



Results for the Quarter Ended June 30, 2013

# VIACOM

August 2, 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 our 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 future results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the public acceptance of our programs, motion pictures and other entertainment content on the various platforms on which they are distributed; technological developments and their effect in our 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 our results due to the timing, mix and availability of our 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 our businesses generally; and other factors described in our news releases and filings with the Securities and Exchange Commission, including but not limited to our 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 we do 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 our 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 and nine months ended June 30, 2013.**



# Reported Results

(In Millions, except per share amounts)

	Quarter ended June 30,		Nine months ended June 30,	
	2013	B/(W) 2012	2013	B/(W) 2012
Revenues	\$ 3,693	14%	\$ 10,142	(4%)
Expenses	(2,515)	(12%)	(7,143)	4%
Depreciation & Amortization	(58)	(2%)	(175)	2%
Equity-Based Compensation	(35)	-	(95)	(3%)
Operating Income	<u>\$ 1,085</u>	20%	<u>\$ 2,729</u>	(4%)
Net Earnings from Continuing Operations Attributable to Viacom	\$ 647	24%	\$ 1,601	(6%)
Diluted EPS from Continuing Operations	\$ 1.32	33%	\$ 3.20	2%
Weighted Average Diluted Shares	491.9	7%	500.5	8%



# Adjusted Results

(In Millions, except per share amounts)

	Quarter ended June 30,		Nine months ended June 30,	
	2013	B/(W) 2012	2013	B/(W) 2012
Revenues	\$ 3,693	14%	\$10,142	(4%)
Expenses	(2,515)	(12%)	(7,143)	4%
Depreciation & Amortization	(58)	(2%)	(175)	2%
Equity-Based Compensation	(35)	-	(95)	(3%)
Adjusted Operating Income	<u>\$ 1,085</u>	20%	<u>\$ 2,729</u>	(4%)
Adjusted Net Earnings from Continuing Operations Attributable to Viacom	\$ 635	24%	\$ 1,577	(4%)
Adjusted Diluted EPS from Continuing Operations	\$ 1.29	33%	\$ 3.15	5%
Weighted Average Diluted Shares	491.9	7%	500.5	8%

See page 16-20 for the reconciliation to GAAP results.



# Free Cash Flow

(\$ In Millions)

	Quarter ended		Nine months ended	
	2013	B/(W) 2012	2013	B/(W) 2012
Operating Income	\$ 1,085	20%	\$ 2,729	(4%)
Depreciation & Amortization	58	2%	175	(2%)
Capital Expenditures	(30)	35%	(97)	11%
Cash Interest	(121)	16%	(351)	(2%)
Cash Taxes	(56)	89%	(174)	71%
Working Capital & Other	(208)	(292%)	(305)	3%
Operating Free Cash Flow	\$ 728	270%	\$ 1,977	19%
Discontinued Operations, net	-	n/m	(3)	50%
Free Cash Flow	\$ 728	275%	\$ 1,974	19%

