



Results for the Quarter Ended December 31, 2012

# VIACOM

January 31, 2013



## Cautionary Statement Concerning Forward-Looking Statements

This presentation contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect the Company's current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause actual results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the public acceptance of the Company's programs, motion pictures and other entertainment content on the various platforms on which they are distributed; technological developments and their effect in the Company's markets and on consumer behavior; competition for audiences and distribution; the impact of piracy; economic conditions generally, and in advertising and retail markets in particular; fluctuations in the Company's results due to the timing, mix and availability of the Company's motion pictures and other programming; changes in the Federal communications laws and regulations; other domestic and global economic, business, competitive and/or regulatory factors affecting the Company's businesses generally; and other factors described in the Company's news releases and filings with the Securities and Exchange Commission, including but not limited to its 2012 Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K. The forward-looking statements included in this presentation are made only as of the date of this presentation, and the Company does not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. Reconciliations for any non-GAAP financial information contained in this presentation are included in this presentation or available on the Company's website at [www.viacom.com](http://www.viacom.com).

**This presentation is a supplement to, and should be read in conjunction with, Viacom's earnings release for the quarter ended December 31, 2012.**



# Reported Results

(In Millions, except per share amounts)

|   | Quarter ended |                 |            |
|---|---------------|-----------------|------------|
|   | December 31,  |                 |            |
|   | 2012          | 2011            | B/(W) 2011 |
| Revenues  | \$ 3,314      | \$ 3,952        | (16%)      |
| Expenses  | (2,429)       | (2,845)         | 15%        |
| Depreciation & Amortization                                       | (57)          | (62)            | 8%         |
| Equity-Based Compensation   | (31)          | (29)            | (7%)       |
| Operating Income  | <u>\$ 797</u> | <u>\$ 1,016</u> | (22%)      |
| Net Earnings from Continuing Operations<br>Attributable to Viacom | \$ 473        | \$ 591          | (20%)      |
| Diluted EPS from<br>Continuing Operations                         | \$ 0.93       | \$ 1.06         | (12%)      |
| Weighted Average Diluted Shares                                   | 509.1         | 557.2           | 9%         |



# Adjusted Results

(In Millions, except per share amounts)

|   | Quarter ended |                 |            |
|---|---------------|-----------------|------------|
|   | December 31,  |                 |            |
|   | 2012          | 2011            | B/(W) 2011 |
| Revenues  | \$ 3,314      | \$ 3,952        | (16%)      |
| Expenses  | (2,429)       | (2,845)         | 15%        |
| Depreciation & Amortization   | (57)          | (62)            | 8%         |
| Equity-Based Compensation   | (31)          | (29)            | (7%)       |
| Adjusted Operating Income   | <u>\$ 797</u> | <u>\$ 1,016</u> | (22%)      |
| Adjusted Net Earnings from<br>Continuing Operations<br>Attributable to Viacom | \$ 461        | \$ 591          | (22%)      |
| Adjusted Diluted EPS from<br>Continuing Operations                            | \$ 0.91       | \$ 1.06         | (14%)      |
| Weighted Average Diluted Shares   | 509.1         | 557.2           | 9%         |

See page 17 for the reconciliation to GAAP results for the quarter ended December 31, 2012. There were no adjustments for the quarter ended December 31, 2011.



# Free Cash Flow

(\$ In Millions)

|                              | Quarter ended |          |            |
|------------------------------|---------------|----------|------------|
|                              | 2012          | 2011     | B/(W) 2011 |
| Operating Income             | \$ 797        | \$ 1,016 | (22%)      |
| Depreciation & Amortization  | 57            | 62       | (8%)       |
| Capital Expenditures         | (36)          | (28)     | (29%)      |
| Cash Interest                | (155)         | (146)    | (6%)       |
| Cash Taxes                   | (59)          | 40       | n/m        |
| Working Capital & Other      | (55)          | (342)    | 84%        |
| Operating Free Cash Flow     | \$ 549        | \$ 602   | (9%)       |
| Discontinued Operations, net | -             | (3)      | n/m        |
| Free Cash Flow               | \$ 549        | \$ 599   | (8%)       |

