

VIA COM

RESULTS FOR THE QUARTER AND YEAR ENDED SEPTEMBER 30, 2015

November 12, 2015



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 brands, programs, motion pictures and other entertainment content on the various platforms on which they are distributed; the impact of inadequate audience measurement on our program ratings, advertising revenues and affiliate fees; technological developments and their effect in our markets and on consumer behavior; competition for content, audiences, advertising and distribution; the impact of piracy; economic fluctuations in advertising and retail markets, and economic conditions generally; fluctuations in our results due to the timing, mix, number and availability of our motion pictures and other programming; the potential for loss of carriage or other reduction in the distribution of our content; changes in the Federal communications or other laws and regulations; evolving cybersecurity and similar risks; 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 2015 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. If applicable, 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.

This presentation is a supplement to, and should be read in conjunction with, Viacom's earnings release for the quarter and year ended September 30, 2015.



Reported Results

(In Millions, except per share amounts)

	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Revenues	\$ 3,788	(5%)	\$ 13,268	(4%)
Expenses	(2,650)	2%	(9,049)	3%
Depreciation & Amortization	(54)	-	(222)	(2%)
Equity-Based Compensation	(29)	-	(101)	17%
Restructuring and Programming Charges	-	-	(784)	n/m
Operating Income	<u>\$ 1,055</u>	(9%)	<u>\$ 3,112</u>	(24%)
Net Earnings From Continuing Operations Attributable to Viacom	\$ 884	21%	\$ 1,922	(20%)
Diluted EPS from Continuing Operations	\$ 2.21	28%	\$ 4.73	(13%)
Weighted Average Diluted Shares	399.9	6%	406.0	8%

n/m – not meaningful



Adjusted Results

(In Millions, except per share amounts)

	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Revenues	\$ 3,788	(5%)	\$ 13,268	(4%)
Expenses	(2,650)	2%	(9,025)	3%
Depreciation & Amortization	(54)	-	(222)	(2%)
Equity-Based Compensation	(29)	-	(101)	17%
Adjusted Operating Income	<u>\$ 1,055</u>	(13%)	<u>\$ 3,920</u>	(5%)
Adjusted Net Earnings from Continuing Operations Attributable to Viacom	\$ 614	(16%)	\$ 2,210	(7%)
Adjusted Diluted EPS from Continuing Operations	\$ 1.54	(10%)	\$ 5.44	1%
Weighted Average Diluted Shares	399.9	6%	406.0	8%

See pages 17-21 for the reconciliation to GAAP results.



Free Cash Flow

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Operating Income	\$ 1,055	(9%)	\$ 3,112	(24%)
Depreciation & Amortization	54	-	222	2%
Restructuring Charges	-	-	206	n/m
Capital Expenditures	(52)	(24%)	(142)	(15%)
Cash Interest	(157)	(3%)	(636)	(12%)
Working Capital & Other	475	2%	36	n/m
Subtotal	\$ 1,375	(10%)	\$ 2,798	(22%)
Cash Taxes	(178)	47%	(566)	45%
Operating Free Cash Flow	\$ 1,197	-	\$ 2,232	(13%)
Debt Retirement Premium	(18)	n/m	(18)	(64%)
Free Cash Flow	\$ 1,179	(1%)	\$ 2,214	(13%)

n/m – not meaningful

See pages 17 and 22 for the reconciliation of cash provided by operations to Operating Free Cash Flow and Free Cash Flow.



