most widely distributed children's program services in Europe and the world, with 28 channels available in approximately 198 million television households in over 115 territories. Nickelodeon program blocks in over 20 key markets such as China, Russia and Indonesia are available in approximately 122 million additional television households and extend Nickelodeon's availability to a total of over 165 territories. Noggin is a commercial-free educational channel designed for preschoolers, offering educational shows such as *Blue's Clues* and *Miffy*, along with new original series like *Oobi* and *Tweenies*.

MTV Networks also operates "*The Suite from MTV Networks*," which we refer to in this Prospectus-Information Statement as "The Suite," a package containing MTV2 and several digital television program services, including VH1 Classic and other music-related services including two

Spanish-language music services. The Suite also includes brand extensions of Nickelodeon, such as Noggin, The N, Nicktoons Network and GAS. The Suite services are available through DTH satellite operators and cable operators offering digital technology.

Comedy Central features comedy programming, including *The Daily Show with Jon Stewart*, *South Park* and *Reno 911*. At August 31, 2005, Comedy Central reached approximately 87 million domestic subscriber households. TV Land consists of a broad range of well-known television programs, including comedies, dramas, westerns, variety and other formats from the 1950s through today. At June 30, 2005, TV Land reached approximately 86 million domestic subscriber households. Spike TV is an entertainment network for men which features hit original series, such as *The Ultimate Fighter*, acquired series, such as *CSI: Crime Scene Investigation*, and movies such as *Die Another Day* and *Scarface*. At August 31, 2005, Spike TV reached approximately 89 million domestic subscriber households. In June 2005, New Viacom launched Logo, a gay and lesbian themed network, and in July 2005 it launched MTV Desi, the first network under the MTV World brand. MTV World consists of a package of domestic program services, each including programming that is originally produced and programming derived from MTV Networks' international program services, and is designed to appeal to an ethnic-targeted American youth audience. MTV Films and Nickelodeon Movies produce and acquire the rights to feature films, the majority of which were released by Paramount Pictures. In many cases, Paramount Pictures incurs the production and marketing costs of films produced by MTV Films or Nickelodeon Movies and released by Paramount Pictures. MTV Films or Nickelodeon Movies is entitled to receive fees and participations based on the performance of these films.

Internationally, MTV Networks owns and operates, participates in as a joint venturer, and licenses third parties to operate, approximately 90 MTV Networks program services, including MTV: Music Television, VH1, Nickelodeon, TV Land, Spike TV, Paramount Comedy, The Box, CMT, Game One, VIVA and TMF. These program services reach audiences in Canada, Asia, Europe, Australia, Latin America, the Caribbean and Africa. Most of the MTV Networks international program services are regionally customized for the particular viewers through the inclusion of local music, programming and on-air personalities, and use of the local language. MTV Networks Europe is among Europe's most widely distributed cable and satellite networks, comprising 57 individual music, kids and comedy channels. As of April 2005, the leading MTV Networks program services reached approximately 134 million households and 141 million households in Europe and Asia, respectively, and approximately 154 million households in the rest of the world (including the United States) through a combination of DTH satellite operators, cable and terrestrial distribution.

New Viacom actively pursues the development or acquisition of program services in international markets. During 2004 and 2005, MTV Networks acquired 100% of VIVA, a German-based television company with six channels across Europe, launched VH1 in Latin America, and Nickelodeon in Italy; expanded MTV's and Nickelodeon's presence in China and, in 2005, New Viacom launched Nickelodeon to approximately 30 million households in Germany and launched MTV base, a pan-African music television channel.

Edgar Filing: VIACOM INC - Form S-4/A

The following sets forth over 110 of MTV Networks' and BET's channels domestically and internationally:

NORTH AMERICA

MTV	VH1	Nickelodeon	CMT	BET
MTV2	VH1 Classic	Nick at Nite	Comedy Central	BET Gospel
MTV Desi	VH1 Country	Nick GAS	Logo	BET Jazz
MTV Espanol	VH1 Uno	Nicktoons Network	Spike TV	
MTV Hits	VH1 Soul	Noggin	TV Land (U.S. and Canada)	
MTV Jams		The N		
MTV Puerto Rico				
mtvU				

EUROPE/MIDDLE EAST/AFRICA

MTV		NICKELODEON	THE MUSIC FACTORY	VIVA
Adria	Portugal	Cyprus	Belgium	Viva (Germany)
base (Africa)	Romania	Espana	Netherlands	Viva+
base (UK/Ireland)	Russia	Europe	NL (Netherlands)	Hungary
Brand New (Italy)	Sweden	Germany	Party (Netherlands)	Polska
Classic (Poland)	UK/Ireland	Israel	Pure (Netherlands)	Switzerland
Dance (UK/Ireland)		Italia	UK	
Denmark	VH1	Netherlands		
España	Classic (UK)	Nick Jr (Netherlands)	PARAMOUNT COMEDY	GAME ONE
European	European	Nick Jr (UK)	Italia	France
Finland	UK	Nick Replay (UK)	Spain	Israel
France	VH2 (UK)	Nick Toons TV (UK)	UK (1,2)	
Germany		Nordic		THE BOX
Hits (Italy)		Portugal		Netherlands
Hits (UK/Ireland)		UK		
Italia				
MTV2 (UK/Ireland)				
Netherlands				
Norway				
Polska				

ASIA/PACIFIC

MTV		VH1	NICKELODEON
Australia	Korea	Australia	Asia
China	Mandarin	India	Australia
India	Philippines	Indonesia	India
Indonesia	Southeast Asia	Thailand	Japan
Japan			Korea
			Nick Jr (Australia)
	Thailand		Philippines

LATIN AMERICA

MTV	VH1	NICKELODEON
Brasil	Latin America	Brasil
MTV (North)		Nickelodeon (North)
MTV (South)		Nickelodeon (South)

MTV Networks, in exchange for cash and advertising time or for promotional consideration only, licenses music videos from record companies for exhibition on MTV, MTV2, VH1, CMT and other MTV Networks programming services. MTV Networks has entered into global music video licensing agreements with certain major record companies and into global or regional license agreements with certain independent record companies. MTV Networks also licenses various other music rights from record companies, music publishers, performing rights societies and others. MTV Networks expects to renew or initiate additional global or regional license agreements with these and other parties. However, there can be no assurance that such renewals or agreements can be concluded and, if so, on favorable terms.

BET: Black Entertainment Television. BET's owned and operated cable program services include BET and BET Jazz, and its digital service BET Gospel®.

BET targets the African-American viewing audience by providing a broad mix of music, entertainment, sports, religious, news and public affairs programming, consisting of both original and

acquired programs, including *The BET Awards Show*, *106 & Park: BET Top Ten Live* and *Club Comic View*. BET Jazz, a U.S. cable network devoted to jazz music, includes programming that consists of a mixture of in-studio performances, festivals, concerts, celebrity interviews and documentaries such as *Journey with Jazz at Lincoln Center*.

As of August 31, 2005, according to Nielsen Media Research, BET reached approximately 80 million domestic subscriber households. BET Jazz derives its revenue principally from subscription fees generated by the license of its network to cable television operators, DTH satellite operators and other distributors. As of June 30, 2005, BET Jazz billed approximately ten million domestic subscriber households. Certain BET and BET Jazz distribution agreements expired at the end of 2004. BET expects all of these agreements to be renewed or extended through multi-year affiliation agreements that will be executed in conjunction with the renewal or launch of other New Viacom cable program services. If agreement renewals are not completed, BET and/or BET Jazz could lose subscribers.

BET Gospel features gospel music programming, gospel artist performances and interviews, religious ministries, family programming and programming fare designed to provide spiritual fulfillment. BET Event Productions® produces special musical events and festivals featuring various music genres. Its services include event management, venue selection, talent recruitment and sound, light and stage production, including supporting the production needs of BET Jazz. BET Books, BET's book publishing division, publishes romance, inspirational and mainstream fiction books targeted to the African-American market. Its revenues are generated by book sales through a subscriber book club, retail outlets, discount stores and online book merchants.

Websites and Digital Services. New Viacom operates Internet sites, including numerous music websites, around the world that appeal to the current audiences of its various television program services, as well as to other online audiences. These websites provide entertainment and information, serve as an additional outlet for advertising sales and serve as a promotional platform for programming and program services. In August 2005, New Viacom's websites collectively attracted over 26 million unique visitors (inclusive of Neopets.com and BET.com) according to comScore Media Metrix (a division of comScore Networks Inc.), a leading online audience research measurement service, giving New Viacom the second most-visited entertainment website portfolio on the Internet during that period. These Internet sites derive revenue from a combination of advertising and sponsorships, subscription services and e-commerce, with over 50% growth in Internet advertising year-to-date through August 31, 2005 when compared to the same period in the prior year. MTV Networks currently obtains much of its website content from record labels, music publishers and artists. If providers charge significant fees for their content, or otherwise alter or discontinue their relationship with MTV Networks' websites, then the website's content offering and business could be adversely affected.

New Viacom is rapidly extending its brands to new platforms of distribution. Leading broadband entertainment offerings based on its brands are a key focus of MTV Networks, providing original, on-demand and personalized video programming with content archives and cutting-edge functionality. For example, New Viacom provides broadband-based interactive video experiences, with products such as MTV Overdrive, TurboNick and VH1's VSpot and the MotherLoad broadband service available at comedycentral.com. In the wireless area, New Viacom also provides a mix of digital applications, ring tones and video programming to partners such as Virgin Mobile USA, Verizon Wireless and Sprint in the United States and internationally. MTV Networks has various rights in various territories to create and distribute content for mobile devices. In September 2005, New Viacom entered into a global licensing agreement with Warner Music Group to create and distribute short form video content for mobile devices that contains audio visual excerpts. New Viacom has entered into worldwide and/or U.S.-only agreements with three of the four major recorded music groups for the online distribution of their music videos on a free-to-the-viewer, on-demand basis.

New Viacom's experience in local markets internationally also allows the introduction of new products for which markets are not yet developed in the United States. In June 2005, New Viacom launched FLUX, a subscription-based service delivering entertainment and music via mobile phones and online networks to consumers in Japan.

Edgar Filing: VIACOM INC - Form S-4/A

BET has an approximately 42% interest in BET Interactive, LLC, which we refer to in this Prospectus-Information Statement as "BET Interactive," a company which, through its website, BET.com, offers users content and interactive features for news, entertainment, community and other areas tailored to the unique interests and issues of African-Americans. BET.com also provides program schedules for BET and BET Jazz, the latest music news, artist information, music offerings and interactive entertainment for BET's programs. For the six-month period January 1, 2005 to June 30, 2005, BET.com attracted over 700,000 U.S. monthly unique visitors, according to Nielsen-NetRatings, Inc., which we refer to in this Prospectus-Information Statement as "Nielsen/NetRatings."

The table below sets forth certain of New Viacom's websites and other wireless services:

WEBSITES

MTV

mtv.com	mtv.ro	mtvbase.co.uk	mtv2pop.de
mtv.co.uk	mtv2.com	mtvchinese.com	mtveuropemusicawards.com
mtv.it	mtv2europe.com	mtv.com.au	isleofmtv.com
mtv.de	mtv.com.br	mtvclassic.pl	mtvadvancewarning.com
mtv.ru	mtvla.com	mobilemtv.com	mtvthetrip.com
mtv.nl	mtvjapan.com	broadbandmtv.com	mtvatthemovies.com
mtv.fr	mtvasia.com	mtvasiaaid.com	mtvenus.com
mtv.es	mtv.co.kr	mtvdesi.com	mtv-media.com
mtv.pl	mtvkorea.co.kr	mtveurope.com	exquisitemtv.com
mtve.com	mtv.china.com	mtvadria.com	
mtv.tv	mtvindia.com	mtvbaseafrica.com	
mtv.pt	mtvthailand.com	mtvasiaawards.com	

NICKELODEON

nick.com	noggin.com	binweevils.com
nickjr.com	nickelodeon.nl	nickjrgrownupgames.com
nickelodeon.com.au	nickelodeon.be	nickphonetones.com
nickjr.com.au	nickelodeon.se	nicksplat.com
nickjr.co.uk	nickelodeon.dk	nickjr.kids.us
nick.co.uk	the-n.com	nicktoonsnetwork.com
nick.kids.us	nickarcade.com	nickmobile.com.au
hahanick.com	nickjapan.com	nickelodeon.es
nicktv.it	nickelodeon.de	nickelodeon.hu
mundonick.com	nickelodeon.pt	

VH1

vh1.com
vh1.co.uk
vh1e.com
vh1la.com
vh1.de

THE MUSIC FACTORY

tmf.be
tmf.nl
themobilefactory.be

VIVA

vivamediaag.com
vivaplus.tv
viva.tv
vivatv.hu
vivapolska.tv
vivatv.ch

VIACOM

viacom.com
viacombrandsolutions.de

TV LAND

tvland.com
tvlandcanada.com

CMT

cmtcanada.com
cmt.com

SPIKE TV

spiketv.com

COMEDY CENTRAL

comedycentral.com

LOGO

logoonline.com

PARAMOUNT

paramount.com
paramountcomedy.com
paramountclassics.com
homevideo.paramount.com
paramountbrasil.com.br
paramount.de
paramount.jp
paramount.nl

BET

bet.com

THE BOX

thebox.nl

GAME ONE

gameone.net

MTVU

mtvU.com

OTHER

staying-alive.org
evergirl.com
southparkstudios.com
knowhivaid.org
flux.com
neopets.com

WIRELESS SERVICES

*MTV	Spike Mobile	TMF Mobile	Comedy Central Mobile
MTV Mobile	Nickelodeon Mobile	The Box Mobile	Flux
VH1 Mobile	Game One Mobile	Paramount Comedy	LOGO Mobile
CMT Mobile		Mobile	

Edgar Filing: VIACOM INC - Form S-4/A

Mobile content distribution via, among others:

DoCoMo	Verizon Wireless	TIM	Optus	KPN
J-Phone	Sprint	Telefonica	China Mobile	H3G
KDDI	Vodafone	Telia	O2	Sonera
Singtel	Orange	Telenor	E-Plus	Optimus
Virgin Mobile USA	T-Mobile	Swisscom	Bouyges	Cingular

77

Consumer Licensing. New Viacom owns a large worldwide consumer licensing business, licensing popular characters such as those featured in *Blue's Clues*, *Dora the Explorer*, *SpongeBob SquarePants* and *South Park* and such famous motion pictures as *The Godfather* trilogy and *Forrest Gump*. New Viacom licenses its brands and characters for and in connection with merchandise, videogames, and publishing worldwide. New Viacom generally is paid a royalty based upon a percentage of the licensee's wholesale revenues, with a portion of the future expected revenues guaranteed. New Viacom believes that licensing is lower risk and more profitable than manufacturing, distributing or selling these products at retail. Licensing revenue may vary from period to period depending on the popularity of the intellectual property available for license in a particular period and the popularity of licensed products among consumers.

Cable Networks Competition

MTV Networks. MTV Networks competes for advertising revenue with other basic cable and broadcast television networks, radio, online and print media. For basic cable television networks such as the MTV Networks services, advertising revenues derived by each program service depend on the number of households subscribing to the service through local cable operators, DTH satellite operators and other distributors, in addition to household and demographic viewership as determined by research companies such as Nielsen Media Research and various advertiser integrated marketing programs. MTV Networks' strategy is generally to differentiate its services to provide advertising buyers with an efficient way to reach viewers in particular demographic categories.

MTV Networks' services compete with other producers of television programming for actors and actresses, writers, producers and other creative talent and for new show ideas for its original programming. MTV Networks services also compete with other cable services and broadcast television for the acquisition of popular programming. For example, television comedies and dramas that have previously aired on broadcast networks or other cable networks represent elements of the programming strategy for TV Land, Nick at Nite, and Spike. In order to acquire these programs, MTV Networks competes with other cable networks, including TBS, TNT, and USA Network.

MTV Networks' services compete for carriage by cable television operators, DTH satellite operators and other distributors with other program services, as well as other uses of bandwidth, such as retransmission of free over-the-air broadcast networks, telephony and data transmission. A principal focus of competition is for distribution of MTV Networks' services that are not already distributed within a particular cable or DTH system. For such program services, distributors make decisions on the use of bandwidth based on various considerations, including amounts paid by programmers for launches, affiliate fees payable by distributors and appeal to the distributors' subscribers. In addition, Nickelodeon competes internationally with other television program services and blocks targeted at children for distribution over-the-air or by cable, DTH and other systems, and for distribution license fees and advertising revenue.

Certain major record companies that supply music content to various MTV Networks program services also operate music-based program services, including Viewsic, which is owned by Sony Music Japan. The Universal Music Group launched a music channel in 2005 that is carried on the EchoStar DTH platform. These music-based program services, as well as general entertainment and other program services, compete with MTV Networks' program services for distribution by cable, DTH and other systems, and for distribution license fees and advertising revenues.

BET: Black Entertainment Television. BET properties generally face competition for advertising revenue from other African-American targeted media, including other cable networks that target BET's African-American audience such as TV One, African-American-oriented radio stations, magazines such as *Ebony*, *Black Enterprise*, *Jet* and *Essence*, and African-American-oriented broadcast television as well as with other media, generally. In addition, BET, BET Jazz and BET Gospel compete with other cable programming services for available channel space as well as other uses of bandwidth and for subscriber fees from cable operators, DTH satellite operators and other distributors.

Edgar Filing: VIACOM INC - Form S-4/A

Entertainment. (32%, 31%, 36% and 38% of New Viacom's consolidated revenues for the nine months ended September 30, 2005 and full year 2004, 2003 and 2002, respectively).

The Entertainment segment's principal business is Paramount Pictures, which primarily produces and distributes feature motion pictures. The entertainment segment's businesses also include Famous Music, which owns, controls and/or administers copyrights of musical works.

Features. Through Paramount Pictures and its subsidiaries, New Viacom produces, finances and distributes feature motion pictures. Each picture is a separate and distinct product with its financial success dependent upon many factors, among which cost and public response are of fundamental importance. In general, motion pictures produced or acquired for distribution by Paramount Pictures are exhibited in U.S. and foreign theaters followed by their release on DVDs and videocassettes, pay-per-view television, pay television, network television and basic cable and syndicated television exploitation. During 2004, Paramount Pictures produced, co-produced or acquired, and theatrically released, 16 motion pictures, including *Mean Girls*, *Collateral*, *The SpongeBob SquarePants Movie* and *Lemony Snicket's A Series Of Unfortunate Events*. Of these 16 titles, two were produced in association with Nickelodeon Movies and two were produced in association with MTV Films. Paramount Pictures currently plans to release approximately 12 films in 2005, including *Coach Carter* and *The Longest Yard*, each of which was produced in association with MTV Films and released in the first half of 2005. Generally, Paramount Pictures incurs the production and marketing costs of films produced by MTV Films or Nickelodeon Movies and released by Paramount Pictures. MTV Films or Nickelodeon Movies receive producer fees and participations based on the performance of these films. Paramount Classics®, a division of Paramount Pictures established to handle the distribution of specialized film product, released 10 films in 2004 and five titles in 2005. Release plans for films may change due to a variety of factors.

Paramount Pictures generally distributes its motion pictures for theatrical release outside the United States and Canada through United International Pictures, which we refer to in this Prospectus-Information Statement as "UIP," a company that will be owned by New Viacom and an affiliate of Universal Studios, Inc. Pursuant to an agreement, UIP will continue to distribute each studio's films through 2006. Commencing in January 2007, Paramount Pictures will begin self-distribution in 15 key territories outside North America. Paramount Pictures and Universal Studios, Inc. will each have the option to continue a transitional distribution arrangement in these territories for up to two years. The UIP joint venture will continue to operate in certain other territories outside North America through December 2011. Paramount Pictures distributes its motion pictures on DVDs and videocassettes in the United States and Canada through Paramount Home Entertainment and outside the United States and Canada generally through Paramount Home Entertainment International. Paramount Pictures' feature films initially theatrically released in the United States on or after January 1, 1998 have been exhibited exclusively in U.S. premium subscription television on Showtime Networks program services for certain windows. After the separation, this arrangement will continue for films theatrically released through December 2007. Paramount Pictures also licenses its motion pictures for premium subscription television outside the United States through other pay services, for worldwide free and basic cable television release, and for residential and hotel/motel pay-per-view, airlines, schools and universities. License fees for exhibition on broadcast and/or cable television are generally collected in installments. License fees for television exhibition (including international and U.S. premium television and basic cable television) are recorded as revenue in the period that licensed films are available for such exhibition, which, among other reasons, may cause substantial fluctuation in Paramount Pictures' operating results. At December 31, 2004 and December 31, 2003, the unrecognized revenues attributable to such licensing of completed films from Paramount Pictures' license agreements were approximately \$1.2 billion, including intercompany revenues of \$65.9 million and \$68.9 million, respectively. At December 31, 2004, Paramount Pictures had more than 1,000 motion pictures in its library. New Viacom also has a library of varying rights for additional motion picture titles, most of

which consist of the Spelling Entertainment library. This library consists of titles for which Paramount Pictures and New Viacom control rights for various media and territories and for varying terms.

Music Publishing. The Famous Music publishing companies own, control and/or administer all or a portion of the copyrights to tens of thousands of musical works such as songs, scores and cues. These rights include the right to license and exploit such works, as well as the right to collect income generated by such licensing and exploitation and are principally derived from (i) agreements entered into by Paramount Pictures, Paramount Television, Spelling Television, CBS Broadcasting, MTV Networks and various other divisions of New Viacom and CBS Corp. regarding certain motion pictures, television programs and other properties produced by such units and (ii) agreements entered into directly by Famous Music with songwriters and music publishers, including exclusive songwriting agreements, music administration agreements and catalog purchases. Extreme Music Library Limited and Directors Cut Production Music Limited, wholly owned subsidiaries of Famous Music Corporation, are engaged in the production music library business, which licenses music for use in films, commercials, television shows and promotional announcements, and various other uses. These companies own the music copyrights and master recordings to thousands of musical works.

Theatrical Exhibition. In the fourth quarter of 2004, entities affiliated with Viacom and Vivendi Universal sold their respective 50% equity interests in United Cinema International Multiplex B.V., which we refer to in this Prospectus-Information Statement as "UCI." Affiliates of New Viacom and Vivendi Universal continue to each own a 50% interest in entities which operated approximately 10 theaters in Brazil. This business was sold to NAI in a transaction that closed in October 2005. New Viacom also owns a 50% interest in two entities which operate approximately 120 screens in 20 theaters under the name *Mann Theatres*, which are located in California. On July 22, 2005, Viacom sold Famous Players, its Canadian-based theater chain, to Cineplex Galaxy L.P. for approximately \$400 million.

Entertainment Competition

Theatrical Motion Pictures. New Viacom competes with other major studios such as The Walt Disney Company, DreamWorks LLC, Fox, Metro-Goldwyn-Mayer, Inc., Sony Corporation, Universal Studios, Inc. and Warner Bros. Entertainment Inc. and independent film producers in the production and distribution of motion pictures, DVDs and videocassettes. Paramount Pictures' competitive position primarily depends on the quality of the product produced, its distribution and marketing success and public response. New Viacom also competes to obtain creative talent and story properties which are essential to its success.

Music Publishing. Famous Music competes with the music publishing companies owned by other major entertainment companies (and some independents), such as EMI Music Publishing, The Universal Music Group, Sony Music Publishing, BMG Music Publishing and Warner Chappell Music. Famous Music's competitive position primarily depends on its ability to service the writers' catalogs both creatively in terms of creating licensing and co-writing opportunities, its ability to acquire important musical works as well as its ability to properly collect worldwide royalty income and protect the copyrights.

Regulation

New Viacom's businesses are either subject to or affected by regulations of U.S. federal, state and local governmental authorities. The rules, regulations, policies and procedures affecting these businesses are constantly subject to change. The descriptions which follow are summaries and should be read in conjunction with the texts of the statutes, rules and regulations described herein. The descriptions do not purport to describe all present and proposed statutes, rules and regulations affecting New Viacom's businesses.

Intellectual Property

Laws affecting intellectual property are of significant importance to New Viacom. See the section entitled " Intellectual Property" beginning on page 82.

Copyright Law and Content. In the United States, the copyright term for authored works is the life of the author plus 70 years. For works-made-for-hire, the copyright term is the shorter of 95 years from first publication or 120 years from creation.

Peer-to-Peer Piracy. Unauthorized distribution of copyrighted material over the Internet such as through so-called peer-to-peer services is a threat to copyright owners' ability to protect and exploit their property. New Viacom is engaged in enforcement and other activities to protect its intellectual property and is an active participant in various industry-wide litigations, education and public relations programs and legislative activity on a worldwide basis. On June 27, 2005, the U.S. Supreme Court reached a unanimous decision in *MGM v. Grokster*, holding that Grokster could be held liable for copyright infringement by providing peer-to-peer services that facilitated worldwide dissemination of millions of infringing copies of motion pictures and music on the Internet. The U.S. Supreme Court overruled the U.S. Court of Appeals for the Ninth Circuit's grant of defendants' motion for summary judgment, and suggested that the lower court should consider granting summary judgment for plaintiffs. The U.S. Supreme Court ruled that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties. This ruling will be a significant tool in New Viacom's enforcement efforts.

Cable Networks

Online Music Royalties. MTV Networks, on behalf of its websites, and BET Interactive, on behalf of BET.com, currently obtain website content from record labels, music publishers and artists. MTV Networks and BET Interactive also obtain certain rights to some of their website content, such as performance rights of song composers and non-interactive rights to digital transmission of recordings, pursuant to statutory compulsory licenses established by the Digital Millennium Copyright Act, as amended. The royalties payable for such licenses are established periodically by Copyright Arbitration Royalty Panels.

A la Carte. Several policymakers maintain that cable operators should be required to offer programming to subscribers on a network-by-network, or à la carte, basis or provide "family-friendly" tiers. The unbundling or tiering of program services reduces distribution of certain channels thereby leading to reduced viewership and increased marketing expenses, and may affect a cable network's ability to compete for or attract the same level of advertising dollars. In addition, the decline in subscribers could lead to a loss in New Viacom's advertising sales and affiliate fees and a reduction in payments by cable and DTH satellite operators.