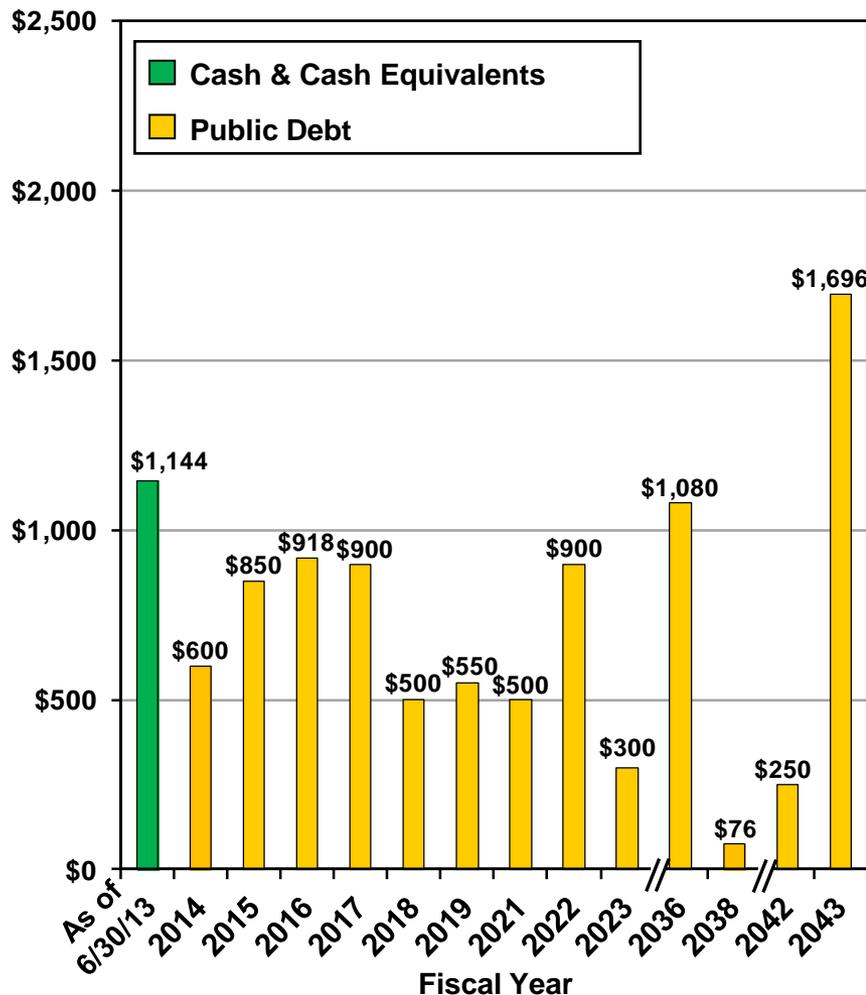
See page 21 for the reconciliation of cash provided by operations to Operating Free Cash Flow and Free Cash Flow.

n/m – not meaningful



# Debt & Cash

(\$ In Millions)



	<b>June 30, 2013</b>
Floating Rate Debt	\$ -
Fixed Rate Debt	8,716
Capital Lease and Other Obligations	197
<b>Total Debt</b>	<b>\$ 8,913</b>
Cash & Cash Equivalents	1,144
<b>Net Debt</b>	<b>\$ 7,769</b>
Weighted Average Rate <sup>(1)</sup>	4.6%
Weighted Average Maturity <sup>(1)</sup>	11.6 yrs

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

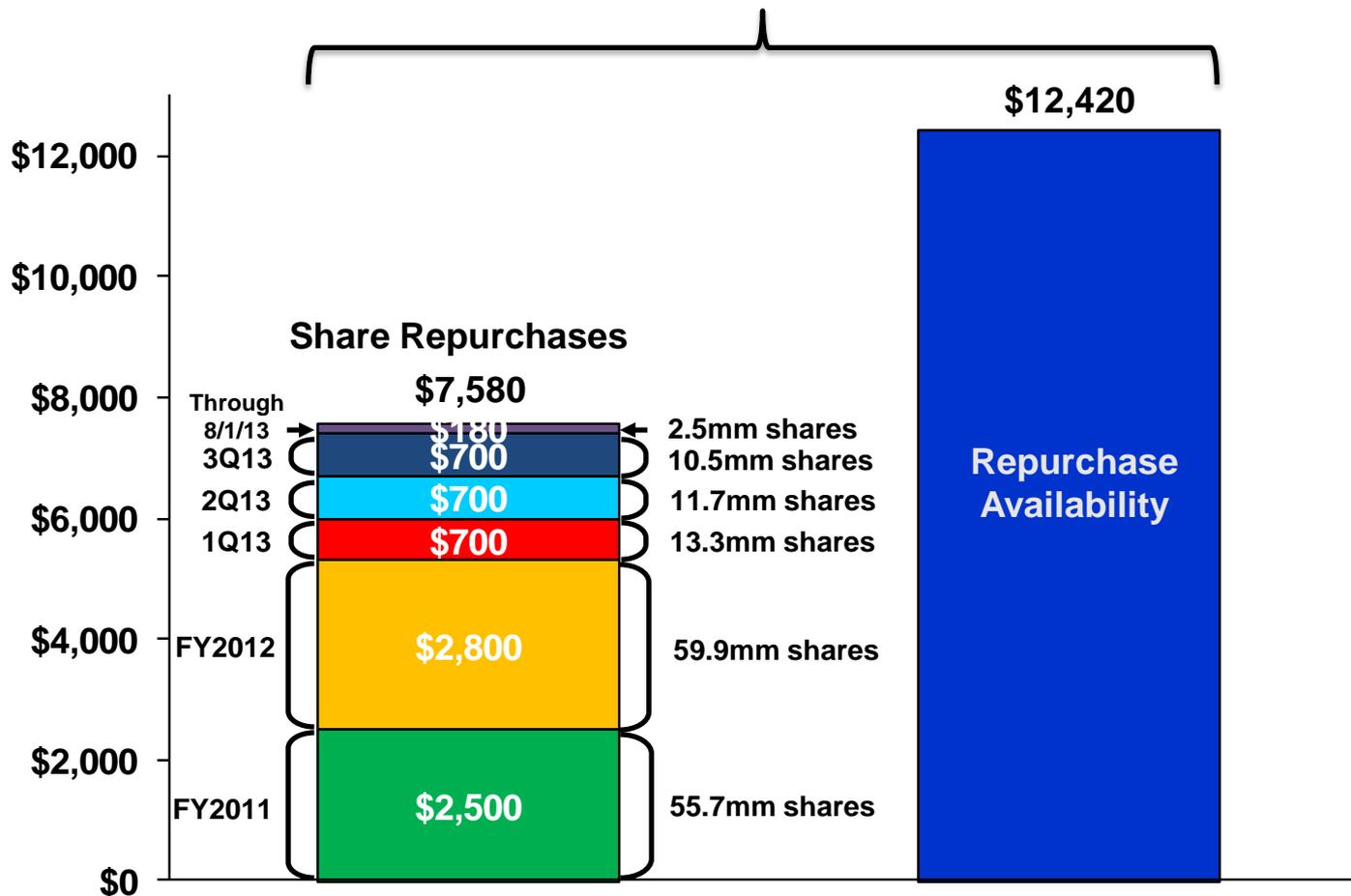
(1) Calculations are based on the book value of fixed rate debt.