Debt & Cash

(In Millions)

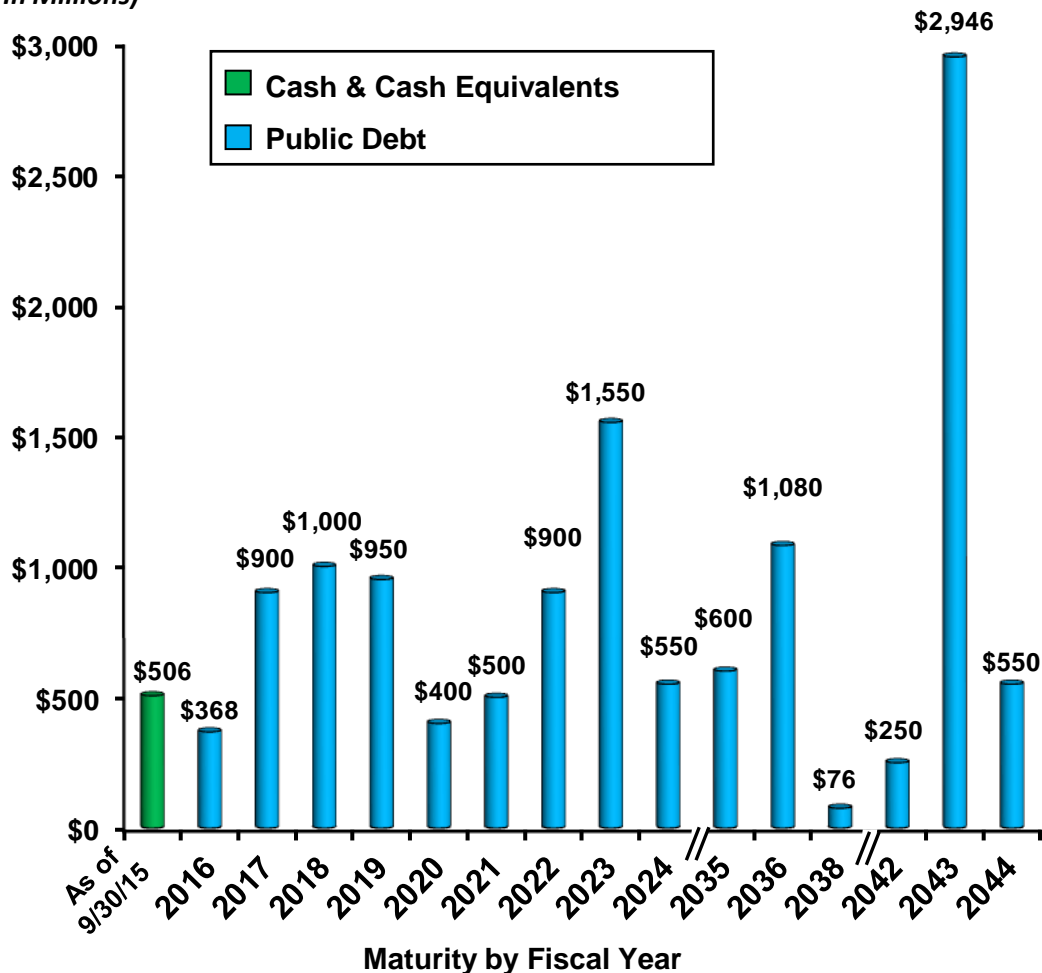


Chart excludes capital leases and other obligations.

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

	September 30, 2015
Floating Rate Debt	\$ -
Fixed Rate Debt	12,142
Capital Lease and Other Obligations	143
Total Debt	\$ 12,285
Cash & Cash Equivalents	506
Net Debt	\$ 11,779