Children's Programming. Federal legislation and FCC rules limit the amount and content of commercial matter that may be shown on cable channels during programming designed for children 12 years of age and younger. In November 2004, the FCC issued new rules that would, as of January 1, 2006, classify promotions on a channel for programs aired on that channel as commercial matter unless the programs being promoted are educational and informational as defined under FCC rules. If not modified, this rule could have an adverse impact on New Viacom's children-oriented programming, including Nickelodeon and Nick Jr., because it would force a reduction of promotional or advertising time during such programming. In addition, the FCC issued a rule, also effective January 1, 2006, that would limit the display during children's cable programming of the Internet addresses of websites that contain or link to commercial material, including the website for the cable channel itself if commercial material is on the website. This rule, if not modified, could have an adverse impact on New Viacom's

ability to promote its websites that contain commercial material. Viacom and several other companies have asked the FCC to reconsider both rules and have sought a stay of the effective date of their rules during the FCC's reconsideration.

In October 2004, Viacom entered into a consent decree with the FCC to dismiss with prejudice alleged violations of the commercial limits during children's programming on Nickelodeon. Viacom agreed to make a voluntary contribution to the U.S. Treasury in the amount of \$1 million and to prospectively reduce the amount of commercial matter aired on Nickelodeon representing the excess of the minutes-per-hour limitations Nickelodeon allegedly aired during the period of inquiry. The consent decree also obligated Nickelodeon to provide training with respect to the children's television rules and to implement other measures to reduce the risk of exceeding the commercial limits.

Indecency. Some policymakers also support the extension of indecency rules applicable to over-the-air broadcasters to cover cable and satellite programming. If such an extension took place and was not found to be unconstitutional, New Viacom's content could be subject to additional regulation and may not be able to attract the audiences which make New Viacom's programming attractive to advertisers.

Program Access. Under the Communications Act, vertically integrated cable programmers are generally prohibited from offering different prices, terms or conditions to competing multichannel video programming distributors unless the differential is justified by certain permissible factors set forth in the FCC's regulations. The FCC's "program access" rules also limit the ability of a vertically integrated cable programmer to enter into exclusive distribution arrangements with cable operators. A cable programmer is considered to be vertically integrated if it owns or is owned by a cable operator in whole or in part under the FCC's program access attribution rules. Cable operators for this purpose may include telephone companies that provide video programming directly to subscribers. New Viacom's wholly owned program services are not currently subject to the program access rules. New Viacom's flexibility to negotiate the most favorable terms available for its content and its ability to offer cable operators exclusive programming could be adversely affected if it were to become subject to the program access rules.

Intellectual Property

New Viacom creates, owns and distributes intellectual property worldwide. It is New Viacom's practice to protect its theatrical and television product, characters, publications and other original and acquired works, ancillary goods and services. The following logos, trade names, trademarks and related trademark families are among those strongly identified with the product lines they represent and are significant assets of New Viacom: Viacom®, BET, Comedy Central, CMT, MTV, mtvU, Nickelodeon, Nick Jr., Nick at Nite, Noggin, The N, Spike TV, TV Land, VH1, Paramount, Paramount Pictures, Famous Music, Logo, TMF, VIVA and related Internet sites. As a result, domestic and foreign laws protecting intellectual property rights are important to New Viacom, and New Viacom actively enforces its intellectual property rights against infringements.

Properties

New Viacom will maintain its world headquarters at 1515 Broadway, New York, New York, where it will rent approximately 1.4 million square feet for executive offices and certain of its operating divisions. The lease for the majority of the space runs to 2010, with four renewal options for five years each thereafter. New Viacom will also lease the following major facilities for certain of its operating divisions: (a) approximately 548,000 square feet of office space at 1633 Broadway, New York, New York, through 2010, (b) approximately 139,000 square feet of office space at 1540 Broadway, New York, New York, through 2021, which space will expand to approximately 278,000 square feet in 2007 and

(c) approximately 225,000 square feet of office space at three facilities on 26th Street in Santa Monica, California, under leases which expire between 2011 and 2016.

Paramount Pictures owns the Paramount Pictures studio at 5555 Melrose Avenue, Los Angeles, California, located on approximately 62 acres. BET's headquarters at BET Plaza in Washington, DC contains approximately 228,000 square feet of office and studio space, the majority of which is leased through 2013 and the balance of which is owned.

In connection with the separation, New Viacom will lease or sublease to CBS Corp. the following facilities: (a) office space at 1515 Broadway, New York, New York, (b) office space at 1633 Broadway, New York, New York and (c) office space and tape storage space at the Paramount Pictures Studio.

New Viacom will also own and lease office, studio and warehouse space, broadcast, antenna and satellite transmission facilities throughout the United States and several other countries around the world for its businesses. New Viacom considers its properties adequate for its present needs.

Legal Proceedings

In July 2002, judgment was entered in favor of Viacom, Blockbuster, Paramount Home Entertainment and other major motion picture studios and their home video subsidiaries with respect to a complaint filed in the U.S. District Court for the Western District of Texas. The complaint included U.S. federal antitrust and California state law claims. In August 2003, the U.S. Court of Appeals for the Fifth Circuit affirmed the federal court judgment. The U.S. Supreme Court refused plaintiffs' petition for writ of certiorari in March 2004. In February 2003, a similar complaint that had been filed in a Los Angeles County Superior Court was also dismissed with prejudice. The plaintiffs appealed the California state court dismissal, as well as a prior denial of class certification. On November 22, 2005, the California Court of Appeal affirmed the trial court's dismissal of the antitrust and conspiracy claims. The court reversed the dismissal of California Unfair Practices Act and Unfair Competition Act claims and remanded those claims to the trial court, except with regard to transactions between Paramount and Blockbuster as to which the trial court dismissal was affirmed. Blockbuster remains a defendant in the case with respect to its transactions with studios other than Paramount. As the result of the split-off of Blockbuster from Viacom in 2004, any judgment in this matter adverse to Viacom, Blockbuster and/or Paramount Home Entertainment may be allocated 33.33% to Blockbuster and 66.67% to Viacom. New Viacom will assume, and indemnify CBS Corp. for, Viacom's responsibility for losses in this matter pursuant to the separation agreement.

On November 10, 2005, Viacom was named as a defendant in a putative class action lawsuit filed by a stockholder of Blockbuster that alleges violations of federal securities laws. The suit, which is captioned *Congregation Ezra Sholom v. Blockbuster Inc., et al.*, was filed in the United States District Court for the Northern District of Texas. The suit is brought on behalf of all those who acquired shares of Blockbuster pursuant to Viacom's 2004 split-off of Blockbuster and those who purchased Blockbuster shares in the open market between September 8, 2004 and August 9, 2005. The complaint names as defendants NAI, Viacom and certain of its present and former officers and directors, and Blockbuster and certain of its present and former directors. The complaint alleges that the defendants made untrue statements of material facts and concealed and failed to disclose material facts. The plaintiff seeks to have the purchase of Blockbuster shares in the split-off rescinded, and also seeks other unspecified compensatory and other damages. Also in November 2005, Viacom, the Viacom Retirement Committee and certain of Viacom's current and former officers and directors, were named as defendants in a putative class action filed in the United States District Court for the Southern District of New York. Plaintiff alleges that the defendants breached fiduciary obligations to the Blockbuster investment plan in violation of the Employee Retirement Income Security Act by continuing to offer to plan participants Blockbuster stock and by offering to plan participants the opportunity to exchange their shares of Viacom common stock for the shares of Blockbuster common

stock that were owned by Viacom. Plaintiff's complaint seeks certain declaratory and injunctive relief, disgorgement of alleged profits, unspecified compensatory damages, and other unspecified equitable and injunctive relief. In connection with the split-off, Blockbuster agreed to indemnify Viacom and its employees, officers and directors with respect to certain matters, including liabilities arising out of any material untrue statements and omissions in the portions of the split-off prospectus-offer to exchange that were provided by Blockbuster. New Viacom will assume, and indemnify CBS Corp. for, Viacom's responsibility for losses in these matters pursuant to the separation agreement.

New Viacom believes that the plaintiffs' positions in these litigations are without merit and intends to vigorously defend itself in the litigations.

Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, New Viacom believes that the above-described legal matters and other litigation to which it is a party are not likely, in the aggregate, to have a material adverse effect on its results of operations, financial position or cash flows.

CAPITALIZATION OF NEW VIACOM

The following table sets forth New Viacom's capitalization as of September 30, 2005 as reported in the combined condensed balance sheet included within the historical carve-out financial statements of New Viacom beginning on page F-1, and on a pro forma basis to reflect additional borrowings, the special cash dividend, the conversion of shares and other pro forma adjustments which are described in the section entitled " New Viacom Unaudited Pro Forma Combined Condensed Financial Information" beginning on page 158. This table should also be read together with New Viacom's combined historical carve-out financial statements and the notes thereto beginning on page F-1.

(in millions)	At September 30, 2005 (unaudited)	
	New Viacom Historical Carve-out	New Viacom Pro Forma
Cash and cash equivalents	\$ 99.2	\$ 99.2
Debt:		
Long-term debt		3,389.1 ⁽¹⁾
Capital lease obligations	328.8	328.8
Total Debt	328.8	3,717.9
Invested Equity/Stockholders' Equity:		
Class A common stock		.1
Class B common stock		.7
Additional paid-in capital		9,919.3 ⁽¹⁾
Invested capital	13,290.1	⁽¹⁾
Accumulated other comprehensive loss	(15.2)	(15.2)
Total Invested Equity/Stockholders' Equity	13,274.9	9,904.9
Total Capitalization	\$ 13,603.7	\$ 13,622.8

(1)

Special Cash Dividend

Shortly prior to the separation, New Viacom will pay a special cash dividend to Viacom (to be renamed CBS Corporation) in an amount sufficient to establish CBS Corp.'s opening debt balance from continuing operations at \$7 billion, subject to certain adjustments. New Viacom has received \$6.0 billion in financing commitments, subject to the satisfaction of customary conditions, for a bridge term facility that will be used to fund the special cash dividend and for general corporate purposes.

Based on Viacom's historical debt balance at September 30, 2005, New Viacom's unaudited pro forma combined condensed capitalization reflects a special cash dividend of \$3.4 billion. After taking into account acquisitions and dispositions of assets, operating cash flow and share repurchases, among other things, Viacom's debt balance is expected to be significantly higher at the time of the separation than at September 30, 2005, and, as a result, the special cash dividend is expected to be significantly higher than \$3.4 billion. Based on Viacom's debt level as of November 21, 2005, the special cash dividend would approximate \$4.8 billion.

NEW VIACOM SELECTED COMBINED FINANCIAL DATA

The following table presents the selected combined financial data of New Viacom. The selected combined financial data should be read in conjunction with, and is qualified in its entirety by reference to, New Viacom's combined financial statements and the notes thereto and the related "Management's Discussion and Analysis of New Viacom's Results of Operations and Financial Condition," each of which is included elsewhere in this Prospectus-Information Statement. The combined statements of operations data for the years ended December 31, 2004, 2003 and 2002 and the combined balance sheet data at December 31, 2004 and 2003 are derived from New Viacom's audited combined financial statements. The unaudited combined statements of operations data for the nine months ended September 30, 2005 and 2004 and for the years ended December 31, 2001 and 2000 are derived from New Viacom's accounting records for those periods and have been prepared on a basis consistent with New Viacom's audited combined financial statements. The unaudited combined balance sheet data at September 30, 2005 and at December 31, 2002, 2001 and 2000 is derived from New Viacom's accounting records for those periods and have been prepared on a basis consistent with New Viacom's audited combined financial statements.

The selected combined financial data is as reported in the historical carve-out financial statements of New Viacom beginning on page F-1. The selected combined financial data may not necessarily reflect New Viacom's results of operations and financial position in the future or what results of operations and financial position would have been had New Viacom been a separate, stand-alone company during the periods presented. The results for the nine months ended September 30, 2005 are not necessarily indicative of the results to be expected for the full year. For additional information, see " New Viacom Unaudited Pro Forma Combined Condensed Financial Information" and the notes thereto beginning on page 158.

Combined Statements of Operations Data
(in millions)

	Nine Months Ended September 30,		Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)	(unaudited)				(unaudited)	(unaudited)
Revenues	\$ 6,885.9	\$ 5,628.4	\$ 8,132.2	\$ 7,304.4	\$ 6,050.7	\$ 5,497.6	\$ 5,021.1
Operating income	\$ 1,953.8	\$ 1,657.3	\$ 2,282.8	\$ 2,001.8	\$ 1,737.6	\$ 1,092.1	\$ 672.7
Net earnings from continuing operations	\$ 1,174.4	\$ 987.4	\$ 1,392.9	\$ 1,147.4	\$ 993.9	\$ 438.5	\$ 412.3

Combined Balance Sheet Data
(in millions)

	At December 31,					
	At September 30, 2005	2004	2003	2002	2001	2000
	(unaudited)			(unaudited)	(unaudited)	(unaudited)
Total assets	\$ 18,380.5	\$ 18,440.8	\$ 22,304.4	\$ 21,993.0	\$ 23,007.8	\$ 20,561.8
Capital lease obligations	\$ 328.8	\$ 345.1	\$ 202.2	\$ 170.0	\$ 183.9	\$ 217.8
Total invested equity	\$ 13,274.9	\$ 13,465.2	\$ 15,815.7	\$ 15,248.6	\$ 16,275.6	\$ 14,207.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF NEW VIACOM'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and analysis provides information on the combined financial statements of New Viacom, which are presented on a carve-out basis.

Overview

The Separation. On June 14, 2005, the Viacom board of directors unanimously approved the separation of Viacom into two publicly traded companies consisting of the businesses of New Viacom and CBS Corp., subject to market conditions and the approval by the Viacom board of directors of the material terms of the separation and certain other matters.

On November 21, 2005, the Viacom board of directors determined that the merger and the separation are in the best interests of Viacom's stockholders and, accordingly, approved the merger agreement and the separation. On the same day, Viacom, New Viacom and Merger Sub executed the merger agreement and NAIRL, a wholly owned subsidiary of Viacom's controlling stockholder, NAI, executed a written consent adopting the merger agreement.

On the effective date, each outstanding share of Viacom class A common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class A common stock and 0.5 of a share of CBS Corp. class A common stock. Similarly, each outstanding share of Viacom class B common stock will automatically convert into the right to receive 0.5 of a share of New Viacom class B common stock and 0.5 of a share of CBS Corp. class B common stock.

After the separation, the assets and liabilities of New Viacom will be accounted for at the historical book values carried by Viacom prior to the separation. No gain or loss will be recognized as a result of the separation. Total costs related to the spin-off will be allocated between New Viacom and CBS Corp. The combined carve-out financial statements may not necessarily reflect New Viacom's results of operations, financial position and cash flows in the future or what New Viacom's results of operations, financial position and cash flows would have been had New Viacom been a separate, stand-alone company during the periods presented.

New Viacom and CBS Corp. will enter into agreements to effect the separation and govern certain of the ongoing relationships between them after the separation. These agreements will include, among others, a separation agreement, a transition services agreement and a tax matters agreement. New Viacom and CBS Corp. will continue to be under common control of NAI, which will hold a majority of the class A common stock of both companies.

Segments. New Viacom is a worldwide entertainment company with operations in the following two segments:

Cable Networks: The Cable Networks segment consists of: MTV Networks, including MTV: Music Television, MTV2, Nickelodeon, Nick at Nite, Noggin, The N, Nicktoons Network, VH1, TV Land, Spike TV, CMT, Comedy Central, MTV Desi, MTV Español, mtvU, MTV Hits, MTV Jams, MTV Overdrive, VH1 Classic, VHUno, VH1 Soul, VH1 Country, Logo, Game One, VIVA, TMF, Paramount Comedy and Neopets; BET, which includes BET Jazz; and other program services including online programming services.

Entertainment: The Entertainment segment includes Paramount Pictures, which produces and distributes feature motion pictures, and Famous Music, which is involved in music publishing.

New Viacom's revenues from the Cable Networks segment accounted for 68% of New Viacom's revenues for the first nine months of 2005 and 69% for full year 2004, and its revenues from the Entertainment segment accounted for 32% of New Viacom's revenues for the first nine months of 2005 and 31% for the full year 2004.

Revenues. New Viacom has one of the largest collections of cable programming assets in the world, with leading global brands that are attractive advertiser venues. The leading New Viacom program services reach more than 165 territories through over 110 television channels presented in over 25 different languages and, as of April 2005, reached approximately 430 million subscriber households worldwide.

New Viacom's Cable Networks revenues depend on the strength of its brands, which significantly affect New Viacom's ability to attract and retain advertisers and affiliates. New Viacom's revenues depend, in part on its success in developing brands that appeal to a wide range of targeted niche audiences and represent demographics sought after by advertisers and affiliates. In addition, the extent of New Viacom's distribution to specialized audiences and its focus on forging strong connections with its audiences determine whether New Viacom's networks are an attractive venue for advertisers and affiliates. As a result, New Viacom maintains a strong in-house research organization that focuses on identifying emerging behaviors and trends among core audiences, which New Viacom believes is a key competitive advantage. These factors, combined with New Viacom's integrated presence on a variety of digital and broadcast platforms, influence whether New Viacom can provide an efficient and reliable vehicle for advertisers to reach consumers and therefore significantly contribute to New Viacom's revenues.

Revenues from the Cable Networks segment are generated primarily from advertising sales and affiliate fees. The sale of advertising time is affected by the desirability of viewer demographics, viewer ratings and economic conditions in the marketplace that could alter current or prospective advertisers' spending habits. Affiliate fees consist of subscription fees from cable television operators, DTH satellite operators and other distributors who carry New Viacom's networks. New Viacom's agreements with its distributors generally are long-term, have staggered expiration dates and provide for built-in rate increases and protected distribution. Other Cable Networks revenues consist of revenues from home entertainment sales of New Viacom's cable programming, the licensing and merchandising of its cable and consumer product worldwide and the syndication of cable programming. These revenues are driven primarily by the popularity of New Viacom's cable programming.

Cable Networks' revenue growth depends on the continued increase in new advertising revenues, the production of attractive content and the ability to successfully expand onto new distribution platforms such as wireless and the Internet. New Viacom expects to extend its brands into new forms of integrated digital distribution, such as broadband, online community, video-on-demand and high-definition programming. New Viacom aims to achieve this through a combination of organic growth, investment in its existing and complementary businesses, strategic relationships, and focused acquisitions that fit with its current brands and core competencies.

Revenues from the Entertainment segment are primarily generated from feature film exploitation, which includes all revenue sources from the exploitation of motion pictures in theatrical release, home entertainment, and other means, including network, pay television and syndication revenues. Other Entertainment revenues include revenues from music publishing. Entertainment's results of operations depend on the quality of and public response to New Viacom's films, New Viacom's ability to obtain creative talent and story properties, and New Viacom's films' distribution and marketing success.

New Viacom's strategy for future revenue growth in the Entertainment segment includes developing and marketing a broad range of motion pictures, attracting the best possible creative talent and motion picture projects, increasing its home entertainment operations in the United States and abroad, retaining a greater proportion of international rights for its theatrically released films, and beginning the self-distribution of its films in key international markets. The results of operations of Paramount Pictures also depend in part upon the expansion of its overseas portfolio, primarily through internal expansion and also through selective acquisitions. In addition, New Viacom intends to develop

synergies between its cable and entertainment businesses by leveraging its global distribution reach and the connection that it has built with its core audience.

Expenses.

Operating Expenses. Operating expenses represented approximately 68% of New Viacom's total expenses for the first nine months of 2005 and for full year 2004 and consist of the following:

Production and program expenses. In the Cable Networks segment, these expenses reflect the costs and amortization of all original and acquired programming exhibited on New Viacom's cable networks. Production and program expenses are generally variable and depend primarily on the cost of on- and off-screen talent, whether or not scripted and whether animated or live. In the Entertainment segment, production and program expenses relate primarily to the amortization of feature film production costs, theatrical inventory, production overhead and acquisition costs.

Distribution expenses. These expenses include advertising and other distribution costs incurred primarily with respect to Entertainment product in theatrical or home entertainment release.

Other operating expenses. These expenses primarily include the cost of home entertainment sales and licensing and merchandising of Cable Networks product.

Selling, General and Administrative Expenses. New Viacom's selling, general and administrative expenses primarily include expenses incurred for selling and marketing, occupancy, and back office support.

Depreciation and Amortization. New Viacom's depreciation and amortization primarily relates to buildings, leasehold improvements, equipment and transponders.

Acquisitions. On October 13, 2005, MTV Networks acquired IFILM Corp., which owns IFILM.com, a video-entertainment website. In the second quarter of 2005, MTV Networks acquired Neopets, a leading online destination and community for kids and young adults. In 2004, MTV Networks acquired VIVA, a youth entertainment media company based in Germany. MTV Networks also acquired the remaining 50% interest that it did not already own in Comedy Central in 2003 and in Noggin, the 24-hour digital network for kids, in 2002. New Viacom also intends to continue to pursue targeted acquisitions.

Critical Accounting Policies

Financial Reporting Release No. 60, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies," which we refer to in this Prospectus-Information Statement as "FRR 60," suggests companies provide additional disclosure and commentary on those accounting policies considered most critical. FRR 60 considers an accounting policy to be critical if it is important to New Viacom's financial condition and results of operations, and requires significant judgment and estimates on the part of management in its application. For a summary of New Viacom's significant accounting policies, including the critical accounting policies discussed below, see the accompanying notes to the combined financial statements.

The preparation of New Viacom's financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. On an ongoing basis, New Viacom evaluates its estimates, which are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying

values of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions. The following accounting policies require significant management judgments and estimates.

Film and Cable Television Revenues and Costs. Accounting for the production and distribution of motion pictures is in accordance with Statement of Position 00-2 "Accounting by Producers or Distributors of Films," which we refer to in this Prospectus-Information Statement as "SOP 00-2," which requires management's judgment as it relates to total revenues to be received and costs to be incurred throughout the life of each program. These judgments are used to determine the amortization of capitalized production costs, expensing of participation and residual cost and any necessary net realizable value adjustments.

Returns and Uncollectible Accounts. At the time of sale of home entertainment product, New Viacom records as a reduction of revenue the estimated impact of returns, rebates and other incentives. In determining the estimate of home entertainment product sales that will be returned, management analyzes historical returns, current economic trends and changes in customer demand and acceptance of New Viacom's product. If the level of returns is underestimated in a particular period, New Viacom may record less revenue in later periods when returns exceed the predicted amount. Conversely, if the level of returns in a particular period is overestimated, New Viacom may have additional revenue in later periods when returns are less than predicted.

Pension. Pension benefit obligations and net periodic pension costs are calculated using many actuarial assumptions. Two key assumptions used in accounting for pension liabilities and expenses are the discount rate and expected rate of return on plan assets. The discount rate reflects the rate at which the pension benefit obligations could effectively be settled. New Viacom used investment grade corporate bond yields to support its discount rate assumption. The expected return on plan assets assumption was derived using the current and expected asset allocation of the pension plan assets and considering historical as well as expected returns on various classes of plan assets. For 2004, the unrecognized actuarial loss for pension increased principally as a result of lowering the discount rate for New Viacom's major plans from 6.0% in 2003 to 5.75% in 2004. A decrease in the discount rate or a decrease in the expected rate of return on plan assets would increase pension expense. The estimated impact of a 25 basis point change in the discount rate would be a change of approximately \$2 million on 2005 pension expense and will change the projected benefit obligation by approximately \$16 million. The estimated impact of a 25 basis point change in the expected rate of return on plan assets is a change of approximately \$.5 million.

Taxes. New Viacom's annual tax rate is based on our earnings, statutory tax rates and tax planning opportunities available to New Viacom in the various jurisdictions in which it operates. Significant judgment is required in determining the annual tax rate and in evaluating New Viacom's tax positions. An estimated effective tax rate for a year is applied to quarterly operating results. In the event there is a significant or unusual item recognized in the quarterly operating results, the tax attributable to that item is separately calculated and recorded at the same time as that item. New Viacom considers tax benefits from the resolution of prior year tax matters to be such items. Estimates of deferred income taxes and the significant items giving rise to the deferred assets and liabilities reflect management's assessment of actual future taxes to be paid on items reflected in the financial statements, giving consideration to both timing and the probability of realization. Actual income taxes could vary from these estimates due to future changes in income tax law. New Viacom also establishes reserves when New Viacom believes that certain positions, while supportable, may be subject to challenge by the tax authorities. These reserves, along with any related interest, are adjusted, when facts and circumstances change, such as the progress of a tax audit.

Goodwill, Intangible Assets, Long-Lived Assets and Investments. New Viacom tests goodwill and other intangible assets for impairment at least annually to ensure the fair value of its reporting units continue to exceed the related book value in accordance with SFAS 142. A reporting unit can be a reportable segment of New Viacom or a level below the reportable segment. A significant downward revision in the present value of estimated future cash flows for a reporting unit could result in an impairment of goodwill and a non-cash charge would be required. Additionally, New Viacom assesses the recoverability of the carrying value of long-lived assets when there is an indication that the asset may be impaired. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows generated by those assets to their net carrying value. The determination of the cash flows in testing goodwill, intangibles and long-lived assets is based upon assumptions and forecasts that may not occur. New Viacom did not record any impairment charges during the years presented for continuing operations.

Acquisitions. New Viacom accounts for its business acquisitions under the purchase method of accounting. The total cost of acquisitions is allocated to the underlying net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the tangible net assets acquired is recorded as intangibles. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items.

Combined Results of Operations Nine Months Ended September 30, 2005 vs. Nine Months Ended September 30, 2004.