# Capital Returned to Shareholders

(In Millions)

## Stock Repurchase Program

\$20,000 Current Authorization <sup>(1)</sup>



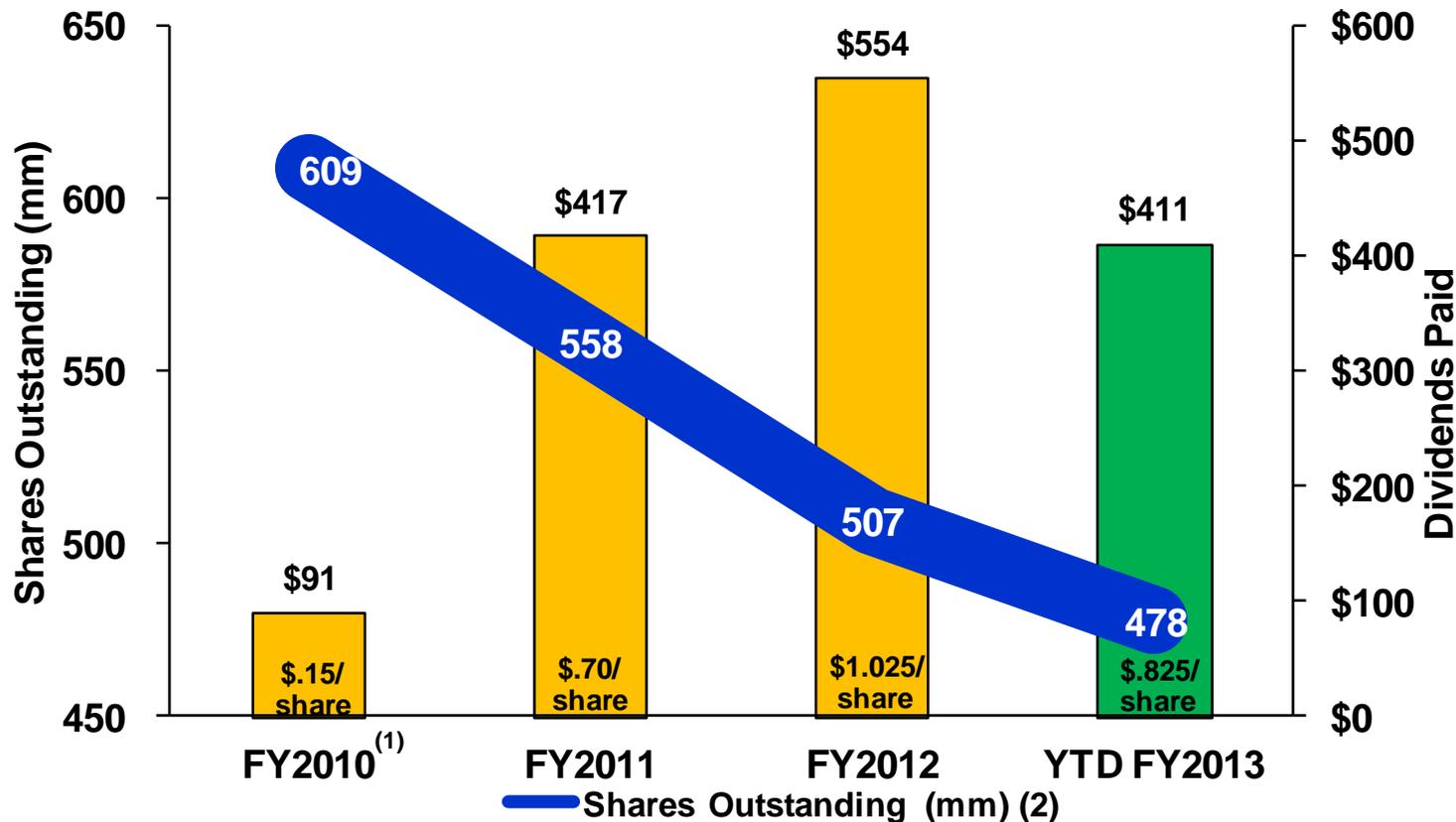
(1) On August 1, 2013, the size of our Class B common stock repurchase program increased from \$10.0 billion to \$20.0 billion.