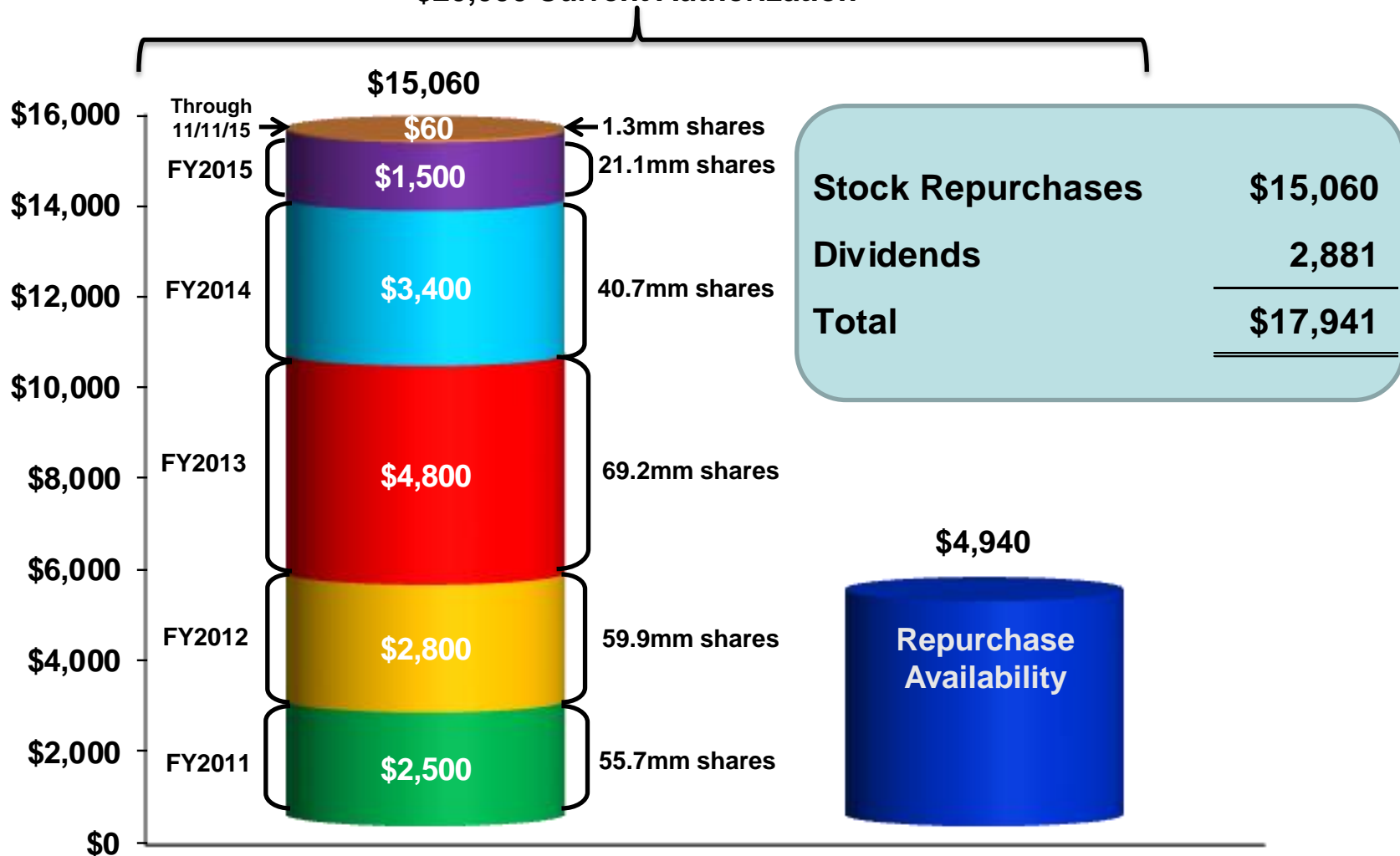
Weighted Average Rate ⁽¹⁾	4.6%
Weighted Average Maturity ⁽¹⁾	13.3



Capital Returned to Shareholders

(In Millions)