(Tabular dollars in millions)

The following table sets forth results of operations of New Viacom:

	Nine Months Ended September 30,	
	2005	2004
Revenues	\$ 6,885.9	\$ 5,628.4
Expenses:		
Operating	3,342.3	2,604.0
Selling, general and administrative	1,404.3	1,188.2
Depreciation and amortization	185.5	178.9
Total expenses	4,932.1	3,971.1
Operating income	1,953.8	1,657.3
Interest expense	(15.0)	(13.7)
Interest income	4.9	2.4
Other items, net	(19.1)	(4.8)
Earnings from continuing operations before income taxes, equity in earnings (loss) of affiliated companies and minority interest	1,924.6	1,641.2
Provision for income taxes	(754.4)	(599.1)
Equity in earnings (loss) of affiliated companies, net of tax	7.5	(52.7)
Minority interest, net of tax	(3.3)	(2.0)
Net earnings from continuing operations	1,174.4	987.4

Discontinued operations:(a)

Edgar Filing: VIACOM INC - Form S-4/A

Loss from discontinued operations, net of minority interest	(99.6)	(1,130.6)
Income taxes, net of minority interest	52.7	43.7
Net loss from discontinued operations	(46.9)	(1,086.9)
Net earnings (loss)	\$ 1,127.5	\$ (99.5)

(a) Discontinued operations include Blockbuster and Famous Players, a Canadian-based theater chain.

Edgar Filing: VIACOM INC - Form S-4/A

Revenues. For the nine months ended September 30, 2005, revenues of \$6.9 billion increased \$1.3 billion, or 22%, from \$5.6 billion for the same prior-year period driven by 18% and 31% respective increases in Cable Networks and Entertainment.

New Viacom generated approximately 21% and 19% of its total revenues from international regions, principally Europe and Canada, for the nine months ended September 30, 2005 and September 30, 2004, respectively.

The table below presents New Viacom's combined revenues by type, net of intercompany eliminations, for the nine months ended September 30, 2005 and 2004.

Nine Months Ended September 30,	2005	Percentage of Total	2004	Percentage of Total	Increase/(Decrease)	
					\$	%
Advertising sales	\$ 2,798.5	40%	\$ 2,339.3	42%	\$ 459.2	20%
Feature film exploitation	2,115.4	31	1,594.8	28	520.6	33
Affiliate fees	1,358.7	20	1,227.9	22	130.8	11
Other	613.3	9	466.4	8	146.9	31
Total Revenues	\$ 6,885.9	100%	\$ 5,628.4	100%	\$ 1,257.5	22%

Operating Expenses. For the nine months ended September 30, 2005, operating expenses of \$3.3 billion increased \$738.3 million, or 28%, from \$2.6 billion with Cable Networks up 22% and Entertainment up 32% compared to the same prior-year period.

The table below presents New Viacom's combined operating expenses by type:

Nine Months Ended September 30,	2005	Percentage of Total	2004	Percentage of Total	Increase/(Decrease)	
					\$	%
Production and program	\$ 2,248.2	67%	\$ 1,650.3	63%	\$ 597.9	36%
Distribution	943.4	28	803.5	31	139.9	17
Other	150.7	5	150.2	6	.5	
Total Operating Expenses	\$ 3,342.3	100%	\$ 2,604.0	100%	\$ 738.3	28%

The major changes in operating expenses were as follows:

Production and program expenses for the nine months increased \$597.9 million, or 36%, to \$2.2 billion from \$1.7 billion in the same prior-year period with Cable Networks up 26% and Entertainment up 54%.

Distribution expenses for the nine months increased \$139.9 million, or 17%, to \$943.4 million from \$803.5 million, primarily reflecting higher feature film distribution costs for theatrical releases and home entertainment sales of DVDs.

Other operating expenses for the nine months increased \$.5 million, to \$150.7 million from \$150.2 million.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$216.1 million, or 18%, to \$1.4 billion for the nine months ended September 30, 2005, primarily reflecting higher advertising, marketing, employee compensation and the inclusion of nine months of VIVA expenses in only the 2005 period given its acquisition date of August 2004. The 2005 nine-month period also reflected higher bad debt expense as the prior year included a reversal of previously established bad debt reserves no longer required. These increases were partially offset by severance charges of \$28.1 million recorded in the second quarter of 2004 due to management changes.

Selling, general and administrative expenses as a percentage of revenues decreased to 20% for the nine months ended September 30, 2005 versus 21% for the same prior-year period.

Edgar Filing: VIACOM INC - Form S-4/A

Depreciation and Amortization. For the nine months ended September 30, 2005, depreciation and amortization of \$185.5 million increased \$6.6 million, or 4%, from \$178.9 million.

Interest Expense. Interest expense is primarily attributable to capitalized lease obligations. For the nine months ended September 30, 2005, interest expense increased \$1.3 million to \$15.0 million.

Interest Income. For the nine months ended September 30, 2005, interest income increased \$2.5 million to \$4.9 million.

Other Items, Net. For the nine months ended September 30, 2005, "Other items, net" reflected a net loss of \$19.1 million primarily consisting of losses of \$10.9 million associated with securitizing trade receivables and foreign exchange losses of \$8.7 million.

For the nine months ended September 30, 2004, "Other items, net" reflected a net loss of \$4.8 million principally reflecting losses of \$4.8 million associated with securitizing trade receivables.

Provision for Income Taxes. The provision for income taxes represents federal, state and local, and foreign income taxes on earnings before income taxes. For the nine months ended September 30, 2005, New Viacom's effective tax rate of 39.2%, reflecting a benefit from a \$12.6 million discrete item, increased from 36.5% for the same prior-year period, as the prior year included a tax benefit of \$54.1 million from the resolution of certain of New Viacom's income tax audits.

Equity in Earnings (Loss) of Affiliated Companies, Net of Tax. Equity in earnings (loss) of affiliated companies, net of tax, reflects the operating results of New Viacom's equity investments.

Minority Interest, Net of Tax. Minority interest primarily represented the minority ownership of VIVA and certain international pay television companies.

Net Loss from Discontinued Operations. Net loss from discontinued operations reflect the operating results of Famous Players prior to its disposition on July 22, 2005. Also included in the prior-year period were the operating results of Blockbuster, which was split-off from Viacom in 2004. For the nine months ended September 30, 2005, discontinued operations reflected a net loss of \$46.9 million versus \$1.1 billion for the same prior-year period. In 2004, the loss from discontinued operations included a non-cash charge of \$1.5 billion (\$1.2 billion net of minority interest and tax) for the impairment of goodwill and other long-lived assets in accordance with SFAS 142 and SFAS 144.

Net Earnings (Loss). New Viacom reported net earnings of \$1.1 billion for the nine months ended September 30, 2005 compared with a net loss of \$99.5 million for the prior-year period. Growth in net earnings reflected revenue growth of 22% for the nine months ended September 30, 2005 and the absence of a non-cash charge of \$1.2 billion recorded in discontinued operations in the prior-year period, partially offset by an increase in expenses of 24%.

Segment Results of Operations For the Nine Months Ended September 30, 2005 and 2004

The tables below present New Viacom's revenues, operating income, and depreciation and amortization by segment for the nine months ended September 30, 2005 and 2004.

Nine Months Ended September 30,	2005	2004
Revenues:		
Cable Networks	\$ 4,696.1	\$ 3,977.1
Entertainment	2,207.7	1,687.8
Eliminations	(17.9)	(36.5)
Total Revenues	\$ 6,885.9	\$ 5,628.4

Operating Income:		
Cable Networks	\$ 1,896.3	\$ 1,642.0
Entertainment	163.8	108.6
Corporate expenses	(110.7)	(94.5)
Eliminations	4.4	1.2
Total Operating Income	\$ 1,953.8	\$ 1,657.3

Depreciation and Amortization:		
Cable Networks	\$ 165.7	\$ 159.1
Entertainment	14.8	12.7
Corporate expenses	5.0	7.1
Total Depreciation and Amortization	\$ 185.5	\$ 178.9

Cable Networks. Cable Networks contributed 68% and 71% to combined revenues for the nine months ended September 30, 2005 and September 30, 2004, respectively.

The table below presents Cable Networks revenues by type for the nine months ended September 30, 2005 and 2004:

	Nine Months Ended September 30,		
	2005	2004	Increase/ (Decrease)
Advertising sales	\$ 2,846.7	\$ 2,376.6	\$ 470.1
Affiliate fees	1,358.7	1,227.9	130.8
Other	490.7	372.6	118.1
Total Revenues	\$ 4,696.1	\$ 3,977.1	\$ 719.0

Edgar Filing: VIACOM INC - Form S-4/A

For the nine months ended September 30, 2005, Cable Networks revenues increased \$719.0 million, or 18%, to \$4.7 billion. Approximately 14% of Cable Networks revenues were generated from international regions, principally Europe, for the nine months ended September 30, 2005 compared with 12% for the nine months ended September 30, 2004.

Advertising revenues at MTV Networks grew 20%, reflecting an overall increase in the number of units sold and higher average rates at domestic channels. BET advertising revenues increased 23% due to higher rates and an increase in the number of units sold. Cable affiliate fees increased 11% for the nine months, driven by rate increases and subscriber growth. Other revenues for Cable Networks, which represented approximately 10% of Cable Networks revenues for the nine months ended September 30, 2005, increased 32% primarily from increased worldwide syndication revenue and higher home entertainment revenues. VIVA, which was acquired in August 2004, contributed 2% of Cable Networks revenue growth for the nine months, or \$89.9 million.

For the nine months ended September 30, 2005, Cable Networks operating income increased \$254.3 million, or 15%, to \$1.9 billion, reflecting higher revenues partially offset by increased expenses. The increase in total expenses was principally driven by higher programming costs and marketing and advertising, as well as the inclusion of VIVA, which contributed 4% to the total expense growth for the nine months. Operating expenses, principally comprised of programming and production costs for the cable channels, increased 22% or \$277.4 million. Selling, general and administrative expenses increased 20% or \$180.7 million, of which the reversal of previously established bad debt reserves in 2004 contributed 2%. Operating income as a percentage of revenues decreased to 40% in 2005 from 41% in 2004. Capital expenditures for Cable Networks were \$89.2 million for the nine months ended September 30, 2005 versus \$46.7 million for the prior-year period.

On October 13, 2005, MTV Networks acquired IFILM Corp., which owns IFILM.com, a video-entertainment website, for \$49.0 million. In the second quarter of 2005, MTV Networks acquired Neopets Inc., a leading children's website, for approximately \$160.0 million.

Entertainment. Entertainment contributed 32% to combined revenues for the nine months ended September 30, 2005 and 30% for 2004.

The table below presents Entertainment's revenues by type for the nine months ended September 30, 2005 and 2004:

	Nine Months Ended September 30,		
	2005	2004	Increase/ (Decrease)
Feature film exploitation	\$ 2,135.3	\$ 1,615.5	\$ 519.8
Other	72.4	72.3	.1
Total Revenues	\$ 2,207.7	\$ 1,687.8	\$ 519.9

For the nine months ended September 30, 2005, Entertainment revenues increased \$519.9 million, or 31%, to \$2.2 billion, driven by higher feature film exploitation revenues. Approximately 37% and 36% of Entertainment's revenues were generated from international regions, principally Europe and Canada, for the nine months ended September 30, 2005 and 2004.

For the nine months ended September 30, 2005, feature film exploitation revenues increased \$519.8 million, or 32%, to \$2.1 billion primarily due to increased worldwide theatrical and home entertainment revenues, partially offset by decreased network revenues. The increase in worldwide theatrical revenues was led by contributions from *War of the Worlds*, *The Longest Yard*, *Sahara*, *Coach Carter* and *Four Brothers*. Home entertainment revenues were higher than the same prior-year period, driven by contributions from *The SpongeBob SquarePants Movie*, *Lemony Snicket's A Series of Unfortunate Events*, *The Longest Yard*, *Sahara* and *Without A Paddle*. Network revenues were lower due to a change in mix of available titles. Other revenues, primarily from music publishing, increased \$.1 million to \$72.4 million from \$72.3 million.

Entertainment operating income for the nine months ended September 30, 2005 increased \$55.2 million, or 51%, to \$163.8 million from \$108.6 million in the same prior-year period. The increase in operating income was driven by higher revenues, partially offset by a 29% increase in expenses due to higher distribution, film amortization, participation and residual expenses, and higher expenses associated with home entertainment growth initiatives. Operating income as a percentage of revenues increased to 7% from 6% for the nine months ended September 30, 2005. Capital expenditures for Entertainment were \$29.4 million for the nine months ended September 30, 2005 compared to \$18.8 million for the prior-year period.

Combined Results of Operations 2004 vs. 2003 and 2003 vs. 2002

The following table sets forth results of operations for New Viacom:

Year Ended December 31,	2004	2003	2002
Revenues	\$ 8,132.2	\$ 7,304.4	\$ 6,050.7
Expenses:			
Operating	3,988.3	3,729.5	2,957.2
Selling, general and administrative	1,609.5	1,375.2	1,161.2
Depreciation and amortization	251.6	197.9	194.7
Total expenses	5,849.4	5,302.6	4,313.1
Operating income	2,282.8	2,001.8	1,737.6
Interest expense	(24.2)	(23.2)	(40.9)
Interest income	3.3	2.2	4.3
Other items, net	(17.7)	(24.6)	(29.3)
Earnings from continuing operations before income taxes, equity in loss of affiliated companies and minority interest	2,244.2	1,956.2	1,671.7
Provision for income taxes	(808.2)	(787.6)	(644.7)
Equity in loss of affiliated companies, net of tax	(40.0)	(18.2)	(30.9)
Minority interest, net of tax	(3.1)	(3.0)	(2.2)
Net earnings from continuing operations	1,392.9	1,147.4	993.9
Discontinued operations:(a)			
Earnings (loss) from discontinued operations, net of minority interest	(1,196.5)	(719.4)	246.8
Income taxes, net of minority interest	97.3	(83.4)	(79.1)
Net earnings (loss) from discontinued operations	(1,099.2)	(802.8)	167.7
Net earnings before cumulative effect of accounting change	293.7	344.6	1,161.6
Cumulative effect of accounting change, net of minority interest and tax		(6.1)	(1,480.9)
Net earnings (loss)	\$ 293.7	\$ 338.5	\$ (319.3)

(a)

Discontinued operations include Blockbuster and Famous Players, a Canadian-based theater chain.

Revenues. New Viacom's revenues for 2004 of \$8.1 billion increased \$827.8 million, or 11%, from \$7.3 billion for 2003, driven by a 20% increase in revenues from Cable Networks, partially offset by a decline in Entertainment revenues of 5%. For 2003, New Viacom's

Edgar Filing: VIACOM INC - Form S-4/A

revenues increased \$1.3 billion, or 21%, from \$6.1 billion in 2002, driven by growth in Cable Networks and Entertainment revenues of 25% and 16%, respectively.

New Viacom's combined revenues for the periods presented benefited from the acquisitions of VIVA, Comedy Central and Noggin. For 2004, these acquisitions contributed \$306.1 million of incremental revenues, or 4% to New Viacom's revenue growth, and, for 2003, incremental revenues were \$291.8 million, contributing 5% of the revenue growth for the year. Revenues also benefited from the positive impact of foreign exchange of \$98.4 million in 2004 and \$105.8 million in 2003.

Edgar Filing: VIACOM INC - Form S-4/A

The tables below present New Viacom's combined revenues by type, net of intercompany eliminations, for each of the years ended December 31, 2004, 2003 and 2002.

Year Ended December 31,	Increase/(Decrease)				Increase/(Decrease)			
	2004	2003	2004 vs. 2003		2002	2003 vs. 2002		
Advertising sales	\$ 3,349.6	\$ 2,769.0	\$ 580.6	21%	\$ 2,230.1	\$ 538.9	24%	
Feature film exploitation	2,394.5	2,561.7	(167.2)	(7)	2,214.2	347.5	16	
Affiliate fees	1,640.3	1,448.4	191.9	13	1,230.1	218.3	18	
Other	747.8	525.3	222.5	42	376.3	149.0	40	
Total Revenues	\$ 8,132.2	\$ 7,304.4	\$ 827.8	11%	\$ 6,050.7	\$ 1,253.7	21%	

Percentage of Revenues by Type	Year Ended December 31,		
	2004	2003	2002
Advertising sales	41%	38%	37%
Feature film exploitation	30	35	37
Affiliate fees	20	20	20
Other	9	7	6
Total	100%	100%	100%

New Viacom generated approximately 21% of its total revenues from international regions in 2004 and 2003 and 20% in 2002.

Year Ended December 31,	Percentage of Total		Percentage of Total		Percentage of Total	
	2004	2003	2004	2003	2002	2002
United Kingdom	\$ 450.2	26%	\$ 450.5	30%	\$ 307.7	26%
Other Europe	717.8	42	514.1	34	512.7	43
Canada	125.6	7	134.4	9	84.7	7
All other	420.6	25	414.5	27	283.7	24
Total International Revenues	\$ 1,714.2	100%	\$ 1,513.5	100%	\$ 1,188.8	100%

Operating Expenses. For 2004, operating expenses of \$4.0 billion increased \$258.8 million, or 7%, from \$3.7 billion in 2003. For 2003, operating expenses increased \$772.3 million, or 26%, from \$3.0 billion in 2002.

The table below presents New Viacom's combined operating expenses by type:

	Increase/(Decrease)	Increase/(Decrease)
--	---------------------	---------------------

Edgar Filing: VIACOM INC - Form S-4/A

Year Ended December 31,	2004		2003		2004 vs. 2003		2002		2003 vs. 2002			
Production and program expenses	\$	2,408.1	\$	2,135.4	\$	272.7	13%	\$	1,668.2	\$	467.2	28%
Distribution		1,290.3		1,370.8		(80.5)	(6)		1,126.8		244.0	22
Other		289.9		223.3		66.6	30		162.2		61.1	38
Total Operating Expenses	\$	3,988.3	\$	3,729.5	\$	258.8	7%	\$	2,957.2	\$	772.3	26%

The major changes in operating expenses were as follows:

Production and program expenses of \$2.4 billion in 2004 increased \$272.7 million, or 13%, from \$2.1 billion in 2003 with an increase in Cable Networks of 23%, partially offset by a decrease in Entertainment of 4%. For 2003, production and program expenses increased \$467.2 million, or 28%,

from \$1.7 billion in 2002 with increases at Cable Networks and Entertainment of 31% and 21%, respectively.

Distribution expenses of \$1.3 billion in 2004 decreased \$80.5 million, or 6%, from \$1.4 billion in 2003 primarily reflecting lower distribution costs for home entertainment releases of feature films. Distribution expenses for 2003 increased \$244.0 million, or 22%, from \$1.1 billion in 2002 principally reflecting higher print and advertising costs for feature films in theatrical release.

Other operating expenses increased \$66.6 million, or 30%, to \$289.9 million in 2004 and \$61.1 million, or 38%, to \$223.3 million in 2003, primarily reflecting higher costs associated with home entertainment sales and licensing and additional costs from Comedy Central, acquired in May 2003.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$234.3 million, or 17%, to \$1.6 billion in 2004, primarily reflecting higher employee-related expenses, second quarter 2004 severance charges of \$28.1 million due to management changes, as well as twelve months of expenses for Comedy Central.

For 2003, selling, general and administrative expenses increased \$214.0 million, or 18%, to \$1.4 billion reflecting expenses associated with Comedy Central, increased employee-related expenses and higher directors' and officers' insurance premiums and professional fees. Selling, general and administrative expenses as a percentage of revenues were 20% for the year ended December 31, 2004 and 19% for the years ended December 31, 2003 and 2002.

Depreciation and Amortization. For 2004, depreciation and amortization increased \$53.7 million, or 27%, to \$251.6 million from \$197.9 million in 2003 primarily reflecting increases related to leasehold improvements, equipment and transponders. For 2003, depreciation and amortization increased \$3.2 million, or 2%, from \$194.7 million principally driven by increases related to leasehold improvements.

Interest Expense. Interest expense is primarily attributable to capitalized lease obligations. For 2004, interest expense increased by \$1.0 million to \$24.2 million from \$23.2 million in 2003. For 2003, interest expense decreased by \$17.7 million from \$40.9 million primarily due to interest paid in 2002 on a legal settlement.

Interest Income. For 2004, interest income increased by \$1.1 million to \$3.3 million and for 2003, interest income decreased by \$2.1 million to \$2.2 million versus the comparable prior-year period.

Other Items, Net. "Other items, net" reflected a net loss of \$17.7 million for 2004, \$24.6 million for 2003 and \$29.3 million for 2002, principally consisting of losses associated with securitizing trade receivables of \$7.7 million, \$5.7 million and \$7.2 million, respectively, and foreign exchange losses of \$9.3 million for 2004, \$18.9 million for 2003 and \$22.3 million for 2002.

Provision for Income Taxes. The provision for income taxes represents federal, state, local and foreign income taxes on earnings before income taxes. The annual effective tax rate before the cumulative effect of accounting change was 36.0% in 2004 versus 40.3% in 2003 and 38.6% in 2002. Included in the 2004 rate was the recognition of a tax benefit from the resolution of certain income tax audits in 2004.

Equity in Loss of Affiliated Companies, Net of Tax. "Equity in loss of affiliated companies, net of tax" reflected a loss of \$40.0 million for 2004, \$18.2 million for 2003 and \$30.9 million for 2002. For 2004, the loss principally reflected losses from the sale of international theater ventures and from internet investments, partially offset by the positive results from international ventures. For 2003 and

2002, results principally reflected operating losses from international ventures, partially offset by the positive results of Comedy Central prior to its acquisition in May 2003.

Minority Interest, Net of Tax. Minority interest primarily represented the minority ownership of certain international pay television companies.

Net Earnings (Loss) from Discontinued Operations. Net earnings (loss) from discontinued operations reflect the operating results of Blockbuster and Famous Players. Discontinued operations reflected a loss of \$1.1 billion in 2004 versus a loss of \$802.8 million in 2003 and earnings of \$167.7 million in 2002. The loss from discontinued operations in 2004 included a non-cash charge of \$1.5 billion (\$1.2 billion net of minority interest and tax) for the impairment of Blockbuster goodwill and other long-lived assets in accordance with SFAS 142 and SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," ("SFAS 144"). Blockbuster performed an interim impairment test of its goodwill during the third quarter of 2004 because of factors surrounding Viacom's exchange offer for the split-off of Blockbuster.

In 2003, New Viacom recorded a non-cash impairment charge related to Blockbuster of approximately \$1.3 billion (\$1.0 billion, net of minority interest and tax) in accordance with SFAS 142. In completing its analysis of the fair value of the video business, several events led Blockbuster to conclude that the business had incremental risks that were required to be included in its evaluation of goodwill. Additionally, Blockbuster's review of long-lived assets in conjunction with SFAS 144 resulted in an impairment charge of approximately \$18.5 million to reduce the carrying value of certain fixed assets in four international markets.

Cumulative Effect of Accounting Change, Net of Minority Interest and Tax. For 2003, the cumulative effect of accounting change, net of minority interest and tax, of \$6.1 million, resulted from the adoption of SFAS No. 143 "Accounting for Asset Retirement Obligations". For 2002, the cumulative effect of accounting change of \$1.5 billion (net of minority interest of \$336.1 million), resulted from the initial adoption of SFAS 142.

Net Earnings (Loss). For 2004, New Viacom reported net earnings of \$293.7 million versus net earnings of \$338.5 million in 2003 and a net loss of \$319.3 million in 2002. The decrease in net earnings in 2004 was driven by the increase in net loss from discontinued operations partially offset by revenue growth primarily from advertising. For 2003, net earnings reflected revenue growth in advertising, feature film exploitation, and affiliate fees partially offset by a non-cash charge of \$1.0 billion, net of minority interest and tax, reflected in discontinued operations and higher operating expenses, primarily programming and production costs.

Edgar Filing: VIACOM INC - Form S-4/A

Segment Results of Operations For the Years Ended December 31, 2004, 2003 and 2002

The tables below present New Viacom's revenues, operating income, and depreciation and amortization by segment for each of the years ended December 31, 2004, 2003 and 2002.

	Year Ended December 31,		
	2004	2003	2002
Revenues:			
Cable Networks	\$ 5,634.9	\$ 4,711.1	\$ 3,775.8
Entertainment	2,513.7	2,655.8	2,297.8
Eliminations	(16.4)	(62.5)	(22.9)
Total Revenues	\$ 8,132.2	\$ 7,304.4	\$ 6,050.7
Operating Income (Loss):			
Cable Networks	\$ 2,265.0	\$ 1,928.9	\$ 1,555.6
Entertainment	154.2	189.7	267.3
Corporate expenses	(128.1)	(103.8)	(91.7)
Eliminations(a)	(8.3)	(13.0)	6.4
Total Operating Income	\$ 2,282.8	\$ 2,001.8	\$ 1,737.6
Depreciation and Amortization:			
Cable Networks	\$ 223.2	\$ 171.4	\$ 167.4
Entertainment	19.0	16.8	17.5
Corporate	9.4	9.7	9.8
Total Depreciation and Amortization	\$ 251.6	\$ 197.9	\$ 194.7

(a) Eliminations principally reflect the timing of intercompany transactions from the sale of feature films to cable networks.

Cable Networks. Cable Networks contributed 69% of combined revenues for the year ended December 31, 2004, 64% for the year ended December 31, 2003 and 62% for the year ended December 31, 2002.

The table below presents Cable Networks' revenues by type for each of the years ended December 31, 2004, 2003 and 2002.

Year Ended December 31,	2004	2003	2002	Increase/(Decrease)	
				2004 vs. 2003	2003 vs. 2002
Advertising sales	\$ 3,410.2	\$ 2,819.0	\$ 2,237.9	21%	26%
Affiliate fees	1,640.3	1,448.4	1,230.1	13%	18%
Other	584.4	443.7	307.8	32%	44%

Total Revenues	\$	5,634.9	\$	4,711.1	\$	3,775.8	20%	25%
-----------------------	----	---------	----	---------	----	---------	-----	-----

2004 vs. 2003. For 2004, Cable Networks revenues increased \$923.8 million, or 20%, to \$5.6 billion principally driven by a \$591.2 million, or 21%, increase in advertising sales and a \$191.9 million, or 13%, increase in affiliate fees. Approximately 13% of Cable Networks revenues were generated from international regions, of which approximately 73% came from Europe. Total international revenues growth was 35%, led by Europe, and domestic revenues grew 18%. The positive impact of foreign exchange on revenues was \$47.8 million in 2004.