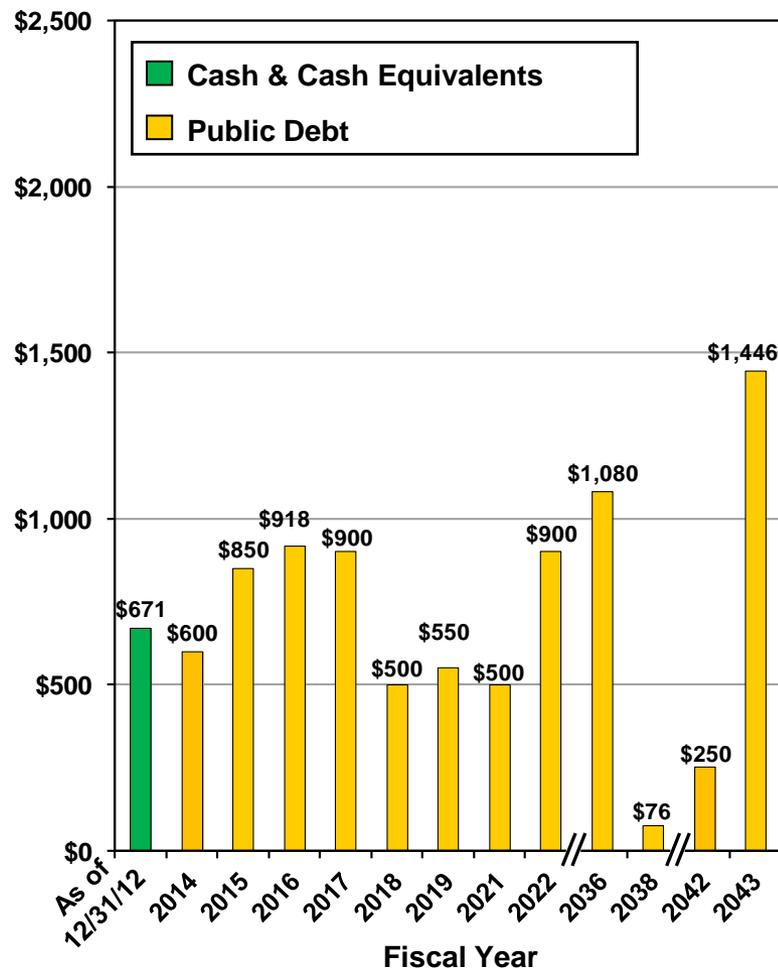
See page 18 for the reconciliation of cash provided by operations to Operating Free Cash Flow and Free Cash Flow.

n/m – not meaningful



# Debt & Cash

(\$ In Millions)



|                                     | <b>December 31,<br/>2012</b> |
|-------------------------------------|------------------------------|
| Floating Rate Debt                  | \$ -                         |
| Fixed Rate Debt                     | 8,165                        |
| Capital Lease and Other Obligations | 224                          |
| <b>Total Debt</b>                   | <b>\$ 8,389</b>              |
| Cash & Cash Equivalents             | 671                          |
| <b>Net Debt</b>                     | <b>\$ 7,718</b>              |
| <br>                                |                              |
| Weighted Average Rate               | 4.7%                         |
| Weighted Average Maturity           | 11.6 yrs                     |