Stock Repurchase Program \$20,000 Current Authorization

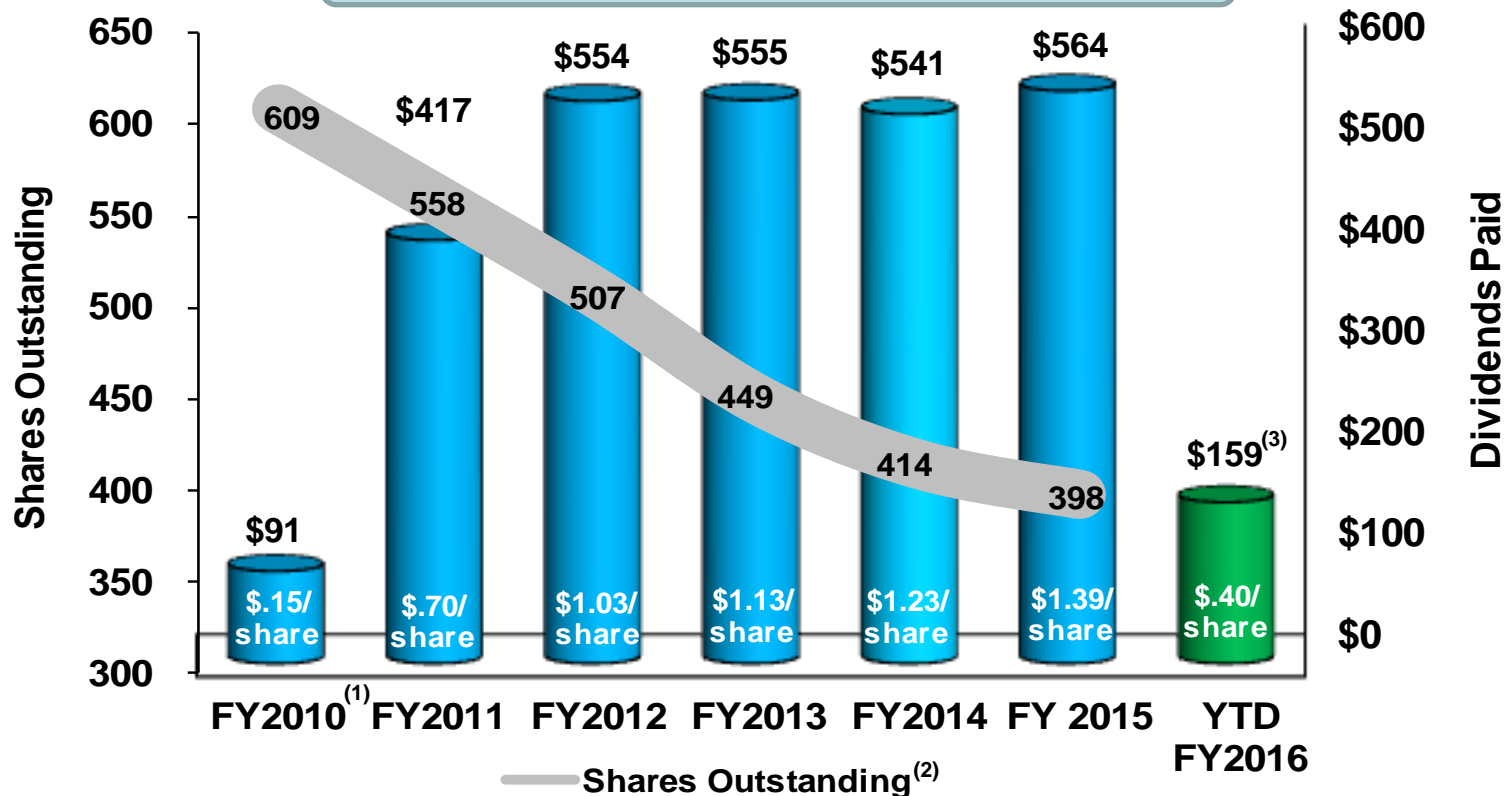


Capital Returned to Shareholders

(In Millions, except per share amounts)

Shares Outstanding and Dividends Paid

Cumulative Dividends Paid: \$2.9 billion



- (1) We paid our initial quarterly cash dividend on July 1, 2010.
- (2) Shares outstanding are as of the end of the fiscal period.
- (3) We paid a quarterly dividend of \$0.40 per share in the first fiscal quarter of 2016.



