

SCHWARTZ WILLIAM
Form 4
January 05, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHWARTZ WILLIAM

(Last) (First) (Middle)

1515 BROADWAY

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Viacom Inc. [VIA, VIAB]

3. Date of Earliest Transaction
(Month/Day/Year)
01/01/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)
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Derivative Security	Code	V	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
			(A)	(D)						
Class A Phantom Common Stock Units	(1)		01/01/2009	A	902	(1)	(1)	Class A Common Stock	902	\$ 20.1
Class B Phantom Common Stock Units	(1)		01/01/2009	A	953	(1)	(1)	Class B Common Stock	953	\$ 19.0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHWARTZ WILLIAM 1515 BROADWAY NEW YORK, NY 10036	X			

Signatures

/s/ Michael D. Fricklas, Attorney-in-Fact for William Schwartz

01/05/2009

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The Reporting Person has elected to defer payment of director retainer and meeting fees and related interest thereon pursuant to the Viacom Inc. Deferred Compensation Plan for Outside Directors. Deferred amounts (including cash dividends and interest credited during the previous quarter on director compensation previously deferred pursuant to the former Viacom Inc. (now CBS Corporation) deferred compensation arrangement for directors) are deemed invested quarterly in a number of Phantom Common Stock Units equal to the number of shares of Class A and Class B Common Stock that such deferred amounts, if invested as equally as possible in the Class A and Class B Common Stock, would have purchased on the day the amounts are deemed invested. Phantom Common Stock Units are paid out after the Director's retirement from the Board and are settled in cash.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. rgin-bottom:0px">

Lyondell and Equistar Products Serve a Broad Mix of End Users

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- Other
- Electronics
- Textiles/ Furnishings
- Packaging
- Bldg & Const
- Transportation
- Consumer
- Other
- Electronics
- Packaging
- Consumer
- Textiles/ Furnishings
- Bldg & Const
- Transportation
- PROPYLENE OXIDE
- ETHYLENE
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Chemical and Plastics Demand Grows Rapidly As Economies Develop

Polyethylene Consumption By Nation

PE Consumption/capita, lbs



2000 GDP/Capita

Malaysia

China India Indonesia

Thailand

Korea

Taiwan

WE

Singapore

US

Japan

Source: CMAI 2001

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The Current Lyondell Enterprise Has A Well Established Presence in Asia

Presence established in 1972 40% interest in Nihon Oxirane \$1 B revenue in 2003 1 2.5 - 3.0 B lbs of sales 1 Leading PO and derivative positions Strong styrene relationships

Beijing Tokyo Shanghai Guanghou Taipei Hong Kong

1 Includes 100% of Nihon Oxirane

Offices Inventory Point Manufacturing

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But Profitability Is Driven By Supply/Demand Fundamentals

Crude Oil vs. Equistar EBITDA

U.S. Ethylene Operating Rates vs. Equistar EBITDA

EBITDA

550

450

350

250

150

50

-50

1H99 1H00 1H01 1H02 1H03 1H04

40

35

30

25

20

15

10

5

0

Crude Price

EBITDA

Crude Price

EBITDA

550 450 350 250 150 50 -50

1H99 1H00 1H01 1H02 1H03 1H04

Explanation of Responses:

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100 95 90 85 80 75 70

Operating Rate

EBITDA

Operating Rate

Source: Platt's, CMAI

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Ethylene Is Recovering From A Significant Trough

Ethylene Supply/Demand Balance - North America

Bln lbs

110

100

90

80

70

60

50

40

N. America Demand

N. America

Effective Operating Rate

(at 96% on-stream-time)

Rest of World

Nameplate Capacity

1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

100%

95%

90%

85%

80%

75%

70%

65%

Operating Rate

Explanation of Responses:

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Source: CMAI / Equistar (September 2004)

Leading Product Positions Create Significant Earnings Leverage

Capacity Position (1)

Pre-Tax Leverage

Product North America Global (D1¢/unit)

Intermediate Propylene Oxide (lbs) (2) 1st 1st \$23MM

Chemicals and Styrene Monomer (lbs) 1st 4th \$21MM

Derivatives MTBE (bbl/day) 1st 2nd \$9MM (4)

Ethylene (lbs) 2nd 5th \$116MM

Equistar Propylene (lbs) (3) 2nd 7th \$50MM

Polyethylene (lbs) 3rd 4th \$57MM

TiO2 (lbs) 3rd 2nd \$15 MM

Millennium Acetyls (lbs)

- Acetic Acid 2nd 3rd \$12 MM

- Vinyl Acetate Monomer 2nd 3rd \$9 MM

1 Source: Capacities as of January 2004, CMAI, 2 Includes 100% of joint venture volumes 3 Does not include refinery-grade he product flexibility material or s facility.