# Capital Returned to Shareholders

(In Millions, except per share amounts)

## Shares Outstanding and Dividends Paid



(1) We paid our initial quarterly cash dividend on July 1, 2010.

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





## SEGMENT HIGHLIGHTS

# VIACOM



# Media Networks – Revenues by Type

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2013	B/(W) 2012	2013	B/(W) 2012
Advertising	\$ 1,220	5%	\$ 3,580	-
Affiliate Fees	1,230	26%	3,212	10%
Ancillary	119	(4%)	404	1%
<b>Total</b>	<b>\$ 2,569</b>	<b>13%</b>	<b>\$ 7,196</b>	<b>4%</b>



# Media Networks – Financial Results

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2013	B/(W) 2012	2013	B/(W) 2012
Revenues	\$ 2,569	13%	\$ 7,196	4%
Expenses	(1,377)	(6%)	(4,029)	(5%)
Depreciation & Amortization	(34)	3%	(106)	4%
Adjusted Operating Income	<u>\$ 1,158</u>	24%	<u>\$ 3,061</u>	4%
Equity-Based Compensation	(12)	(9%)	(28)	(8%)
Operating Income	<u>\$ 1,146</u>	24%	<u>\$ 3,033</u>	4%



# Filmed Entertainment – Revenues by Type

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2013	B/(W) 2012	2013	B/(W) 2012
Theatrical	\$ 464	64%	\$ 1,068	(9%)
Home Entertainment	275	(10%)	872	(34%)
TV License Fees	298	(5%)	820	(12%)
Ancillary	121	16%	314	2%
<b>Total</b>	<b>\$ 1,158</b>	<b>15%</b>	<b>\$ 3,074</b>	<b>(18%)</b>



# Filmed Entertainment – Significant Releases

Theatrical	
Qtr ended June 30, 2013	Qtr ended June 30, 2012
Pain and Gain	Titanic (3D)
Star Trek Into Darkness	The Dictator
World War Z	Madagascar 3: Europe's Most Wanted

Home Entertainment	
Qtr ended June 30, 2013	Qtr ended June 30, 2012
The Guilt Trip	Mission: Impossible - Ghost Protocol
Jack Reacher	The Devil Inside
Hansel and Gretel: Witch Hunters	

# Filmed Entertainment – Financial Results

(\$ In Millions)