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SEGMENT HIGHLIGHTS



Media Networks – Revenues by Type

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Advertising	\$ 1,245	(1%)	\$ 5,007	1%
Affiliate Fees	1,386	10%	4,908	5%
Ancillary	156	2%	575	3%
Total	\$ 2,787	5%	\$10,490	3%



Media Networks – Financial Results

(In Millions)

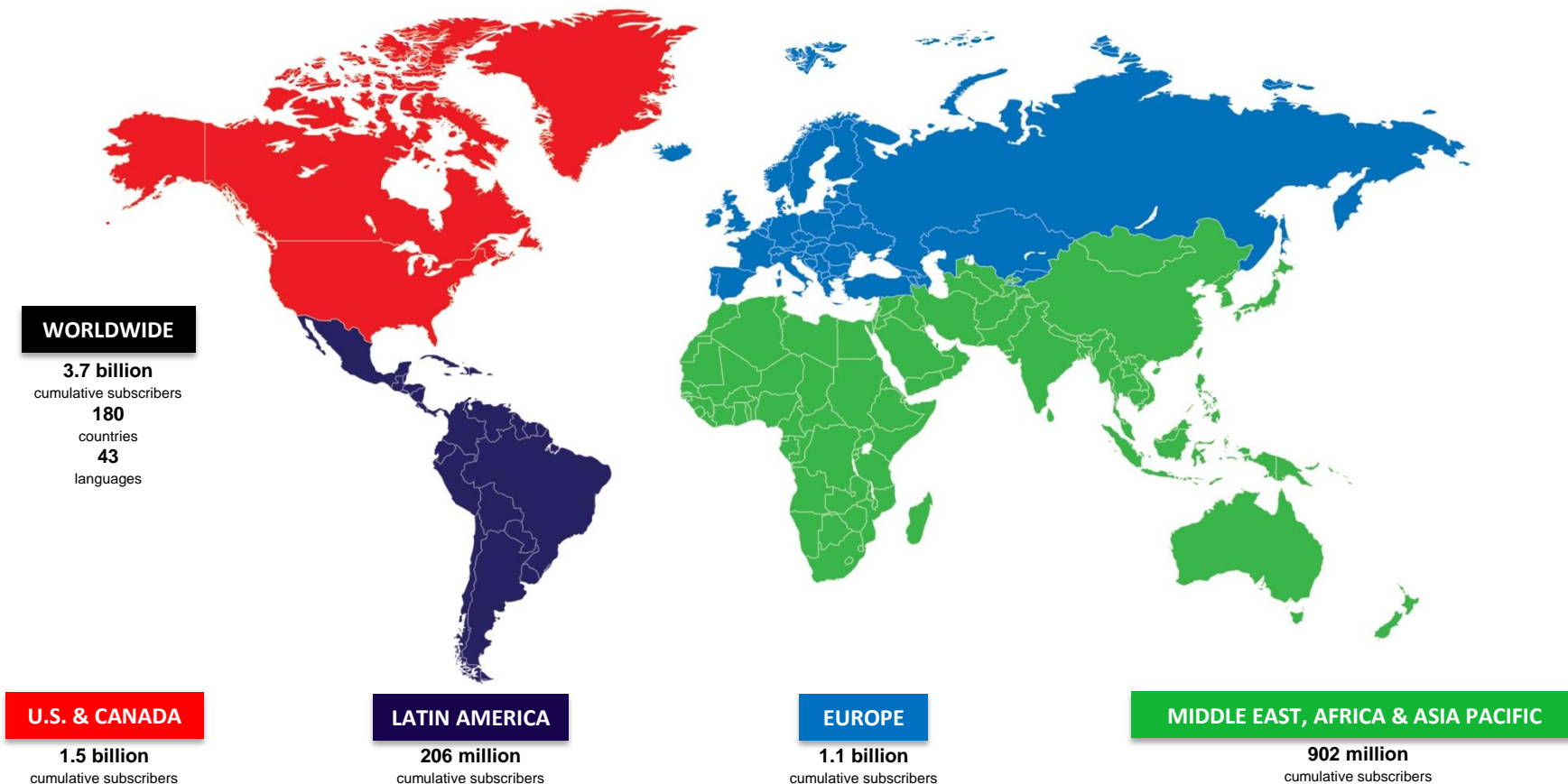
	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Revenues	\$ 2,787	5%	\$10,490	3%
Expenses	(1,727)	(12%)	(6,185)	(8%)
Depreciation & Amortization	(38)	5%	(162)	(9%)
Adjusted Operating Income	\$ 1,022	(6%)	\$ 4,143	(3%)
Equity-Based Compensation	(8)	20%	(34)	13%
Restructuring and Programming Charges	-	-	(671)	n/m
Operating Income	\$ 1,014	(2%)	\$ 3,438	(18%)