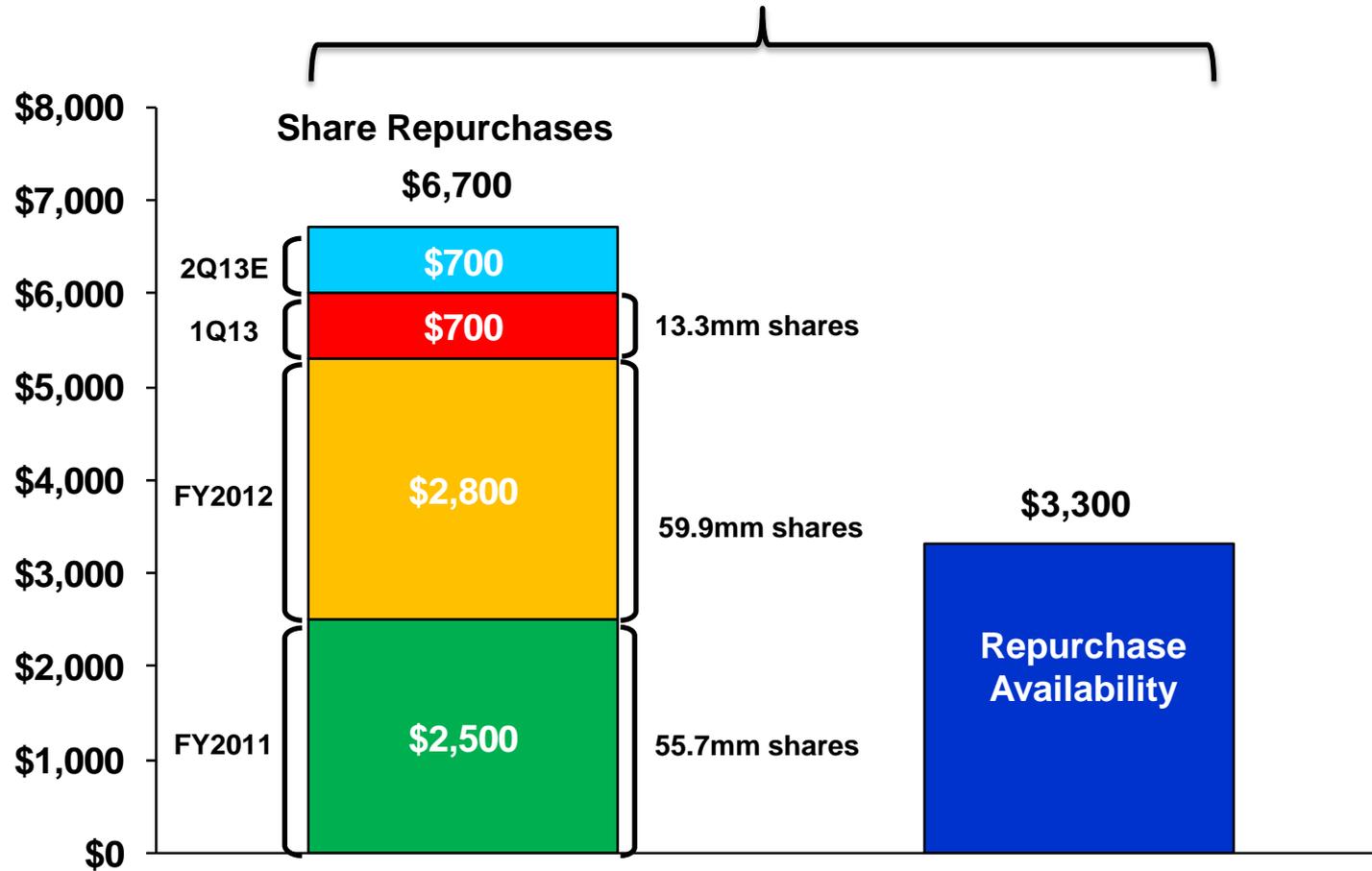
Maturity dates in the chart are on a fiscal year basis and exclude capital leases and other obligations.

# Capital Returned to Shareholders

(In Millions)