Advertising sales, which represented 61% of total revenues in 2004 and 60% in 2003, grew as a result of an increase in the number of units sold and higher average rates. MTV Networks' advertising sales grew 22%, led by growth at Comedy Central, Nickelodeon and MTV, as well as the inclusion of

VIVA. Advertising revenues at BET grew 11%. The growth in affiliate fees, which represented 29% and 31% of total revenues in 2004 and 2003, respectively, was principally driven by rate increases and subscriber growth at domestic channels. Other revenues, which primarily include home entertainment sales, syndication fees, merchandising and licensing, and publishing revenues, increased \$140.7 million, or 32%, benefiting from increases in Nickelodeon merchandising and licensing and higher home entertainment revenues led by Chappelle's Show DVD and higher international syndication sales.

For 2004, Cable Networks operating income increased \$336.1 million, or 17%, to \$2.3 billion reflecting higher revenues, partially offset by a 21% increase in total expenses. The increase in total expenses for the year included an increase in operating expenses of \$353.3 million, or 23%, which was driven by higher costs for original and acquired programming, particularly at MTV, VH1, Spike, TV Land and BET. Selling, general and administrative expenses for 2004 increased \$182.4 million, or 17%, primarily due to higher sales and marketing-related costs at MTV Networks and increased employee-related expenses. Total expenses also included the full year impact of Comedy Central and the inclusion of VIVA. The negative impact of foreign exchange on total expenses was \$40.8 million. Operating income as a percentage of revenues was 40% for 2004 and 41% for 2003. Capital expenditures for Cable Networks were \$86.9 million for 2004 versus \$81.7 million for 2003.

In 2004, New Viacom acquired 97.8% of VIVA for a total purchase price of \$393.6 million. VIVA results are included as part of MTV Networks, contributing \$63.0 million of revenues to Cable Networks since the date of acquisition, and contributing 2% to the total expense increase. Comedy Central, which was acquired in May 2003, contributed 5% to Cable Networks revenue growth for 2004.

2003 vs. 2002. For 2003, Cable Networks revenues increased \$935.3 million, or 25%, to \$4.7 billion principally driven by \$581.1 million, or 26%, growth in advertising sales and a \$218.3 million, or 18%, increase in affiliate fees. Total international revenues growth was 17%, led by Europe, and total domestic revenues growth was 26%. In both 2003 and 2002, approximately 12% of Cable Networks revenues were generated from international regions, of which approximately 72% and 74%, respectively, came from Europe. The positive impact of foreign exchange on revenues was \$34.7 million in 2003.

The increase in advertising sales, which represented 60% of total revenues, reflected 27% growth at MTV Networks principally due to selling more units and higher average unit rates and the impact of Comedy Central. MTV Networks advertising revenues growth was led by Comedy Central, MTV, Nickelodeon and Nick at Nite, and VH1. BET delivered 17% advertising sales growth in 2003 over the prior year as a result of higher average unit rates. The growth in affiliate fees, which represented 31% of total revenues, was primarily due to rate and subscriber increases at MTV Networks domestic channels, BET and the impact of Comedy Central. Other revenues increased 44% reflecting higher licensing revenues at Nickelodeon and higher home entertainment sales.

For 2003, Cable Networks operating income increased \$373.3 million, or 24%, to \$1.9 billion reflecting higher revenues, partially offset by increases in total expenses of 25%. Operating expenses increased \$380.8 million, or 33%, led by increases for new programming initiatives, primarily at MTV, Spike, VH1 and Nickelodeon and the impact of Comedy Central. Selling, general and administrative expenses increased \$177.3 million, or 20%, primarily due to higher marketing costs at MTV Networks and the inclusion of Comedy Central. The negative impact of foreign exchange on expenses was \$22.3 million. Operating income as a percentage of revenues was 41% for 2003 and 2002. Cable Networks capital expenditures were \$81.7 million for 2003 versus \$87.7 million for 2002.

Comedy Central, which was acquired in May 2003, contributed 7% to Cable Networks revenue growth and 6% to the total expense increase. The results for 2003 also included the full year impact of Noggin, which was acquired in 2002.

Entertainment. Entertainment contributed 31% of combined revenues for the year ended December 31, 2004, 36% for the year ended December 31, 2003 and 38% for the year ended December 31, 2002.

The table below presents Entertainment's revenues by type for each of the years ended December 31, 2004, 2003 and 2002.

Year Ended December 31,	2004	2003	2002	Increase/(Decrease)	
				2004 vs 2003	2003 vs 2002
Feature film exploitation	\$ 2,425.4	\$ 2,576.7	\$ 2,220.2	(6)%	16%
Other	88.3	79.1	77.6	12%	2%
Total Revenues	\$ 2,513.7	\$ 2,655.8	\$ 2,297.8	(5)%	16%

2004 vs. 2003. For 2004, Entertainment revenues decreased \$142.1 million, or 5%, to \$2.5 billion principally reflecting lower feature film exploitation revenues, partially offset by higher other revenues from music publishing. Approximately 39% of Entertainment's revenues were generated from international regions in 2004, principally Europe and Canada.

For 2004, feature film exploitation revenues decreased \$151.3 million, or 6%, principally reflecting 11% lower worldwide home entertainment revenues as contributions from 2004 titles, including *Mean Girls*, *School of Rock*, *The Manchurian Candidate*, *The Stepford Wives* and *Paycheck*, did not match the success of the prior year's titles led by *The Adventures of Indiana Jones the Complete DVD Movie Collection*, *How To Lose A Guy In 10 Days* and *The Italian Job*. Worldwide theatrical revenues decreased 3% with the release of 16 films including *Mean Girls*, *Collateral*, *Lemony Snicket's A Series of Unfortunate Events*, *The SpongeBob SquarePants Movie* and *The Manchurian Candidate*. Other revenues, primarily from music publishing, increased \$9.2 million, or 12% to \$88.3 million in 2004. The impact of foreign exchange translation on Entertainment revenues was approximately \$50.6 million in 2004.

For 2004, Entertainment operating income decreased \$35.5 million, or 19%, to \$154.2 million primarily due to the revenue decreases noted above, partially offset by a \$106.6 million, or 4%, decrease in total expenses primarily from operating expenses. The decrease in operating expenses principally reflected lower film distribution costs for home entertainment product and lower print and advertising costs. Feature film amortization expense for 2004 of \$1.1 billion was essentially flat versus 2003. Selling, general and administrative expenses increased 13% due in part to a severance charge of \$10.4 million recorded in the second quarter of 2004 related to a management change. Operating income as a percentage of revenues was 6% in 2004 versus 7% in 2003. Entertainment capital expenditures were \$29.2 million for 2004 versus \$27.6 million for 2003.

License fees for television exhibition of completed motion pictures are recorded as revenue in the period that the products are available for such exhibition, which, among other reasons, may cause substantial fluctuation in operating results. Unrecognized revenues attributable to such licensing agreements were approximately \$1.2 billion as of December 31, 2004 and 2003 including intercompany revenues of \$65.9 million and \$68.9 million, respectively.

2003 vs. 2002. For 2003, Entertainment revenues increased \$358.0 million, or 16%, to \$2.7 billion principally reflecting higher feature film exploitation revenues.

Feature film exploitation revenues increased \$356.5 million, or 16%, principally due to increased worldwide home entertainment, international theatrical and pay television revenues, partially offset by lower network and domestic theatrical revenues. Worldwide home entertainment revenues increased 29% and included contributions from *The Adventures of Indiana Jones the Complete DVD Movie Collection*, *How To Lose A Guy in 10 Days* and *The Italian Job*. Foreign theatrical revenues increased 23% primarily due to contributions from *How To Lose A Guy In 10 Days*, *Lara Croft Tomb Raider: The*

Cradle Of Life and *The Italian Job*. Domestic theatrical revenues were 1% lower than the prior year due in part to fewer titles in domestic theatrical release, 14 in 2003 versus 19 in 2002. Other revenues, primarily from music publishing, increased \$1.5 million, or 2%, to \$79.1 million in 2003.

For 2003, Entertainment operating income decreased \$77.6 million, or 29%, to \$189.7 million, as the revenue increases noted above were more than offset by increased film distribution and amortization costs. Operating income as a percentage of revenues was 7% in 2003 versus 12% in 2002. Entertainment capital expenditures were \$27.6 million for 2003 versus \$28.7 million for 2002.

Financial Position

September 30, 2005 vs. December 31, 2004. Current assets decreased by \$242.2 million to \$2.4 billion at September 30, 2005 from \$2.6 billion at December 31, 2004, reflecting decreases in receivables, cash and cash equivalents and inventory, partially offset by increases in prepaid expenses and other current assets. The allowance for doubtful accounts as a percentage of receivables increased to 8.0% at September 30, 2005 from 6.4% at December 31, 2004 principally due to additional reserves needed for affiliate customers.

Net property and equipment remained relatively flat at \$1.1 billion at September 30, 2005 as compared to December 31, 2004, as capital expenditures and additional capital leases were substantially offset by depreciation expense.

Goodwill increased \$105.9 million to \$10.4 billion at September 30, 2005 primarily due to the acquisition of Neopets, Inc.

Current liabilities decreased \$169.1 million to \$2.6 billion at September 30, 2005 from \$2.8 billion at December 31, 2004 primarily due to decreases in accrued compensation, participation liabilities and other current liabilities principally due to the timing of payments.

December 31, 2004 vs. December 31, 2003. Current assets decreased \$586.5 million to \$2.6 billion at December 31, 2004 from \$3.2 billion at December 31, 2003 primarily due to a \$980.9 million decrease in current assets of discontinued operations reflecting the split-off of Blockbuster. This decrease was partially offset by increases in receivables and cash and cash equivalents. The allowance for doubtful accounts as a percentage of receivables was 6.4% at December 31, 2004 compared with 7.4% at December 31, 2003.

Net property and equipment increased to \$1.1 billion at December 31, 2004 from \$1.0 billion at December 31, 2003 primarily reflecting capital expenditures of \$140.5 million and the addition of capital leases of \$91.9 million partially offset by depreciation expense of \$190.9 million. Goodwill increased \$226.9 million to \$10.3 billion at December 31, 2004 from \$10.0 billion at December 31, 2003 primarily reflecting the purchase of VIVA.

Other assets of discontinued operations decreased by \$3.9 billion reflecting the split-off of Blockbuster.

Current liabilities decreased \$980.6 million to \$2.8 billion primarily due to a \$1.3 billion decrease in current liabilities of discontinued operations, partially offset by increases of \$64.1 million in participants' share and royalties payable, primarily for feature films and \$111.4 million of accrued expenses and accrued compensation.

Cash Flows

Nine Months Ended September 30, 2005 vs. September 30, 2004. Cash and cash equivalents decreased by \$50.8 million for the nine months ended September 30, 2005. The change in cash and cash equivalents was as follows:

	Nine Months Ended September 30,	
	2005	2004
Cash provided by operating activities	\$ 1,284.0	\$ 1,631.1
Cash provided by investing activities	40.9	146.5
Cash used for financing activities	(1,375.7)	(1,778.3)
Decrease in cash and cash equivalents	\$ (50.8)	\$ (.7)

Operating Activities. Cash provided by operating activities of \$1.3 billion for the nine months ended September 30, 2005 decreased \$347.1 million versus the same prior-year period. The decrease was principally due to a higher level of investment in theatrical inventory in 2005 and higher cash taxes paid in 2005, partially offset by higher net earnings from continuing operations in 2005.

New Viacom's income taxes are presented in the historical carve-out financial statements under the separate return method. Accordingly, cash taxes paid for New Viacom were calculated as if New Viacom was a stand-alone taxpayer and included in the operating activities.

Investing Activities. Cash provided by investing activities of \$40.9 million for the nine months ended September 30, 2005 principally reflected proceeds from dispositions of \$392.1 million, primarily from the sale of Famous Players, partially offset by acquisitions of \$216.6 million, consisting primarily of the acquisition of Neopets and capital expenditures of \$127.2 million. Capital expenditures increased \$36.9 million, or 41%, reflecting increased investment in information systems and building improvements. Cash provided by investing activities of \$146.5 million for the nine months ended September 30, 2004 principally reflected the \$738.1 million received as part of the special distribution paid by Blockbuster to its stockholders in September 2004, partially offset by acquisitions of \$317.6 million, principally reflecting the acquisition of VIVA, capital expenditures of \$90.3 million and cash flows used by discontinued operations, primarily Blockbuster, of \$191.3 million.

Financing Activities. Cash used for financing activities principally reflected the net contribution to Viacom Inc. Since the businesses of New Viacom were held directly or indirectly by Viacom, daily cash needs of New Viacom were funded by Viacom and cash generated by the operations of New Viacom was swept daily to Viacom for general corporate purposes, including acquisitions and stock repurchases.

Edgar Filing: VIACOM INC - Form S-4/A

Year Ended December 31, 2004 vs. December 31, 2003 and December 31, 2003 vs. December 31, 2002.

Cash and cash equivalents decreased by \$143.1 million for the year ended December 31, 2004. The change in cash and cash equivalents was as follows:

	Year Ended December 31,		
	2004	2003	2002
Cash provided by operating activities	\$ 1,989.9	\$ 1,911.0	\$ 1,600.8
Cash used for investing activities	(288.6)	(1,594.6)	(583.9)
Cash used for financing activities	(1,844.4)	(220.3)	(1,077.8)
Increase (decrease) in cash and cash equivalents	\$ (143.1)	\$ 96.1	\$ (60.9)

Operating Activities. In 2004, cash provided by operating activities increased \$78.9 million to \$2.0 billion from \$1.9 billion for the same prior year period. The increase primarily reflected higher earnings from continuing operations in 2004 and higher receivable collections in 2004, partially offset by a decrease in cash flow provided by discontinued operations in 2004 and the timing of the split-off of Blockbuster which occurred in October 2004. In 2003, cash provided by operating activities increased \$310.2 million to \$1.9 billion principally due to higher earnings from continuing operations in 2003 and higher cash flow provided by discontinued operations.

Investing Activities. In 2004, cash used for investing activities of \$288.6 million reflected acquisitions of \$363.7 million, primarily consisting of the acquisition of VIVA, capital expenditures of \$140.5 million and cash flow attributable to discontinued operations of \$433.3 million partially offset by the \$738.1 million special distribution paid by Blockbuster in the third quarter of 2004. Capital expenditures increased \$26.2 million, or 23%, to \$140.5 million in 2004. Net cash expenditures for investing activities of \$1.6 billion for the year ended December 31, 2003 principally reflected acquisitions of \$1.3 billion and capital expenditures of \$114.3 million. Acquisitions in 2003 included the acquisition of the remaining 50% interest in Comedy Central for \$1.2 billion. Investing activities also included additional investments in affiliated companies which totaled \$74.3 million in 2004 and \$23.2 million in 2003. Net cash expenditures for investing activities of \$583.9 million in 2002 primarily reflected acquisitions of \$163.2 million, principally for the remaining interest in Noggin, as well as capital expenditures of \$122.3 million.

Financing Activities. In 2004, cash flow used for financing activities of \$1.8 billion principally reflected the net contribution to Viacom Inc. of \$1.7 billion. In 2003, cash flow for financing activities of \$220.3 million primarily reflected \$361.9 million used by discontinued operations partially offset by \$189.1 million fundings from Viacom. The funding in 2003 was due to the \$1.2 billion acquisition of Comedy Central, partially offset by operating cash flow contributed to Viacom. In 2002 cash flow used for financing activities \$1.1 billion primarily reflected the net contribution to Viacom Inc.

Liquidity and Capital Resources

Capital Structure. New Viacom believes that its operating cash flows, cash and cash equivalents, borrowing capacity under committed financing arrangements, and future access to capital markets will be sufficient to fund its operating needs, including commitments and contingencies, capital and investing commitments and its financing requirements for the foreseeable future. New Viacom will project anticipated cash requirements, which include capital expenditures, acquisitions, and payments on its indebtedness, as well as cash flows generated from operating activities available to meet these needs. Any future net cash funding requirements are expected to be financed with short term borrowings and long-term debt.

Edgar Filing: VIACOM INC - Form S-4/A

For purposes of the combined financial statements, no debt has been allocated to New Viacom. New Viacom has received financing commitments, subject to the satisfaction of customary conditions, for a \$6.0 billion bridge term facility that will be used to fund the special cash dividend to be paid to Viacom (to be renamed CBS Corporation) shortly prior to the separation and for general corporate purposes and for a five-year revolving credit facility to be effective at the time of separation that will also provide for New Viacom's ongoing borrowing and liquidity needs. See note 2 to the New Viacom unaudited pro forma combined condensed financial statements included elsewhere in this Prospectus-Information Statement. Interest expense will increase significantly following the separation as a result of the debt incurred to fund the special cash dividend.

As of December 31, 2004, New Viacom's significant contractual obligations, including payments due by period, were as follows:

	Payments Due by Period						2010 and thereafter
	Total	2005	2006	2007	2008	2009	
Programming and talent commitments(1)	\$ 809.2	\$ 269.9	\$ 192.2	\$ 125.0	\$ 222.1		222.1
Operating leases(2)	697.2	135.4	242.2	187.4	132.2		132.2
Purchase obligations(3)	35.2	32.0	3.0	.2			
Capital lease obligations (including interest)(4)	456.3	77.9	134.4	113.7	130.3		130.3
Other long-term liabilities(5)	600.7		534.4	47.3	19.0		19.0

- (1) Programming and talent commitments of New Viacom primarily include \$534.6 million relating to cable programming and feature film production and acquisitions and \$213.8 million for talent contracts.
- (2) Includes long-term non-cancelable operating lease commitments for retail and office space and equipment, transponders, studio facilities and vehicles.
- (3) Purchase obligations include agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including open purchase orders.
- (4) Includes capital leases for satellite transponders.
- (5) Long-term contractual obligations including cable program liabilities, participations due to producers and residuals.

Accounts Receivable Securitization Programs. As of September 30, 2005, December 31, 2004 and December 31, 2003, New Viacom supported \$450 million of the Viacom revolving receivable securitization programs. The programs resulted in the sale of receivables on a non-recourse basis to unrelated third parties on a one-year renewable basis, thereby reducing accounts receivable and debt on Viacom's balance sheets. Viacom entered into these arrangements to provide an additional source of liquidity. Proceeds from the sale of New Viacom receivables were reflected as a reduction in invested equity. The terms of the revolving securitization arrangements require that the receivable pools subject to the programs meet certain performance ratios. New Viacom was in compliance with the required ratios under the receivable securitization programs for all periods presented.

Off-Balance Sheet Arrangements. New Viacom's off-balance sheet arrangements primarily consist of the guarantees described below.

Guarantees. New Viacom follows the recognition provisions of Financial Accounting Standards Board Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," which we refer to in this Prospectus-Information Statement as "FIN 45," for guarantees, including indemnities, issued or modified after December 31, 2002. FIN 45 requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of an obligation assumed by issuing a guarantee. FIN 45 also requires additional disclosures for certain guarantees. The adoption of FIN 45 did not have a significant impact on New Viacom's financial position, results of operations or cash flows.

Edgar Filing: VIACOM INC - Form S-4/A

In connection with the separation, New Viacom intends to indemnify CBS Corp. with respect to the obligations of Viacom (to be renamed CBS Corporation) as guarantor on certain Blockbuster store leases. Blockbuster's obligations under these store leases aggregated approximately \$358 million at December 31, 2004. Certain leases contain renewal options that can extend the primary lease term and remain covered by the guarantees. Blockbuster has agreed to indemnify Viacom with respect to any obligations of Viacom under these guarantees. Blockbuster's indemnification obligations are secured by a \$150 million letter of credit. New Viacom recorded a liability of \$53.6 million to reflect the fair value of its indemnification obligation.

In the third quarter of 2005, Viacom sold Famous Players, an operator of movie theaters in Canada. Viacom (to be renamed CBS Corporation) may incur liabilities associated with Famous Players theater leases. New Viacom intends to indemnify CBS Corp. with respect to any liability under these theater leases. New Viacom recorded a liability of \$179.9 million, to reflect the fair value of these indemnification obligations.

In the fourth quarter of 2004, Viacom sold substantially all of its 50% equity interest in UCI, which operates movie theaters in Europe, Latin America and Asia. In connection with the separation, New Viacom intends to indemnify CBS Corp. with respect to the obligations of Viacom as guarantor on certain UCI theater leases. These guarantees totaled approximately \$158.8 million at September 30, 2005 and \$177.0 million at December 31, 2004 and are secured by bank guarantees provided by the buyer. Viacom had guaranteed UCI's debt obligations under a revolving credit facility which was repaid during the fourth quarter of 2004. Viacom contributed \$29.1 million toward the repayment of UCI's debt obligation under the terms of this guarantee.

New Viacom also owns a 50% interest in WF Cinema Holdings, L.P. and Grauman's Theaters LLC. Viacom has guaranteed certain of these theater leases. New Viacom intends to indemnify CBS Corp. with respect to any obligations of Viacom under these guarantees. These guarantees totaled approximately \$10.6 million at September 30, 2005 and \$13.3 million at December 31, 2004. New Viacom will record a liability, which it currently anticipates will not be material, to reflect the fair value of these indemnification obligations.

Additionally, New Viacom has indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. The outstanding letters of credit and surety bonds approximated \$13.0 million at September 30, 2005 and \$24.8 million at December 31, 2004 and are not recorded on the balance sheet as of September 30, 2005 and December 31, 2004.

Legal Matters

In July 2002, judgment was entered in favor of Viacom, Blockbuster, Paramount Home Entertainment and other major motion picture studios and their home video subsidiaries with respect to a complaint filed in the United States District Court for the Western District of Texas. The complaint included federal antitrust and California state law claims. In August 2003, the U.S. Court of Appeals for the Fifth Circuit affirmed the federal court judgment. The U.S. Supreme Court refused plaintiffs' petition for writ of certiorari in March 2004. In February 2003, a similar complaint that had been filed in a Los Angeles County Superior Court was also dismissed with prejudice. The plaintiffs appealed the California state court dismissal, as well as a prior denial of class certification. On November 22, 2005, the California Court of Appeal affirmed the trial court's dismissal of the antitrust and conspiracy claims. The court reversed the dismissal of California Unfair Practices Act and Unfair Competition Act claims and remanded those claims to the trial court, except with regard to transactions between Paramount and Blockbuster as to which the trial court dismissal was affirmed. Blockbuster remains a defendant in the case with respect to its transactions with studios other than Paramount. As the result of the split-off of Blockbuster from Viacom in 2004, any judgment in this matter adverse to Viacom, Blockbuster and/or Paramount Home Entertainment may be allocated 33.33% to Blockbuster

and 66.67% to Viacom. New Viacom will assume and indemnify CBS Corp. for Viacom's responsibility for losses in this matter pursuant to the separation agreement.

On November 10, 2005, Viacom was named as a defendant in a putative class action lawsuit filed by a stockholder of Blockbuster that alleges violations of federal securities laws. The suit, which is captioned *Congregation Ezra Sholom v. Blockbuster Inc., et al.*, was filed in the United States District Court for the Northern District of Texas. The suit is brought on behalf of all those who acquired shares of Blockbuster pursuant to Viacom's 2004 split-off of Blockbuster and those who purchased Blockbuster shares in the open market between September 8, 2004 and August 9, 2005. The complaint names as defendants NAI, Viacom and certain of its present and former officers and directors, and Blockbuster and certain of its present and former directors. The complaint alleges that the defendants made untrue statements of material facts and concealed and failed to disclose material facts. The plaintiff seeks to have the purchase of Blockbuster shares in the split-off rescinded, and also seeks other unspecified compensatory and other damages. In connection with the split-off, Blockbuster agreed to indemnify Viacom and its employees, officers and directors with respect to certain matters, including liabilities arising out of any material untrue statements and omissions in the portions of the split-off prospectus-offer to exchange that were provided by Blockbuster. Also in November 2005, Viacom, the Viacom Retirement Committee and certain of Viacom's current and former officers and directors, were named as defendants in a putative class action filed in the United States District Court for the Southern District of New York. Plaintiff alleges that the defendants breached fiduciary obligations to the Blockbuster Investment Plan in violation of the Employee Retirement Income Security Act by continuing to offer to plan participants Blockbuster stock and by offering to plan participants the opportunity to exchange their shares of Viacom common stock for the shares of Blockbuster common stock that were owned by Viacom. Plaintiff's complaint seeks certain declaratory and injunctive relief, disgorgement of alleged profits, unspecified compensatory damages, and other unspecified equitable and injunctive relief. New Viacom will assume, and indemnify CBS Corp. for, Viacom's responsibility for losses in these matters pursuant to the separation agreement.

New Viacom believes that the plaintiffs' positions in these litigations are without merit and intends to vigorously defend itself in the litigations.

Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, New Viacom believes that the above-described legal matters and other litigation to which it is a party are not likely, in the aggregate, to have a material adverse effect on its results of operations, financial position or cash flows.

Market Risk

New Viacom is exposed to market risk related to foreign currency exchange rates and interest rates. New Viacom uses or expects to use derivative financial instruments to modify exposure to risks from fluctuations in foreign currency exchange rates and interest rates. In accordance with its policy, New Viacom does not use derivative instruments unless there is an underlying exposure and therefore, New Viacom does not hold or enter into financial instruments for speculative trading purposes.