n/m – not meaningful



Media Networks – International

Strongholds in the most important developing and developed markets



Source: Cumulative subscriber numbers aggregate subscribers to each channel. Includes all owned and operated, joint venture and licensee channels. Domestic subscriber numbers are based on Nielsen Media Research as of September 2015 and Canadian subscriber numbers are based on MediaStats as of August 2015. All other international subscriber numbers are based on internal figures as of July 2015, plus August and September channel launches.



Filmed Entertainment – Revenues by Type

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Theatrical	\$ 447	(20%)	\$ 841	(30%)
Home Entertainment	162	(54%)	871	(25%)
License Fees	371	(2%)	980	(12%)
Ancillary	45	(38%)	191	(19%)
Total	\$ 1,025	(24%)	\$ 2,883	(23%)



Filmed Entertainment – Significant Releases

Theatrical

Qtr ended September 30, 2015

Terminator: Genisys

Mission: Impossible - Rogue Nation

Qtr ended September 30, 2014

Hercules

Teenage Mutant Ninja Turtles

Home Entertainment

Qtr ended September 30, 2015

None

Qtr ended September 30, 2014

Noah

Transformers: Age of Extinction



Filmed Entertainment – Financial Results

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2015	B/(W) 2014	2015	B/(W) 2014
Revenues	\$ 1,025	(24%)	\$ 2,883	(23%)
Expenses	(889)	21%	(2,719)	21%
Depreciation & Amortization	(14)	(8%)	(53)	17%
Adjusted Operating Income	\$ 122	(43%)	\$ 111	(46%)
Equity-Based Compensation	(4)	-	(13)	13%
Restructuring and Programming Charges	-	-	(101)	n/m
Operating Income/(Loss)	\$ 118	(44%)	\$ (3)	n/m

n/m – not meaningful



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APPENDIX RECONCILIATIONS



Supplemental Disclosures: Non-GAAP Financial Information

Non-GAAP measures, including consolidated operating free cash flow, free cash flow and adjusted results that exclude restructuring and programming charges, loss on pension settlement, loss on extinguishment of debt, asset impairment and discrete tax items, 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. The tax impacts included in these tables have been calculated using the rates applicable to the adjustments presented.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Quarter ended September 30, 2015			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 1,055	\$ 865	\$ 884	\$ 2.21
Factors Affecting Comparability:				
Loss on Extinguishment of Debt ⁽¹⁾	-	18	11	0.03
Discrete Tax Benefits ⁽²⁾	-	-	(281)	(0.70)
Adjusted Results	\$ 1,055	\$ 883	\$ 614	\$ 1.54

(1) The pre-tax charge of \$18 million reflects a debt extinguishment loss on the redemption of \$550 million of the total \$918 million outstanding of our 6.250% Senior Notes due April 2016.