## Stock Repurchase Program

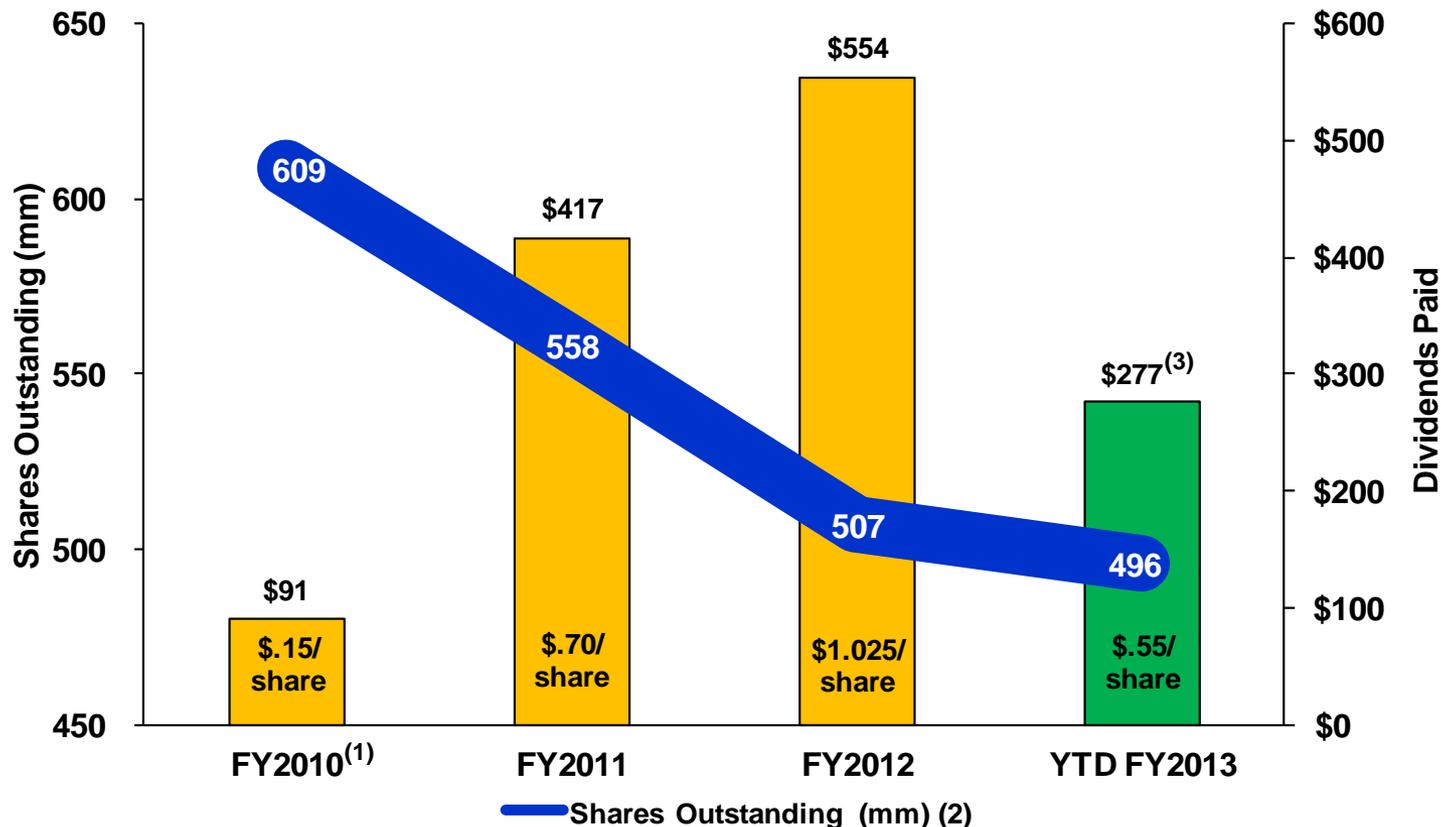
\$10,000 Current Authorization



# Capital Returned to Shareholders

(In Millions, except per share amounts)

## Shares Outstanding and Dividends Paid



(1) The Company paid its initial quarterly cash dividend on July 1, 2010.

(2) Shares Outstanding are as of the end of the fiscal period.

(3) The Company paid a quarterly dividend of \$0.275 per share for the 1<sup>st</sup> and 2<sup>nd</sup> fiscal quarters.





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## SEGMENT HIGHLIGHTS

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# Media Networks – Revenues by Type

(\$ In Millions)

|                | Quarter ended   |                 |             |
|----------------|-----------------|-----------------|-------------|
|                | December 31,    |                 |             |
|                | 2012            | 2011            | B/(W) 2011  |
| Advertising    | \$ 1,269        | \$ 1,354        | (6%)        |
| Affiliate Fees | 972             | 943             | 3%          |
| Ancillary      | 153             | 151             | 1%          |
| <b>Total</b>   | <b>\$ 2,394</b> | <b>\$ 2,448</b> | <b>(2%)</b> |



# Media Networks – Financial Results

(\$ In Millions)

|                             | Quarter ended   |                 |            |
|-----------------------------|-----------------|-----------------|------------|
|                             | December 31,    |                 |            |
|                             | 2012            | 2011            | B/(W) 2011 |
| Revenues                    | \$ 2,394        | \$ 2,448        | (2%)       |
| Expenses                    | (1,330)         | (1,280)         | (4%)       |
| Depreciation & Amortization | (34)            | (39)            | 13%        |
| Adjusted Operating Income   | <u>\$ 1,030</u> | <u>\$ 1,129</u> | (9%)       |
| Equity-Based Compensation   | (9)             | (7)             | (29%)      |
| Operating Income            | <u>\$ 1,021</u> | <u>\$ 1,122</u> | (9%)       |