Foreign Exchange Risk. New Viacom conducts business with companies in various countries outside the United States, resulting in exposure to movements in foreign exchange rates when translating from the foreign local currency to the U.S. dollar. In order to hedge anticipated cash flows and foreign currency balances in such currencies as the British Pound, the Australian Dollar, the Japanese Yen, the Canadian Dollar, the Singapore Dollar and the Euro, foreign currency forward and option contracts are used. Additionally, New Viacom designates forward contracts used to hedge future production costs as cash flow hedges, and designates certain forward contracts as a hedge of the foreign currency exposure of a net investment in a foreign operation. The change in fair value of the non-designated contracts is included in current period earnings as part of "Other items, net." New Viacom manages the use of foreign exchange derivatives centrally. At September 30, 2005, the notional value of all foreign exchange contracts was \$67.5 million which represents hedges of underlying foreign

currency balances and expected foreign currency net cash flows. At December 31, 2004, the notional value of all foreign exchange contracts was \$174.8 million, of which \$74.6 million related to the hedging of future production costs. The remaining \$100.2 million represents hedges of underlying foreign currency balances and expected foreign currency net cash flows. At December 31, 2003, the notional value of all foreign exchange contracts of \$79.5 million represented hedges of underlying foreign currency balances and expected foreign currency net cash flows.

Interest Rate Risk. New Viacom's interest expense is exposed to movements in short-term rates. Swap agreements may be used to modify this exposure. As of September 30, 2005 and December 31, 2004, there were no swaps outstanding.

At September 30, 2005 and at December 31, 2004, New Viacom did not have any interest rate cash flow hedges outstanding.

Credit Risk. New Viacom continually monitors its positions with, and credit quality of, the financial institutions which are counterparties to its financial instruments. New Viacom is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. However, New Viacom does not anticipate nonperformance by the counterparties.

Related Parties

Mr. Sumner M. Redstone serves as chairman of the board of directors and chief executive officer of Viacom, and Ms. Shari Redstone serves as non-executive vice chairman of the Viacom board of directors. Mr. Redstone is the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, the controlling stockholder of Viacom, and Ms. Redstone is the president and a director of NAI. Mr. Redstone will serve as chairman of the board of directors for both New Viacom and CBS Corp. after the separation of Viacom and Ms. Redstone will serve as vice chair of both companies.

Corporate Allocations and Cash Funding

Prior to the separation, the businesses of New Viacom were held directly or indirectly by Viacom. New Viacom enters into transactions with Viacom for, among other things, the daily transfer of cash collections, allocations of corporate charges and daily cash funding to be used in operations as necessary, and the payment of taxes on New Viacom's income. For purposes of the financial statements, the net amount due to Viacom or due from Viacom at the end of each fiscal year has been classified as equity and is included in New Viacom's invested capital.

The combined financial statements of New Viacom include allocations of Viacom corporate expenses and Paramount Pictures corporate overhead including accounting, treasury, tax, legal, human resources, information systems and other services, to reflect the utilization of such shared services and fixed assets by New Viacom. These allocations were made using specific identification of costs, assets and liabilities and other relative percentages where specific identification was not available. Total corporate costs allocated to New Viacom were approximately \$119.0 million, \$136.2 million, \$112.6 million and \$100.7 million for the nine months ended September 30, 2005 and in 2004, 2003 and 2002, respectively, and were primarily included in selling, general and administrative expenses in the accompanying combined statements of operations. In the opinion of management, the allocation methodology is reasonable. New Viacom's corporate expenses as a stand-alone company may be different from those reflected in the combined statements of operations. Following the completion of the separation, New Viacom will perform these functions using its own resources or purchased services.

Relationship between New Viacom and Viacom

In connection with the separation, New Viacom and Viacom (to be renamed CBS Corporation) are expected to enter into a separation agreement that will identify assets to be transferred, liabilities to be assumed and obligations of each company following the separation, and that will include

indemnification obligations for such liabilities. In addition, New Viacom and CBS Corp. will enter into a transition services and a tax matters agreement.

New Viacom, through its normal course of business, is involved in transactions with companies owned by or affiliated with CBS Corp. New Viacom, through Paramount Pictures, licenses its motion picture products to CBS Corp. Paramount Pictures also distributes certain television products for a fee on behalf of CBS Corp.'s television production group in the home entertainment market. MTV Networks and BET recognize advertising revenues for media spending placed by various subsidiaries of CBS Corp. In addition, New Viacom is also involved in transactions with Simon & Schuster and Paramount Parks. New Viacom's total revenues from these transactions were \$136.1 million and \$140.0 million for the nine months ended September 30, 2005 and 2004, respectively, and \$157.4 million, \$221.2 million and \$218.4 million for the year ended December 31, 2004, 2003 and 2002, respectively.

New Viacom, through MTV Networks and BET, purchases television programming from CBS Corp. The cost of these purchases are initially recorded as program rights inventory and amortized over the life of the contract. In addition, New Viacom places advertisements with various subsidiaries of CBS Corp. The total related party purchases were \$136.6 million and \$341.0 million for the nine months ended September 30, 2005 and 2004, respectively, and \$378.2 million, \$186.8 million and \$146.1 million for the year ended December 31, 2004, 2003 and 2002, respectively.

Transactions with CBS Corp. and its subsidiaries, through the normal course of business, are settled in cash. The following table presents the amounts due from or due to CBS Corp. and its subsidiaries as reflected in New Viacom's combined balance sheets:

	At September 30, 2005	At December 31, 2004	At December 31, 2003
Amounts Due from CBS Corp.			
Receivables	\$ 64.1	\$ 66.8	\$ 73.2
Other assets	80.5	88.4	124.6
Amounts Due to CBS Corp.			
Accounts payable	\$ 20.7	\$ 13.2	\$ 11.8
Participants' share, residuals and royalties payable	9.1	9.8	
Program rights, current	191.5	177.3	104.8
Other liabilities	253.0	353.4	234.9

Relationship between New Viacom and Other Related Parties

NAI licenses films in the ordinary course of business for its motion picture theaters from all major studios including Paramount Pictures, a division of New Viacom. During the nine months ended September 30, 2005 and for the years ended December 31, 2004, 2003 and 2002, NAI made payments to Paramount Pictures in the aggregate amounts of approximately \$11.2 million, \$11.2 million, \$9.6 million and \$12.3 million, respectively.

NAI and Mr. Redstone owned in the aggregate approximately 89% of the common stock of Midway Games Inc. ("Midway") as of November 2, 2005. Midway places advertisements on several of New Viacom's cable networks from time to time. During the nine months ended September 30, 2005 and for the years ended December 31, 2004, 2003 and 2002, transactions with Midway totaled approximately \$2.8 million, \$5.5 million, \$1.4 million and \$2.0 million, respectively. In addition, Paramount Pictures, MTV Films and Midway have announced agreements pursuant to which Paramount Pictures and MTV Films will acquire the film rights to certain Midway video games. No amounts were paid with respect to these agreements during the nine months ended September 30, 2005 or the full year 2004. In June 2005, MTV Networks and Midway entered into marketing and licensing arrangements with respect to certain Midway game titles. Under the arrangements, MTV Networks will provide certain licenses to Midway and has the option to provide marketing support for the game titles.

If the option is exercised, Midway has committed to purchasing advertising time from MTV Networks, paying MTV Networks a royalty on sales of the game titles, and allowing MTV Networks to sell certain advertisements within the games. No amounts were paid in respect of these arrangements during the nine months ended September 30, 2005. New Viacom believes that the volume and terms of these transactions were no more or less favorable to the respective New Viacom subsidiaries than they would have obtained from unrelated parties. New Viacom may continue to enter into similar business transactions with Midway in the future.

On October 28, 2004, Viacom entered into an agreement with NAI and NAIRI pursuant to which Viacom agreed to buy, and NAI and NAIRI agreed to sell, a number of shares of Viacom class B common stock each month such that the ownership percentage of Viacom class A common stock and Viacom class B common stock (considered as a single class) held by NAI and/or NAIRI would not increase as a result of purchases of shares of Viacom common stock under Viacom's \$8.0 billion stock purchase program announced in October 2004. In this Prospectus-Information Statement, we refer to this agreement among Viacom, NAI and NAIRI as the "NAIRI agreement." Viacom recorded the purchase of 11.8 million shares of Viacom class B common stock from NAIRI for approximately \$413.7 million for the nine months ended September 30, 2005 and recorded the purchase of 6.3 million shares of Viacom class B common stock from NAIRI for approximately \$226.6 million in 2004. The purchase price for the shares of Viacom common stock is determined on a monthly basis based on the volume-weighted average trading prices for the Viacom class B common stock as reported by Bloomberg L.P., which we refer to in this Prospectus-Information Statement as "Bloomberg," for trades permitted under Rule 10b-18 of the Exchange Act on days on which Viacom purchased Viacom common stock in the open market under Viacom's stock purchase program. New Viacom currently anticipates that it will enter into an agreement with NAI and NAIRI following the consummation of the separation that will be on substantially similar terms as the NAIRI agreement.

Recent Pronouncements

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation," which we refer to in this Prospectus-Information Statement as "SFAS 123," (revised 2004) "Share-Based Payment," which we refer to in this Prospectus-Information Statement as "SFAS 123R." SFAS 123R revises SFAS 123 and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," which we refer to in this Prospectus-Information Statement as "APB 25." SFAS 123R requires companies to measure the cost of employee services received in exchange for an award of equity instruments based on grant-date fair value of the award. That cost will be recognized over the vesting period during which an employee is required to provide service in exchange for the award. On April 14, 2005, the SEC issued a ruling that amended the effective date for SFAS 123R. As a result, New Viacom will adopt SFAS 123R on January 1, 2006.

In May 2005, the FASB issued Statement of Financial Accounting Standards No. 154 "Accounting Changes and Error Corrections," which we refer to in this Prospectus-Information Statement as "SFAS 154," a replacement of APB Opinion No. 20, "Accounting Changes," and FASB Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements," which is effective for fiscal years beginning after December 15, 2005. SFAS 154 changes the requirements for the accounting for and reporting of a voluntary change in accounting principle as well as the changes required by an accounting pronouncement which does not include specific transition provisions. New Viacom does not expect the implementation of SFAS 154 to have a significant impact on its combined financial position, results of operations or cash flows.

Management's discussion and analysis of the results of operations and financial condition should be read in conjunction with the Financial Statements and related Notes. Descriptions of all documents incorporated by reference herein or included as exhibits hereto are qualified in their entirety by reference to the full text of such documents so incorporated or included.

EXECUTIVE OFFICERS AND DIRECTORS OF NEW VIACOM**Executive Officers**

The following table sets forth the name, age and position of each person who will serve as a New Viacom executive officer immediately following the separation.

Name	Age	Position
Sumner M. Redstone	82	Chairman
Thomas E. Freston	60	President and Chief Executive Officer and Director
Robert M. Bakish	42	Executive Vice President, Operations and Viacom Enterprises
Michael J. Dolan	59	Executive Vice President and Chief Financial Officer
Carl D. Folta	48	Executive Vice President, Office of the Chairman
Michael D. Fricklas	45	Executive Vice President, General Counsel and Secretary
JoAnne Adams Griffith	61	Executive Vice President, Human Resources
DeDe Lea	41	Executive Vice President, Government Relations
Carole Robinson	44	Executive Vice President, Corporate Communications
Jacques Tortoroli	47	Senior Vice President, Controller and Chief Accounting Officer

Information about each person who will serve as a New Viacom executive officer immediately following the separation is set forth below.

Sumner M. Redstone	Mr. Redstone will serve as chairman of the New Viacom board of directors following the separation. Mr. Redstone currently serves as chairman of the Viacom board of directors, a position he has held since 1987, and chief executive officer of Viacom, a position he has held since 1996, and has served on the Viacom board of directors since its inception in 1986. Mr. Redstone has also served as chairman of the board of directors of NAI since 1986 and as chief executive officer of NAI since 1967. He served as president of NAI from 1967 through 1999. Mr. Redstone served as the first chairman of the board of the National Association of Theatre Owners and is currently a member of its board of directors. Mr. Redstone has been a frequent lecturer at universities, including Harvard Law School and Brandeis University. Mr. Redstone graduated from Harvard University in 1944 and received an LL.B. from Harvard University School of Law in 1947. Upon graduation, Mr. Redstone served as law secretary with the U.S. Court of Appeals and then as a special assistant to the U.S. Attorney General. Mr. Redstone served in the Military Intelligence Division during World War II. While a student at Harvard, he was selected to join a special intelligence group whose mission was to break Japan's high-level military and diplomatic codes. Mr. Redstone received, among other honors, two commendations from the Military Intelligence Division in recognition of his service, contribution and devotion to duty. Mr. Redstone is also a recipient of the Army Commendation Award. Mr. Redstone will serve as chairman of the CBS Corp. board of directors following the separation.
--------------------	--

Thomas E. Freston

Mr. Freston will serve as president and chief executive officer of New Viacom following the separation and will serve on the New Viacom board of directors. Mr. Freston currently serves as co-president and co-chief operating officer of Viacom, a position he has held since June 2004. Prior to that, he served as chairman and chief executive officer of MTV Networks since 1987. Mr. Freston joined MTV Networks' predecessor company in 1980 and was one of the founding members of the team that launched MTV Music Television.

Robert M. Bakish

Mr. Bakish will serve as executive vice president, operations and Viacom Enterprises following the separation. Mr. Bakish currently serves as executive vice president, operations of Viacom, a position he has held since July 2005. Prior to that, he served as executive vice president, chief operating officer, advertising sales of MTV Networks from 2001 to 2005, as executive vice president, business development of MTV Networks from 1999 to 2001 and as senior vice president, planning, development and technology of Viacom from 1997 to 1999.

Michael J. Dolan

Mr. Dolan will serve as executive vice president and chief financial officer of New Viacom following the separation. Mr. Dolan currently serves as executive vice president and chief financial officer of Viacom, a position he has held since May 2005. Prior to joining Viacom, Mr. Dolan served as a senior advisor to Kohlberg Kravis Roberts & Co., a private equity firm, since late 2004. Prior to that, Mr. Dolan served as chairman and chief executive officer of Young & Rubicam, Inc. from 2000 until his retirement in 2003, as its president and chief executive officer during 2000 and as its vice chairman and chief financial officer from 1996 to 2000. Mr. Dolan also serves as non-executive chairman of America's Choice and serves on the board of directors of Mattel, Inc.

Carl D. Folta

Mr. Folta will serve as executive vice president, office of the chairman of New Viacom following the separation. Mr. Folta currently serves as executive vice president, corporate relations of Viacom, a position he has held since November 2004. Prior to that, he served as senior vice president, corporate relations of Viacom from November 1994 to November 2004, and vice president, corporate relations of Viacom from April 1994 to November 1994. Mr. Folta held various communications positions at Paramount Communications Inc. from 1984 until joining Viacom in April 1994. Mr. Folta will serve as executive vice president, office of the chairman of CBS Corp. following the separation.

Michael D. Fricklas

Mr. Fricklas will serve as executive vice president, general counsel and secretary of New Viacom following the separation. Mr. Fricklas currently serves as executive vice president, general counsel and secretary of Viacom, a position he has held since May 2000. From October 1998 to May 2000, he served as senior vice president, general counsel and secretary of Viacom. From July 1993, he served as vice president, deputy general counsel of Viacom and assumed the additional title of senior vice president in July 1994.

JoAnne Adams Griffith

Ms. Griffith will serve as executive vice president, human resources of New Viacom following the separation. Ms. Griffith currently serves as co-executive vice president, human resources of Viacom, a position she has held since September 2005. Prior to that, she served as vice president of human resources of Viacom and executive vice president of human resources at MTV Networks from 1998 to 2005, as vice president of human resources of Viacom from 1996 to 1998 and as vice president of human resources at Paramount Pictures from 1986 to 1996.

DeDe Lea

Ms. Lea will serve as executive vice president, government relations of New Viacom following the separation. Ms. Lea currently serves as senior vice president, government relations of Viacom, a position she has held since September 2005. Prior to that, she served as vice president of government affairs at Belo Corp. from 2004 to 2005 and as vice president of government affairs of Viacom from 1997 to 2004.

Carole Robinson

Ms. Robinson will serve as executive vice president, corporate communications of New Viacom following the separation. Ms. Robinson currently serves as executive vice president, communications, MTV Networks, a position she has held since 1999. Prior to that, Ms. Robinson served as Senior Vice President, Communications, MTV Networks from 1994 to 1998. Ms. Robinson joined MTV Networks in 1984 and has held a succession of positions within the corporate communications area since that time.

Jacques Tortoroli

Jacques Tortoroli will serve as senior vice president, controller and chief accounting officer of New Viacom following the separation. Mr. Tortoroli previously served as executive vice president and chief financial officer of Infinity Broadcasting Corporation from 2002 to 2005. Mr. Tortoroli was also chief financial officer of Westwood One, Inc., in which Infinity has an investment, from 2002 to 2004. Prior to that, Mr. Tortoroli served as chief financial officer of the e-services consultancy Scient, Inc. from 2001 to 2002, and held several financial roles at Young & Rubicam, Inc. from 1998 to 2001, including chief financial officer, senior vice president of finance and controller, and chief financial officer of Y&R Advertising. Previously, Mr. Tortoroli spent 12 years with PepsiCo, Inc. including financial roles in PepsiCo, Inc. and Pepsi-Cola International.

Board of Directors

Upon completion of the separation, the New Viacom board of directors will consist of 12 members, a majority of whom will be independent under the standards discussed below. Each director will hold office, in accordance with the New Viacom certificate of incorporation and bylaws, until the next annual meeting of stockholders and until his or her successor is duly elected and qualified.

Edgar Filing: VIACOM INC - Form S-4/A

The following table sets forth the name, age and position of each person who will serve as a New Viacom director immediately following the separation.

Name	Age	Position
Sumner M. Redstone(1)	82	Chairman
Shari Redstone(1)	51	Vice Chair
George S. Abrams	73	Director
Philippe P. Dauman	51	Director
Thomas E. Dooley	49	Director
Thomas E. Freston	60	President and Chief Executive Officer and Director
Ellen V. Futter	56	Director
Alan C. Greenberg	78	Director
Robert K. Kraft	64	Director
Charles E. Phillips, Jr.	46	Director
Frederic V. Salerno	62	Director
William Schwartz	72	Director

(1) Mr. Redstone and Ms. Redstone will serve as chairman and non-executive vice chair, respectively, of the board of directors of New Viacom immediately following the separation. Ms. Redstone is Mr. Redstone's daughter. None of the other directors are related to any other director by blood, marriage or adoption.

Information about each person who will serve as a New Viacom director immediately following the separation, but who is not also a New Viacom executive officer noted above, is set forth below. Information about Messrs. Redstone and Freston is set forth above in the section entitled " Executive Officers."

George S. Abrams	Mr. Abrams will serve on the New Viacom board of directors following the separation. Mr. Abrams currently serves on the Viacom board of directors, a position he has held since 1987. He is an attorney associated with the law firm of Winer and Abrams in Boston, Massachusetts since 1969. Prior to that time, Mr. Abrams served for three years as general counsel and staff director of the United States Senate Judiciary Committee for Refugees. Mr. Abrams is a trustee of the Museum of Fine Arts in Boston and the European Fine Arts Foundation. He is a director of NAI and Sonesta International Hotels Corporation.
Philippe P. Dauman	Mr. Dauman will serve on the New Viacom board of directors following the separation. Mr. Dauman currently serves on the Viacom board of directors, a position he has held since 1987. He has been co-chairman and chief executive officer of DND Capital Partners, L.L.C., a private equity firm, since May 2000. Mr. Dauman served as the deputy chairman of Viacom from 1996 until May 2000 and executive vice president from 1994 until May 2000. From 1993 to 1998, Mr. Dauman also served as general counsel and secretary of Viacom. He is a director of NAI and Lafarge North America Inc. and will serve on the CBS Corp. board of directors following the separation.
Thomas E. Dooley	Mr. Dooley will serve on the New Viacom board of directors following the separation. Mr. Dooley is co-chairman and chief executive officer of

DND Capital Partners L.L.C., a private equity firm. Prior to co-founding DND Capital Partners in May 2000, Mr. Dooley held various corporate and divisional positions at Viacom, which he joined in 1980, including deputy chairman, member of Viacom's executive committee, and executive vice president, finance, corporate development and communications. Mr. Dooley is a director of LaBranche & Co. Inc.

Ellen V. Futter

Ms. Futter will serve on the New Viacom board of directors following the separation. Ms. Futter is president of the American Museum of Natural History, a position she has held since November 1993. Previously, she served for 13 years as the president of Barnard College. Ms. Futter serves on the boards of American International Group, Inc., Consolidated Edison, Inc. and JPMorgan Chase & Co.

Alan C. Greenberg

Mr. Greenberg will serve on the New Viacom board of directors following the separation. Mr. Greenberg currently serves on the Viacom board of directors, a position he has held since 2003. He is chairman of the executive committee of Bear Stearns, a position he has held since June 2001. Mr. Greenberg served as chairman of Bear Stearns from 1985 to 2001 and as its chief executive officer from 1978 to 1993. Mr. Greenberg is a director of Bear Stearns.

Robert K. Kraft

Mr. Kraft will serve on the New Viacom board of directors following the separation. Mr. Kraft is chairman and chief executive officer of The Kraft Group, which includes the New England Patriots, New England Revolution, Gillette Stadium, Rand-Whitney Group and International Forest Products Corporation. He has been the owner of the New England Patriots for the past 10 seasons, and was elected as the chairman of the NFL's finance committee in 1998. Mr. Kraft is a director of the Dana-Farber Cancer Institute, the Federal Reserve Bank of Boston and The New England Patriots Charitable Foundation.

Charles E. Phillips, Jr.

Mr. Phillips will serve on the New Viacom board of directors following the separation. Mr. Phillips currently serves on the Viacom board of directors, a position he has held since 2004. He has been president of Oracle Corporation since May 2003. Mr. Phillips has also served as a member of the board of directors and executive management committee for Oracle Corporation since January 2004. Prior to joining Oracle Corporation, Mr. Phillips was with Morgan Stanley's Institutional Securities Division from 1994 to 2003, where he was responsible for analyzing the enterprise software industry. Mr. Phillips is a director of Oracle Corporation.

Shari Redstone

Ms. Redstone will serve as vice chair of the New Viacom board of directors following the separation. Ms. Redstone currently serves as vice chairman of the Viacom board of directors, a position she has held since June 2005, and has served on the Viacom board of directors since 1994. She has been president of NAI since January 2000, prior to that serving as executive vice president of NAI since 1994. Ms. Redstone practiced law from 1978 to 1993, with her practice including corporate law, estate planning and criminal law. Ms. Redstone is a member of the board of directors and executive committee for the National Association of Theatre Owners, co-chairman and co-chief executive officer of MovieTickets.com, Inc., chairman and chief executive officer of CineBridge Ventures, Inc. and chairman and chief executive officer of Rising Star Media. Ms. Redstone is a board member of

several charitable organizations, including the board of trustees at Dana Farber Cancer Institute, the board of directors at Combined Jewish Philanthropies and the board of directors of the John F. Kennedy Library Foundation. Ms. Redstone is a director of NAI and vice chairwoman of Midway and will serve as vice chair of the CBS Corp. board of directors following the separation.

Frederic V. Salerno

Mr. Salerno will serve on the New Viacom board of directors following the separation. Mr. Salerno currently serves on the Viacom board of directors, a position he has held since 1994. He is a retired vice chairman and chief financial officer of Verizon, a position he held from June 2000 to October 2002. Prior to that, Mr. Salerno served as vice chairman and chief financial officer of Bell Atlantic (Verizon's predecessor) from August 1997. Prior to the merger of Bell Atlantic and NYNEX Corporation, he served as vice chairman finance and business development of NYNEX Corporation from 1994 to 1997. Mr. Salerno was vice chairman of NYNEX Corporation and president of the NYNEX Worldwide Services Group from 1991 to 1994. He is a director of Akamai Technologies, Inc., Bear Stearns, Consolidated Edison, Inc., Gabelli Asset Management and Popular Inc.

William Schwartz

Mr. Schwartz will serve on the New Viacom board of directors following the separation. Mr. Schwartz currently serves on the Viacom board of directors, a position he has held since 1987. He is counsel to the law firm of Cadwalader, Wickersham & Taft, a position he has held since 1988. Mr. Schwartz served as vice president for academic affairs (the chief academic officer) of Yeshiva University from 1993 to July 1998 and has been a University Professor of Law at Yeshiva University and the Cardozo School of Law since 1991. He was dean of the Boston University School of Law from 1980 to 1988 and a professor of law at Boston University from 1955 to 1991. Mr. Schwartz is an honorary member of the National College of Probate Judges. Mr. Schwartz formerly served as chairman of UST Corp. and was chairman of the Boston Mayor's Special Commission on Police Procedures and a member of the Legal Advisory Board of the New York Stock Exchange.

Director Independence

New Viacom's corporate governance guidelines, which will be adopted prior to the completion of the separation, will provide that a majority of New Viacom's directors must be independent, as "independence" is defined in the New York Stock Exchange corporate governance listing standards and in New Viacom's corporate governance guidelines. In this Prospectus-Information Statement, we refer to New Viacom's corporate governance guidelines as the "New Viacom Guidelines" and the New York Stock Exchange corporate governance listing standards as the "NYSE listing standards." The NYSE listing standards set forth five "bright-line" tests that require a finding that a director is not independent if the director fails any of the tests. In addition, the NYSE listing standards provide that a director is not independent unless the New Viacom board of directors affirmatively determines that the director has no "material relationship" with New Viacom. The New Viacom Guidelines set forth categorical standards to assist the New Viacom board of directors in determining what constitutes a

Edgar Filing: VIACOM INC - Form S-4/A

"material relationship" with New Viacom. Generally, under these categorical standards the following relationships are deemed not to be material:

the types of relationships identified by the NYSE listing standards' bright-line tests, if they occurred more than five years ago (the New Viacom board of directors will review any such relationship if it occurred more than three, but less than five, years ago);

a relationship whereby the director has received, or an immediate family member of the director has received for service as an executive officer, less than \$100,000 in direct compensation from New Viacom during any 12-month period within the last three years; and

a relationship where the director is an executive officer or employee, or an immediate family member of the director is an executive officer, of the following:

a company that made payments to or received payments from New Viacom for property or services in an amount that, in any of the last three fiscal years, is less than 1% of the other company's annual consolidated gross revenues;

a company which is either indebted to or a creditor of New Viacom in an amount that is less than 1% of the other company's total consolidated assets; and

a tax-exempt organization that received contributions from New Viacom in the prior fiscal year in an amount less than the greater of \$500,000 or 1% of that organization's consolidated gross revenues.