4 Based ¢/gal change on 1

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In Summary, Our Businesses Are Well Positioned for the Up-Cycle

Improving Global Economy Tightening Supply/Demand Outlook Significant Volumetric Leverage Differentiated Positions

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Our Results Reflect Improving Conditions

Quarterly EBITDA

EBITDA \$MM

500

450

400

350

300

250

200

150

100

50

0

-50

Q1 2003 Q2 2003 Q3 2003 Q4 2003 Q1 2004 Q2 2004 Q3 2004

IC&D

100% Equistar

100% LCR

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Enterprise Earnings Capability Far Exceeds Recent Results

(Current Ownership Pre-Millennium Transaction)

Cycle EBITDA Potential \$MM

3000

2500

2000

1500

1000

500

0

Recession/ Trough

Pre-Recession

Peak \$6.90 / share \$1.40 / share

2003 Proportional Interest, Dividends & Capital

2003 1999/2000 Margins 1 1995 Margins1 1988 Margins1

LCR

IC&D

Equistar

1 Chem Data/CMAI industry margins conditions for IC&D and Equistar products (ex. MTBE) applied to current capacities and ownership, LCR 2003 EBITDA.
Note: Assumes 2003 capital structure; 175 MM shares.

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Debt Reduction

\$2 Billion (w/o MCH) \$3 Billion (with MCH)

Debt to Capitalization 40% 45%

Avoided Interest Expense \$200MM / Year \$300MM / Year

Earnings Improvement 75¢ / share 80¢ / share

Share Price Improvement at Constant Capitalization \$11.50 / share 2 \$12.25 / share 3

De-Leveraging Benefits All Stakeholders

Impact of Lyondell debt reduction at constant capitalization¹

1 Capitalization = debt + book value of equity + minority interest

2 Assumes 175MM shares outstanding

3 Assumes 245MM shares outstanding

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Lyondell Stock Has Performed Well In Troughs and Recoveries

1990 1995 Cycle

2000 200? Cycle

Shareholder Return % / Yr

35 30 25 20 15 10 5 0 -5 -10 -15

Q4 90 Q4 93 Downturn Q4 93 July 95 Recovery Q4 00 Q4 03 Downturn Q4 03 ? Recovery

Lyondell

S&P 500

Source: Bloomberg

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1999 2000 2001 2002 2003 2004

Net income (loss) \$ 49 \$ 208 \$ (107) \$ (1,207) \$ (195) \$ 48

Add:

Depreciation and amortization 147 152 159 147 154 153

Interest expense, net 84 89 91 102 102 110

Cum. effect of accounting change - - - 1,053 - -

EBITDA \$ 280 \$ 449 \$ 143 \$ 95 \$ 61 \$ 311

Equistar Chemicals, LP

Reconciliation of Net Income (Loss) to EBITDA

For the six-month periods ended June 30 (Millions of Dollars)

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LYONDELL CHEMICAL COMPANY

RECONCILIATION OF NET INCOME (LOSS) TO EBITDA

(Millions of dollars)

Q1 2003 Q2 2003 Q3 2003 Q4 2003 Q1 2004 Q2 2004 Q3 2004

Lyondell net income (loss) \$ (113) \$ (68) \$ (44) \$ (77) \$ (15) \$ 3 \$ 50

Add: Provision for (benefit from) income tax (55) (39) (27) (58) (9) 3 26

Interest expense, net 83 99 106 104 109 108 108

Depreciation and amortization 57 61 66 66 63 64 59

(Income) loss from equity investment in Equistar 100 32 26 70 (6) (33) (54)

Income from equity investment in LCR (19) (37) (43) (45) (56) (63) (89)