(2) The net discrete tax benefits are principally related to excess foreign tax credits attributable to a taxable repatriation of non-U.S. earnings and 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)

	Year ended September 30, 2015			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 3,112	\$ 2,503	\$ 1,922	\$ 4.73
Factors Affecting Comparability:				
Restructuring and Programming Charges ⁽¹⁾	784	784	520	1.28
Loss on Pension Settlement ⁽²⁾	24	24	15	0.04
Loss on Extinguishment of Debt ⁽³⁾	-	18	11	0.03
Discrete Tax Benefits ⁽⁴⁾	-	-	(258)	(0.64)
Adjusted Results	\$ 3,920	\$ 3,329	\$ 2,210	\$ 5.44

(1) The pre-tax charges of \$784 million reflect \$578 million of programming charges and a \$206 million restructuring charge associated with workforce reductions.

(2) The pre-tax non-cash charge of \$24 million was driven by the settlement of pension benefits of certain participants of our funded pension plan.

(3) The pre-tax charge of \$18 million reflects a debt extinguishment loss on the redemption of \$550 million of the total \$918 million outstanding of our 6.250% Senior Notes due April 2016.

(4) The net discrete tax benefits are principally related to excess foreign tax credits attributable to a taxable repatriation of non-U.S. earnings and 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 September 30, 2014

	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 1,164	\$ 1,008	\$ 732	\$ 1.72
Factors Affecting Comparability:				
Asset Impairment ⁽¹⁾	43	43	26	0.06
Discrete Tax Benefits ⁽²⁾	-	-	(29)	(0.07)
Adjusted Results	\$ 1,207	\$ 1,051	\$ 729	\$ 1.71

(1) The non-cash pre-tax impairment charge of \$43 million relates to an international trade name at Media Networks.

(2) The net discrete tax benefits are principally related to the reversal of deferred taxes on earnings deemed permanently reinvested.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions, except per share amounts)

	Year ended September 30, 2014			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom	Diluted EPS from Continuing Operations
Reported Results	\$ 4,082	\$ 3,514	\$ 2,392	\$ 5.43
Factors Affecting Comparability:				
Asset Impairment ⁽¹⁾	43	43	26	0.06
Loss on Extinguishment of Debt ⁽²⁾	-	11	7	0.02
Discrete Tax Benefits ⁽³⁾	-	-	(49)	(0.11)
Adjusted Results	\$ 4,125	\$ 3,568	\$ 2,376	\$ 5.40

(1) The non-cash pre-tax impairment charge of \$43 million relates to an international trade name at Media Networks.

(2) The pre-tax charge of \$11 million reflects a debt extinguishment loss on the redemption of all \$600 million of our outstanding 4.375% Senior Notes due September 2014.

(3) The net discrete tax benefits are principally related to the reversal of deferred taxes on earnings deemed permanently reinvested and the recognition of capital loss carryforwards.



Supplemental Disclosures:

Non-GAAP Financial Information

(In Millions)

	Quarter ended September 30,		Year ended September 30,	
	2015	2014	2015	2014
Cash Provided By Operations	\$ 1,233	\$ 1,234	\$ 2,313	\$ 2,597
Capital Expenditures	(52)	(42)	(142)	(123)
Excess Tax Benefits	(2)	4	43	84
Free Cash Flow ⁽¹⁾	\$ 1,179	\$ 1,196	\$ 2,214	\$ 2,558
Debt Retirement Premium	18	-	18	11
Operating Free Cash Flow ⁽¹⁾	\$ 1,197	\$ 1,196	\$ 2,232	\$ 2,569

(1) We define free cash flow as cash provided by operations minus capital expenditures, plus excess tax benefits from equity-based compensation awards (actual tax deductions in excess of amounts previously recognized, which is 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 the cash premium on the extinguishment of debt, 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 our ability to service debt and make investments in our businesses, and, in the case of operating free cash flow, our liquidity from ongoing activities.



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