For relationships that exceed the thresholds set forth above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, will be made by the directors who are independent. In addition, the New Viacom Guidelines state that, generally, the types of relationships not addressed by the NYSE listing standards or described in the New Viacom Guidelines will not cause an otherwise independent director to be considered not independent. However, the New Viacom board of directors may determine that a director is not independent for any reason it deems appropriate.

The Viacom board of directors has determined that the following New Viacom directors are independent under these standards: Philippe P. Dauman, Thomas E. Dooley, Ellen V. Futter, Alan C. Greenberg, Robert K. Kraft, Charles E. Phillips, Jr., Frederic V. Salerno and William Schwartz.

Board Committees

Following the separation, the New Viacom board of directors will have the following standing committees: the audit committee, the compensation committee and the nominating and governance committee. The New Viacom board of directors will review and determine the committee structure and membership of the committees annually, or more frequently as needed.

Edgar Filing: VIACOM INC - Form S-4/A

New Viacom's audit committee will consist solely of independent directors within the meaning of the NYSE listing standards. In addition, the audit committee will have at least one "audit committee financial expert," as that term is defined in the Securities Act. Although New Viacom will be a "controlled company" under the NYSE listing standards (which is a company of which more than 50% of the voting power is held by an individual or another company), New Viacom's compensation committee and nominating and governance committee will consist solely of independent directors, which independence is not required for controlled companies under the NYSE listing standards.

The roles and responsibilities of the standing board committees will be set forth in their respective charters, which will initially be substantially the same as the corresponding committees at Viacom. The charters will be available following the separation on New Viacom's website at <http://www.viacom.com> and may also be requested following the separation by writing to Investor Relations, Viacom Inc., 1515 Broadway, New York, NY 10036. Copies of the charters for Viacom's standing board committees are currently available on Viacom's website at <http://www.viacom.com>.

CORPORATE GOVERNANCE

New Viacom's corporate governance initiatives and principal governance documents will initially be substantially the same as those in place at Viacom. New Viacom's principal governance documents, which will be adopted prior to the separation, will be as follows:

Corporate Governance Guidelines;

Board committee charters:

Audit committee charter,

Compensation committee charter, and

Nominating and governance committee charter;

Business Conduct Statement; and

Supplemental code of ethics for senior financial officers.

These documents will be available following the separation on New Viacom's website at <http://www.viacom.com> and may also be requested following the separation by writing to Investor Relations, Viacom Inc., 1515 Broadway, New York, NY 10036. Copies of the principal governance documents in place at Viacom are currently available on Viacom's website at <http://www.viacom.com>.

The New Viacom board of directors, with assistance from its nominating and governance committee, will regularly assess New Viacom's governance practices in light of legal requirements and governance best practices. In several areas, New Viacom's practices are expected to go beyond the requirements of the NYSE listing standards. For example, despite being a "controlled company," New Viacom will have a majority of independent directors on its board of directors and will have an independent compensation committee and an independent nominating and governance committee, which independence is not required for controlled companies under the NYSE listing standards. In addition, the New Viacom Guidelines will provide that a majority of the directors on its board will not be directors who are also on the CBS Corp. board of directors. Certain other important aspects of New Viacom's governance documents are summarized below. New Viacom encourages its stockholders to read its governance documents in their entirety, as it believes the documents illustrate its commitment to good governance practices and ethical business conduct.

Corporate Governance Guidelines

The New Viacom Guidelines will set forth New Viacom's corporate governance principles and practices on a variety of topics, including the responsibilities, composition and functioning of the New Viacom board of directors, director qualifications, and the roles of the committees of the New Viacom

board of directors. The New Viacom Guidelines will be assessed annually by the New Viacom nominating and governance committee and the New Viacom board of directors, and will be updated as needed. In addition to the matters on director independence mentioned above, the New Viacom Guidelines will also provide for, among other things:

separate executive sessions of the non-management directors and independent directors to be held a minimum number of times each year;

stock ownership guidelines for directors, and director compensation to be established in light of the policies set forth in the New Viacom Guidelines;

the non-management directors to play an active role in succession planning; and

the New Viacom board of directors to hold an annual self-evaluation to assess its effectiveness.

New Viacom Board Committee Charters

Each New Viacom standing board committee will operate under a written charter adopted by the New Viacom board of directors. The committee charters will set forth the purpose, objectives and responsibilities of each committee and discuss matters such as committee membership requirements, number of meetings and the setting of meeting agendas. The charters will be assessed annually and will be updated as needed.

New Viacom Business Conduct Statement

New Viacom's business conduct statement, which we refer to in this Prospectus-Information Statement as the "New Viacom BCS," will set forth standards for ethical conduct that are expected of all officers, employees and directors of New Viacom. As part of New Viacom's compliance and ethics program, employees will regularly receive training on the contents of the New Viacom BCS, will be required to certify as to compliance with the document and must disclose any potential conflicts of interest on an ongoing basis. The New Viacom BCS will also set forth the avenues for employees to report violations of the New Viacom BCS, matters of financial impropriety or any matters of concern anonymously or with attribution to the appropriate officers of New Viacom and/or the audit committee.

Waivers of the New Viacom BCS for New Viacom's executive officers and directors will be disclosed on New Viacom's website at <http://www.viacom.com> or by Form 8-K filed with the SEC.

New Viacom Supplemental Code of Ethics for Senior Financial Officers

The New Viacom supplemental code of ethics for senior financial officers will be applicable to New Viacom's chairman, president and chief executive officer, chief financial officer and chief accounting officer. The New Viacom supplemental code of ethics addresses matters specific to those senior financial positions, including responsibility for the quality of the disclosures made in New Viacom's filings with the SEC, reporting obligations with respect to certain matters and a general obligation to promote honest and ethical conduct within New Viacom. The senior financial officers are also required to comply with the New Viacom BCS.

Amendments to and/or waivers of the supplemental code of ethics for these officers will be disclosed on New Viacom's website at <http://www.viacom.com> or by Form 8-K filed with the SEC.

NEW VIACOM DIRECTOR COMPENSATION

Directors of New Viacom who are not employees of New Viacom or any of its subsidiaries, who we refer to in this Prospectus-Information Statement as the "New Viacom outside directors," will be entitled to receive compensation for their service on the New Viacom board of directors and will be eligible to participate in certain director plans, as described below. George S. Abrams, Philippe P. Dauman, Thomas E. Dooley, Ellen V. Futter, Alan C. Greenberg, Robert K. Kraft, Charles E. Phillips,

Jr., Shari Redstone, Frederic V. Salerno and William Schwartz will be the New Viacom outside directors immediately following the separation.

Cash Compensation

The cash compensation for the New Viacom outside directors will be as follows:

an annual retainer of \$60,000, payable in equal installments quarterly in advance, plus a per meeting attendance fee of \$2,000;

the chairs of the audit and compensation committees will each receive an annual retainer of \$20,000, payable in equal installments quarterly in advance, and the members of those committees will receive a per meeting attendance fee of \$2,000; and

the chair of the nominating and governance committee will receive an annual retainer of \$15,000, payable in equal installments quarterly in advance, and the members of that committee will receive a per meeting attendance fee of \$1,500.

Equity Compensation

New Viacom has adopted the New Viacom 2006 Stock Option Plan for Outside Directors, which we refer to in this Prospectus-Information Statement as the "New Viacom director option plan." The New Viacom director option plan will be effective as of the date of the separation and will initially be substantially similar to the Viacom Inc. 2000 Stock Option Plan for Outside Directors, which we refer to in this Prospectus-Information Statement as the "Viacom director option plan," with adjustments made to the number of stock options subject to the initial and annual grants as appropriate to reflect the separation. These adjustments will be made at the time of the separation in a manner designed to give the New Viacom outside directors stock options that are intended to have a value equivalent to the value of the stock options that Viacom outside directors are intended to receive. Viacom outside directors currently receive (i) an initial grant of 10,000 options to purchase Viacom class B common stock, which options vest one year from the date of grant, and (ii) an annual grant of 4,000 options to purchase Viacom class B common stock, which options vest in three equal annual installments on the first, second and third anniversaries of the date of grant.

Accordingly, under the New Viacom director option plan, New Viacom outside directors will automatically receive the following:

for directors who did not serve on the Viacom board of directors immediately prior to the separation, an initial grant of options to purchase shares of New Viacom class B common stock on the date the director first joins the New Viacom board of directors or becomes a New Viacom outside director, which options will vest one year from the date of grant; and

an annual grant of options to purchase shares of New Viacom class B common stock on January 31st of each year, which options will vest in three equal annual installments, on the first, second and third anniversaries of the date of the grant.

The exercise price of the stock option grants will be the closing price of New Viacom class B common stock on the New York Stock Exchange on the date of grant. For a description of the New Viacom director option plan, see the section entitled "New Viacom Director Equity Compensation Plans New Viacom 2006 Stock Option Plan for Outside Directors" beginning on page 122.

New Viacom has adopted the New Viacom 2006 RSU Plan for Outside Directors, which we refer to in this Prospectus-Information Statement as the "New Viacom director RSU plan." The New Viacom director RSU plan will be effective as of the date of the separation and will initially be substantially similar to the Viacom Inc. 2005 RSU Plan for Outside Directors, which we refer to in this Prospectus-Information Statement as the "Viacom director RSU plan." Accordingly, under the New Viacom director RSU plan, New Viacom outside directors will receive an annual grant of RSUs on

January 31st of each year equal to \$55,000 in value based on the closing price of New Viacom class B common stock on the New York Stock Exchange on the date of grant, which RSUs vest one year from the date of grant. RSUs are payable to New Viacom outside directors in shares of New Viacom class B common stock upon vesting unless the New Viacom outside director elects to defer settlement of the RSUs to a future date. New Viacom outside directors are entitled to receive dividend equivalents on the RSUs in the event New Viacom pays a regular cash dividend on New Viacom class B common stock. Dividend equivalents will accrue on the RSUs (including deferred RSUs) in accordance with the plan until the RSUs are settled, at which time the dividend equivalents will be payable in shares of New Viacom class B common stock, with fractional shares paid in cash. For a description of the New Viacom director RSU plan, see the section entitled " New Viacom Director Equity Compensation Plans New Viacom 2006 RSU Plan for Outside Directors" beginning on page 125.

On January 31, 2005, Viacom directors Abrams, Dauman, Greenberg, Phillips, Salerno and Schwartz, who will serve on the New Viacom board of directors following the separation, each received the annual grant of 4,000 options to purchase shares of Viacom class B common stock under the Viacom director option plan. The stock options have an exercise price of \$37.34, which was the closing price of Viacom class B common stock on the New York Stock Exchange on January 31, 2005. On May 26, 2005, in connection with the receipt of stockholder approval of the Viacom director RSU plan, the same group of directors each received an initial grant of 1,563 RSUs, which was equal to \$55,000 in value based on the closing price of Viacom class B common stock on the New York Stock Exchange on that date. In June 2005, Ms. Shari Redstone received a grant of 10,000 options to purchase shares of Viacom class B common stock at the time of her appointment as vice chairman of the Viacom board of directors. The stock options have an exercise price of \$34.21, which was the closing price of Viacom class B common stock on the New York Stock Exchange on June 14, 2005.

Deferred Compensation Plan

New Viacom has adopted the New Viacom Deferred Compensation Plan for Outside Directors, which we refer to in this Prospectus-Information Statement as the "New Viacom director deferred compensation plan." The New Viacom director deferred compensation plan will be effective as of the date of the separation and will initially be substantially similar to the Viacom Inc. Deferred Compensation Plan for Outside Directors adopted in 2005, which we refer to in this Prospectus-Information Statement as the "Viacom director deferred compensation plan." Accordingly, under the New Viacom director deferred compensation plan, the New Viacom outside directors may elect to defer their board of directors and committee retainers and meeting fees for the upcoming calendar year. Deferred amounts will be credited during a calendar quarter to an interest-bearing income account or a stock unit account in accordance with the director's prior election. Amounts credited to an income account will bear interest at the prime rate in effect at the beginning of each calendar quarter. Amounts credited to a stock unit account will be deemed invested in phantom units for an as equal as possible number of shares of New Viacom class A common stock and New Viacom class B common stock, calculated based on the closing market prices on the first day of the next calendar quarter.

Upon a director's retirement from the New Viacom board of directors, the amounts deferred under the New Viacom director deferred compensation plan will be paid in cash in a lump sum or in three or five annual installments, based on the director's prior election, with the lump sum or initial annual installment becoming payable on the later of six months after the director leaves the New Viacom board of directors or on January 15th of the following year. The value of a stock unit account will be determined by reference to the average of the closing market prices of New Viacom class A common stock and New Viacom class B common stock on the New York Stock Exchange on each trading date during the four-week period ending five business days prior to the payment date. Amounts paid in installments will accrue interest until the final installment is paid.

The Viacom board of directors has determined that individuals serving as Viacom directors immediately prior to the separation who join the New Viacom board of directors, but do not serve on

the CBS Corp. board of directors at the time of the separation, will not be deemed to have retired from the Viacom board of directors for purposes of triggering payments of amounts accrued as a Viacom director under the Viacom director deferred compensation plan. The deferred amounts of such persons that are invested in an interest-bearing income account will continue to accrue interest as described above. The deferred amounts of such persons that are invested in a stock unit account will be converted at the time of the separation as follows: each Viacom class A common stock phantom unit will be converted into phantom units representing 0.5 of a share of New Viacom class A common stock and 0.5 of a share of CBS Corp. class A common stock, and each Viacom class B common stock phantom unit will be converted into phantom units representing 0.5 of a share of New Viacom class B common stock and 0.5 of a share of CBS Corp. class B common stock. The deferred compensation accounts of such persons will be paid by New Viacom in the manner described in the preceding paragraph after such persons leave the New Viacom board of directors, except that (i) amounts deferred by such persons prior to January 1, 2005 will be paid on the later of six months after the director leaves the New Viacom board of directors or on January 15th of the following year and (ii) amounts deferred prior to the separation by persons who will serve on both the New Viacom board of directors and the CBS Corp. board of directors following the separation will be allocated equally between New Viacom and CBS Corp. at the time of the separation and then paid by the respective company at the appropriate time.

For information on the number of phantom units in the stock unit accounts of Viacom directors who will serve on the New Viacom board of directors immediately following the separation as of August 31, 2005, see footnote (2) of the section entitled "The Separation Security Ownership of Certain Beneficial Owners and Management of Viacom" beginning on page 59.

Other

Director Attendance at Certain Events. New Viacom believes it is in its best interest for directors to participate in certain New Viacom events and meet with management, customers, talent and others important to New Viacom. Accordingly, the New Viacom board of directors will adopt, prior to the separation, a policy on director attendance at events. This policy is expected to initially be substantially similar to the policy in place at Viacom. Under the policy, directors will be allocated tickets without charge to attend specific events that have been designated as having a business purpose. In addition, travel expenses to such events will be reimbursed by New Viacom in accordance with its normal travel policies. The cost of tickets and travel to any events other than the designated events will be at the director's expense. The nominating and governance committee will be responsible for monitoring the implementation of this policy.

NEW VIACOM DIRECTOR EQUITY COMPENSATION PLANS

New Viacom 2006 Stock Option Plan for Outside Directors

The following description of the New Viacom director option plan should be read in conjunction with, and is qualified in its entirety by reference to, the full text of the plan, a copy of which will be filed as an exhibit to the Registration Statement of which this Prospectus-Information Statement forms a part.

The New Viacom director option plan will be effective as of the date of the separation. The New Viacom director option plan provides for (i) one-time grants to each person, other than directors serving on the Viacom board of directors immediately prior to the separation, who is first elected or appointed to the New Viacom board of directors as, or subsequently becomes, a New Viacom outside director and (ii) annual grants to New Viacom outside directors.

Subject to adjustment as described under the caption entitled "Adjustments" below, the number of shares of New Viacom class B common stock that may be issued under the New Viacom director option plan, when aggregated with the number of shares of New Viacom class B common stock that

may be issued under the New Viacom director RSU plan, is 500,000 shares. Shares of New Viacom class B common stock issued under the New Viacom director option plan may be authorized but unissued shares or treasury shares. The issuance of New Viacom class B common stock under the New Viacom director option plan in any manner will result in a decrease in the number of shares of New Viacom class B common stock that thereafter may be issued under the plan by the number of shares issued. Shares of New Viacom class B common stock covered by expired or terminated stock options and stock options substituted for awards previously granted by an entity acquired by New Viacom, with which New Viacom merges or otherwise combines or from which New Viacom is spun-off or otherwise separated (including stock options substituted for Viacom stock options in connection with the separation) will not be counted towards the plan limit. Unless terminated earlier by action of the New Viacom board of directors, the New Viacom director option plan will terminate on the fifth anniversary of the effective date of the plan, and no additional grants of stock options may be made after that date.

Purpose and Description of the Plan

Purpose of the Plan. The purpose of the New Viacom director option plan is to benefit and advance the interests of New Viacom and its subsidiaries by obtaining and retaining the services of qualified persons who are not employees of New Viacom or any of its subsidiaries to serve as directors and to induce them to make a maximum contribution to the success of New Viacom and its subsidiaries. Directors of New Viacom who are not employees of New Viacom or any of its subsidiaries are considered New Viacom outside directors.

Administration. The New Viacom director option plan is administered by the members of the New Viacom board of directors who are not New Viacom outside directors.

Substitute Stock Options. Notwithstanding any terms or conditions of the New Viacom director option plan to the contrary, the New Viacom board of directors may provide for substitute stock options under the New Viacom director option plan upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by New Viacom, with which New Viacom merges or otherwise combines or from which New Viacom is spun-off or otherwise separated (including stock options substituted for Viacom options in connection with the separation). Substitute stock options may have substantially the same terms and conditions, including the same vesting provisions and exercise periods, as the awards that they replace. New Viacom shares subject to substitute stock options will not count against the share limit of the New Viacom director option plan.

Terms of the Stock Options. The New Viacom director option plan provides that each person, other than directors serving on the Viacom board of directors immediately prior to the separation, who is first elected or appointed to the New Viacom board of directors as, or subsequently becomes, a New Viacom outside director will receive an automatic one-time initial option grant to purchase shares of New Viacom class B common stock, effective as of the date of such person's election or appointment to the New Viacom board of directors or the date on which such person first becomes a New Viacom outside director. The number of stock options that will be the subject of the initial option grant will be determined at the time of the separation in a manner designed to give the New Viacom outside directors an initial grant of stock options that is intended to have a value equivalent to the value that Viacom directors are intended to receive in connection with their initial grant of 10,000 stock options to purchase Viacom class B common stock. Persons who served on the Viacom board of directors immediately prior to the separation will not receive this initial one-time option grant.

The New Viacom director option plan also provides that each New Viacom outside director will receive automatic annual grants of options to purchase shares of New Viacom class B common stock. The number of stock options that will be the subject of the annual option grant will be determined at the time of the separation in a manner designed to give the New Viacom outside directors an annual grant of stock options that is intended to have a value equivalent to the value that Viacom directors

are intended to receive in connection with their annual grant of 4,000 stock options to purchase Viacom class B common stock.

The initial grant of stock options to New Viacom outside directors will vest on the first anniversary of the date of grant, provided the recipient of the stock options is a New Viacom director on such date. Each annual grant of stock options will vest in three equal annual installments, on the first, second and third anniversaries of the date of grant, provided the recipient of the stock options is a New Viacom director on such dates.

Under the New Viacom director option plan, the per share exercise price of the initial and annual stock option grants is equal to the fair market value of a share of New Viacom class B common stock on the date of grant or, if that date is not a business day, on the last business day preceding the date of grant on which the fair market value can be determined. Substitute stock options may have a per share exercise price of less than the fair market value of a share of New Viacom class B common stock on the date of grant (with certain limitations). No stock option granted under the New Viacom director option plan may be exercised more than 10 years after the date of grant. Each share of New Viacom class B common stock purchased through the exercise of a stock option granted under the New Viacom director option plan must be paid in full in cash on or before the settlement date for such share of New Viacom class B common stock.

Stock options granted under the New Viacom director option plan may be exercised up to one year after the director ceases to serve for any reason, including death or permanent disability, as a member of the New Viacom board of directors; provided, however, that the stock options are exercisable only to the extent vested on the date of termination and in no event after the stock options have otherwise expired.

Adjustments. In the event of a merger, consolidation, stock split, dividend (other than a regular cash dividend), distribution, combination, reclassification or recapitalization that changes the character or amount of New Viacom class B common stock or other changes in the corporate structure, equity securities or capital structure of New Viacom, the New Viacom board of directors shall make such proportionate adjustments as it deems appropriate to the number and kind of securities subject to stock options granted under the New Viacom director option plan, the exercise price of the stock options, the number and kind of securities subject to the initial and annual grants under the New Viacom director option plan, and the maximum number and kind of securities reserved for issuance under the New Viacom director option plan.

Transfer Restrictions, Etc. The New Viacom director option plan provides that the rights of the recipient of stock options are not transferable other than (i) by will or the laws of descent and distribution or (ii) upon prior notice to New Viacom, to (A) members of the recipient's immediate family or trusts whose beneficiaries are members of the recipient's immediate family; provided, however, that any such transfer is made for estate and/or tax planning purposes without consideration being received, or (B) former spouses in transfers incident to a divorce. The New Viacom board of directors may also permit other transferability, subject to any conditions and limitations that it imposes. No grant of stock options under the New Viacom director option plan entitles the holder to any rights of a holder of shares of New Viacom class B common stock, except upon delivery of shares upon exercise of a stock option, nor will any such grant be construed as giving the recipient the right to remain a member of the New Viacom board of directors.

Amendment and Termination of the Plan. The New Viacom board of directors may at any time alter, amend, suspend or terminate the New Viacom director option plan, in whole or in part, except that no amendment will be effective without stockholder approval if approval is required by law or under the rules of the New York Stock Exchange or other principal stock exchange on which New Viacom class B common stock is then listed, and no alteration, amendment, suspension or termination

may adversely affect the terms of any outstanding stock options without the consent of the affected recipient.

U.S. Federal Income Tax Consequences. The stock options granted under the New Viacom director option plan will be "non-qualified stock options" and will not qualify as incentive stock options for U.S. federal income tax purposes. For a discussion of the U.S. federal income tax consequences associated with the grant and exercise of non-qualified stock options, see the section entitled " Certain New Viacom Executive Compensation Plans New Viacom 2006 Long-Term Management Incentive Plan U.S. Federal Income Tax Consequences" beginning on page 143.

New Plan Benefits. Only New Viacom outside directors are eligible to receive awards of stock options under the New Viacom director option plan. It is not possible to estimate the annual benefit that New Viacom would expect to allocate to the New Viacom outside directors under the New Viacom director option plan. No officers or employees of New Viacom will be eligible to participate in the New Viacom director option plan; therefore, no benefit will accrue to such persons.

New Viacom 2006 Director RSU Plan for Outside Directors

The following description of the New Viacom director RSU plan should be read in conjunction with, and is qualified in its entirety by reference to, the full text of the plan, a copy of which will be filed as an exhibit to the Registration Statement of which this Prospectus-Information Statement forms a part.

The New Viacom director RSU plan will be effective as of the date of the separation. The New Viacom director RSU plan provides for automatic annual grants of RSUs of New Viacom class B common stock on January 31st of each year to the New Viacom outside directors. The amount of the annual grants of RSUs will be determined by dividing (i) \$55,000 by (ii) the fair market value of one share of New Viacom class B common stock on the date of grant.

Subject to adjustment as described under the caption " Purpose and Description of the Plan Adjustments" below, the number of shares of New Viacom class B common stock that may be issued under the New Viacom director RSU plan, when aggregated with the number of shares of New Viacom class B common stock that may be issued under the New Viacom director option plan, is 500,000 shares. Shares of New Viacom class B common stock issued under the New Viacom director RSU plan may be authorized but unissued shares or treasury shares. The settlement of RSUs under the New Viacom director RSU plan in any manner will result in a decrease in the number of shares of New Viacom class B common stock that thereafter may be issued under the plan by the number of shares issued upon such settlement. Shares of New Viacom class B common stock with respect to which RSUs lapse, expire or are canceled without being settled or are otherwise terminated may be regranted under the New Viacom director RSU plan. RSUs substituted for awards previously granted by an entity acquired by New Viacom, with which New Viacom merges or otherwise combines or from which New Viacom is spun-off or otherwise separated (including RSUs substituted for Viacom RSUs in connection with the separation) will not be counted against the New Viacom director RSU plan limit. Unless terminated earlier by action of the New Viacom board of directors, the New Viacom director RSU plan will terminate on the fifth anniversary of the effective date of the plan, and no additional grants may be made after that date.

Purpose and Description of the Plan

Purpose of the Plan. The purpose of the New Viacom director RSU plan is to benefit and advance the interests of New Viacom and its subsidiaries by obtaining and retaining the services of qualified persons who are not employees of New Viacom or any of its subsidiaries to serve as directors and to induce them to make a maximum contribution to the success of New Viacom and its subsidiaries. Directors of New Viacom who are not employees of New Viacom or any of its subsidiaries are considered New Viacom outside directors.

Administration. The New Viacom director RSU plan will be administered by the members of the New Viacom board of directors who are not New Viacom outside directors.

Substitute RSUs. Notwithstanding any terms or conditions of the New Viacom director RSU plan to the contrary, the New Viacom board of directors may provide for substitute RSUs under the New Viacom director RSU plan upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by New Viacom, with which New Viacom merges or otherwise combines or from which New Viacom is spun-off or otherwise separated (including RSUs substituted for Viacom RSUs in connection with the separation). Substitute RSUs may have substantially the same terms and conditions, including the same vesting provisions, as the awards that they replace. New Viacom shares subject to substitute RSUs will not count against the share limit of the New Viacom director RSU plan.