Lyondell EBITDA \$ 53 \$ 48 \$ 84 \$ 60 \$ 86 \$ 82 \$ 100

Equistar net income (loss) \$ (146) \$ (49) \$ (40) \$ (104) \$ 5 \$ 43 \$ 72

Add: Depreciation and amortization 78 76 76 77 76 77 81

Interest expense, net 49 53 51 54 55 55 55

Equistar EBITDA \$ (19) \$ 80 \$ 87 \$ 27 \$ 136 \$ 175 \$ 208

Proportionate Share 70.5% \$ (14) \$ 57 \$ 61 \$ 19 \$ 96 \$ 123 \$ 147

LCR net income \$ 28 \$ 58 \$ 69 \$ 73 \$ 91 \$ 103 \$ 147

Add: Depreciation and amortization 28 29 28 28 30 28 29

Interest expense, net 10 9 8 9 10 8 6

LCR EBITDA \$ 66 \$ 96 \$ 105 \$ 110 \$ 131 \$ 139 \$ 182

Proportionate Share 58.75% \$ 39 \$ 56 \$ 62 \$ 65 \$ 77 \$ 82 \$ 107

Lyondell and Proportionate Share of Equity Investments EBITDA

Lyondell EBITDA \$ 53 \$ 48 \$ 84 \$ 60 \$ 86 \$ 82 \$ 100

70.5% of Equistar EBITDA (14) 57 61 19 96 123 147

58.75% of LCR EBITDA 39 56 62 65 77 82 107

Lyondell and Proportionate Share of Equity Investments \$ 78 \$ 161 \$ 207 \$ 144 \$ 259 \$ 287 \$ 354

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Lyondell Chemical Company

Reconciliation of Net Income (Loss) to EBITDA For the Twelve Months Ended December 31, 2003 and Hypothetical Net Income to Hypothetical EBITDA

Assuming Historical Industry Margin Conditions

Hypothetical Results Using

2003 1999/2000 1995 1988

(Millions of dollars) Actual Margins 1 Margins 1 Margins 1

Lyondell net (loss) income \$ (302) \$ 190 \$ 900 \$ 1,155

Add: (Benefit from) provision for income tax 2 (179) 100 485 620

Interest expense, net 3 392 390 390 390

Depreciation and amortization 4 250 250 250 250

Loss (income) from equity investment in Equistar 228 (170) (940) (1,280)

Income from equity investment in LCR (144) (145) (145) (145)

Lyondell EBITDA \$ 245 \$ 615 \$ 940 \$ 990

Equistar net income (loss) \$ (339) \$ 225 \$ 1,315 \$ 1,795

Add: Depreciation and amortization 4 307 310 310 310

Interest expense, net 3 207 205 205 205

Equistar EBITDA \$ 175 \$ 740 \$ 1,830 \$ 2,310

Proportionate Share 70.5% \$ 123 \$ 520 \$ 1,290 \$ 1,630

LCR net income \$ 228 \$ 230 \$ 230 \$ 230

Add: Depreciation and amortization 113 115 115 115

Interest expense, net 36 35 35 35

LCR EBITDA \$ 377 \$ 380 \$ 380 \$ 380

Proportionate Share 58.75% \$ 222 \$ 225 \$ 225 \$ 225

Lyondell and Proportionate Share of Equity Investments EBITDA

Lyondell EBITDA \$ 245 \$ 615 \$ 940 \$ 990

70.5% of Equistar EBITDA 123 520 1,290 1,630

58.75% of LCR EBITDA 222 225 225 225

Explanation of Responses:

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Lyondell and Proportionate Share of Equity Investments \$ 590 \$ 1,360 \$ 2,455 \$ 2,845

1 Using ChemData/CMAI industry margins for Lyondell and Equistar products, excluding MTBE, for the relevant periods applied to current Lyondell and Equistar capacities at 100% utilization and using constant LCR earnings at 2003 level. Except for 2003 Actual, this is not intended to present either historical or forecast earnings of Lyondell, Equistar or LCR.

2 Assumes 35% tax rate for hypothetical data.

3 Assumes constant capitalization and interest rates.

4 Assumes current capacity, book values and estimated useful lives.

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