	Quarter ended June 30,		Nine months ended June 30,	
	2013	B/(W) 2012	2013	B/(W) 2012
Revenues	\$ 1,158	15%	\$ 3,074	(18%)
Expenses	(1,119)	(19%)	(3,066)	13%
Depreciation & Amortization	(22)	(5%)	(65)	-
Adjusted Operating Income	\$ 17	(63%)	\$ (57)	n/m
Equity-Based Compensation	(5)	(25%)	(11)	(57%)
Operating Income	\$ 12	(71%)	\$ (68)	n/m

n/m – not meaningful





## APPENDIX RECONCILIATIONS

# VIA COM



# Supplemental Disclosures: Non-GAAP Financial Information

**Non-GAAP measures, including consolidated operating free cash flow, free cash flow and adjusted results that exclude extinguishment of debt and discrete tax benefits, are relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare our results with those of other companies and allow investors to review performance in the same way as Viacom 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 June 30, 2013			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 1,085	\$ 975	\$ 647	\$ 1.32
Factors Affecting Comparability:				
Discrete Tax Benefits <sup>(1)</sup>	-	-	(12)	(0.03)
Adjusted Results	\$ 1,085	\$ 975	\$ 635	\$ 1.29

(1) Represents discrete tax benefits principally reflecting the release of tax reserves with respect to certain effectively settled tax positions.



# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Nine months ended June 30, 2013			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 2,729	\$ 2,440	\$ 1,601	\$ 3.20
Factors Affecting Comparability:				
Discrete Tax Benefits <sup>(1)</sup>	-	-	(24)	(0.05)
Adjusted Results	\$ 2,729	\$ 2,440	\$ 1,577	\$ 3.15

(1) Represents discrete tax benefits principally reflecting the release of tax reserves with respect to certain effectively settled tax positions.



# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Quarter ended June 30, 2012			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 903	\$ 802	\$ 523	\$ 0.99
Factors Affecting Comparability:				
Discrete Tax Benefits <sup>(1)</sup>	-	-	(11)	(0.02)
Adjusted Results	\$ 903	\$ 802	\$ 512	\$ 0.97

(1) Represents discrete tax benefits principally reflecting the release of tax reserves with respect to certain effectively settled tax positions.



# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions, except per share amounts)

	Nine months ended June 30, 2012			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 2,851	\$ 2,531	\$ 1,702	\$ 3.13
Factors Affecting Comparability:				
Extinguishment of Debt <sup>(1)</sup>	-	21	13	0.02
Discrete Tax Benefits <sup>(2)</sup>	-	-	(77)	(0.14)
Adjusted Results	\$ 2,851	\$ 2,552	\$ 1,638	\$ 3.01

(1) Represents a pre-tax debt extinguishment loss of \$21 million on the redemption of all \$750 million of our outstanding 6.850% Senior Notes due 2055. The tax impact has been calculated using the rate applicable to this adjustment.

(2) Represents discrete tax benefits principally related to certain operating and capital loss carryforwards and the release of tax reserves with respect to certain effectively settled tax positions.

# Supplemental Disclosures: Non-GAAP Financial Information

(\$ In Millions)

	Quarter ended		Nine months ended	
	June 30, 2013	2012	June 30, 2013	2012
Cash Provided By Operations	\$ 739	\$ 232	\$ 2,032	\$ 1,736
Capital Expenditures	(30)	(46)	(97)	(109)
Excess Tax Benefits	19	8	39	35
Free Cash Flow <sup>(1)</sup>	\$ 728	\$ 194	\$ 1,974	\$ 1,662
Discontinued Operations, net	-	3	3	6
Operating Free Cash Flow <sup>(1)</sup>	\$ 728	\$ 197	\$ 1,977	\$ 1,668

(1) We define 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. We define 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, our liquidity, including ability to service debt and make investments in our businesses, and in the case of operating free cash flow, our liquidity from ongoing activities.





nick jr.



tr3s

VH1

nickelodeon.

VIACOM INTERNATIONAL MEDIA NETWORKS



Teen nick



CMT.



nick@nite

BET

# VIACOM



nickTOONS



epix



nickmom.

LOGO TV BEYOND

nickelodeon. MOVIES