Terms of the Director RSUs. The New Viacom director RSU plan provides that on January 31st of each year, each person who is a New Viacom outside director will automatically be granted a number of RSUs determined by dividing (i) \$55,000 by (ii) the fair market value of one share of New Viacom class B common stock on the date of grant or, if that date is not a business day, on the last business day preceding the date of grant on which the fair market value can be determined. New Viacom outside directors elected after January 31, 2006 first become eligible to receive an award under the New Viacom director RSU plan as of the date of the next annual grant of RSUs and such annual grant will not be subject to proration.

RSUs will vest in full on the first anniversary of the date of grant. Subject to the following paragraph, upon vesting, New Viacom will settle the RSUs by delivering the corresponding number of shares of New Viacom class B common stock and cash in lieu of any fractional shares. A New Viacom outside director who terminates service as a member of the New Viacom board of directors for any reason will forfeit all of his or her unvested RSUs.

The New Viacom director RSU plan permits recipients of RSUs to elect to defer settlement of the RSUs to a date after the vesting date. New Viacom outside directors who elect to defer settlement of RSUs may elect to have their deferral settled in a single distribution or in three or five annual installments. The single distribution or first annual installment, as applicable, will be payable in accordance with the director's prior election on the later of (i) six months following the date of the director's termination of services on the New Viacom board of directors for any reason and (ii) January 31 of the calendar year following the calendar year in which the director's service on the New Viacom board of directors terminates for any reason.

Dividend Equivalents. The New Viacom director RSU plan provides that dividend equivalents will be awarded with respect to the RSUs in the event New Viacom pays a regular cash dividend with respect to shares of New Viacom class B common stock. Dividend equivalents will be credited in dollar amounts to a bookkeeping account that New Viacom will maintain on behalf of each New Viacom outside director.

Dividend equivalents will accrue on the RSUs until the RSUs vest, at which time they will be paid in shares of New Viacom class B common stock, based on the fair market value of New Viacom class B common stock on the vesting date, with any fractional shares paid in cash. Payment of dividend equivalents that have been credited to the recipient's account will not be made with respect to any RSUs that do not vest and are canceled.

If a New Viacom outside director elects to defer settlement of his or her RSUs, the deferred RSUs will continue to earn dividend equivalents through the settlement date. These dividend equivalents will be converted on each anniversary of the original vesting date into additional whole and/or fractional RSUs, based on the fair market value of New Viacom class B common stock on the respective date, and these additional RSUs will be deferred and settled at the same time and in the same manner as the original underlying RSUs.

Adjustments. In the event of a merger, consolidation, stock split, dividend (other than a regular cash dividend), distribution, combination, reclassification, recapitalization, reorganization, split-up or spin-off that changes the character or amount of New Viacom class B common stock or other changes in the corporate structure, equity securities or capital structure of New Viacom, the New Viacom board of directors will make such proportionate adjustments as it deems appropriate to the number and kind of securities subject to outstanding awards granted under the New Viacom director RSU plan, the number and kind of securities subject to the RSU grants under the New Viacom director RSU plan, and the maximum number and kind of securities available for issuance under the New Viacom director RSU plan. The New Viacom board of directors may, in its sole discretion, also make other adjustments as it deems appropriate in order to preserve, but not increase, the benefits or potential benefits under the New Viacom director RSU plan. All adjustments will be conducted in a manner consistent with any adjustments under the New Viacom director option plan.

Transfer Restrictions, Etc. The New Viacom director RSU plan provides that the rights of the recipient of awards granted under the New Viacom director RSU plan are not transferable other than (i) by will or the laws of descent and distribution or (ii) upon prior notice to New Viacom, to (A) members of the recipient's immediate family or trusts whose beneficiaries are members of the recipient's immediate family; provided, however, that any such transfer is made for estate and/or tax planning purposes without consideration being received, or (B) former spouses in transfers incident to a divorce. The New Viacom board of directors may also permit other transfers, subject to any conditions and limitations that it imposes. No grant of awards under the New Viacom director RSU plan entitles the holder to any rights of a holder of shares of New Viacom class B common stock, except upon delivery of shares upon settlement of an award, nor will any such grant be construed as giving the recipient the right to remain a member of the New Viacom board of directors.

Amendment and Termination of the Plan. The New Viacom board of directors may at any time alter, amend, suspend or terminate the New Viacom director RSU Plan, in whole or in part, except that no amendment will be effective without stockholder approval if approval is required by law or under the rules of the New York Stock Exchange or other principal stock exchange on which New Viacom class B common stock is then listed, and no alteration, amendment, suspension or termination may adversely affect the terms of any outstanding award without the consent of the affected recipient. A participant's consent will not be required, however, if the New Viacom board of directors determines that such alteration, amendment, suspension or termination of the New Viacom director RSU plan is necessary or advisable to comply with any law, regulation, ruling, judicial decision or accounting standards or to ensure that RSUs or dividend equivalents are not subject to U.S. federal, state or local income tax prior to settlement.

Tax Consequences. New Viacom outside directors generally will not recognize income when they are awarded RSUs or when dividend equivalents are credited on their behalf. New Viacom outside directors will recognize ordinary income in an amount equal to the fair market value of the shares of New Viacom class B common stock that are delivered when their RSUs are settled. New Viacom will generally be entitled to a tax deduction in the same amount.

New Plan Benefits. Only New Viacom outside directors are eligible to receive awards of RSUs under the New Viacom director RSU plan. It is not possible to estimate the annual benefit that New Viacom would expect to allocate to the New Viacom outside directors under the New Viacom director RSU Plan. No officers or employees of New Viacom will be eligible to participate in the New Viacom director RSU plan; therefore, no benefit will accrue to such persons.

NEW VIACOM EXECUTIVE COMPENSATION

Summary Executive Compensation Table

The following table sets forth information concerning the total compensation in 2004 for the persons who will serve as the chief executive officer and the four most highly compensated executive officers of New Viacom, which we refer to in this Prospectus-Information Statement as the "New Viacom named executive officers," based on 2004 compensation paid by Viacom to such individuals in their capacities at Viacom. These amounts do not reflect the compensation such individuals will receive following the separation. The share information set forth below does not give effect to the separation. For a discussion of the adjustments with respect to Viacom equity-based awards in connection with the separation, see the section entitled "The Separation Merger Agreement Treatment of Outstanding Viacom Equity Compensation Awards" beginning on page 53.

Name and Principal Position at New Viacom	Year	Annual Compensation(1)			Long-Term Compensation Awards	
		Salary (\$)	Bonus (\$)	Other Annual Compensation \$(2)	Securities Underlying Options (#)	All Other Compensation \$(3)
Sumner M. Redstone* Chairman	2004	\$ 4,973,073	\$ 16,500,000	\$ 106,422	2,050,000	\$ 28,440
Thomas E. Freston President and Chief Executive Officer	2004	4,221,539	16,000,000	126,257	1,900,000	8,540
Michael D. Fricklas Executive Vice President, General Counsel and Secretary	2004	1,083,173	2,000,000	14,599	125,000	22,500
Robert M. Bakish Executive Vice President, Operations and Viacom Enterprises	2004	730,577	1,682,100	14,212	65,000	22,500
Michael J. Dolan** Executive Vice President and Chief Financial Officer	2004					

*

The information concerning Mr. Redstone's total compensation in 2004 has also been presented, and is duplicative of the information provided, in the summary executive compensation table in the section entitled "Description of CBS Corp. After the Separation CBS Corp. Executive Compensation Summary Executive Compensation Table" beginning on page 203.

**

Mr. Dolan commenced employment as executive vice president and chief financial officer of Viacom on May 2, 2005. Pursuant to the terms of his employment agreement and pro rated from the date he joined Viacom, Mr. Dolan is expected to receive base salary in the amount of \$1,006,600 and bonus compensation in the minimum amount of \$1,008,800 for 2005. For a description of Mr. Dolan's compensation, see the section entitled " Employment Agreements" beginning on page 133.

(1)

Annual compensation from Viacom for 2004 for the New Viacom named executive officers includes the following amounts of compensation deferred under Viacom's 401(k) and excess 401(k) plans and bonus deferral plan and pursuant to their employment agreements with Viacom: for Mr. Redstone in the amount of \$2,809,612; for Mr. Freston in the amount of \$1,013,000; for Mr. Fricklas in the amount of \$405,481; and for Mr. Bakish in the amount of \$268,471.

(2)

Edgar Filing: VIACOM INC - Form S-4/A

Other annual compensation from Viacom for 2004 for Mr. Redstone includes amounts relating to Viacom's incremental cost for non-business use of the Viacom aircraft of \$92,120. Other annual compensation for 2004 for Mr. Freston includes amounts relating to Viacom's incremental cost for non-business use of Viacom aircraft of \$68,855 and \$43,100 for reimbursement in lieu of hotel expenses for each night that he is required to be in Los Angeles for business and stays in his own home (Mr. Freston is based in New York); Mr. Freston has waived the right to receive such reimbursement in lieu of

Edgar Filing: VIACOM INC - Form S-4/A

hotel expenses for 2005 and subsequent years. Other annual compensation for 2004 for Messrs. Redstone, Freston, Fricklas and Bakish includes a car allowance of \$13,200 per annum, the value of company-provided car insurance and the personal use of car services. The incremental cost of Viacom aircraft is calculated by dividing the total variable costs (such as fuel, aircraft maintenance, landing and navigation fees and flight crew expenses) by the total flight hours for such year and multiplying such amount by the individual's total number of flight hours for non-business use for the year.

(3)

Viacom maintains a program of life and disability insurance which is generally available to all salaried employees on the same basis. In addition, during 2004, Viacom maintained for Messrs. Redstone and Freston certain supplemental life insurance benefits. All other compensation includes (a) premiums paid by Viacom for life insurance coverage for 2004 for each of Messrs. Redstone and Freston of \$5,940; (b) Viacom's matching contributions under Viacom's 401(k) plans for 2004 for Mr. Redstone of \$6,150 and for each of Messrs. Freston, Fricklas and Bakish of \$2,600; and (c) credits for Viacom's matching contributions under Viacom's excess 401(k) plans for 2004 for Mr. Redstone of \$16,350 and for each of Messrs. Fricklas and Bakish of \$19,900.

Option Grants to New Viacom Named Executive Officers in Fiscal 2004

The following table sets forth certain information with respect to option grants to purchase shares of Viacom class B common stock awarded during 2004 to the New Viacom named executive officers in their capacities at Viacom. The table includes a column designated "Grant Date Present Value." The calculation in that column is based on the Black-Scholes option pricing model adapted for use in valuing stock options. The amount of stock options granted is not indicative of the amount of stock options for New Viacom class B common stock these individuals may receive following the separation. The share information set forth below does not give effect to the separation. For a discussion of the adjustments with respect to Viacom equity-based awards in connection with the separation, see the section entitled "The Separation Merger Agreement Treatment of Outstanding Viacom Equity Compensation Awards" beginning on page 53.

Name	Individual Grants				
	Number of Shares of Viacom Class B Common Stock Underlying Options	% of Total Options Granted to Employees in Fiscal 2004	Exercise Price (\$/Share)	Expiration Date	Grant Date Present Value \$(4)
Sumner M. Redstone*	550,000(1)	1.94%	\$ 37.66	5/19/14	\$ 9,724,550
	500,000(2)	1.77%	35.51	7/01/14	8,228,500
	1,000,000(2)	3.53%	35.51	7/01/14	16,457,000
Thomas E. Freston	400,000(3)	1.41%	40.39	1/28/14	7,361,600
	500,000(2)	1.77%	35.51	7/01/14	8,228,500
	1,000,000(2)	3.53%	35.51	7/01/14	16,457,000
Michael D. Fricklas	125,000(3)	**	40.39	1/28/14	2,300,500
Robert M. Bakish	65,000(3)	**	40.39	1/28/14	1,196,260
Michael J. Dolan					

*

The information concerning Mr. Redstone's option grants for 2004 has also been presented, and is duplicative of the information provided, in the option grant table in the section entitled "Description of CBS Corp. After the Separation CBS Corp. Executive Compensation Option Grants to CBS Corp. Named Executive Officers in Fiscal 2004" beginning on page 204.

**

Less than 1%.

(1)

This grant was awarded to Mr. Redstone on May 19, 2004 and vests in one-quarter increments on May 19, 2005, May 19, 2006, May 19, 2007 and May 19, 2008.

(2)

These grants were awarded to Messrs. Redstone and Freston on July 1, 2004. For each executive, 500,000 of these options vested on December 31, 2004 and the remaining 1,000,000 options vest in one-quarter increments on July 1, 2005, July 1, 2006, July 1, 2007 and July 1, 2008.

(3)

These grants were awarded to Messrs. Freston, Fricklas and Bakish on January 28, 2004 and were originally scheduled to vest in one-quarter increments on January 28, 2005, January 28, 2006, January 28, 2007 and January 28, 2008. The vesting of these options was accelerated in March 2005, and these options are now exercisable. However, Messrs. Freston and Fricklas must refrain from selling the shares of Viacom class B common stock acquired upon the exercise of these options (other than shares needed to cover the exercise price and satisfy withholding taxes) until the date on which the exercise would have

Edgar Filing: VIACOM INC - Form S-4/A

been permitted under the option's original vesting terms or, if earlier, the executive officer's last day of employment. For a discussion of the acceleration of the vesting of these options, see the section entitled " Aggregated Option Exercises by New Viacom Named Executive Officers in Fiscal 2004 and Value of Options at December 31, 2004" beginning on page 130.

(4)

The actual value, if any, an executive may realize will depend on the excess of the stock price over the exercise price on the date the option is exercised. There is no assurance that the value realized by an executive will be at or near the value estimated by the Black-Scholes model. Expected volatility for stock option grants was determined based on the historical volatility on the date of grant. The grant date values presented in the table were determined in part using the following weighted-average assumptions. No adjustments were made for non-transferability or risk of forfeiture.

Expected volatility	38.60%
Risk-free rate of return	4.46%
Dividend yield	0.66%
Time of exercise	7.5 years

The approach used in developing the assumptions upon which the Black-Scholes valuation is based is consistent with the requirements of SFAS No. 123.

Aggregated Option Exercises by New Viacom Named Executive Officers in Fiscal 2004 and Value of Options at December 31, 2004

The following table sets forth information with respect to the exercise of options to purchase shares of Viacom class B common stock during 2004 for the New Viacom named executive officers and the status of their options at December 31, 2004. The share information set forth below does not give effect to the separation. For a discussion of the adjustments with the respect to Viacom equity-based awards in connection with the separation, see the section entitled "The Separation Merger Agreement Treatment of Outstanding Viacom Equity Compensation Awards" beginning on page 53.

Name	Number of Shares of Viacom Class B Common Stock Acquired on Exercise	Value Realized (\$)	Number of Shares of Viacom Class B Common Stock Underlying Unexercised Options as of December 31, 2004		Value of Unexercised In-the-Money Options as of December 31, 2004 (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Sumner M. Redstone*	341,500	\$ 6,744,625	10,721,000	2,637,500	\$ 79,895,690	\$ 880,000
Thomas E. Freston	180,000	1,681,400	3,097,000	2,255,000	8,143,955	880,000
Michael D. Fricklas	0	0	490,000	280,000	3,058,500	0
Robert M. Bakish	0	0	281,250	143,750	1,322,538	0
Michael J. Dolan						

*

The information concerning Mr. Redstone's exercise of options during 2004 and the status of his options at December 31, 2004 has also been presented, and is duplicative of the information provided, in the table in the section entitled "Description of CBS Corp. After the Separation CBS Corp. Executive Compensation Aggregated Option Exercises by CBS Corp. Named Executive Officers in Fiscal 2004 and Value of Options at December 31, 2004" beginning on page 205.

On March 8, 2005, the Viacom compensation committee approved the acceleration of the vesting of unvested stock options having an exercise price of \$38 or greater (other than options under Viacom's Fund the Future program) granted from 1999 through May 19, 2004 under Viacom's 2000 Long-Term Management Incentive Plan, as amended and restated, that were held by current employees on March 8, 2005, including the New Viacom named executive officers (other than Mr. Dolan, who was not an employee of Viacom at that time). Also accelerated were a small number of unvested stock options having an exercise price of \$38 or greater granted under Viacom's 1997 Long-Term Management Incentive Plan, as amended and restated. Stock option awards granted from 1999 through May 19, 2004 with respect to approximately 29 million shares of Viacom class B common stock, including options with respect to 2,371,250 shares of Viacom class B common stock that were held by New Viacom named executive officers, are subject to this acceleration which was effective as of March 8, 2005. The compensation committee also imposed a holding period that will require Viacom executive officers who become New Viacom executive officers to refrain from selling the shares acquired upon the exercise of these options (other than shares needed to cover the exercise price and

satisfy withholding taxes) until the date on which the exercise would have been permitted under the option's original vesting terms or, if earlier, the executive officer's last day of employment.

Retirement Plans

New Viacom intends to establish effective as of the date of the separation a New Viacom tax-qualified defined benefit pension plan, which we refer to in this Prospectus-Information Statement as the "New Viacom pension plan," for all eligible employees of New Viacom who satisfy age and service requirements, including the New Viacom named executive officers. The New Viacom pension plan will be substantially similar to the Viacom Pension Plan, which we refer to in this Prospectus-Information Statement as the "Viacom pension plan." As of the date of the separation, the New Viacom pension plan will assume from the Viacom pension plan the liability for benefits accrued through the date of the separation for the New Viacom named executive officers who participated in the Viacom pension plan. Assets allocable to those accrued benefits will be transferred from the Viacom pension plan to the New Viacom pension plan as soon as practicable following the separation.

Participation in the New Viacom pension plan will begin on the later of the date an employee turns 21 and completes one year of eligibility service. An eligible employee will receive a retirement benefit that is calculated using the plan formula and is based upon the employee's years of benefit service (up to a maximum of 30 years) and final average compensation (eligible salary, commissions and bonus) for the highest 60 consecutive months out of the final 120 months of employment. Participants in the New Viacom pension plan will receive credit for years of service credited under the Viacom pension plan prior to the separation. Employees are fully vested in their accrued benefit upon completion of five full years of service. Following the receipt of assets transferred from the Viacom pension plan, New Viacom will pay the entire cost of the benefits provided by the New Viacom pension plan.

Compensation for purposes of the New Viacom pension plan is limited by federal law to \$210,000 for 2005. This amount is adjusted each year in accordance with the Code. Viacom intends to establish the New Viacom excess pension plan, which we refer to in this Prospectus-Information Statement as the "New Viacom excess pension plan," effective as of the date of the separation to provide benefits to participants in the New Viacom pension plan whose annual base salary and commissions exceed the annual compensation limitation. The New Viacom excess pension plan will be substantially similar to the Viacom Excess Pension Plan, which we refer to in this Prospectus-Information Statement as the "Viacom excess pension plan." The liability for amounts credited under the Viacom excess pension plan through the date of the separation for the New Viacom named executive officers who participated in the Viacom excess pension plan prior to the separation will be transferred to the New Viacom excess pension plan on or as soon as practicable following the separation.

The benefits under the New Viacom excess pension plan will be calculated using the New Viacom pension plan formula and eligible compensation in excess of the annual compensation limitation. The maximum amount of total annual compensation that may be taken into account under the New Viacom pension plan and the New Viacom excess pension plan, which we refer to collectively in this Prospectus-Information Statement as the "New Viacom pension plans," is \$750,000 or, for any employee who was a participant in the Viacom excess pension plan as of December 31, 1995, the employee's base salary as of December 31, 1995, if greater than \$750,000. (For any participant who is also a participant in the Viacom (to be renamed CBS Corporation) pension plan and Viacom excess pension plan following the separation, which includes Mr. Redstone, the maximum amount is limited to \$375,000.) The benefits under the New Viacom excess pension plan are not subject to the Code provisions that limit the compensation used to determine benefits and the amount of annual benefits payable under the New Viacom pension plan.

The following table illustrates, for representative average annual compensation and years of benefit service classifications, the annual retirement benefit payable to employees under the New Viacom

pension plans upon retirement in 2005 at age 65, based on the single life annuity form of benefit payment and not subject to offset.

New Viacom Pension Plan Table

Remuneration	Years of Service			
	15	20	25	30
\$ 250,000	\$ 62,154	\$ 82,872	\$ 103,590	\$ 124,307
500,000	127,779	170,372	212,965	255,557
750,000	193,404	257,872	322,340	386,807
1,000,000	259,029	345,372	431,715	518,057

The number of years of benefit service through December 31, 2004 that will be credited for Messrs. Freston, Fricklas, Redstone and Bakish are approximately 19 years, 10.5 years, two years and seven years, respectively. Mr. Dolan's participation in the New Viacom pension plans will commence on May 2, 2006 for purposes of benefit service. Mr. Freston's base salary as of December 31, 1995 exceeded \$750,000 but was less than \$1 million and his pension benefit will therefore be based on his base salary as of that date.

Mr. Redstone's participation in the New Viacom pension plans will be deemed to have commenced in March 2003 for purposes of eligibility and vesting. Mr. Redstone must receive certain minimum payments from the New Viacom pension plan on an annual basis.

In addition, New Viacom intends to establish the New Viacom 401(k) plan, which we refer to in this Prospectus-Information Statement as the "New Viacom 401(k) plan," a tax-qualified defined contribution plan, effective as of the date of the separation for all eligible employees of New Viacom and former New Viacom employees who participated in the Viacom 401(k) plan. The New Viacom 401(k) plan will be substantially similar to the Viacom 401(k) plan. The full account balances of the New Viacom named executive officers under the Viacom 401(k) plan will be transferred to the New Viacom 401(k) plan on or as soon as practicable following the separation. Full-time employees of New Viacom who have turned 21 will be eligible to participate in the New Viacom 401(k) plan immediately upon their date of hire. Participants may defer between 1% and 15% of their eligible compensation on a before tax or after tax basis. The New Viacom matching contribution will be calculated using a performance-based formula. Employees become vested in their matching contribution account in the New Viacom 401(k) plan according to a schedule over a five-year period. For purposes of vesting, participants will receive credit for years of service credited under the Viacom 401(k) plan prior to the separation.

Compensation for purposes of the New Viacom 401(k) plan is limited by federal law to \$210,000 for 2005. This amount is adjusted each year in accordance with the Code. New Viacom intends to establish and adopt supplemental 401(k) plans effective as of the date of the separation to provide benefits to employees who are participants in the New Viacom 401(k) plan and whose annual base salary and commissions exceed the annual compensation limitation. The New Viacom supplemental 401(k) plans will be substantially similar to the Viacom supplemental 401(k) plans. The amounts credited under the Viacom supplemental 401(k) plans through the date of the separation for the New Viacom named executive officers who participated in the Viacom supplemental 401(k) plans prior to the separation will be transferred to the New Viacom supplemental 401(k) plans on or as soon as practicable following the separation. Matching contributions made by New Viacom to the New Viacom 401(k) plan and the New Viacom supplemental 401(k) plans together will not be made with respect to compensation in excess of \$750,000 for any participant. (For any participant who is also a participant in the Viacom (to be renamed CBS Corporation) 401(k) plan and Viacom supplemental 401(k) plans following the separation, which includes Mr. Redstone, the maximum amount of compensation with respect to which matching contributions will be made is limited to \$375,000.) Amounts deferred under

the New Viacom supplemental 401(k) plans will track the investment performance of the funds selected by the participant for amounts contributed to the New Viacom 401(k) plan.

Employment Agreements

On July 1, 2004, Viacom entered into an employment agreement with Mr. Redstone. The agreement provides that Mr. Redstone will continue to serve as Viacom's chairman and chief executive officer, with all the rights, powers, functions, duties and responsibilities customarily associated with such titles or assigned to him by the Viacom board of directors commensurate with his status as chairman and chief executive officer. Pursuant to the agreement, Mr. Redstone began to receive a salary of \$3.5 million per annum on July 1, 2004 and deferred compensation of \$1 million for the six-month period from July 1, 2004 through December 31, 2004 (based on the annualized rate of \$2 million) that will increase for subsequent calendar years by \$300,000 on each January 1st, commencing January 1, 2005. In addition, Mr. Redstone is eligible to receive annual bonus compensation with a target bonus set at 200% of the sum of his salary and deferred compensation for such year. Mr. Redstone is entitled to be provided with \$5 million of life insurance during his employment with Viacom. Mr. Redstone's employment agreement has no specific term and may be terminated at the will of either party upon notice to the other. Effective as of the date of the separation, Mr. Redstone will serve as the chairman of the New Viacom board of directors. The compensation and benefits described above do not reflect the compensation and benefits that Mr. Redstone will receive from New Viacom following the separation.

On July 1, 2004, Viacom entered into an employment agreement with Mr. Freston with a five-year term. On June 14, 2005, Viacom amended the terms of Mr. Freston's employment agreement by letter agreement. Effective as of the date of the separation, Mr. Freston's employment agreement will be assigned to New Viacom and Mr. Freston will serve as the president and chief executive officer of New Viacom. The employment agreement provides that such assignment will not constitute "good reason" to terminate the agreement.

Pursuant to his employment agreement, Mr. Freston began to receive a salary of \$3 million per annum on July 1, 2004 and deferred compensation at a rate of \$2 million per annum that will increase for subsequent calendar years by \$300,000 on each January 1st, commencing January 1, 2005. In addition, Mr. Freston is eligible to receive annual bonus compensation with a target bonus set at 200% of the sum of his salary and deferred compensation for such year. Mr. Freston is entitled to be provided with \$8 million of life insurance during the employment term.