# Filmed Entertainment – Revenues by Type

(\$ In Millions)

|                    | Quarter ended |                 |              |
|--------------------|---------------|-----------------|--------------|
|                    | December 31,  |                 |              |
|                    | 2012          | 2011            | B/(W) 2011   |
| Theatrical         | \$ 328        | \$ 570          | (42%)        |
| Home Entertainment | 341           | 598             | (43%)        |
| TV License Fees    | 227           | 298             | (24%)        |
| Ancillary          | 79            | 92              | (14%)        |
| <b>Total</b>       | <b>\$ 975</b> | <b>\$ 1,558</b> | <b>(37%)</b> |



# Filmed Entertainment – Significant Releases

## Theatrical

### Qtr ended December 31, 2012

Paranormal Activity 4  
 Flight  
 Rise of the Guardians  
 The Guilt Trip  
 Jack Reacher

### Qtr ended December 31, 2011

Footloose  
 Paranormal Activity 3  
 Puss in Boots  
 Hugo  
 Mission: Impossible - Ghost Protocol  
 The Adventures of Tintin

## Home Entertainment

### Qtr ended December 31, 2012

Madagascar 3: Europe's Most Wanted

### Qtr ended December 31, 2011

Captain America: The First Avenger  
 Super 8  
 Cowboys & Aliens  
 Kung Fu Panda 2



# Filmed Entertainment – Financial Results

(\$ In Millions)

|                             | Quarter ended |          |            |
|-----------------------------|---------------|----------|------------|
|                             | December 31,  |          |            |
|                             | 2012          | 2011     | B/(W) 2011 |
| Revenues                    | \$ 975        | \$ 1,558 | (37%)      |
| Expenses                    | (1,092)       | (1,567)  | 30%        |
| Depreciation & Amortization | (22)          | (22)     | -          |
| Adjusted Operating Income   | \$ (139)      | \$ (31)  | n/m        |
| Equity-Based Compensation   | (3)           | (1)      | n/m        |
| Operating Income            | \$ (142)      | \$ (32)  | n/m        |





## APPENDIX RECONCILIATIONS

# VIACOM



# Supplemental Disclosures: Non-GAAP Financial Information

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

**These are not measures of performance calculated in accordance with GAAP. They should not be considered in isolation of, or as a substitute for, cash flow provided by operations, operating income, net earnings from continuing operations attributable to Viacom and diluted EPS as indicators of operating performance, and they may not be comparable to similarly titled measures employed by other companies.**



# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

|                                      | Quarter ended December 31, 2012 |  |  |  |
|--------------------------------------|---------------------------------|--|--|--|
|                                      | Operating Income                | Pre-tax Earnings from Continuing Operations <sup>(1)</sup> | Net Earnings from Continuing Operations Attributable to Viacom | Diluted EPS from Continuing Operations |
| Reported Results                     | \$ 797                          | \$ 718   | \$ 473   | \$ 0.93                                |
| Factors Affecting Comparability:     |                                 |  |  |  |
| Discrete Tax Benefits <sup>(2)</sup> | -                               | -  | (12)   | (0.02)                                 |
| Adjusted Results                     | \$ 797                          | \$ 718   | \$ 461   | \$ 0.91                                |

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

(2) Adjusted results for the quarter ended December 31, 2012 exclude \$12 million of discrete tax benefits. The benefits recognized in the quarter principally reflect the release of tax reserves with respect to certain effectively settled tax positions.



# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions)

|   | Quarter ended<br>December 31, |        |
|---|-------------------------------|--------|
|   | 2012                          | 2011   |
| Cash Provided By Operations             | \$ 569                        | \$ 627 |
| Capital Expenditures                    | (36)                          | (28)   |
| Excess Tax Benefits                     | 16                            | -      |
| Free Cash Flow <sup>(1)</sup>           | \$ 549                        | \$ 599 |
| Discontinued Operations, net            | -                             | 3      |
| Operating Free Cash Flow <sup>(1)</sup> | \$ 549                        | \$ 602 |

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





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