Pursuant to their employment agreements, Messrs. Redstone and Freston each received a grant under the Viacom 2004 Long-Term Management Incentive Plan, which we refer to in this Prospectus-Information Statement as the "Viacom LTMIIP," of stock options to purchase 1,500,000 shares of Viacom class B common stock, of which 500,000 vested on December 31, 2004 and the remaining 1,000,000 will vest in four equal annual installments. These stock options have a ten-year term from the date of grant. The exercise price of these stock options was set at the fair market value of the Viacom class B common stock on the date of grant. Their agreements provide for Messrs. Redstone and Freston to receive awards under the Viacom LTMIIP or a successor plan of 115,000 RSUs per year during the first quarter of each of 2005, 2006, 2007 and 2008. The RSUs will vest upon certification by the Viacom compensation committee that the one-year performance criteria established by the Viacom compensation committee for the year in which the units were granted have been achieved. The units are payable in shares of Viacom class B common stock. The executive can elect to defer payment of the RSUs prior to the year of grant for up to ten years for in-service distributions and for up to three years for post-termination distributions. The employment agreement for Mr. Freston provides that, in connection with the separation, (i) his outstanding stock options will be adjusted in the same manner as outstanding stock options held by other employees of New Viacom and in a manner that the Viacom compensation committee determines in good faith would eliminate any reduction in value, (ii) the number of RSUs to be awarded to Mr. Freston will be adjusted using a specified formula, and (iii) grants of RSUs scheduled to be awarded to Mr. Freston during the first calendar quarter of 2006 may be rescheduled if the separation has not occurred by that date.

The employment agreement for Mr. Freston contains restrictive covenants imposing non-competition obligations, restricting solicitation of employees, protecting confidential information and Viacom's ownership of work product and requiring cooperation in litigation, as well as other covenants, during the executive's employment and for specified periods after the termination of employment.

The employment agreement for Mr. Freston provides that, in the event of the termination of his employment by Viacom without "cause" or his voluntary termination for "good reason" (as these terms are defined in his employment agreement) during the employment term, Mr. Freston will be entitled to receive salary, deferred compensation and target bonus compensation and certain benefits and perquisites for the balance of the employment term (or, in the case of medical and dental coverage under the Consolidated Omnibus Budget Reconciliation Act, which we refer to in this Prospectus-Information Statement as "COBRA," for at least 18 months after the date of termination), subject to mitigation after the first 36 months. Further, in such event, all unvested RSUs will vest and become payable and all stock options granted on or after July 1, 2004 that are vested on the date of such termination of his employment, or that would have vested and become exercisable by the end of the employment term, will be exercisable for the following period after the date of such termination (but not beyond the expiration date of the stock options): (i) six months, if the termination occurs during the first year of the term, (ii) one year, if the termination occurs during the second year of the term, (iii) two years, if the termination occurs during the third year of the term, and (iv) three years, if the termination occurs during the fourth or fifth years of the term. In addition, the employment agreement provides that unless the separation occurs and the agreements are assigned as described above, if Mr. Freston becomes the sole president and chief operating officer of Viacom because Mr. Moonves is promoted to chief executive officer of Viacom, (x) Mr. Freston may terminate his employment after he has remained in that position for 18 months and receive salary, deferred compensation, target bonus compensation and certain benefits and perquisites for six months after the termination of his employment and (y) all of Mr. Freston's unvested RSUs will vest and become payable and all stock options granted on or after July 1, 2004 that are vested on the date of such termination of his employment, or that would have vested and become exercisable by June 30, 2009, will be exercisable for three years after the date of termination (but not beyond the expiration date of the stock options).

Mr. Fricklas's employment agreement with Viacom was amended in April 2005. Effective as of the date of the separation, Mr. Fricklas's employment agreement with Viacom will be assigned to New Viacom and Mr. Fricklas will serve as executive vice president, general counsel and secretary of New Viacom. The employment agreement provides that it shall not be considered "good reason" or a breach of Viacom's obligations under the employment agreement if Mr. Fricklas is assigned duties directly comparable to those set forth in his employment agreement for New Viacom, reports to the chairman or the chief executive officer of New Viacom directly, holds a title no less than the title he currently holds with Viacom and the financial statements of New Viacom report no less than 30% of the consolidated revenues and OIBDA of Viacom for the year ended December 31, 2004. In this Prospectus-Information Statement, we refer to "OIBDA" as operating income before depreciation and amortization. Mr. Fricklas's agreement provides that he will continue to be employed as executive vice president, general counsel and secretary of Viacom through January 31, 2008, at a salary of \$1 million per annum that will increase to \$1.25 million per annum on January 1, 2006. Mr. Fricklas's annual target bonus was set at \$1 million for calendar years 2004 and 2005 and will increase to 100% of the sum of his salary and deferred compensation for 2006 and subsequent years. Mr. Fricklas will earn deferred compensation at an annual rate of \$100,000 through April 30, 2005 and then at an annual rate of \$175,000 for the balance of 2005. Beginning on January 1, 2006, Mr. Fricklas will earn deferred compensation at an annual rate of \$250,000. Mr. Fricklas also will be eligible to receive annual grants of long-term compensation for 2006 and subsequent years, as determined by the Viacom compensation committee based on a target value of \$3 million. For this purpose, in 2004, the Black-Scholes valuation method was used to value stock options. Mr. Fricklas will be provided with \$5 million of life insurance

in effect from January 1, 2006. Mr. Fricklas's employment agreement contains restrictive covenants imposing non-competition obligations, restricting solicitation of employees, protecting confidential information and Viacom's ownership of work product and requiring cooperation in litigation, as well as other covenants, during his employment and for specified periods after the termination of employment. In the event of the termination of Mr. Fricklas's employment by Viacom without "cause" or his voluntary termination for "good reason" (as these terms are defined in his employment agreement) during the employment term, he will be entitled to receive salary, deferred compensation and target bonus compensation and certain benefits and perquisites for the balance of the employment term, subject to mitigation after the first 12 months. Further, in such event, stock options that would have vested during the employment term will vest on the date of termination and, together with outstanding options that vested prior to the date of termination, will remain exercisable for the following period after the date of termination (but not beyond the expiration of such stock options): one year for options granted on or after January 29, 2003 and six months for options granted before January 29, 2003. Effective as of the date of the separation, the restrictive covenants contained in Mr. Fricklas's employment agreement will apply to the benefit of both New Viacom and CBS Corp. until one year after the date of the separation and thereafter only to New Viacom.

On August 1, 2004, Viacom entered into an employment agreement with Mr. Bakish for a three-year term. The employment agreement provides that Mr. Bakish will be employed as executive vice president, operations, of the office of the co-president and co-chief operating officer of Viacom with responsibility for MTV Networks, at a salary of \$900,000 per annum subject to annual merit reviews. Mr. Bakish's annual target bonus is 100% of his salary. Mr. Bakish is eligible to receive annual grants of long-term compensation for 2006 and 2007, as determined by the Viacom compensation committee, based on a target value of \$3 million, through a combination of RSUs and stock options, with at least 30% of the value of each annual long-term compensation award derived from the grant of RSUs. Mr. Bakish's employment agreement contains restrictive covenants imposing non-competition obligations, restricting solicitation of employees, protecting confidential information and Viacom's ownership of work product and requiring cooperation in litigation, as well as other covenants, during his employment and for specified periods after the termination of employment. In the event of the termination of Mr. Bakish's employment by Viacom without "cause" or his voluntary termination for "good reason" (as these terms are defined in his employment agreement) during the employment term, he will be entitled to receive salary, target bonus compensation and certain benefits and perquisites for the balance of the employment term, subject to mitigation after the first 12 months. Further, in such event, stock options that would have vested during the employment term will vest on the date of termination and will remain exercisable for the following periods after the date of termination (but not beyond the expiration of such stock options); for options granted before August 1, 2004, six months after the date of termination; and for options granted on or after August 1, 2004, one year if the termination occurs before August 1, 2006 and two years if the termination occurs on or after August 1, 2007. In addition, in such event, all unvested RSUs that would have vested during the employment term will vest and become payable on the date of termination.

On May 2, 2005, Viacom entered into an employment agreement with Mr. Dolan with a four-year term. The employment agreement provides that Mr. Dolan will be employed as executive vice president of Viacom effective May 2, 2005 and chief financial officer of Viacom effective May 11, 2005 at a salary of \$1.25 million per annum. Effective as of the date of the separation, Mr. Dolan's employment agreement will be assigned to New Viacom and Mr. Dolan will serve as the chief financial officer of New Viacom. Mr. Dolan's employment agreement provides that Viacom may assign Mr. Dolan's employment agreement to New Viacom in the event of the separation. Mr. Dolan's annual target bonus is 100% of the sum of his salary and deferred compensation. Mr. Dolan will earn deferred compensation at an annual rate of \$250,000. The amount of Mr. Dolan's salary and deferred compensation will be subject to discretionary annual merit reviews commencing May 2, 2006. Mr. Dolan will be eligible to receive annual grants of long-term compensation for the calendar years

2005 through 2008, as determined by the Viacom compensation committee, based on a target value of \$3 million. Mr. Dolan will be provided with \$5 million of life insurance. Mr. Dolan's employment agreement contains restrictive covenants imposing non-competition obligations, restricting solicitation of employees, protecting confidential information and Viacom's ownership of work product and requiring cooperation in litigation, as well as other covenants, during his employment and for specified periods after the termination of employment. In the event of the termination of Mr. Dolan's employment by Viacom without "cause" or his voluntary termination for "good reason" (as these terms are defined in his employment agreement) during the employment term, he will be entitled to receive salary, deferred compensation and target bonus compensation and certain benefits and perquisites for the balance of the employment term, subject to mitigation after the first 12 months. Further, in such event, stock options that would have vested during the employment term will vest on the date of termination and, together with outstanding options that vested prior to the date of termination, will remain exercisable for one year after the date of termination (but not beyond the expiration of such stock options).

CERTAIN NEW VIACOM EXECUTIVE COMPENSATION PLANS

New Viacom 2006 Long-Term Management Incentive Plan

New Viacom has adopted the New Viacom 2006 Long-Term Management Incentive Plan, which we refer to in this Prospectus-Information Statement as the "New Viacom LTMIP." The New Viacom LTMIP will be effective as of the date of the separation and will initially have terms and conditions that are substantially similar to the terms and conditions of the Viacom LTMIP. The following description of the New Viacom LTMIP should be read in conjunction with, and is qualified in its entirety by reference to, the full text of the plan, a copy of which will be filed as an exhibit to the Registration Statement of which this Prospectus-Information Statement forms a part.

The New Viacom LTMIP provides for awards of stock options to purchase shares of New Viacom class B common stock, stock appreciation rights, restricted and unrestricted shares of New Viacom class B common stock, RSUs, phantom shares, dividend equivalents, performance awards and other equity-related awards and cash payments, the terms and conditions of which are described in more detail below.

The New Viacom LTMIP provides that awards may be granted to any employee of New Viacom or any of its subsidiaries. Approximately 9,550 employees of New Viacom and its subsidiaries, including officers, will be eligible for awards under the New Viacom LTMIP. Where necessary, compensation relating to awards under this plan is generally intended to qualify as "performance-based compensation" which is excluded from the \$1 million limit on deductible compensation set forth in Section 162(m) of the Code.

Subject to adjustment as described under the caption entitled "Adjustments" below, the number of shares of New Viacom class B common stock that may be issued under the New Viacom LTMIP is 50 million shares. Shares of New Viacom class B common stock issued under the New Viacom LTMIP may be authorized but unissued shares, treasury shares or, subject to conditions that the New Viacom compensation committee may determine, from shares beneficially owned by one or more stockholders of New Viacom.

Shares subject to awards under the New Viacom LTMIP will again be available for future awards upon the occurrence of specified events that result in fewer than the total number of shares subject to the award being delivered to the participants. Shares of New Viacom class B common stock that will be added back to the plan limit (and any applicable plan sub-limits) and will again be available for awards are those shares (1) tendered or withheld to pay the exercise price of an award or to satisfy any tax or other withholding obligations with respect to an award, (2) subject to an award that expires or is canceled, forfeited or terminated without having been exercised or paid, or (3) subject to an award that is instead settled in cash. In addition, if an award is settled by delivery of fewer than the full number of

shares subject to such award, then the excess, if any, of the number of shares subject to the award over the number of shares actually delivered to the participant upon settlement of the award will not be counted against the plan limit (or any applicable plan sub-limits). Shares underlying awards granted in substitution for awards previously granted by an entity acquired by New Viacom, with which New Viacom merges or otherwise combines or from which New Viacom is spun-off or otherwise separated (including awards substituted for Viacom awards in connection with the separation) will not be counted against the plan limit (or any applicable plan sub-limits). Replacement awards granted in connection with a permissible exchange offer under the plan will not be counted against the plan limit (or any applicable plan sub-limits).

The maximum aggregate number of shares of New Viacom class B common stock that may be issued pursuant to awards of (A) restricted shares, RSUs, unrestricted shares, performance shares and dividend equivalents and (B) performance units and other awards, but only if such performance units or other awards are paid or settled in shares of New Viacom class B common stock, is 25 million shares, subject to adjustment as described under the caption entitled "Adjustments" below. Of this number, New Viacom may not issue more than 27,000 shares (subject to adjustment) as unrestricted New Viacom class B common stock. The maximum aggregate number of shares of New Viacom class B common stock that may be issued in conjunction with awards of incentive stock options is 5 million shares (subject to adjustment).

For purposes of Section 162(m) of the Code, the maximum aggregate number of shares of New Viacom class B common stock that may be granted to any participant during the five-year term of the plan pursuant to stock option, stock appreciation or phantom share awards that are not subject to performance goals, as described below (regardless of whether such awards are settled in cash, in shares of New Viacom class B common stock, in other New Viacom securities designated by the New Viacom compensation committee or in a combination thereof), is 7.5 million (subject to adjustment). For awards (other than those awards described in the previous sentence) intended to satisfy the Section 162(m) exception for "qualified performance-based compensation," the maximum amount that may be granted to any participant during any performance period is \$50 million for awards denominated in cash and 750,000 shares of New Viacom class B common stock for awards denominated in shares of New Viacom class B common stock (subject to adjustment). Notwithstanding the previous sentence, if, with respect to any performance period, a participant is granted awards having an aggregate dollar value and/or number of shares less than the maximum dollar amount and/or number of shares that could have been awarded to such participant based on the degree to which the relevant performance goals were achieved, the excess of the maximum dollar amount and/or number of shares over the dollar amount and/or number of shares actually awarded will increase the maximum dollar amount and/or number of shares that may be awarded to such participant for the next performance period for which the participant is granted awards intended to satisfy the Section 162(m) exception for "qualified performance-based compensation" (subject to adjustment).

All awards under the New Viacom LTMIP are approved by the New Viacom compensation committee, in its sole discretion. For this reason, it is not possible to determine the benefits or amounts of the awards that will be received by any particular employees or group of employees in the future under the New Viacom LTMIP. As of the date of this Prospectus-Information Statement, no awards have been granted under the New Viacom LTMIP. Unless earlier terminated by action of the New Viacom board of directors, the New Viacom LTMIP will terminate on the fifth anniversary of the effective date of the plan, and no additional grants may be made after that date.

Purpose and Description of the Plan

Purpose of the Plan. The purpose of the New Viacom LTMIP is to benefit and advance the interests of New Viacom and its subsidiaries by rewarding certain employees of New Viacom and its

subsidiaries for their contributions to the financial success of New Viacom and its subsidiaries and thereby motivate them to continue to make such contributions in the future.

Administration. The New Viacom LTMIP will be administered by the New Viacom board of directors or the New Viacom compensation committee. In addition, subject to certain limitations, the New Viacom compensation committee may delegate its authority under the plan to one or more members of the New Viacom compensation committee or one or more officers of New Viacom. The New Viacom compensation committee selects the employees who receive awards under the New Viacom LTMIP, and determines the type of award to be granted, the number of shares subject to awards or the cash amount payable in connection with an award and the terms and conditions of these awards in accordance with the terms of the New Viacom LTMIP. The New Viacom compensation committee has full authority to interpret the New Viacom LTMIP and to establish rules for its administration.

With respect to any award that is intended to satisfy the exception for "qualified performance-based compensation" set forth in Section 162(m) of the Code, the New Viacom compensation committee will consist of at least the number of directors required from time to time to satisfy this exception, and each New Viacom compensation committee member will satisfy the qualification requirements of such exception. Failure of any New Viacom compensation committee member to meet these qualification requirements will not, however, invalidate any action taken or awards granted by the New Viacom compensation committee.

Substitute Awards. Notwithstanding any terms or conditions of the New Viacom LTMIP to the contrary, the New Viacom compensation committee may provide for substitute awards under the New Viacom LTMIP upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by New Viacom, with which New Viacom merges or otherwise combines or from which New Viacom is spun-off or otherwise separated (including awards substituted for Viacom awards in connection with the separation). Substitute awards may have substantially the same terms and conditions, including the same vesting provisions and exercise periods, as the awards that they replace. New Viacom shares subject to substitute awards will not count against the share limit of the New Viacom LTMIP.

Stock Options. Stock options can be either incentive stock options within the meaning of Section 422 of the Code or options that do not qualify as incentive stock options for U.S. federal income tax purposes, called non-qualified stock options, as determined by the New Viacom compensation committee.

Subject to certain limits described below, the New Viacom compensation committee has the power to determine the number and kind of stock options granted, the exercise price of the stock options, the vesting schedule applicable to such stock options, the period during which they can be exercised and any applicable performance goal requirements. The New Viacom compensation committee may, in its discretion, accelerate the vesting date of any stock option. The New Viacom compensation committee may not "reprice" any stock option (as defined in the New Viacom LTMIP), except that the New Viacom compensation committee may initiate an exchange offer prior to the first anniversary of the date of the separation that relates exclusively to stock options that were awarded in connection with the separation in substitution for stock options of Viacom granted prior to the separation. No stock option may be granted with a per share exercise price of less than 100% of the fair market value of a share of New Viacom class B common stock on the date of grant unless such stock option is an award granted in substitution for outstanding awards previously granted by an entity acquired by New Viacom (with certain limitations). Unless otherwise determined by the New Viacom compensation committee, no stock option can be exercised more than ten years after the date of grant. The exercise price of a stock option will be paid in full on or before the settlement date for the shares of New Viacom class B common stock issued pursuant to the exercise of the stock options in cash or, in the discretion of the

New Viacom compensation committee, in shares of New Viacom class B common stock (or other New Viacom securities designated by the New Viacom compensation committee) or in a combination of cash and shares (or such other securities) or with any other form of valid consideration that is acceptable to the New Viacom compensation committee. The New Viacom compensation committee may also allow a participant to pay all or a portion of the exercise price using a net share settlement procedure through the withholding of shares or through a cashless exercise procedure.

Generally, if a participant voluntarily terminates employment or his or her employment is terminated by New Viacom other than for "cause," his or her outstanding stock options may be exercised, to the extent then exercisable, for six months following the date of termination. In the event that a participant terminates employment (after reaching age 60) when he or she is eligible for immediate payment of a pension, he or she may exercise his or her stock options, to the extent then exercisable, for three years. In the event of the permanent disability of a participant, his or her stock options may be exercised, to the extent exercisable upon the date of the onset of such permanent disability, for three years following such date. In the event of a participant's death, his or her stock options may be exercised, to the extent exercisable at the date of death, by the person who acquired the right to exercise the stock options by will or the laws of descent and distribution for two years following the date of death. If any participant's employment is terminated for "cause," then, unless the New Viacom compensation committee determines otherwise, all stock options, whether or not then vested, will be forfeited by the participant effective as of the date of such termination. The New Viacom compensation committee generally has the discretion to reduce or increase the post-termination exercise periods described above but, unless the New Viacom compensation committee determines otherwise, in no event may a stock option be exercised following the earlier to occur of the expiration of the option and the tenth anniversary of the date of grant.

Stock Appreciation Rights. The New Viacom compensation committee may grant stock appreciation rights under the New Viacom LTMIP alone or in tandem with other awards. No stock appreciation right that is granted alone may be granted with a per share exercise price of less than 100% of the fair market value of a share of New Viacom class B common stock on the date of grant unless such stock appreciation right is subject to performance goals (as described below) or is an award granted in substitution for outstanding awards previously granted by an entity acquired by New Viacom (with certain limitations). Stock appreciation rights granted alone or in tandem with awards other than stock options will be subject to the terms and conditions established by the New Viacom compensation committee as set forth in the applicable award agreement.

Stock appreciation rights granted in tandem with a stock option may be granted either at the time the stock option is granted or by amendment at any time prior to the exercise, expiration or termination of such stock options. This type of stock appreciation right entitles the holder to surrender the related stock option in lieu of exercise and to receive an amount equal to the excess of the fair market value of a share of New Viacom class B common stock determined as of the day preceding the date the holder surrenders the stock option over the aggregate exercise price of such stock option. This amount will be paid in cash or, in the discretion of the New Viacom compensation committee, in shares of New Viacom class B common stock (or other New Viacom securities designated by the New Viacom compensation committee) or in a combination of cash and shares (or such other securities). No stock appreciation right granted in tandem with a stock option can be exercised unless the related stock option is then exercisable.

Restricted Shares, RSUs and Unrestricted Shares. The New Viacom compensation committee may grant restricted shares and RSUs under the New Viacom LTMIP. A restricted share is a share of New Viacom class B common stock granted to the participant subject to restrictions as determined by the New Viacom compensation committee. A RSU is a contractual right to receive, in the discretion of the New Viacom compensation committee, a share of New Viacom class B common stock (or other New Viacom securities designated by the New Viacom compensation committee), a cash payment equal to

the fair market value of a share of New Viacom class B common stock or a combination of cash and New Viacom class B common stock (or such other securities), subject to terms and conditions as determined by the New Viacom compensation committee. The New Viacom compensation committee may also, in its sole discretion, grant awards for not more than 27,000 unrestricted shares of New Viacom class B common stock (subject to adjustment) to eligible employees in recognition of outstanding achievements and performance.

Restricted shares and RSUs will be subject to a vesting schedule, which may include any applicable performance goal requirements, established by the New Viacom compensation committee. In no event may restricted shares or RSUs that vest contingent solely on the continued employment of the participant (other than replacement restricted shares and RSUs granted in connection with a permissible exchange offer under the plan) fully vest in less than three years from the date of grant. For restricted share awards, the participant will have the same rights as a holder of shares of New Viacom class B common stock except that the participant will not be entitled to be registered on the books and records of New Viacom until the shares represented thereby have vested, and the restricted shares cannot be sold, transferred, assigned, pledged or otherwise encumbered or disposed of until such shares have vested. RSUs paid in New Viacom class B common stock may be evidenced by, among other things, book-entry registration or the issuance of stock certificates for the appropriate number of shares of stock, free of restrictions.

If a participant terminates employment with New Viacom or any of its subsidiaries for any reason, or in the event of a participant's death, retirement or permanent disability, the unvested restricted shares and RSUs will be forfeited as of the date of such event, unless the New Viacom compensation committee determines otherwise. The New Viacom compensation committee may, in its discretion, accelerate the dates on which restricted shares and RSUs vest.

Phantom Shares. The value of any phantom shares granted under the New Viacom LTMIP will be determined by reference to the fair market value of a share of New Viacom class B common stock. Payments made with respect to such phantom shares are based, subject to any applicable limit on the maximum amount payable, on any increase in the appreciation value of shares of New Viacom class B common stock on specified valuation dates over the initial value of the shares. The New Viacom LTMIP empowers the New Viacom compensation committee to determine the initial value of the phantom shares as of the date of grant. The New Viacom LTMIP further empowers the New Viacom compensation committee to determine the valuation dates (not later than the eighth anniversary of the date of grant) applicable to an award of phantom shares, the period during which the phantom shares vest and any limit on the maximum amount of appreciation value payable for the phantom shares. The appreciation value of a phantom share will be paid to a participant in cash or, in the discretion of the New Viacom compensation committee, in shares of New Viacom class B common stock (or other New Viacom securities designated by the New Viacom compensation committee) or in a combination of cash and shares (or such other securities).

If a participant's employment terminates for any reason other than for "cause," or in the event of the participant's death, retirement or permanent disability, then, unless the New Viacom compensation committee determines otherwise, the cash payments for such participant's phantom shares will be the lesser of the appreciation value determined as of the date of such termination or event or as of the originally scheduled valuation dates, and such payments will be made after the originally scheduled valuation dates. All rights with respect to phantom shares that are not vested as of the date of such termination or event, as the case may be, will be relinquished by the participant. If a participant's employment is terminated for "cause," all phantom shares (whether or not vested) will be forfeited by the participant, unless the New Viacom compensation committee determines otherwise.

Performance Awards. The New Viacom compensation committee may grant performance awards in the form of either performance shares or performance units. Performance awards may be granted alone

or in addition to other awards made under the New Viacom LTMP. The terms and conditions of the performance awards will be determined by the New Viacom compensation committee, and, unless the New Viacom compensation committee determines otherwise, the granting, vesting and/or exercisability of performance awards will be conditioned in whole or in part on the achievement in whole or in part of performance goals (as described below) during a performance period as selected by the New Viacom compensation committee. Performance shares are payable in shares of New Viacom class B common stock and performance units are payable in cash or, in the discretion of the New Viacom compensation committee, in shares of New Viacom class B common stock (or other New Viacom securities designated by the New Viacom compensation committee) or in a combination of cash and shares (or such other securities).

Performance Goals. The New Viacom compensation committee may condition the grant, vesting and/or exercisability of any award, including, but not limited to, performance shares and performance units, upon the attainment of performance targets related to one or more performance goals over a performance period selected by the New Viacom compensation committee. The New Viacom compensation committee may reduce any award below the maximum amount that could be paid based on the degree to which the performance targets related to such award were attained. However, the New Viacom compensation committee may not increase any award that is intended to satisfy the exception for "qualified performance-based compensation" set forth in Section 162(m) of the Code above the maximum amount that could be paid based on the attainment of performance targets.

For any awards that are intended to satisfy the Section 162(m) exception for "qualified performance-based compensation," the awards will be subject to one or more, or any combination, of the following performance goals, as selected by the New Viacom compensation committee: OIBDA, OIBDA without intercompany eliminations, o